

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

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Rules of Cboe C2 Exchange, Inc.

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CHAPTER 1. GENERAL PROVISIONS

[Definitions and General Rules]

SECTION A. DEFINITIONS**Rule 1.1. Definitions****ABBO**

The term “ABBO” means the best bid(s) or offer(s) disseminated by other Eligible Exchanges (as defined in Section E of Chapter [6]5) and calculated by the Exchange based on market information the Exchange receives from OPRA.

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Bulk Message

The term “bulk message” means a bid or offer included in a single electronic message a User submits with an M Capacity to the Exchange in which the User may enter, modify, or cancel up to an Exchange-specified number of bids and offers. A User may submit a bulk message through a bulk port as set forth in Rule [6.8]5.5(c)(3). The System handles a bulk message in the same manner as it handles an order or quote, unless the Rules specify otherwise.

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Global Trading Hours and GTH

The terms “Global Trading Hours” and “GTH” mean the trading session consisting of the hours outside of Regular Trading Hours during which transactions in options may be effected on the Exchange and are set forth in Rule [6]5.1.

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Limit Up-Limit Down State

The term “limit up-limit down state” has the meaning set forth in Rule [6.39]5.21.

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Market-Maker

The term “Market-Maker” means a Trading Permit Holder registered with the Exchange for the purpose of making markets in option contracts traded on the Exchange and that is vested with the rights and responsibilities specified in Chapter [8]5 of these Rules.

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Order

The term “order” means a firm commitment to buy or sell option contracts that the System receives from a User. Order types are listed in Rule [6.10]5.6.

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Order Instruction

The term “order instruction” means a processing instruction a User may apply to an order (multiple instructions may apply to a single order) when entering it into the System. Order instructions are listed in Rule [6.10]5.6.

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Port

The term “port” has the meaning set forth in Rule [6.8]5.5.

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Professional

The term “Professional” means any person or entity that (a) is not a broker or dealer in securities, and (b) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). Interpretation and Policy .02 to this Rule 1.1 describes how certain orders should be counted for Professional order counting purposes. A Professional will be treated in the same manner as a broker or dealer in securities for purposes of Rules [6.11, 6.12, 6.13, and 6. 29]5.31, 5.32, 5.33, and 6.5. All Professional orders must be marked with the Capacity code required by this Rule 1.1.

Protected Quotation

The term “Protected Quotation” means a Protected Bid or Protected Offer, as each of those terms is defined in Rule [6.80]5.65.

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Regular Trading Hours and RTH

The terms “Regular Trading Hours” and “RTH” mean the trading session consisting of the regular hours during which transactions in options may be effected on the Exchange and are set forth in Rule [6]5.1.

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System Securities

The term “System Securities” means all options that currently trade on the Exchange pursuant to Chapter[s 5 and 24]4.

Time-in-Force

The term “Time-in-Force” has the meaning set forth in Rule [6.10]5.6.

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Trading Session

The term “trading session” means the hours during which the Exchange is open for trading for Regular Trading Hours or Global Trading Hours (each of which may referred to as a trading session), each as set forth in Rule [6]5.1. Unless otherwise specified in the rules or the context otherwise indicates, all Rules apply in the same manner during each trading session.

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Unit

The term “Unit” means shares or other securities traded on a national securities exchange and defined as an “NMS stock” under Rule 600 of Regulation NMS, and that satisfy the criteria in Rule [5]4.3, Interpretation and Policy .06.

Unit of Trading

The term “unit of trading” is defined in Rule [6]5.2.

User

The term “User” means any Trading Permit Holder or Sponsored User who is authorized to obtain access to the System pursuant to Rule [6.8]5.5.

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SECTION B. ADMINISTRATIVE MATTERS**Rule 1.[2]5. Exchange Determinations**

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Rule 1.[3]6. Time

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SECTION C. EXCHANGE LIABILITY AND DISCLAIMERS**Rule 1.10. Disclaimers and Limitations**

(a) Neither the Exchange nor any of its directors, officers, committee members, other officials, employees, contractors, or agents, nor any subsidiaries or affiliates of the Exchange or any of their directors, officers, committee members, other officials, employees, contractors, or agents (“Covered Persons”) will be liable to Trading Permit Holders or to persons associated therewith for any loss, expense, damages, or claims that arise out of the use or enjoyment of the facilities afforded by the Exchange, any interruption in or failure or unavailability of any such facilities, or any action taken or omitted to be taken in respect to the business of the Exchange except to the extent such loss, expense, damages, or claims are attributable to the willful misconduct, gross negligence, bad faith, or fraudulent or criminal acts of the Exchange or its officers, employees, or agents acting within the scope of their authority. Without limiting the generality of the foregoing, and subject to the same exception, no Covered Person will have any liability to any person or entity for any loss, expense, damages, or claims that result from any error, omission, or delay in calculating or disseminating any current or closing index value, any current or closing value of interest rate options, or any reports of transactions in or quotations for options or other securities, including underlying securities. The Exchange makes no warranty, express or implied, as to results to be obtained by any person or entity from the use or enjoyment of the facilities afforded by the Exchange, including without limitation, of any data transmitted or disseminated by or on behalf of the Exchange or any reporting authority designated by the Exchange, including but not limited to any data described in the preceding sentence, and the Exchange makes no express or implied warranties of merchantability or fitness for a particular purpose or use with respect to any such data. The foregoing limitations of liability and disclaimers are in addition to, and not in limitation of, the provisions of Article Eighth of the Exchange’s Certificate of Incorporation or any limitations otherwise available under law.

(b) Whenever custody of an unexecuted order or quote is transmitted by a Trading Permit Holder to or through the System or to any other facility of the Exchange whereby the Exchange assumes responsibility for the transmission or execution of the order or quote, provided that the Exchange has acknowledged receipt of such order or quote, the Exchange may, in its sole discretion, compensate one or more Trading Permit Holders for their losses alleged to have resulted from the failure to process an order or quote correctly due to the acts or omissions of the Exchange or due to the failure of its systems or facilities (each, a “Loss Event”), subject to the following limits:

(1) As to any one or more requests for compensation made by a single Trading Permit Holder that arose out of one or more Loss Events occurring on a single trading day, the Exchange may compensate the Trading Permit Holder up to but not exceeding the larger of \$100,000 or the amount of any recovery obtained by the Exchange under any applicable insurance maintained by the Exchange;

(2) As to the aggregate of all requests for compensation made by all Trading Permit Holders that arose out of one or more Loss Events occurring on a single trading day, the Exchange may compensate the Trading Permit Holders, in the aggregate, up to but not exceeding the larger of \$250,000 or the amount of the recovery obtained by the Exchange under any applicable insurance maintained by the Exchange;

(3) As to the aggregate of all requests for compensation made by all Trading Permit Holders that arose out of one or more Loss Events occurring during a single calendar month, the Exchange may compensate the Trading Permit Holders, in the aggregate, up to but not exceeding the larger of \$500,000 or the amount of the recovery obtained by the Exchange under any applicable insurance maintained by the Exchange.

A Trading Permit Holder may not make a request for compensation under this Rule for less than \$100. Losses incurred on the same trading day and arising out of the same underlying act or omission of the Exchange or failure of the Exchange’s systems or facilities may be aggregated to meet the \$100 minimum. Nothing in this Rule will obligate the Exchange to seek recovery under any applicable insurance policy.

(c) Notice of all requests for compensation pursuant to this Rule must be in writing and must be submitted no later than 1:00 p.m. on the next business day following the Loss Event giving rise to such requests. All requests must be in writing and must be submitted along with supporting documentation by 6:00 p.m. on the third business day following the Loss Event giving rise to each such request. Additional information related to the request as demanded by the Exchange is also required to be provided. The Exchange will not consider requests for which timely notice and submission have not been provided as required under this paragraph (c).

(d) If all of the timely requests submitted pursuant to paragraph (c) above that are granted cannot be fully satisfied because in the aggregate they exceed the applicable maximum amount of payments authorized in paragraph (b) above, then such maximum amount will be allocated among all such requests arising on a single trading day or during a single calendar

month, as applicable, based upon the proportion that each such request bears to the sum of all such requests.

(e) In determining whether to make payment of a request pursuant to paragraph (b) above, the Exchange may determine whether the amount requested should be reduced based on the actions or inactions of the requesting Trading Permit Holder, including, without limitation, whether the actions or inactions of the Trading Permit Holder contributed to the Loss Event; whether the Trading Permit Holder made appropriate efforts to mitigate its loss; whether the Trading Permit Holder realized any gains as a result of a Loss Event; whether the losses of the Trading Permit Holder, if any, were offset by hedges of positions either on the Exchange or on another affiliated or unaffiliated market; and whether the Trading Permit Holder provided sufficient information to document the request and as demanded by the Exchange.

(f) All determinations made pursuant to this Rule by the Exchange are final and not subject to appeal under Chapter 15 of the Rules or otherwise. Nothing in this Rule, nor any payment pursuant to this Rule, will in any way limit, waive, or proscribe any defenses a Covered Person may have to any claim, demand, liability, action, or cause of action, whether such defense arises in law or equity, or whether such defense is asserted in a judicial, administrative, or other proceeding.

(g) This Rule is effective as of July 1, 2015 (the “Effective Date”). No claim for liability under any previous version of this Rule will be valid if brought with respect to any acts, omissions or transactions occurring more than one year prior to the Effective Date of this Rule, or if brought more than one month after the Effective Date of this Rule.

Rule 1.11. Limitation on the Liability of Index Licensors for Options on Units

(a) The term “index licensor” as used in this Rule refers to any entity that grants the Exchange a license to use one or more indexes or portfolios in connection with the trading of options on Units (as defined in Rule 4.3, Interpretation and Policy .06).

(b) No index licensor with respect to any index pertaining to Units underlying an option traded on the Exchange makes any warranty, express or implied, as to the results to be obtained by any person or entity from the use of such index, any opening, intraday, or closing value therefor, or any data included therein or relating thereto, in connection with the trading of any option contract on Units based thereon or for any other purpose. The index licensor will obtain information for inclusion in, or for use in the calculation of, such index from sources it believes to be reliable, but the index licensor does not guarantee the accuracy or completeness of such index, any opening, intraday, or closing value therefor, or any data included therein or related thereto. The index licensor hereby disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any such index, any opening, intraday, or closing value therefor, any data included therein or relating thereto, or any option contract on Units based thereon. The index licensor will have no liability for any damages, claims, losses (including any indirect or consequential losses), expenses, or delays, whether direct or indirect, foreseen or unforeseen, suffered by any person arising out of any circumstance or occurrence relating to the person’s use of such index, any opening, intraday, or closing value

therefor, any data included therein or relating thereto, or any option contract on Units based thereon, or arising out of any errors or delays in calculating or disseminating such index.

Rule 1.12. Limitation on Liability of Reporting Authorities for Indexes Underlying Options

No Reporting Authority, and no other entity identified in this Rule makes any warranty, express or implied, as to the results to be obtained by any person or entity from the use of such index, any opening, intraday or closing value therefor, or any data included therein or relating thereto, in connection with the trading of any option contract based thereon or for any other purpose. The Reporting Authority or any other entity identified in this Rule shall obtain information for inclusion in, or for use in the calculation of, such index from sources it believes to be reliable, but the Reporting Authority or any other entity identified in this Rule does not guarantee the accuracy or completeness of such index, any opening, intra-day or closing value therefor, or any data included therein or related thereto. The Reporting Authority and any other entity identified in this Rule hereby disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to such index, any opening, intra-day, or closing value therefor, any data included therein or relating thereto, or any option contract based thereon. The Reporting Authority and any other entity identified in this Rule shall have no liability for any damages, claims, losses (including any indirect or consequential losses), expenses, or delays, whether direct or indirect, foreseen or unforeseen, suffered by any person arising out of any circumstance or occurrence relating to the person's use of such index, any opening, intraday or closing value therefor, any data included therein or relating thereto, or any option contract based thereon, or arising out of any errors or delays in calculating or disseminating such index. The foregoing disclaimers shall apply to Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") in respect to the S&P Indexes, Frank Russell Company in respect to the Russell Indexes, The NASDAQ Stock Market, Inc. in respect to the Nasdaq Indexes, Morgan Stanley Dean Witter & Co. Incorporated in respect of the Morgan Stanley Indexes, Dow Jones and Company, Inc. in respect to the Dow Jones Averages and any other Dow Jones Indexes, Goldman, Sachs & Co. in respect to the Goldman Sachs Indexes; to the foregoing Reporting Authorities in respect to any other indexes for which they act as the designated Reporting Authority; to the Exchange in respect to the indexes for which it is the designated Reporting Authority; and to any other Reporting Authority in respect to any index for which it acts as such.

Rule 1.13. Legal Proceedings Against the Exchange

No Trading Permit Holder or person associated with a Trading Permit Holder may institute a lawsuit or other legal proceeding against the Exchange or any of its directors, officers, committee members, other officials, employees, contractors, or agents, or any subsidiaries or affiliates of the Exchange or any of their directors, officers, committee members, other officials, employees, contractors, or agents, for actions taken or omitted to be taken in connection with the official business of the Exchange or any subsidiary or affiliate, except to the extent such actions or omissions constitute violations of the federal securities laws for

which a private right of action exists. This provision does not apply to appeals of disciplinary actions or other actions by the Exchange as provided for in the Rules.

CHAPTER 2. TRADING PERMIT HOLDER FEES

[Fees and Other Charges]

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Rule 2.2 Regulatory Revenues

The Exchange may not use any revenues it receives from fees derived from its regulatory function or regulatory fines for non-regulatory purposes, but rather must use them to fund the legal and regulatory operations of the Exchange (including surveillance and enforcement activities), or, as the case may be, to pay restitution and disgorgement of funds intended for customers.

Rule 2.3. Integrated Billing System

Every Trading Permit Holder must designate a Clearing Trading Permit Holder for the payment of the Trading Permit Holder's Exchange invoices and vendor invoices for Exchange-related services designated by the Exchange by means of the Exchange's integrated billing system ("IBS"). The designated Clearing Trading Permit Holder must pay to the Exchange on a timely basis any amount that is not disputed pursuant to IBS procedures by the Trading Permit Holder who is directly involved. Such payments will be drafted by the Exchange against the designated Clearing Trading Permit Holder's account at the Clearing Corporation. The Clearing Corporation has no liability in connection with its forwarding to the Exchange each month a check representing the total amount that the Exchange advises the Clearing Corporation is owed to the Exchange.

Rule 2.4. RESERVED

Rule 2.[2]5. Exchange's Costs of Defending Legal Proceedings

No change.

[Rule 2.3 Regulatory Revenues

The Exchange may not use any revenues it receives from fees derived from its regulatory function or regulatory fines for non-regulatory purposes, but rather must use them to fund the legal and regulatory operations of the Exchange (including surveillance and enforcement activities), or, as the case may be, to pay restitution and disgorgement of funds intended for customers.]

CHAPTER 3. TPH MEMBERSHIP, REGISTRATION, AND PARTICIPANTS

[Trading Permit Holders]

[Section A. TPH Qualifications]SECTION A. TPH QUALIFICATIONS**Rule 3.1. Trading Permits**

(a) – (e) No change.

(f) *Exchange Jurisdiction over Trading Permit Holders.* Every Trading Permit Holder is subject to the regulatory jurisdiction of the Exchange under the Exchange Act, the Bylaws, and the Rules, including without limitation the Exchange's disciplinary jurisdiction under Chapter 1[7]3 of the Rules.

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Rule 3.2. Denial of and Conditions to Being a Trading Permit Holder or an Associated Person

(a) – (d) No change.

(e) Any Applicant who has been denied from becoming a Trading Permit Holder (associated person) or has condition(s) imposed on becoming a Trading Permit Holder (associated person) pursuant to paragraph (a) or (b) of this Rule, and any Trading Permit Holder (associated person) who is not permitted to continue being a Trading Permit Holder (associated person) or whose continuance as a Trading Permit Holder (associated person) is conditioned pursuant to paragraph (c) of this Rule, may appeal the Exchange's decision under Chapter 1[9]5. No determination of the Exchange to discontinue or condition a Trading Permit Holder (associated person) pursuant to paragraph (c) of this Rule will take effect until the review procedures under Chapter 1[9]5 have been exhausted or the time for review has expired.

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Rule 3.6. Dissolution and Liquidation of Trading Permit Holders

Every Trading Permit Holder must promptly provide written notice to the Exchange of any adoption of a plan of liquidation or dissolution of the Trading Permit Holder and of any actual liquidation or dissolution of the Trading Permit Holder. Upon receipt of such a notice, the Exchange may suspend the Trading Permit Holder in accordance with Chapter 1[6]2 of the Rules.

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[Rule 3.9. Integrated Billing System

Every Trading Permit Holder must designate a Clearing Trading Permit Holder for the payment of the Trading Permit Holder's Exchange invoices and vendor invoices for Exchange-related services designated by the Exchange by means of the Exchange's integrated

billing system (“IBS”). The designated Clearing Trading Permit Holder must pay to the Exchange on a timely basis any amount that is not disputed pursuant to IBS procedures by the Trading Permit Holder who is directly involved. Such payments will be drafted by the Exchange against the designated Clearing Trading Permit Holder’s account at the Clearing Corporation. The Clearing Corporation has no liability in connection with its forwarding to the Exchange each month a check representing the total amount that the Exchange advises the Clearing Corporation is owed to the Exchange.]

[Rule 3.10. Letters of Guarantee and Authorization

(a) Each Trading Permit Holder must provide a letter of guarantee or authorization for the Trading Permit Holder’s trading activities on the Exchange from a Clearing Trading Permit Holder in a form and manner prescribed by the Exchange.

(b) A Trading Permit Holder may not engage in any trading activities on the Exchange if an effective letter of guarantee or authorization required to engage in those activities is not on file with the Exchange. If a Trading Permit Holder does not have an effective letter of guarantee or authorization on file with the Exchange, the Exchange may prevent access and connectivity to the Exchange by that Trading Permit Holder.

(c) Letters of guarantee and authorization filed with the Exchange remain in effect until a written notice of revocation has been filed with the Membership Services Department and the revocation becomes effective or until such time that the letter of guarantee or authorization otherwise becomes invalid pursuant to the Rules. A written notice of revocation becomes effective as soon as the Exchange is able to process the revocation. A revocation in no way relieves a Clearing Trading Permit Holder of responsibility for transactions guaranteed prior to the effectiveness of the revocation.

(d) If the Clearing Corporation restricts the activities of a Clearing Trading Permit Holder or suspends a Clearing Trading Permit Holder as a Clearing Member of the Clearing Corporation, the Exchange may take action as necessary to give effect to the restriction or suspension. For example, if the Clearing Corporation restricts transactions cleared by a Clearing Trading Permit Holder to “closing only” transactions, the Exchange may similarly restrict transactions on the Exchange for clearance by that Clearing Trading Permit Holder as a Clearing Member of the Clearing Corporation to “closing only” transactions. Similarly, if the Clearing Corporation suspends a Clearing Trading Permit Holder, the Exchange may prevent access and connectivity to the Exchange by the suspended Clearing Trading Permit Holder.

(e) If a Clearing Trading Permit Holder’s status as a Clearing Member of the Clearing Corporation or as a Trading Permit Holder is terminated, all letters of guarantee and authorization on file with the Exchange from that Clearing Trading Permit Holder will no longer be valid, effective as soon as the Exchange is able to process the invalidation of these letters of guarantee and authorization.

(f) If a Clearing Trading Permit Holder has been suspended as a Clearing Member of the Clearing Corporation or as a Trading Permit Holder, all existing letters of guarantee and authorization from that Clearing Trading Permit Holder will be invalid during the period of the suspension, effective as soon as the Exchange is able to process the invalidation of those letters of guarantee and authorization.

(g) The invalidation of a letter of guarantee or authorization in no way relieves the Clearing Trading Permit Holder that issued the letter of guarantee or authorization of responsibility from transactions guaranteed prior to the effectiveness of the invalidation.

(h) If a Trading Permit Holder does not have a required letter of guarantee or authorization for period of ninety consecutive days, the Trading Permit Holder's trading permit(s) and status as a Trading Permit Holder will automatically be terminated.]

Rule 3.~~11~~9. C2 Pledge

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Rule 3.10~~2~~. Maintaining Current Address

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Rule 3.11~~3~~. Educational Classes

Trading Permit Holders and persons associated with Trading Permit Holders are required to attend such educational classes as the Exchange may require from time to time. Failure to attend Exchange-mandated continuing educational classes may subject Trading Permit Holders and persons associated with Trading Permit Holders to sanctions pursuant to the Exchange's Minor Rule Violation Plan provided in Rule [17.50]~~13.15~~. Any action taken hereunder does not preclude further disciplinary action under Chapter [17]~~13~~ of the Rules.

Rule 3.12~~4~~. Effectiveness of a Trading Permit Holder

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[Rule 3.15. Sponsored Users

(a) *General.* This Rule governs electronic access for the entry and execution of orders by Sponsored Users with authorized access to the System and the applicable requirements that Sponsored Users and Sponsoring Trading Permit Holders are required to satisfy in order to engage in a Sponsoring Trading Permit Holder/Sponsored User relationship. For purposes of this Rule, a "Sponsored User" is a person or entity that has entered into a sponsorship arrangement with a Sponsoring Trading Permit Holder for purposes of receiving access to the System.

(b) *Sponsored User*. A Sponsored User may obtain and maintain authorized access to the System, only if such access is authorized in advance by one or more Sponsoring Trading Permit Holders as follows:

(1) Sponsored Users must enter into a sponsorship arrangement with a “Sponsoring Trading Permit Holder,” which is defined as a Trading Permit Holder that agrees to sponsor the Sponsored User’s access to the System. The sponsorship arrangement consists of three separate components:

(A) The Sponsored User must enter into and maintain a customer agreement(s) with its Sponsoring Trading Permit Holder(s), establishing a proper relationship(s) and account(s) through which the Sponsored User will be permitted to trade on the System.

(B) For a Sponsored User to obtain and maintain authorized access to the System, the Sponsored User and its Sponsoring Trading Permit Holder must enter into a written agreement that incorporates the following sponsorship provisions:

(i) The Sponsored User and its Sponsoring Trading Permit Holder must have entered into and maintained a Sponsored User Agreement with the Exchange.

(ii) The Sponsoring Trading Permit Holder acknowledges and agrees that:

(a) all orders entered by its Sponsored User, any person acting on behalf of such Sponsored User (*e.g.*, employees or agents of the Sponsored User), or any person acting in the name of such Sponsored User (*e.g.*, customers of the Sponsored User) and any executions occurring as a result of such orders are binding in all respects on the Sponsoring Trading Permit Holder; and

(b) the Sponsoring Trading Permit Holder is responsible for any and all actions taken by such Sponsored User and any person acting on behalf of or in the name of such Sponsored User.

(iii) The Sponsoring Trading Permit Holder and Sponsored User (as if it were a Trading Permit Holder) each agrees that it will be bound by and comply with the Exchange’s Certificate of Incorporation, Bylaws, Rules and procedures, as well as any other equivalent documents pertaining to the System.

(iv) The Sponsored User agrees that it will maintain, keep current and provide to the Sponsoring Trading Permit Holder a list of persons who have been granted access to the System on behalf of the Sponsored User (“Authorized Traders”).

(v) The Sponsored User agrees that it will familiarize its Authorized Traders with all of the Sponsored User’s obligations under this Rule and will assure that they receive appropriate training prior to any use of or access to the System.

(vi) The Sponsored User agrees that it will not permit anyone other than Authorized Traders to use or obtain access to the System.

(vii) The Sponsored User agrees that it will take reasonable security precautions to prevent unauthorized use of or access to the System, including unauthorized entry of information into the System, or the information and data made available therein. The Sponsored User understands and agrees that it is responsible for any and all orders, trades, and other messages and instructions entered, transmitted, or received under identifiers, passwords, and security codes of the Sponsored User and any person acting on behalf of or in the name of such Sponsored User, and for the trading and other consequences thereof.

(viii) The Sponsored User acknowledges its responsibility for establishing adequate procedures and controls that permit it to effectively monitor use of and access to the System by any person acting on behalf of or in the name of Sponsored User for compliance with the terms of these sponsorship provisions.

(ix) The Sponsored User agrees that it will pay when due all amounts, if any, payable to the Sponsoring Trading Permit Holder, the Exchange or any other third parties that arise from the Sponsored User’s use of or access to the System. Such amounts include, but are not limited to, applicable Exchange and regulatory fees.

(C) The Sponsored User and Sponsoring Trading Permit Holder must provide the Exchange with a Sponsored User Agreement acknowledging and agreeing to the requirements of this Rule, including an acknowledgement by the Sponsoring Trading Permit Holder of its responsibility for the orders, executions and actions of its Sponsored User. To the extent the Sponsoring Trading Permit Holder is not a clearing firm, the Sponsoring Trading Permit Holder’s clearing firm must provide the Exchange with a Letter of Authorization, which specifically accepts responsibility for the clearance of the Sponsored User’s transactions. Upon approval by the Clearing Corporation, if applicable, and filing with the Exchange, an existing Letter of

Authorization may be amended to include the Sponsoring Trading Permit Holder/Sponsored User relationship. Sponsored User Agreements and Letters of Authorization filed with the Exchange will remain in effect until a written notice of revocation has been filed with the Exchange. If such a written notice of revocation has not been filed with the Exchange at least one hour prior to the opening of trading on the particular business day, such revocation will not become effective until the close of trading on such day. A revocation in no way relieves the Sponsoring Trading Permit Holder or, if applicable, the Sponsored Trading Permit Holder's clearing firm of responsibility for transactions guaranteed prior to the effective date of the revocation.

(2) Each Sponsoring Trading Permit Holder must maintain an up-to-date list of persons who may obtain access to the System on behalf of its Sponsored Users (*i.e.*, Authorized Traders) and must provide that list to the Exchange upon request. In addition, each Sponsoring Trading Permit Holder must have reasonable procedures to ensure that Sponsored User and all of its Sponsored Users' Authorized Traders:

(A) maintain the physical security of the Exchange and the System, which includes, but is not limited to, the equipment for accessing the facilities of the Exchange and the System, to prevent the unauthorized use or access to the Exchange or the System, including the unauthorized entry of information into the Exchange or the System, or the information and data made available therein; and

(B) otherwise comply with the Rules.

If the Exchange determines that a Sponsored User or an Authorized Trader has caused a Sponsoring Trading Permit Holder to violate the Rules, the Exchange may direct the Sponsoring Trading Permit Holder to suspend or withdraw the Sponsored User's status as a Sponsored User or the person's status as an Authorized Trader and, if so directed, the Sponsoring Trading Permit Holder must suspend or withdraw such status.]

[3.16. Affiliation Between the Exchange and a Trading Permit Holder

Without prior Commission approval, the Exchange or any entity with which it is affiliated may not, directly or indirectly, acquire or maintain an ownership interest in a Trading Permit Holder. In addition, without prior Commission approval, a Trading Permit Holder may not be or become affiliated with the Exchange or any affiliate of the Exchange. The term affiliate has the meaning specified in Rule 12b-2 under the Exchange Act. Nothing in this Rule 3.16 prohibits:

(a) a Trading Permit Holder from acquiring or holding an equity interest in Cboe Global Markets, Inc. that is permitted by the ownership and voting limitations contained in the Certificate of Incorporation and Bylaws of Cboe Global Markets, Inc.;

(b) a Trading Permit Holder from being or becoming an affiliate of the Exchange or any affiliate of the Exchange, solely by reason of the Trading Permit Holder or any officer, director, manager, managing member, partner or affiliate of the Trading Permit Holder being or becoming either (1) a Director pursuant to the Bylaws of the Exchange, or (2) a Director serving on the Board of Directors of Cboe Global Markets, Inc.;

(c) the Exchange from being an affiliate of its routing broker/dealer Cboe Trading or of Cboe EDGA Exchange, Inc., Cboe EDGX Exchange, Inc., Cboe BZX Exchange, Inc., Cboe BYX Exchange, Inc., Cboe Exchange, Inc., or Cboe Futures Exchange, LLC (each, a “Cboe Exchange”); or

(d) a Trading Permit Holder from (1) acquiring or holding an equity interest in CBSX LLC or (2) being affiliated with OneChicago, LLC, provided the Exchange’s or any Exchange affiliate’s proportionate share of OneChicago, LLC’s gross revenues does not exceed 5% of the Exchange (or the relevant affiliate’s) gross revenue.]

[3.17. Cboe Trading as Outbound Router

(a) For so long as Cboe Trading is affiliated with the Exchange and is providing outbound routing of orders from the Exchange to other securities exchanges, facilities of securities exchanges, automated trading systems, electronic communications networks, or other brokers or dealers (collectively, “Trading Centers”) (such function of Cboe Trading is referred to as the “Outbound Router”), each of the Exchange and Cboe Trading undertakes as follows:

(1) The Exchange will regulate the Outbound Router function of Cboe Trading as a facility (as defined in Section 3(a)(2) of the Exchange Act), subject to Section 6 of the Exchange Act. In particular, and without limitation, under the Exchange Act, the Exchange will be responsible for filing with the Commission rule changes and fees relating to the Cboe Trading Outbound Router function, and Cboe Trading will be subject to exchange non-discrimination requirements.

(2) FINRA, a self-regulatory organization unaffiliated with the Exchange or any of its affiliates, will carry out oversight and enforcement responsibilities as the designated examining authority designated by the Commission pursuant to Rule 17d-1 of the Exchange Act with the responsibility for examining Cboe Trading for compliance with applicable financial responsibility rules.

(3) A Trading Permit Holder’s use of Cboe Trading to route orders to another Trading Center will be optional. Any Trading Permit Holder that does not want to use Cboe Trading may use other routers to route orders to other Trading Centers.

(4) Cboe Trading will not engage in any business other than (a) its Outbound Router function, (b) its Inbound Router function as described in Rule 3.18, (c) its usage of an error account in compliance with paragraph (a)(7) below, and (d) any other activities it may engage in as approved by the Commission.

(5) The Exchange will establish and maintain procedures and internal controls reasonably designed to adequately restrict the flow of confidential and proprietary information between the Exchange and its facilities (including Cboe Trading), and any other entity, including any affiliate of Cboe Trading, and, if Cboe Trading or any of its affiliates engages in any other business activities other than providing routing services to the Exchange, between the segment of Cboe Trading or its affiliate that provides the other business activities and the routing services.

(6) The Exchange or Cboe Trading may cancel orders as either deems necessary to maintain fair and orderly markets if a technical or systems issue occurs at the Exchange, Cboe Trading, or a routing destination. The Exchange or Cboe Trading will provide notice of the cancellation to affected Trading Permit Holders as soon as practicable.

(7) Cboe Trading will maintain an error account for the purpose of addressing positions that are the result of an execution or executions that are not clearly erroneous under Rule 6.29 and result from a technical or systems issue at Cboe Trading, the Exchange, a routing destination, or a non-affiliate third-party Routing Broker that affects one or more orders (“Error Positions”).

(A) For purposes of subparagraph (a)(7), an Error Position does not include any position that results from an order submitted by a Trading Permit Holder to the Exchange that is executed on the Exchange and automatically processed for clearance and settlement on a locked-in basis.

(B) Except as provided in subparagraph (7)(C) below, Cboe Trading does not (i) accept any positions in its error account from an account of a Trading Permit Holder, or (ii) permit any Trading Permit Holder to transfer any positions from the Trading Permit Holder’s account to Cboe Trading’s error account.

(C) If a technical or systems issue results in the Exchange not having valid clearing instructions for a Trading Permit Holder to a trade, Cboe Trading may assume the Trading Permit Holder’s side of the trade so that the trade can be automatically processed for clearance and settlement on a locked-in basis.

(D) In connection with a particular technical or systems issue, Cboe Trading or the Exchange will either (i) assign all resulting Error Positions to Trading Permit Holders in accordance with subparagraph (D)(i) below, or (ii) have all resulting Error Positions liquidated in accordance with subparagraph (D)(ii) below. Any determination to assign or liquidate Error Positions, as well as any resulting assignments, will be made in a nondiscriminatory fashion.

(i) Cboe Trading or the Exchange will assign all Error Positions resulting from a particular technical or systems issue to the Trading

Permit Holders affected by that technical or systems issue if Cboe Trading or the Exchange:

(a) determines it has accurate and sufficient information (including valid clearing information) to assign the positions to all of the Trading Permit Holders affected by that technical or systems issue;

(b) determines it has sufficient time pursuant to normal clearance and settlement deadlines to evaluate the information necessary to assign the positions to all of the Trading Permit Holders affected by that technical or systems issue; and

(c) has not determined to cancel all orders affected by that technical or systems issue in accordance with subparagraph (a)(6) above.

(ii) If Cboe Trading or the Exchange is unable to assign all Error Positions resulting from a particular technical or systems issue to all of the affected Trading Permit Holders in accordance with subparagraph (D) above, or if Cboe Trading or the Exchange determines to cancel all orders affected by the technical or systems issue in accordance with subparagraph (a)(6) above, then Cboe Trading will liquidate any applicable Error Positions as soon as practicable. In liquidating such Error Positions, Cboe Trading will:

(a) provide complete time and price discretion for the trading to liquidate the Error Positions to a third-party broker-dealer and not attempt to exercise any influence or control over the timing or methods of such trading; and

(b) establish and enforce policies and procedures that are reasonably designed to restrict the flow of confidential and proprietary information between the third-party broker-dealer and Cboe Trading/the Exchange associated with the liquidation of the Error Positions.

(E) Cboe Trading and the Exchange will make and keep records to document all determinations to treat positions as Error Positions and all determinations for the assignment of Error Positions to Trading Permit Holders or the liquidation of Error Positions, as well as records associated with the liquidation of Error Positions through the third-party broker-dealer.

(b) The books, records, premises, officers, agents, directors, and employees of Cboe Trading as a facility of the Exchange are deemed to be the books, records, premises, officers, agents, directors, and employees of the Exchange for purposes of, and subject to oversight pursuant

to, the Exchange Act. The books and records of Cboe Trading as a facility of the Exchange are subject at all times to inspection and copying by the Exchange and the Commission. Nothing in these Rules precludes officers, agents, directors, or employees of the Exchange from also serving as officers, agents, directors, and employees of Cboe Trading.]

[Rule 3.18. Cboe Trading as Inbound Router

(a) For so long as the Exchange is affiliated with the Cboe Exchanges, and Cboe Trading in its capacity as a facility of each Cboe Exchange is utilized for the routing of orders from a Cboe Exchange to the Exchange, the Exchange undertakes as follows:

(1) The Exchange will: (A) enter into a plan pursuant to Rule 17d-2 under the Exchange Act with a non-affiliated self-regulatory organization (“SRO”) to relieve the Exchange of regulatory responsibilities for Cboe Trading with respect to rules that are common rules between the Exchange and the non-affiliated SRO, and (B) enter into a regulatory services contract with a non-affiliated SRO to perform regulatory responsibilities for Cboe Trading for unique Exchange rules.

(2) The regulatory services contract in subparagraph (1) must require the Exchange to provide the non-affiliated SRO with information, in an easily accessible manner, regarding all exception reports, alerts, complaints, trading errors, cancellations, investigations, and enforcement matters (collectively, “Exceptions”) in which Cboe Trading is identified as a participant that has potentially violated Exchange or SEC rules, and must require that the non-affiliated SRO provide a report to the Exchange quantifying all Exceptions on not less than a quarterly basis.

(3) The Exchange, on behalf of the holding company indirectly owning the Exchange and Cboe Trading, will establish and maintain procedures and internal controls reasonably designed to ensure that Cboe Trading does not develop or implement changes to its systems on the basis of nonpublic information obtained as a result of its affiliation with the Exchange until the information is available generally to similarly situated Trading Permit Holders of the Exchange in connection with the provision of inbound order routing to the Exchange.

(b) Provided the above conditions are complied with, and provided further that Cboe Trading operates as an Outbound Router on behalf of each Cboe Exchange in accordance with the rules of each Cboe Exchange, Cboe Trading may provide inbound routing services to the Exchange from each Cboe Exchange.]

[Rule 3.19. Reserved]

[Section B. TPH Registration]

SECTION B. TPH REGISTRATION

The rules contained in Cboe Options Chapter 3, Section B, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Section. C2 Trading Permit

Holders must comply with Cboe Options Chapter 3, Section B as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter 3, Section B have the following meanings for purposes of this Section: “Exchange” and “Cboe Options” mean “C2”; “Floor” means “System”; and “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder).

SECTION C. TPH TRADING FUNCTIONS

Rule 3.52. Initial Market-Maker Registration

Trading Permit Holders registered as Market-Makers have certain rights and bear certain responsibilities beyond those of other Trading Permit Holders. All Market-Makers are designated as specialists on the Exchange for all purposes under the Exchange Act.

(a) To register as a Market-Maker, a Trading Permit Holder must file an application in writing on such forms as the Exchange may prescribe. The Exchange reviews applications and considers an applicant’s market-making ability and such other factors as the Exchange deems appropriate in determining whether to approve an applicant’s registration as a Market-Maker.

(b) The registration of any Trading Permit Holder as a Market-Maker may be suspended or terminated by the Exchange upon a determination that such Trading Permit Holder has failed to properly perform as a Market-Maker.

(c) There is no limit on the number of Trading Permit Holders that may become Market-Makers unless the Exchange determines to impose a limit based on system constraints, capacity restrictions, or other factors relevant to protecting the integrity of the System. The Exchange will not impose any such limitations until it has submitted objective standards for imposing the limits to the SEC for its review and approval.

(d) A Trading Permit Holder or prospective Trading Permit Holder adversely affected by an Exchange determination under Chapter 5, including the Exchange’s termination or suspension of a Trading Permit Holder’s registration as a Market-Maker or a Market-Maker’s appointment to a class, may obtain a review of such determination in accordance with the provisions of Chapter 15.

Rules 3.53 through 3.59. RESERVED

Rule 3.60. Sponsored Users

(a) General. This Rule governs electronic access for the entry and execution of orders by Sponsored Users with authorized access to the System and the applicable requirements that Sponsored Users and Sponsoring Trading Permit Holders are required to satisfy in order to engage in a Sponsoring Trading Permit Holder/Sponsored User relationship. For purposes of this Rule, a “Sponsored User” is a person or entity that has entered into a sponsorship

arrangement with a Sponsoring Trading Permit Holder for purposes of receiving access to the System.

(b) *Sponsored User.* A Sponsored User may obtain and maintain authorized access to the System, only if such access is authorized in advance by one or more Sponsoring Trading Permit Holders as follows:

(1) Sponsored Users must enter into a sponsorship arrangement with a “Sponsoring Trading Permit Holder,” which is defined as a Trading Permit Holder that agrees to sponsor the Sponsored User’s access to the System. The sponsorship arrangement consists of three separate components:

(A) The Sponsored User must enter into and maintain a customer agreement(s) with its Sponsoring Trading Permit Holder(s), establishing a proper relationship(s) and account(s) through which the Sponsored User will be permitted to trade on the System.

(B) For a Sponsored User to obtain and maintain authorized access to the System, the Sponsored User and its Sponsoring Trading Permit Holder must enter into a written agreement that incorporates the following sponsorship provisions:

(i) The Sponsored User and its Sponsoring Trading Permit Holder must have entered into and maintained a Sponsored User Agreement with the Exchange.

(ii) The Sponsoring Trading Permit Holder acknowledges and agrees that:

(a) all orders entered by its Sponsored User, any person acting on behalf of such Sponsored User (e.g., employees or agents of the Sponsored User), or any person acting in the name of such Sponsored User (e.g., customers of the Sponsored User) and any executions occurring as a result of such orders are binding in all respects on the Sponsoring Trading Permit Holder; and

(b) the Sponsoring Trading Permit Holder is responsible for any and all actions taken by such Sponsored User and any person acting on behalf of or in the name of such Sponsored User.

(iii) The Sponsoring Trading Permit Holder and Sponsored User (as if it were a Trading Permit Holder) each agrees that it will be bound by and comply with the Exchange’s Certificate of Incorporation, Bylaws,

Rules and procedures, as well as any other equivalent documents pertaining to the System.

(iv) The Sponsored User agrees that it will maintain, keep current and provide to the Sponsoring Trading Permit Holder a list of persons who have been granted access to the System on behalf of the Sponsored User (“Authorized Traders”).

(v) The Sponsored User agrees that it will familiarize its Authorized Traders with all of the Sponsored User’s obligations under this Rule and will assure that they receive appropriate training prior to any use of or access to the System.

(vi) The Sponsored User agrees that it will not permit anyone other than Authorized Traders to use or obtain access to the System.

(vii) The Sponsored User agrees that it will take reasonable security precautions to prevent unauthorized use of or access to the System, including unauthorized entry of information into the System, or the information and data made available therein. The Sponsored User understands and agrees that it is responsible for any and all orders, trades, and other messages and instructions entered, transmitted, or received under identifiers, passwords, and security codes of the Sponsored User and any person acting on behalf of or in the name of such Sponsored User, and for the trading and other consequences thereof.

(viii) The Sponsored User acknowledges its responsibility for establishing adequate procedures and controls that permit it to effectively monitor use of and access to the System by any person acting on behalf of or in the name of Sponsored User for compliance with the terms of these sponsorship provisions.

(ix) The Sponsored User agrees that it will pay when due all amounts, if any, payable to the Sponsoring Trading Permit Holder, the Exchange or any other third parties that arise from the Sponsored User’s use of or access to the System. Such amounts include, but are not limited to, applicable Exchange and regulatory fees.

(C) The Sponsored User and Sponsoring Trading Permit Holder must provide the Exchange with a Sponsored User Agreement acknowledging and agreeing to the requirements of this Rule, including an acknowledgement by the Sponsoring Trading Permit Holder of its responsibility for the orders, executions and actions of its Sponsored User. To the extent the Sponsoring Trading Permit Holder is not a clearing firm, the Sponsoring Trading Permit Holder’s clearing firm must provide the Exchange with a Letter of

Authorization, which specifically accepts responsibility for the clearance of the Sponsored User's transactions. Upon approval by the Clearing Corporation, if applicable, and filing with the Exchange, an existing Letter of Authorization may be amended to include the Sponsoring Trading Permit Holder/Sponsored User relationship. Sponsored User Agreements and Letters of Authorization filed with the Exchange will remain in effect until a written notice of revocation has been filed with the Exchange. If such a written notice of revocation has not been filed with the Exchange at least one hour prior to the opening of trading on the particular business day, such revocation will not become effective until the close of trading on such day. A revocation in no way relieves the Sponsoring Trading Permit Holder or, if applicable, the Sponsored Trading Permit Holder's clearing firm of responsibility for transactions guaranteed prior to the effective date of the revocation.

(2) Each Sponsoring Trading Permit Holder must maintain an up-to-date list of persons who may obtain access to the System on behalf of its Sponsored Users (i.e., Authorized Traders) and must provide that list to the Exchange upon request. In addition, each Sponsoring Trading Permit Holder must have reasonable procedures to ensure that Sponsored User and all of its Sponsored Users' Authorized Traders:

(A) maintain the physical security of the Exchange and the System, which includes, but is not limited to, the equipment for accessing the facilities of the Exchange and the System, to prevent the unauthorized use or access to the Exchange or the System, including the unauthorized entry of information into the Exchange or the System, or the information and data made available therein; and

(B) otherwise comply with the Rules.

If the Exchange determines that a Sponsored User or an Authorized Trader has caused a Sponsoring Trading Permit Holder to violate the Rules, the Exchange may direct the Sponsoring Trading Permit Holder to suspend or withdraw the Sponsored User's status as a Sponsored User or the person's status as an Authorized Trader and, if so directed, the Sponsoring Trading Permit Holder must suspend or withdraw such status.

Rule 3.61. Letters of Guarantee and Authorization

(a) Each Trading Permit Holder must provide a letter of guarantee or authorization for the Trading Permit Holder's trading activities on the Exchange from a Clearing Trading Permit Holder in a form and manner prescribed by the Exchange.

(b) A Trading Permit Holder may not engage in any trading activities on the Exchange if an effective letter of guarantee or authorization required to engage in those activities is not on file with the Exchange. If a Trading Permit Holder does not have an effective letter of guarantee or authorization on file with the Exchange, the Exchange may prevent access and connectivity to the Exchange by that Trading Permit Holder.

(c) Letters of guarantee and authorization filed with the Exchange remain in effect until a written notice of revocation has been filed with the Membership Services Department and the revocation becomes effective or until such time that the letter of guarantee or authorization otherwise becomes invalid pursuant to the Rules. A written notice of revocation becomes effective as soon as the Exchange is able to process the revocation. A revocation in no way relieves a Clearing Trading Permit Holder of responsibility for transactions guaranteed prior to the effectiveness of the revocation.

(d) If the Clearing Corporation restricts the activities of a Clearing Trading Permit Holder or suspends a Clearing Trading Permit Holder as a Clearing Member of the Clearing Corporation, the Exchange may take action as necessary to give effect to the restriction or suspension. For example, if the Clearing Corporation restricts transactions cleared by a Clearing Trading Permit Holder to “closing only” transactions, the Exchange may similarly restrict transactions on the Exchange for clearance by that Clearing Trading Permit Holder as a Clearing Member of the Clearing Corporation to “closing only” transactions. Similarly, if the Clearing Corporation suspends a Clearing Trading Permit Holder, the Exchange may prevent access and connectivity to the Exchange by the suspended Clearing Trading Permit Holder.

(e) If a Clearing Trading Permit Holder’s status as a Clearing Member of the Clearing Corporation or as a Trading Permit Holder is terminated, all letters of guarantee and authorization on file with the Exchange from that Clearing Trading Permit Holder will no longer be valid, effective as soon as the Exchange is able to process the invalidation of these letters of guarantee and authorization.

(f) If a Clearing Trading Permit Holder has been suspended as a Clearing Member of the Clearing Corporation or as a Trading Permit Holder, all existing letters of guarantee and authorization from that Clearing Trading Permit Holder will be invalid during the period of the suspension, effective as soon as the Exchange is able to process the invalidation of those letters of guarantee and authorization.

(g) The invalidation of a letter of guarantee or authorization in no way relieves the Clearing Trading Permit Holder that issued the letter of guarantee or authorization of responsibility from transactions guaranteed prior to the effectiveness of the invalidation.

(h) If a Trading Permit Holder does not have a required letter of guarantee or authorization for period of ninety consecutive days, the Trading Permit Holder’s trading permit(s) and status as a Trading Permit Holder will automatically be terminated.

3.62. Affiliation Between the Exchange and a Trading Permit Holder

Without prior Commission approval, the Exchange or any entity with which it is affiliated may not, directly or indirectly, acquire or maintain an ownership interest in a Trading Permit Holder. In addition, without prior Commission approval, a Trading Permit Holder may not be or become affiliated with the Exchange or any affiliate of the Exchange. The

term affiliate has the meaning specified in Rule 12b-2 under the Exchange Act. Nothing in this Rule 3.62 prohibits:

(a) a Trading Permit Holder from acquiring or holding an equity interest in Cboe Global Markets, Inc. that is permitted by the ownership and voting limitations contained in the Certificate of Incorporation and Bylaws of Cboe Global Markets, Inc.;

(b) a Trading Permit Holder from being or becoming an affiliate of the Exchange or any affiliate of the Exchange, solely by reason of the Trading Permit Holder or any officer, director, manager, managing member, partner or affiliate of the Trading Permit Holder being or becoming either (1) a Director pursuant to the Bylaws of the Exchange, or (2) a Director serving on the Board of Directors of Cboe Global Markets, Inc.;

(c) the Exchange from being an affiliate of its routing broker/dealer Cboe Trading or of Cboe EDGA Exchange, Inc., Cboe EDGX Exchange, Inc., Cboe BZX Exchange, Inc., Cboe BYX Exchange, Inc., Cboe Exchange, Inc., or Cboe Futures Exchange, LLC (each, a “Cboe Exchange”); or

(d) a Trading Permit Holder from (1) acquiring or holding an equity interest in CBSX LLC or (2) being affiliated with OneChicago, LLC, provided the Exchange’s or any Exchange affiliate’s proportionate share of OneChicago, LLC’s gross revenues does not exceed 5% of the Exchange (or the relevant affiliate’s) gross revenue.

3.63. Cboe Trading as Outbound Router

(a) For so long as Cboe Trading is affiliated with the Exchange and is providing outbound routing of orders from the Exchange to other securities exchanges, facilities of securities exchanges, automated trading systems, electronic communications networks, or other brokers or dealers (collectively, “Trading Centers”) (such function of Cboe Trading is referred to as the “Outbound Router”), each of the Exchange and Cboe Trading undertakes as follows:

(1) The Exchange will regulate the Outbound Router function of Cboe Trading as a facility (as defined in Section 3(a)(2) of the Exchange Act), subject to Section 6 of the Exchange Act. In particular, and without limitation, under the Exchange Act, the Exchange will be responsible for filing with the Commission rule changes and fees relating to the Cboe Trading Outbound Router function, and Cboe Trading will be subject to exchange non-discrimination requirements.

(2) FINRA, a self-regulatory organization unaffiliated with the Exchange or any of its affiliates, will carry out oversight and enforcement responsibilities as the designated examining authority designated by the Commission pursuant to Rule 17d-1 of the Exchange Act with the responsibility for examining Cboe Trading for compliance with applicable financial responsibility rules.

(3) A Trading Permit Holder's use of Cboe Trading to route orders to another Trading Center will be optional. Any Trading Permit Holder that does not want to use Cboe Trading may use other routers to route orders to other Trading Centers.

(4) Cboe Trading will not engage in any business other than (a) its Outbound Router function, (b) its Inbound Router function as described in Rule 3.64, (c) its usage of an error account in compliance with paragraph (a)(7) below, and (d) any other activities it may engage in as approved by the Commission.

(5) The Exchange will establish and maintain procedures and internal controls reasonably designed to adequately restrict the flow of confidential and proprietary information between the Exchange and its facilities (including Cboe Trading), and any other entity, including any affiliate of Cboe Trading, and, if Cboe Trading or any of its affiliates engages in any other business activities other than providing routing services to the Exchange, between the segment of Cboe Trading or its affiliate that provides the other business activities and the routing services.

(6) The Exchange or Cboe Trading may cancel orders as either deems necessary to maintain fair and orderly markets if a technical or systems issue occurs at the Exchange, Cboe Trading, or a routing destination. The Exchange or Cboe Trading will provide notice of the cancellation to affected Trading Permit Holders as soon as practicable.

(7) Cboe Trading will maintain an error account for the purpose of addressing positions that are the result of an execution or executions that are not clearly erroneous under Rule 6.5 and result from a technical or systems issue at Cboe Trading, the Exchange, a routing destination, or a non-affiliate third-party Routing Broker that affects one or more orders ("Error Positions").

(A) For purposes of subparagraph (a)(7), an Error Position does not include any position that results from an order submitted by a Trading Permit Holder to the Exchange that is executed on the Exchange and automatically processed for clearance and settlement on a locked-in basis.

(B) Except as provided in subparagraph (7)(C) below, Cboe Trading does not (i) accept any positions in its error account from an account of a Trading Permit Holder, or (ii) permit any Trading Permit Holder to transfer any positions from the Trading Permit Holder's account to Cboe Trading's error account.

(C) If a technical or systems issue results in the Exchange not having valid clearing instructions for a Trading Permit Holder to a trade, Cboe Trading may assume the Trading Permit Holder's side of the trade so that the trade can be automatically processed for clearance and settlement on a locked-in basis.

(D) In connection with a particular technical or systems issue, Cboe Trading or the Exchange will either (i) assign all resulting Error Positions to Trading Permit Holders in accordance with subparagraph (D)(i) below, or (ii) have all resulting Error Positions liquidated in accordance with subparagraph (D)(ii) below. Any determination to assign or liquidate Error Positions, as well as any resulting assignments, will be made in a nondiscriminatory fashion.

(i) Cboe Trading or the Exchange will assign all Error Positions resulting from a particular technical or systems issue to the Trading Permit Holders affected by that technical or systems issue if Cboe Trading or the Exchange:

(a) determines it has accurate and sufficient information (including valid clearing information) to assign the positions to all of the Trading Permit Holders affected by that technical or systems issue;

(b) determines it has sufficient time pursuant to normal clearance and settlement deadlines to evaluate the information necessary to assign the positions to all of the Trading Permit Holders affected by that technical or systems issue; and

(c) has not determined to cancel all orders affected by that technical or systems issue in accordance with subparagraph (a)(6) above.

(ii) If Cboe Trading or the Exchange is unable to assign all Error Positions resulting from a particular technical or systems issue to all of the affected Trading Permit Holders in accordance with subparagraph (D) above, or if Cboe Trading or the Exchange determines to cancel all orders affected by the technical or systems issue in accordance with subparagraph (a)(6) above, then Cboe Trading will liquidate any applicable Error Positions as soon as practicable. In liquidating such Error Positions, Cboe Trading will:

(a) provide complete time and price discretion for the trading to liquidate the Error Positions to a third-party broker-dealer and not attempt to exercise any influence or control over the timing or methods of such trading; and

(b) establish and enforce policies and procedures that are reasonably designed to restrict the flow of confidential and proprietary information between the third-party broker-dealer and Cboe Trading/the Exchange associated with the liquidation of the Error Positions.

(E) Cboe Trading and the Exchange will make and keep records to document all determinations to treat positions as Error Positions and all determinations for the assignment of Error Positions to Trading Permit Holders or the liquidation of Error Positions, as well as records associated with the liquidation of Error Positions through the third-party broker-dealer.

(b) The books, records, premises, officers, agents, directors, and employees of Cboe Trading as a facility of the Exchange are deemed to be the books, records, premises, officers, agents, directors, and employees of the Exchange for purposes of, and subject to oversight pursuant to, the Exchange Act. The books and records of Cboe Trading as a facility of the Exchange are subject at all times to inspection and copying by the Exchange and the Commission. Nothing in these Rules precludes officers, agents, directors, or employees of the Exchange from also serving as officers, agents, directors, and employees of Cboe Trading.

Rule 3.64. Cboe Trading as Inbound Router

(a) For so long as the Exchange is affiliated with the Cboe Exchanges, and Cboe Trading in its capacity as a facility of each Cboe Exchange is utilized for the routing of orders from a Cboe Exchange to the Exchange, the Exchange undertakes as follows:

(1) The Exchange will: (A) enter into a plan pursuant to Rule 17d-2 under the Exchange Act with a non-affiliated self-regulatory organization (“SRO”) to relieve the Exchange of regulatory responsibilities for Cboe Trading with respect to rules that are common rules between the Exchange and the non-affiliated SRO, and (B) enter into a regulatory services contract with a non-affiliated SRO to perform regulatory responsibilities for Cboe Trading for unique Exchange rules.

(2) The regulatory services contract in subparagraph (1) must require the Exchange to provide the non-affiliated SRO with information, in an easily accessible manner, regarding all exception reports, alerts, complaints, trading errors, cancellations, investigations, and enforcement matters (collectively, “Exceptions”) in which Cboe Trading is identified as a participant that has potentially violated Exchange or SEC rules, and must require that the non-affiliated SRO provide a report to the Exchange quantifying all Exceptions on not less than a quarterly basis.

(3) The Exchange, on behalf of the holding company indirectly owning the Exchange and Cboe Trading, will establish and maintain procedures and internal controls reasonably designed to ensure that Cboe Trading does not develop or implement changes to its systems on the basis of nonpublic information obtained as a result of its affiliation with the Exchange until the information is available generally to similarly situated Trading Permit Holders of the Exchange in connection with the provision of inbound order routing to the Exchange.

(b) Provided the above conditions are complied with, and provided further that Cboe Trading operates as an Outbound Router on behalf of each Cboe Exchange in accordance with the

rules of each Cboe Exchange, Cboe Trading may provide inbound routing services to the Exchange from each Cboe Exchange.

CHAPTER 4. OPTIONS LISTING [Options Listing]

[Section A. Equity and ETP Options]

SECTION A. EQUITY AND ETP OPTIONS

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[Section B. Index Options]

SECTION B. INDEX OPTIONS

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[CHAPTER 5

Business Conduct

The rules contained in Cboe Options Chapter 8, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Chapter. Trading Permit Holders must comply with Cboe Options Chapter 8 as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter 8 have the following meanings for purposes of this Chapter: “Exchange” and “Cboe Options” mean “C2”; “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder); “trading crowd” means “Exchange”; and “Clearing Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Clearing Trading Permit Holders” (i.e., C2 Clearing Trading Permit Holder).

Notwithstanding the above paragraph, the rules contained in Cboe Options Chapter 8 regarding FLEX Options, Corporate Debt Security options, Credit Options, Government security options, Binary Options, interest rate options and Cboe Options Rules 8.20 (Prohibition Against Customers Functioning as Market-Makers), 8.21 (Multiple Representations Prohibited), 8.22 (Trading by Trading Permit Holders on the Floor) and 8.30.06 (Position Limits Firm Facilitation Exception) do not apply to C2.]

CHAPTER [6]5. OPTIONS TRADING

[Trading on the Exchange]

[Section A. General]

SECTION A. GENERAL PROVISIONS

Rule [6]5.1. Days and Hours of Business

(a) *Acceptance of Orders and Quotes.* The System accepts orders and quotes at the times set forth in Rule [6.9]5.7.

(b) No change.

(c) *Global Trading Hours*. Except under unusual conditions as may be determined by the Exchange, Global Trading Hours are from 8:30 a.m. to 9:15 a.m. on Monday through Friday.

(1) No change.

(2) *Series*. The Exchange may list for trading during Global Trading Hours any series in eligible classes that it may list pursuant to [Cboe Options] Rule 4.13. Any series in eligible classes that are expected to be open for trading during Regular Trading Hours will be open for trading during Global Trading Hours on that same trading day (subject to Rule [6.11]5.31).

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Rule [6]5.2. Unit of Trading

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Rule [6]5.3. Meaning of Premium Bids and Offers

(a) No change.

(b) *Special cases*. Bids and offers for an option contract for which the Clearing Corporation has established an adjusted unit of trading in accordance with Rule 5.[7]2 must be expressed in terms of dollars per 1/100th part of the total securities and/or other property constituting such adjusted unit of trading. For example, an offer of “6” represents an offer of \$600 on an option contract having a unit of trading consisting of 100 shares of an underlying security plus 10 rights.

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Rule [6]5.4. Minimum Increments for Bids and Offers

(a) No change.

(b) *Complex Orders*. The minimum increment for bids and offers on complex orders is set forth in Rule [6.13]5.33.

(c) *Requirements for Penny Interval Program*. The Exchange will list option classes for the Penny Interval Program (“Penny Program”) with minimum quoting requirements (“penny increments”) of one cent (\$0.01) and five cents (\$0.05), as set forth in paragraph (a) above. The list of the option classes included in the Penny Program will be announced by the Exchange pursuant to Rule 1.[2]5 and published by the Exchange on its website.

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[Section B. Trading]**Rule [6.8]5.5. System Access and Connectivity**

(a) No change.

(b) *EFIDs*. A Trading Permit Holder may obtain one or more EFIDs from the Exchange (in a form and manner determined by the Exchange). The Exchange assigns an EFID to a Trading Permit Holder, which the System uses to identify the Trading Permit Holder and the clearing number for the execution of orders and quotes submitted to the System with that EFID.

(1) No change.

(2) A Trading Permit Holder may obtain multiple EFIDs, which may be for the same or different clearing numbers. A Trading Permit Holder may only identify for any of its EFIDs the clearing number of a Clearing Trading Permit Holder that is a Designated Give Up or Guarantor of the Trading Permit Holder as set forth in Rule [6.30]5.10.

(3) No change.

(c) *Ports*. A User may connect to the Exchange using a logical port available through an API, such as the industry-standard Financial Information eXchange (“FIX”) protocol or Binary Order Entry (“BOE”) protocol. Users may use multiple logical ports. The term “port” includes the following types of ports:

(1) – (2) No change.

(3) A “bulk port” is a dedicated logical port that provides Users with the ability to submit:

(A) No change.

(B) single orders in the same manner as Users may submit orders to the Exchange through any other type of port, including designated with any Order Instruction and any Time-in-Force in Rule [6.10]5.6(c) and (d), respectively, except a Market-Maker with an appointment in a class may designate an order for that class submitted through a bulk port only as Post Only or Book Only, and other Users must designate an order for that class submitted through a bulk port as Post Only; and

(C) No change.

Rule 5.6. Availability of Orders

(a) Availability. Unless otherwise specified in the Rules or the context indicates otherwise, the Exchange determines which of the following order types, Order Instructions, and Times-in-Force are available on a class, system, or trading session basis. Rule 5.33 sets forth the order types, Order Instructions, and Times-in-Force the Exchange may make available for complex orders.

(b) Order Types. An order may be either a limit or market order:

Limit Order

A “limit order” is an order (including a bulk message) to buy or sell a stated number of option contracts at a specified price or better. A limit order to buy (sell) is marketable when, at the time it enters the System, the order is equal to or higher (lower) than the then-current offer (bid).

Market Order

A “market order” is an order to buy or sell a stated number of option contracts at the best price available at the time of execution. Users may not designate a market order as All Sessions. Bulk messages may not be market orders.

(c) Order Instructions. An “Order Instruction” is a processing instruction a User may apply to an order or quote (multiple instructions may apply to a single order), subject to the restrictions set forth in Rule 5.5(c) with respect to orders and bulk messages submitted through bulk ports and any other restrictions set forth in the Rules, when entering it into the System and includes:

All Sessions

An “All Sessions” order is an order a User designates as eligible to trade during both GTH and RTH. An unexecuted All Sessions order on the GTH Book at the end of a GTH trading session enters the RTH Queuing Book and becomes eligible for execution during the RTH opening rotation and trading session on that same trading day, subject to a User’s instructions.

Attributable

An “Attributable” order (including a bulk message) is an order a User designates for display (price and size) that includes the User’s EFID or other unique identifier.

Book Only

A “Book Only” order is an order the System ranks and executes pursuant to Rule 5.32, subjects to the Price Adjust process pursuant to Rule 5.32, or cancels, as applicable (in

accordance with User instructions), without routing away to another exchange. Users may designate bulk messages as Book Only as set forth in Rule 5.5(c).

Cancel Back

A “Cancel Back” order (including bulk messages) is an order a User designates to not be subject to the Price Adjust Process pursuant to Rule 5.32 that the System cancels or rejects (immediately at the time the System receives the order or upon return to the System after being routed away) if displaying the order on the Book would create a violation of Rule 5.66, or if the order cannot otherwise be executed or displayed in the Book at its limit price. The System executes a Book Only – Cancel Back order against resting orders and cancels or rejects a Post Only – Cancel Back order, that locks or crosses the opposite side of the BBO.

Intermarket Sweep Order or ISO

An “Intermarket Sweep Order” or “ISO” is an order that has the meaning provided in Section E of Chapter 5, which may be executed at one or multiple price levels in the System without regard to Protected Quotations at other options exchanges (i.e., may trade through Protected Quotations). The Exchange relies on the marking of an order by a User as an ISO order when handling such order, and thus, it is the entering Trading Permit Holder’s responsibility, not the Exchange’s responsibility, to comply with the requirements relating to ISOs. Users may not designate bulk messages as ISOs.

Match Trade Prevention (MTP) Modifier

An order marked with any “Match Trade Prevention (“MTP”) Modifier” does not execute against a resting opposite side order also marked with an MTP modifier and originating from the same EFID, Trading Permit Holder identifier, trading group identifier, or Sponsored User identifier (any such identifier, a “Unique Identifier”). Except as described in paragraph (3) below, the MTP modifier on the incoming order controls the interaction between two orders marked with MTP modifiers. Subject to the restrictions set forth in Rule 5.5(c) with respect to bulk messages submitted through bulk ports, orders may contain the following MTP modifiers:

(1) MTP Cancel Newest (“MCN”). An incoming order marked with the “MCN” modifier does not execute against a resting order marked with any MTP modifier originating from the same Unique Identifier. The System cancels or rejects the incoming order, and the resting order remains in the Book. Users may designate bulk messages as MCN as set forth in Rule 5.5(c).

(2) MTP Cancel Oldest (“MCO”). An incoming order marked with the “MCO” modifier does not execute against a resting order marked with any MTP modifier originating from the same Unique Identifier. The System cancels or rejects the resting order and processes the incoming order in accordance with Rule 5.32. Users may designate bulk messages as MCO as set forth in Rule 5.5(c).

(3) MTP Decrement and Cancel (“MDC”). An incoming order marked with the “MDC” modifier does not execute against a resting order marked with any MTP modifier originating from the same Unique Identifier. If both orders are equivalent in size, the System cancels or rejects both orders. If the orders are not equivalent in size, the System cancels or rejects the smaller of the two orders and decrements the size of the larger order by the size of the smaller order, which remaining balance remains on the Book or processes in accordance with Rule 5.32, as applicable. Notwithstanding the foregoing, unless a User instructs the Exchange not to do so, the System cancels or rejects both orders if the resting order is marked with any MTP modifier other than MDC and the incoming order is smaller in size than the resting order. Users may not designate bulk messages as MCD.

(4) MTP Cancel Both (“MCB”). An incoming order marked with the “MCB” modifier does not execute against a resting order marked with any MTP modifier originating from the same Unique Identifier. The System cancels or rejects both orders. Users may designate bulk messages as MCB as set forth in Rule 5.5(c).

(5) MTP Cancel Smallest (“MCS”). An incoming order marked with the “MCS” modifier does not execute against a resting order marked with any MTP modifier originating from the same Unique Identifier. If both orders are equivalent in size, the System cancels or rejects both orders. If the orders are not equivalent in size, the System cancels or rejects the smaller of the two orders, and the larger order remains on the Book or processes in accordance with Rule 5.32, as applicable. Users may not designate bulk messages as MCS.

Minimum Quantity

A “Minimum Quantity” order is an order that requires a specified minimum quantity of contracts to be executed or is cancelled. Minimum Quantity orders will only execute against multiple, aggregated orders if the executions would occur simultaneously. Only a Book Only order with a time-in-force designation of IOC may have a Minimum Quantity instruction (the System disregards a Minimum Quantity instruction on any other order). Users may not designate bulk messages as Minimum Quantity Orders.

Non-Attributable

A “Non-Attributable” order (including a bulk message) is an order a User designates for display (price and size) on an anonymous basis or not designated as an Attributable order.

Post Only

A “Post Only” order is an order the System ranks and executes pursuant to Rule 5.32, subjects to the Price Adjust process pursuant to Rule 5.32, or cancels or rejects (including if it is not subject to the Price Adjust process and locks or crosses a Protected Quotation of another exchange), as applicable (in accordance with User instructions), except the order may not

remove liquidity from the Book or route away to another Exchange. Users may designate bulk messages as Post Only as set forth in Rule 5.5(c).

Price Adjust

A “Price Adjust” order is an order (including bulk messages) a User designates to be subject to the Price Adjust process pursuant to Rule 5.32 or not designated as Cancel Back.

Reserve Order

A “Reserve Order” is a limit order with both a portion of the quantity displayed (“Display Quantity”) and a reserve portion of the quantity (“Reserve Quantity”) not displayed. Both the Display Quantity and Reserve Quantity of the Reserve Order are available for potential execution against incoming orders. When entering a Reserve Order, a User must instruct the Exchange as to the quantity of the order to be initially displayed by the System (“Max Floor”). If the Display Quantity of a Reserve Order is fully executed, the System will, in accordance with the User’s instruction, replenish the Display Quantity from the Reserve Quantity using one of the below replenishment instructions. If the remainder of an order is less than the replenishment amount, the System will display the entire remainder of the order. The System creates a new timestamp for both the Display Quantity and Reserve Quantity of the order each time it is replenished from reserve. Users may not designate bulk messages as Reserve Orders.

(1) Random Replenishment. An instruction that a User may attach to an order with Reserve Quantity where the System randomly replenishes the Display Quantity for the order with a number of contracts not outside a replenishment range, which equals the Max Floor plus and minus a replenishment value established by the User when entering a Reserve Order with a Random Replenishment instruction.

(2) Fixed Replenishment. For any order for that a User does not select Random Replenishment, the System will replenish the Display Quantity of an order with the number of contracts equal to the Max Floor.

RTH Only

An “RTH Only” order is an order a User designates as eligible to trade only during RTH or not designated as All Sessions. An unexecuted RTH Only order with a Time-in-Force of GTC or GTD on the RTH Book at the end of an RTH trading session enters the RTH Queuing Book and becomes eligible for execution during the RTH opening rotation and trading session on the following trading day (but not during the GTH trading session on the following trading day), subject to a User’s instructions.

Stop (Stop-Loss)

A “Stop (Stop-Loss)” order is an order to buy (sell) that becomes a market order when the consolidated last sale price (excluding prices from complex order trades if outside of the NBBO) or NBB (NBO) for a particular option contract is equal to or above (below) the stop

price specified by the User. Users may not designate a Stop order as All Sessions. Users may not designate bulk messages as Stop orders.

Stop Limit

A “Stop-Limit” order is an order to buy (sell) that becomes a limit order when the consolidated last sale price (excluding prices from complex order trades if outside the NBBO) or NBB (NBO) for a particular option contract is equal to or above (below) the stop price specified by the User. Users may not designate a Stop Limit order as All Sessions. Users may not designate bulk messages as Stop Limit orders.

(d) *Time-in-Force*. A “Time-in-Force” means the period of time the System holds an order, subject to the restrictions set forth in Rule 5.5(c) with respect to bulk messages submitted through bulk ports, for potential execution, and includes:

Day

The term “Day” means, for an order so designated, an order that, if not executed, expires at the RTH market close. All bulk messages have a Time-in-Force of Day as set forth in Rule 5.5(c).

Fill-or-Kill or FOK

The terms “Fill-or-Kill” or “FOK” mean, for an order so designated, an order that must execute in its entirety as soon as the System receives it and, if not so executed, is cancelled. Users may not designate bulk messages as FOK.

Good-til-Cancelled or GTC

The terms “Good-til-Cancelled” or “GTC” mean, for an order so designated, if after entry into the System, the order is not fully executed, the order (or unexecuted portion) remains available for potential display or execution (with the same timestamp) unless cancelled by the entering User, or until the option expires, whichever comes first. Users may not designate bulk messages as GTC.

Good-til-Date or GTD

The terms “Good-til-Date” or “GTD” mean, for an order so designated, if after entry into the System, the order is not fully executed, the order (or unexecuted portion) remains available for potential display or execution (with the same timestamp) until a date and time specified by the entering User unless cancelled by the entering User. Users may not designate bulk messages as GTD.

Immediate-or-Cancel or IOC

The terms “Immediate-or-Cancel” or “IOC” mean, for an order so designated, a limit order that must execute in whole or in part as soon as the System receives it; the System cancels and does not post to the Book an IOC order (or unexecuted portion) not executed immediately on the Exchange or another options exchange. Users may not designate bulk messages as IOC.

Limit-on-Close and LOC

The terms “Limit-on-Close” and “LOC” mean, for an order so designated, a limit order that may not execute on the Exchange until three minutes prior to RTH market close. At that time, the System enters LOC orders into the Book in time sequence (based on the times at which the System initially received them), where they may be processed in accordance with Rule 5.32. The System cancels an LOC order (or unexecuted portion) that does not execute by the RTH market close. Users may not designate an LOC order as All Sessions. Users may not designate bulk messages as an LOC.

Market-on-Close and MOC

The terms “Market-on-Close” and “MOC” mean, for an order so designated, a market order that may not execute on the Exchange until three minutes prior to RTH market close. At that time, the System enters MOC orders into the Book in time sequence (based on the times at which the System initially received them), where they may be processed in accordance with Rule 5.32. The System cancels an MOC order (or unexecuted portion) that does not execute by the RTH market close. Users may not designate an MOC order as All Sessions. Users may not designate bulk messages as an MOC.

OPG or At the Open

The terms “OPG” or “At the Open” mean, for an order so designated, an order that may only participate in the Opening Process on the Exchange. The System cancels an OPG order (or unexecuted portion) that does not execute during the Opening Process. Users may not designate bulk messages as OPG.

Rule [6.9]5.7. Entry and Cancellation of Orders

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Rule 5.8. RESERVED**Rule 5.9. Order Exposure Requirement**

(a) *Principal Transactions.* A Trading Permit Holder may not execute as principal against orders it represents as agent unless: (1) agency orders are first exposed on the System for at

least one (1) second, or (2) the Trading Permit Holder has been bidding or offering for at least one (1) second prior to receiving an agency order that is executable against such bid or offer.

(b) *Solicitation Orders.* A Trading Permit Holder must expose orders it represents as agent for at least one (1) second before the orders may be executed on the System, in whole or in part, against orders solicited from Trading Permit Holders and non-Trading Permit Holder broker-dealers to transact with the orders.

... *Interpretations and Policies:*

.01 This Rule prevents a Trading Permit Holder from executing agency orders to increase its economic gain from trading against the order without first giving other trading interest on the Exchange an opportunity to either trade with the agency order or to trade at the execution price when the Trading Permit Holder was already bidding or offering on the Book. However, the Exchange recognizes that it may be possible for a Trading Permit Holder to establish a relationship with a customer or other person to deny agency orders the opportunity to interact on the Exchange and to realize similar economic benefits as it would achieve by executing agency orders as principal. It is a violation of this Rule for a Trading Permit Holder to be a party to any arrangement designed to circumvent this Rule by providing an opportunity for a customer to regularly execute against agency orders handled by the Trading Permit Holder immediately upon their entry into the System.

.02 It is a violation of this Rule for a Trading Permit Holder to cause the execution of an order it represents as agent on C2 against orders it solicited from Trading Permit Holders and non-Trading Permit Holder broker-dealers, whether such solicited orders are entered into C2 directly by the Trading Permit Holder or by the solicited party (either directly or through another Trading Permit Holder), if the Trading Permit Holder fails to expose orders on C2 as required by this Rule.

.03 With respect to nondisplayed portions of Reserve orders, the exposure requirement of this Rule is satisfied if the displayed portion of the order is displayed at its displayable price for one second.

.04 Prior to or after submitting an order to the System, a Trading Permit Holder cannot inform another Trading Permit Holder or any other third party of any of the terms of the order.

Rule 5.10. Give Up of a Clearing Trading Permit Holder

(a) *General.* For each transaction in which a Trading Permit Holder participates, a Trading Permit Holder must may indicate, at the time of the trade or through post-trade allocation, any Options Clearing Corporation (“OCC”) number of the Clearing Trading Permit Holder through which the transaction will be cleared (“give up”). The Clearing Trading Permit Holder that is given up must be a Designated Give Up or Guarantor of the Trading Permit Holder as set forth in paragraph (b) below. Clearing Trading Permit Holders may elect to Opt In, as defined and described in paragraph (c) below, and restrict one or more of its OCC number(s) (“Restricted OCC Number”). A Trading Permit Holder may give up a Restricted OCC

Number provided the Trading Permit Holder has written authorization as described in paragraph (c)(2) below (“Authorized Trading Permit Holder”) and provided the Restricted OCC Number belongs to a Designated Give Up of the Trading Permit Holder.

(b) Designated Give Ups.

(1) Definition of Designated Give Up. For purposes of this Rule, a “Designated Give Up” of a Trading Permit Holder refers to a Clearing Trading Permit Holder that the Trading Permit Holder identified to the Exchange as a Clearing Trading Permit Holder that the Trading Permit Holder would like the ability to give up and that the Exchange processed as a Designated Give Up.

(2) Definition of Guarantor. For purposes of this Rule, a “Guarantor” of an executing Trading Permit Holder refers to a Clearing Trading Permit Holder that has issued a Letter of Guarantee or Letter of Authorization for the executing Trading Permit Holder under the Rules that is in effect at the time of the execution of the applicable trade.

(3) Identification of Designated Give Up. Every Trading Permit Holder (other than a Market-Maker) must identify, in a form and manner prescribed by the Exchange and in advance of giving up any Clearing Trading Permit Holder that is not a Guarantor for the Trading Permit Holder, any Designated Give Ups. A Trading Permit Holder shall only give up (A) a Clearing Trading Permit Holder that the Exchange has previously identified and processed as a Designated Give Up for that Trading Permit Holder, provided that the Designated Give Up has not Opted In, or provided that the Trading Permit Holder is an Authorized Trading Permit Holder of that Designated Give Up, or (B) a Guarantor for that Trading Permit Holder.

(4) Non Market-Makers. Any Trading Permit Holder (other than a Market-Maker) may designate, pursuant to subparagraph (b)(3) above, any Clearing Trading Permit Holder other than its Guarantor, as a Designated Give Up.

(5) Market-Makers. For each transaction in which a Market-Maker participates, a Guarantor of the Market-Maker must be the Clearing Trading Permit Holder through which the transaction will be cleared.

(6) Guarantors. A Guarantor for a Trading Permit Holder will be enabled to be given up for that Trading Permit Holder without any further action by the Clearing Trading Permit Holder or Trading Permit Holder.

(7) Removal of Designated Give Up. If a Trading Permit Holder (other than a Market-Maker) no longer wants the ability to give up a particular Designated Give Up, the Trading Permit Holder must notify the Exchange, in a form and manner prescribed by the Exchange.

(c) Opt In. Clearing Trading Permit Holders may request the Exchange restrict one or more of their OCC clearing numbers (“Opt In”) as described in subparagraph (c)(1) below. If a Clearing Trading Permit Holder opts In, the Exchange will require written authorization from the Clearing Trading Permit Holder permitting a Trading Permit Holder to give up a Clearing Trading Permit Holder’s Restricted OCC Number. An Opt In would remain in effect until the Clearing Trading Permit Holder terminates the Opt In as described in subparagraph (c)(3) below. If a Clearing Trading Permit Holder does not Opt In, that Clearing Trading Permit Holder’s OCC number would be subject to give up by any Trading Permit Holder.

(1) Clearing Trading Permit Holder Process to Opt In. A Clearing Trading Permit Holder may Opt In by sending a completed “Clearing Trading Permit Holder Restriction Form” listing all Restricted OCC Numbers and Authorized Trading Permit Holders. A Clearing Trading Permit Holder may elect to restrict one or more OCC clearing numbers that are registered in its name at OCC. The Clearing Trading Permit Holder would be required to submit the Clearing Trading Permit Holder Restriction Form to the Exchange’s Membership Department as described on the form. Once submitted, the Exchange requires ninety days before a Restricted OCC Number is effective within the System.

(2) Trading Permit Holder Give Up Process for Restricted OCC Numbers. A Trading Permit Holder desiring to give up a Restricted OCC Number must become an Authorized Trading Permit Holder. The Clearing Trading Permit Holder will be required to authorize a Trading Permit Holder as described in subparagraph (1) or (3), unless the Restricted OCC Number is already subject to a Letter of Guarantee that the Trading Permit Holder is a party to.

(3) Amendments to Authorized Trading Permit Holders or Restricted OCC Numbers. A Clearing Trading Permit Holder may amend its Authorized Trading Permit Holders or Restricted OCC Numbers by submitting a new Clearing Trading Permit Holder Restriction Form to the Exchange’s Membership Department indicating the amendment as described on the form. Once a Restricted OCC Number is effective within the System pursuant to paragraph (1) above, the Exchange may permit the Clearing Trading Permit Holder to authorize, or remove authorization for, a Trading Permit Holder to Give Up the Restricted OCC Number intra-day only in unusual circumstances, and on the next business day in all regular circumstances. The Exchange will promptly notify Trading Permit Holders if they are no longer authorized to give up a Clearing Trading Permit Holder’s Restricted OCC Number. If a Clearing Trading Permit Holder removes a Restricted OCC Number, any Trading Permit Holder may give up that OCC clearing number once the removal has become effective on or before the next business day, provided that the Trading Permit Holder has identified the Clearing Trading Permit Holder as a Designated Give Up.

(d) System. The Exchange’s trading systems shall only accept orders that identify an effective Designated Give Up or a Guarantor. For any Restricted OCC Number, the Exchange’s trading

systems will only accept orders for that number from an Authorized Trading Permit Holder that has also designated that Clearing Trading Permit Holder as a Designated Give Up.

(e) Notice. The Exchange shall notify a Clearing Trading Permit Holder, in writing and as soon as practicable, of each Trading Permit Holder that has identified the Clearing Trading Permit Holder as a Designated Give Up pursuant to subparagraph (b)(3) above. The Exchange shall notify a Trading Permit Holder, in writing and as soon as practicable, of each Clearing Trading Permit Holder that has identified the Trading Permit Holder as an Authorized Trading Permit Holder pursuant to subparagraph (c) above.

(f) Other Give Up Changes.

(1) Give Up Changes Made by Executing Trading Permit Holders. If the executing Trading Permit Holder has the ability through an Exchange system to do so, the Trading Permit Holder may change the give up on the trade to another Designated Give Up, provided it's an Authorized Trading Permit Holder for any Restricted OCC Number, or to its Guarantor. The ability of an executing Trading Permit Holder to make any give up change ends at the trade input cutoff time established by the Clearing Corporation (or fifteen minutes thereafter if the Exchange receives and is able to process a request to extend its time of final trade submission to the Clearing Corporation) ("Trade Date Cutoff Time").

(2) Give Up Changes Made by Designated Give Ups to Affiliates and Back Office Agents. If a Designated Give Up has the ability through an Exchange system to do so, the Designated Give Up may change the give up on a trade to (A) another Clearing Trading Permit Holder affiliated with the Designated Give Up or (B) a Clearing Trading Permit Holder that is a back office agent for the Designated Give Up. The ability to make such a change ends at the Trade Date Cutoff Time.

(3) Give Up Changes Made by Designated Give Ups or Guarantors and Clearing Trading Permit Holders on T+1. If a Designated Give Up (or Guarantor) and a Clearing Trading Permit Holder have the ability through an Exchange system to do so, the Designated Give Up (or Guarantor) and Clearing Trading Permit Holder may each enter trade records into the Exchange's systems on the next trading day ("T+1") that would effect a transfer of the trade in a non-expired option series from that Designated Give Up (or Guarantor) to that Clearing Trading Permit Holder. The ability to make such a change ends at 1:00 p.m. Eastern Time on T+1 ("T+1 Cutoff Time"). The Designated Give Up (or Guarantor) must notify the Exchange and all the parties to the trade, in writing, of any such change.

(g) Responsibility. For purposes of the Rules, a Clearing Trading Permit Holder is financially responsible for all trades for which it is the give up at the Applicable Cutoff Time. Nothing in this Rule precludes a different party from being responsible for the trade outside of the Rules pursuant to the Rules of the Clearing Corporation, any agreement between the applicable parties, other applicable rules and regulations, arbitration, court proceedings, or otherwise.

For purposes of this Rule, the “Applicable Cutoff Time” shall refer to the T+1 Cutoff Time for non-expiring option series and to the Trade Date Cutoff Time for expiring option series.

(h) An intentional misuse of this Rule is impermissible and may be treated as a violation of Rule 8.1.

... Interpretations and Policies:

.01 Nothing in Rule 5.10 precludes the clearance of Exchange transactions by a non-Trading Permit Holder pursuant to the Rules of the Clearing Corporation so long as a Clearing Trading Permit Holder is also designated as having responsibility under these Rules for the clearance and comparison of such transactions.

Rule 5.11. Binding Transactions

(a) All executions of bids and offers submitted to and accepted by the System in accordance with the Rules constitute binding contracts, subject to the Bylaws, the Rules, and the Rules of the Clearing Corporation.

(b) The price at which an order or quote is executed is binding even if the System sent an erroneous report, or no report, regarding the execution. A report is not be binding if an order or quote did not execute but the System erroneously reported it as executed.

Rule 5.12. Prohibition on Transactions Off the Exchange

(a) No rule, stated policy, or practice of the Exchange may prohibit or condition, or be construed to prohibit or condition, or otherwise limit, directly or indirectly, the ability of any Trading Permit Holder acting as agent to effect any transaction otherwise than on the Exchange with another person (except when such Trading Permit Holder also is acting as agent for such other person in such transaction) in any equity security listed on the Exchange or to which unlisted trading privileges on the Exchange have been extended.

(b) No rule, stated policy, or practice of the Exchange may prohibit or condition, or be construed to prohibit, condition, or otherwise limit, directly or indirectly, the ability of any Trading Permit Holder to effect any transaction otherwise than on the Exchange in any reported security listed and registered on the Exchange or as to which unlisted trading privileges on the Exchange have been extended (other than a put option or call option issued by the Clearing Corporation) which is not a covered security.

Rule 5.13. Trading on Knowledge of Imminent Undisclosed Solicited Transaction

It will be considered conduct inconsistent with just and equitable principles of trade and a violation of Rule 8.1 for any Trading Permit Holder or person associated with a Trading Permit Holder, who has knowledge of all material terms and conditions of an original order and a solicited order, including a facilitation order, that matches the original order’s limit, the execution of which are imminent, to enter, based on such knowledge, an order to buy or sell an option of the same class as an option that is the subject of the original order, or an order to

buy or sell the security underlying such class, or an order to buy or sell any related instrument until either (a) all the terms and conditions of the original order and any changes in the terms and conditions of the original order of which that Trading Permit Holder or associated person has knowledge are disclosed to the trading crowd or (b) the solicited trade can no longer reasonably be considered imminent in view of the passage of time since the solicitation. For purposes of this Rule, an order to buy or sell a “related instrument” means, in reference to an index option, an order to buy or sell securities comprising ten percent or more of the component securities in the index or an order to buy or sell a futures contract on any economically equivalent index. With respect to an SPX option, an OEX option is a related instrument, and vice versa.

SECTION B. EXCHANGE AUTHORITY

Rule 5.20. Trading Halts

(a) The Exchange may halt trading in any class in the interests of a fair and orderly market. The Trade Desk, in consultation with a designated senior executive officer of the Exchange, may halt trading in any security in the interests of a fair and orderly market for a period exceeding two consecutive business days. Any trading halt that lasts more than two consecutive business days is reviewed by the President or his/her designee, who may determine whether, in the interests of a fair and orderly market, to terminate or modify any such trading halt that is then still in effect. When considering whether to halt trading in a class, the Exchange considers the following factors, among others:

(1) in the case of an option on a security:

(A) trading in the underlying security has been halted or suspended in one or more of the markets trading the underlying security; generally, trading will be halted when a Regulatory Halt in the underlying security has occurred in the primary market for that security; or

(B) the opening of the underlying security has been delayed because of unusual circumstances;

(2) in the case of an option on an index:

(A) the extent to which trading in the stocks or options underlying the index is not occurring;

(B) the current calculation of the index derived from the current market prices of the stock;

(C) the “current index level” (which is the implied forward level based on volatility index (security) futures prices) for a volatility index is not available or the cash (spot) value for a volatility index is not available; or

(D) the activation of price limits on futures exchanges or the halt of trading in related futures;

(3) occurrence of an act of God or other event outside the Exchange's control;

(4) occurrence of a System technical failure or failures including, but not limited to, the failure of a part of the central processing system, a number of Trading Permit Holder trading applications, or the electrical power supply to the System itself or any related system; or

(5) other unusual conditions or circumstances are present.

When the hours of trading of the underlying primary securities market for an index option do not overlap or coincide with those of the Exchange, and during Global Trading Hours, subparagraphs (1) and (2) above do not apply.

(b) If the Exchange determines to halt trading, all trading in the effected class(es) is halted. For all halts, the System queues a User's open orders pursuant to Rule 5.31(b) unless a User entered instructions to cancel its orders. C2 disseminates through its trading facilities and over OPRA a symbol with respect to the class(es) indicating that trading in the class(es) has been halted. The Exchange makes available to vendors a record of the time and duration of the halt.

(c) No Trading Permit Holder or person associated with a Trading Permit Holder may effect a trade on the Exchange in any class during the time in which a halt is in effect for the class. The Exchange will nullify any transaction in a class that occurs during a trading halt of that class or, with respect to equity options (including options overlying ETFs), during a Regulatory Halt as declared by the primary listing market for the underlying security.

(d) The Exchange may determine to resume trading in a class that has been the subject of a halt pursuant to this Rule if the interests of a fair and orderly market are best served by a resumption of trading. When considering whether to resume trading in a class, the Exchange will consider, among other factors, whether the conditions which led to the halt are no longer present.

(e) When the primary market for a security underlying the current index value of an index option does not open for trading, halts trading prematurely, or otherwise experiences a disruption of normal trading on a given day, or if a particular security underlying the current index value of an index option does not open for trading, halts trading prematurely, or otherwise experiences a disruption of normal trading on a given day in its primary market, the price of that security is determined, for the purposes of calculating the current index value at expiration, in accordance with the Rules and By-Laws of OCC.

. . . Interpretations and Policies:

.01 The Exchange will halt trading in all stock options whenever a market-wide trading halt commonly known as a circuit breaker is initiated in response to extraordinary market

conditions. This Rule will be in effect during a pilot period that expires at the close of business on October 18, 2021. If the pilot is not either extended or approved permanently at the end of the pilot period, the prior version of Rule 5.20 will be in effect. This Interpretation and Policy .01 does not apply during Global Trading Hours.

(a) The Exchange will halt trading in all stock options and not reopen for the time periods specified in this Rule if there is a Level 1, 2, or 3 Market Decline. For proposes of this Rule:

(1) A “Market Decline” means a decline in price of the S&P 500 Index between 9:30 a.m. and 4:00 p.m. on a trading day as compared to the closing price of the S&P 500 Index for the immediately preceding trading day. The Level 1, Level 2, and Level 3 Market Declines that will be applicable for the trading day will be publicly disseminated before 9:30 a.m.

(2) A “Level 1 Market Decline” means a Market Decline of 7%.

(3) A “Level 2 Market Decline” means a Market Decline of 13%.

(4) A “Level 3 Market Decline” means a Market Decline of 20%.

(b) Halts in Trading.

(1) If a Level 1 or Level 2 Market Decline occurs after 9:30 a.m. and up to and including 3:25 p.m. or, in the case of an early scheduled close, 12:25 p.m., the Exchange will halt trading in all stock options for 15 minutes after a Level 1 or Level 2 Market Decline. The Exchange will halt trading based on a Level 1 or Level 2 Market Decline only once per trading day. The Exchange will not halt trading if a Level 1 or Level 2 Market Decline occurs after 3:25 p.m. or, in the case of an early scheduled close, 12:25 p.m.

(2) If a Level 3 Market Decline occurs at any time during the trading day, the Exchange will halt trading in all stock options until the next trading day.

(c) Reopening of Trading.

(1) Following a trading halt, a class will reopen for trading in accordance with Rule 5.31.

(2) If a circuit breaker is initiated in all stocks due to a Level 1 or Level 2 Market Decline:

(A) The Exchange will halt trading in each class of options on those stocks until trading has resumed on the primary listing market for the stocks or notice has been received from the primary listing market that trading may resume. If, however, trading has not resumed on the primary listing market for a stock within 15 minutes following the end of the 15-minute halt period, the

Exchange may resume trading in the options if at least one market has resumed trading in the stock.

(B) The Exchange will halt trading in all other stock options not specified in subparagraph (1) above. The Exchange may resume trading in such other stock options anytime after the 15-minute halt period.

(d) Nothing in this Rule will be construed to limit the ability of the Exchange to halt or suspend trading in any class traded on the Exchange pursuant to any other Exchange Rule or policy.

.02 If a primary listing market issues an individual stock trading pause in an underlying eligible NMS stock, as defined in this Rule, the Exchange will halt trading in options on that stock until trading has resumed on the primary listing market for the stock, which generally will occur after a period of five minutes. If, however, trading has not resumed on the primary listing market for the stock after ten minutes have passed since the individual stock trading pause message has been received from the responsible single plan processor, the Exchange may resume trading in the options if at least one market has resumed trading in the stock.

(a) Upon receipt of a trading pause message from the single plan processor responsible for consolidation of information for the stock, the Exchange will automatically implement a trading halt in the overlying options traded on the Exchange.

(b) During the halt, the Exchange will maintain existing orders in the Book, accept orders, and process cancels.

(c) Following a trading halt, a class will reopen for trading in accordance with Rule 5.31.

(d) Nothing in this Rule will be construed to limit the ability of the Exchange to halt or suspend trading in any class traded on the Exchange pursuant to any other Exchange Rule or policy.

(e) The provisions of this Rule will be in effect for options on eligible NMS stocks. The term “eligible NMS stocks” means NMS stocks, other than rights and warrants.

Rule 5.21. Equity Market Plan to Address Extraordinary Market Volatility

The Exchange will modify option order processing during a limit up-limit down state. For purposes of this rule, a “limit up-limit down state” means the period of time when the underlying security of an option enters a limit or straddle state as defined in the Regulation NMS Plan to Address Extraordinary Market Volatility (the “Limit Up-Limit Down Plan” or the “Plan”).

(a) *Exchange Order Types.* The following order types will be handled specially during a limit up-limit down state: market orders, market-on-close orders, and stop orders. Refer to Rule 5.32 for a description of how these orders will be handled during a limit up-limit down state.

(b) Order Handling. The following order handling features will operate differently during a limit up-limit down state:

(1) Openings. Refer to Rule 5.31 for a description of how the Opening Process will operate during a limit up-limit down state.

(2) Complex Order Request for Responses Auction. Refer to Rule 5.33 for a description of how a COA will operate during a limit up-limit down state.

(3) Canceling/Replacing Orders. If a request to replace a limit order with a market order is received while the underlying security is in a limit up-limit down state, then the market order and the original limit order will be returned.

(c) Obvious Error. Refer to Rule 6.5 for a description of how the Exchange will handle potential obvious error executions during a limit up-limit down state.

(d) Market-Maker Quoting Obligations. Subject to certain limitations specified in Rule 5.52, the Exchange will not require Market-Makers to quote in series of options when the underlying security is in a limit up-limit down state.

Rule 5.22. RESERVED

Rule 5.23. Authority to Take Action Under Emergency Conditions

The Chief Executive Officer, the President (or his or her senior-level designee) has the power to halt or suspend trading in some or all securities traded on the Exchange, to close some or all Exchange facilities, to determine the duration of any such halt, suspension, or closing, to take one or more of the actions permitted to be taken by any person or body of the Exchange under the Rules, or to take any other action deemed to be necessary or appropriate for the maintenance of a fair and orderly market or the protection of investors, or otherwise in the public interest, due to emergency conditions or extraordinary circumstances, such as (a) actual or threatened physical danger, severe climatic conditions, natural disaster, civil unrest, terrorism, acts of war, or loss or interruption of facilities utilized by the Exchange, (b) a request by a governmental agency or official, or (c) a period of mourning or recognition for a person or event.

Rule 5.24. Disaster Recovery

(a) The Exchange maintains business continuity and disaster recovery plans, including backup systems, it may activate to maintain fair and orderly markets in the event of a systems failure, disaster, or other unusual circumstance that may threaten the ability to conduct business on the Exchange.

(b) Trading Permit Holders that contribute a meaningful percentage of the Exchange's overall volume must connect to the Exchange's backup systems and participate in functional and performance testing as announced by the Exchange, which occurs at least once every

12 months. The Exchange has established the following standards to identify Trading Permit Holders that account for a meaningful percentage of the Exchange's overall volume and, taken as a whole, that constitute the minimum necessary for the maintenance of fair and orderly markets in the event of the activation of business continuity and disaster recovery plans:

(1) The Exchange determines the percentage of volume it considers to be meaningful for purposes of this Rule.

(2) The Exchange measures volume executed on the Exchange during a single designated quarter for a given year. The Exchange also individually notifies all Trading Permit Holders annually, and at least three months prior to the scheduled functional and performance testing, that are subject to this paragraph (b) based on the designated quarter's volume.

(c) All Trading Permit Holders may connect to the Exchange's backup systems and participate in testing of such systems.

Rule 5.25. Message Traffic Mitigation

To mitigate message traffic, based on C2's traffic with respect to target traffic levels and in accordance with C2's overall objective of reducing both peak and overall traffic:

(a) *Replace on Queue.* The System does not send an outbound message in a series that has not been but is about to be sent if a more current quote message for the same series is available for sending, but does not delay the sending of any messages.

(b) *Price/Size Updates.* C2 prioritizes price update messages over size update messages in all series and in conjunction with the replace on queue functionality described in paragraph (a).

[Rule 6.10. Availability of Orders

(a) *Availability.* Unless otherwise specified in the Rules or the context indicates otherwise, the Exchange determines which of the following order types, Order Instructions, and Times-in-Force are available on a class, system, or trading session basis. Rule 6.13 sets forth the order types, Order Instructions, and Times-in-Force the Exchange may make available for complex orders.

(b) *Order Types.* An order may be either a limit or market order:

Limit Order

A "limit order" is an order (including a bulk message) to buy or sell a stated number of option contracts at a specified price or better. A limit order to buy (sell) is marketable when, at the time it enters the System, the order is equal to or higher (lower) than the then-current offer (bid).

Market Order

A “market order” is an order to buy or sell a stated number of option contracts at the best price available at the time of execution. Users may not designate a market order as All Sessions. Bulk messages may not be market orders.

(c) *Order Instructions.* An “Order Instruction” is a processing instruction a User may apply to an order or quote (multiple instructions may apply to a single order), subject to the restrictions set forth in Rule 6.8(c) with respect to orders and bulk messages submitted through bulk ports and any other restrictions set forth in the Rules, when entering it into the System and includes:

All Sessions

An “All Sessions” order is an order a User designates as eligible to trade during both GTH and RTH. An unexecuted All Sessions order on the GTH Book at the end of a GTH trading session enters the RTH Queuing Book and becomes eligible for execution during the RTH opening rotation and trading session on that same trading day, subject to a User’s instructions.

Attributable

An “Attributable” order (including a bulk message) is an order a User designates for display (price and size) that includes the User’s EFID or other unique identifier.

Book Only

A “Book Only” order is an order the System ranks and executes pursuant to Rule 6.12, subjects to the Price Adjust process pursuant to Rule 6.12, or cancels, as applicable (in accordance with User instructions), without routing away to another exchange. Users may designate bulk messages as Book Only as set forth in Rule 6.8(c).

Cancel Back

A “Cancel Back” order (including bulk messages) is an order a User designates to not be subject to the Price Adjust Process pursuant to Rule 6.12 that the System cancels or rejects (immediately at the time the System receives the order or upon return to the System after being routed away) if displaying the order on the Book would create a violation of Rule 6.82, or if the order cannot otherwise be executed or displayed in the Book at its limit price. The System executes a Book Only – Cancel Back order against resting orders, and cancels or rejects a Post Only – Cancel Back order, that locks or crosses the opposite side of the BBO.

Intermarket Sweep Order or ISO

An “Intermarket Sweep Order” or “ISO” is an order that has the meaning provided in Section E of Chapter 6, which may be executed at one or multiple price levels in the System without regard to Protected Quotations at other options exchanges (i.e., may trade through Protected

Quotations). The Exchange relies on the marking of an order by a User as an ISO order when handling such order, and thus, it is the entering Trading Permit Holder's responsibility, not the Exchange's responsibility, to comply with the requirements relating to ISOs. Users may not designate bulk messages as ISOs.

Match Trade Prevention (MTP) Modifier

An order marked with any "Match Trade Prevention ("MTP") Modifier" does not execute against a resting opposite side order also marked with an MTP modifier and originating from the same EFID, Trading Permit Holder identifier, trading group identifier, or Sponsored User identifier (any such identifier, a "Unique Identifier"). Except as described in paragraph (3) below, the MTP modifier on the incoming order controls the interaction between two orders marked with MTP modifiers. Subject to the restrictions set forth in Rule 6.8(c) with respect to bulk messages submitted through bulk ports, orders may contain the following MTP modifiers:

(1) MTP Cancel Newest ("MCN"). An incoming order marked with the "MCN" modifier does not execute against a resting order marked with any MTP modifier originating from the same Unique Identifier. The System cancels or rejects the incoming order, and the resting order remains in the Book. Users may designate bulk messages as MCN as set forth in Rule 6.8(c).

(2) MTP Cancel Oldest ("MCO"). An incoming order marked with the "MCO" modifier does not execute against a resting order marked with any MTP modifier originating from the same Unique Identifier. The System cancels or rejects the resting order and processes the incoming order in accordance with Rule 6.12. Users may designate bulk messages as MCO as set forth in Rule 6.8(c).

(3) MTP Decrement and Cancel ("MDC"). An incoming order marked with the "MDC" modifier does not execute against a resting order marked with any MTP modifier originating from the same Unique Identifier. If both orders are equivalent in size, the System cancels or rejects both orders. If the orders are not equivalent in size, the System cancels or rejects the smaller of the two orders and decrements the size of the larger order by the size of the smaller order, which remaining balance remains on the Book or processes in accordance with Rule 6.12, as applicable. Notwithstanding the foregoing, unless a User instructs the Exchange not to do so, the System cancels or rejects both orders if the resting order is marked with any MTP modifier other than MDC and the incoming order is smaller in size than the resting order. Users may not designate bulk messages as MCD.

(4) MTP Cancel Both ("MCB"). An incoming order marked with the "MCB" modifier does not execute against a resting order marked with any MTP modifier originating from the same Unique Identifier. The System cancels or rejects both orders. Users may designate bulk messages as MCB as set forth in Rule 6.8(c).

(5) MTP Cancel Smallest (“MCS”). An incoming order marked with the “MCS” modifier does not execute against a resting order marked with any MTP modifier originating from the same Unique Identifier. If both orders are equivalent in size, the System cancels or rejects both orders. If the orders are not equivalent in size, the System cancels or rejects the smaller of the two orders, and the larger order remains on the Book or processes in accordance with Rule 6.12, as applicable. Users may not designate bulk messages as MCS.

Minimum Quantity

A “Minimum Quantity” order is an order that requires a specified minimum quantity of contracts to be executed or is cancelled. Minimum Quantity orders will only execute against multiple, aggregated orders if the executions would occur simultaneously. Only a Book Only order with a time-in-force designation of IOC may have a Minimum Quantity instruction (the System disregards a Minimum Quantity instruction on any other order). Users may not designate bulk messages as Minimum Quantity Orders.

Non-Attributable

A “Non-Attributable” order (including a bulk message) is an order a User designates for display (price and size) on an anonymous basis or not designated as an Attributable order.

Post Only

A “Post Only” order is an order the System ranks and executes pursuant to Rule 6.12, subjects to the Price Adjust process pursuant to Rule 6.12, or cancels or rejects (including if it is not subject to the Price Adjust process and locks or crosses a Protected Quotation of another exchange), as applicable (in accordance with User instructions), except the order may not remove liquidity from the Book or route away to another Exchange. Users may designate bulk messages as Post Only as set forth in Rule 6.8(c).

Price Adjust

A “Price Adjust” order is an order (including bulk messages) a User designates to be subject to the Price Adjust process pursuant to Rule 6.12 or not designated as Cancel Back.

Reserve Order

A “Reserve Order” is a limit order with both a portion of the quantity displayed (“Display Quantity”) and a reserve portion of the quantity (“Reserve Quantity”) not displayed. Both the Display Quantity and Reserve Quantity of the Reserve Order are available for potential execution against incoming orders. When entering a Reserve Order, a User must instruct the Exchange as to the quantity of the order to be initially displayed by the System (“Max Floor”). If the Display Quantity of a Reserve Order is fully executed, the System will, in accordance with the User’s instruction, replenish the Display Quantity from the Reserve Quantity using one of the below replenishment instructions. If the remainder of an order is less than the

replenishment amount, the System will display the entire remainder of the order. The System creates a new timestamp for both the Display Quantity and Reserve Quantity of the order each time it is replenished from reserve. Users may not designate bulk messages as Reserve Orders.

(1) **Random Replenishment.** An instruction that a User may attach to an order with Reserve Quantity where the System randomly replenishes the Display Quantity for the order with a number of contracts not outside a replenishment range, which equals the Max Floor plus and minus a replenishment value established by the User when entering a Reserve Order with a Random Replenishment instruction.

(2) **Fixed Replenishment.** For any order for that a User does not select Random Replenishment, the System will replenish the Display Quantity of an order with the number of contracts equal to the Max Floor.

RTH Only

An “RTH Only” order is an order a User designates as eligible to trade only during RTH or not designated as All Sessions. An unexecuted RTH Only order with a Time-in-Force of GTC or GTD on the RTH Book at the end of an RTH trading session enters the RTH Queuing Book and becomes eligible for execution during the RTH opening rotation and trading session on the following trading day (but not during the GTH trading session on the following trading day), subject to a User’s instructions.

Stop (Stop-Loss)

A “Stop (Stop-Loss)” order is an order to buy (sell) that becomes a market order when the consolidated last sale price (excluding prices from complex order trades if outside of the NBBO) or NBB (NBO) for a particular option contract is equal to or above (below) the stop price specified by the User. Users may not designate a Stop order as All Sessions. Users may not designate bulk messages as Stop orders.

Stop Limit

A “Stop-Limit” order is an order to buy (sell) that becomes a limit order when the consolidated last sale price (excluding prices from complex order trades if outside the NBBO) or NBB (NBO) for a particular option contract is equal to or above (below) the stop price specified by the User. Users may not designate a Stop Limit order as All Sessions. Users may not designate bulk messages as Stop Limit orders.

(d) *Time-in-Force.* A “Time-in-Force” means the period of time the System holds an order, subject to the restrictions set forth in Rule 6.8(c) with respect to bulk messages submitted through bulk ports, for potential execution, and includes:

Day

The term “Day” means, for an order so designated, an order that, if not executed, expires at the RTH market close. All bulk messages have a Time-in-Force of Day as set forth in Rule 6.8(c).

Fill-or-Kill or FOK

The terms “Fill-or-Kill” or “FOK” mean, for an order so designated, an order that must execute in its entirety as soon as the System receives it and, if not so executed, is cancelled. Users may not designate bulk messages as FOK.

Good-til-Cancelled or GTC

The terms “Good-til-Cancelled” or “GTC” mean, for an order so designated, if after entry into the System, the order is not fully executed, the order (or unexecuted portion) remains available for potential display or execution (with the same timestamp) unless cancelled by the entering User, or until the option expires, whichever comes first. Users may not designate bulk messages as GTC.

Good-til-Date or GTD

The terms “Good-til-Date” or “GTD” mean, for an order so designated, if after entry into the System, the order is not fully executed, the order (or unexecuted portion) remains available for potential display or execution (with the same timestamp) until a date and time specified by the entering User unless cancelled by the entering User. Users may not designate bulk messages as GTD.

Immediate-or-Cancel or IOC

The terms “Immediate-or-Cancel” or “IOC” mean, for an order so designated, a limit order that must execute in whole or in part as soon as the System receives it; the System cancels and does not post to the Book an IOC order (or unexecuted portion) not executed immediately on the Exchange or another options exchange. Users may not designate bulk messages as IOC.

Limit-on-Close and LOC

The terms “Limit-on-Close” and “LOC” mean, for an order so designated, a limit order that may not execute on the Exchange until three minutes prior to RTH market close. At that time, the System enters LOC orders into the Book in time sequence (based on the times at which the System initially received them), where they may be processed in accordance with Rule 6.12. The System cancels an LOC order (or unexecuted portion) that does not execute by the RTH market close. Users may not designate an LOC order as All Sessions. Users may not designate bulk messages as an LOC.

Market-on-Close and MOC

The terms “Market-on-Close” and “MOC” mean, for an order so designated, a market order that may not execute on the Exchange until three minutes prior to RTH market close. At that time, the System enters MOC orders into the Book in time sequence (based on the times at which the System initially received them), where they may be processed in accordance with Rule 6.12. The System cancels an MOC order (or unexecuted portion) that does not execute by the RTH market close. Users may not designate an MOC order as All Sessions. Users may not designate bulk messages as an MOC.

OPG or At the Open

The terms “OPG” or “At the Open” mean, for an order so designated, an order that may only participate in the Opening Process on the Exchange. The System cancels an OPG order (or unexecuted portion) that does not execute during the Opening Process. Users may not designate bulk messages as OPG.]

SECTION C. ELECTRONIC TRADING

Rule [6.11]5.31. Opening Auction Process

(a) *Definitions.* For purposes of the opening auction process in this Rule [6.11]5.31, the following terms have the meaning below. A term defined elsewhere in the Rules has the same meaning with respect to this Rule [6.11]5.31, unless otherwise defined below.

* * * * *

(b) *Queuing Period.*

(1) No change.

(2) *Orders and Quotes.* Orders and quotes on the Queuing Book are not eligible for execution until the opening rotation pursuant to paragraph (e) below. During the Queuing Period, the System accepts all orders and quotes that are available for a class and trading session pursuant to Rule [6.10]5.6(a), and they are all eligible for execution during the opening rotation, except as follows:

(A) – (D) No change.

(E) complex orders do not participate in the opening auction process described in this Rule [6.11]5.31 and instead may participate in the COB Opening Process pursuant to Rule [6.13]5.33(c).

(c) – (d) No change.

(e) *Opening Rotation.* After the System initiates the opening rotation for a series pursuant to paragraph (d) above, the System conducts the opening rotation as follows.

(1) – (2) No change.

(3) *Opening of a Series.*

(A) *Opening Trade.* If the System establishes an Opening Trade Price, the System executes orders and quotes in the Queuing Book at the Opening Trade Price.

(i) No change.

(ii) The System allocates orders and quotes at the same price pursuant to the allocation algorithm that applies to a class intraday (in accordance with Rule [6.12]5.32), unless the Exchange determines to apply a different allocation algorithm from Rule [6.12]5.32 to a class during the opening rotation.

(B) No change.

(4) No change.

(f) *Unexecuted Orders and Quotes.* Following the conclusion of the opening rotation, the System enters any unexecuted orders and quotes (or remaining portions) from the Queuing Book into the Book in time sequence (subject to a User's instructions), where they may be processed in accordance with Rule [6.12]5.32. The System cancels any unexecuted OPG orders (or remaining portions) following the conclusion of the opening rotation. In the event of a forced opening of a series pursuant to subparagraph (e)(4) or a compelled opening of a series pursuant to paragraph (h), the System enters all of a User's orders in that series in the Queuing Book into the Book in this manner, unless a User instructs the System to cancel its market orders or all of its orders, in which case the System enters only the non-cancelled orders into the Book in this manner.

(g) *Opening Auction Process Following Trading Halts.* The Exchange opens series using the same opening auction process described in this Rule following a trading halt in the class declared by the Exchange pursuant to Rule [6.32]5.20, except:

(1) – (2) No change.

(3) *Opening Time.* The System initiates the opening rotation for a class upon the Exchange's determination to resume trading pursuant to Rule [6.32]5.20.

(h) *Deviation from Standard Opening Auction Process.* The Exchange may deviate from the standard manner of the opening auction process described in this Rule [6.11]5.31, including adjusting the timing of the opening rotation in any class, modifying any time periods described

in this Rule [6.11]5.31, and delaying or compelling the opening of a series if the opening width is wider than the Maximum Width, when it believes it is necessary in the interests of a fair and orderly market. The Exchange makes and maintains records to document all determinations to deviate from the standard manner of the opening auction process, and periodically reviews these determinations for consistency with the interests of a fair and orderly market.

(i) No change.

Rule [6.12]5.32. Order and Quote Book Processing, Display, Priority, and Execution

(a) – (b) No change.

(c) *Additional Order Handling.*

(1) *Trade-Through Prevention.* Subject to the exceptions contained in Rule [6.82]5.66(b), the System does not execute an order at a price that trades through a Protected Quotation of another options exchange. The System routes an order a User designates as routable in compliance with applicable Trade-Through restrictions. The System cancels or rejects any order not eligible for routing or the Price Adjust process that is entered with a price that locks or crosses a Protected Quotation of another options exchange.

(2) – (6) No change.

(d) – (f) No change.

(g) *Trading Following Halts.* Options subject to a trading halt initiated pursuant to Rule [6.32]5.20 open for trading following the halt at the time specified in Rule [6.11]5.31. When trading resumes, the System places orders and quotes that do not execute during the Opening Process in the Book in time priority and processes or executes them as described in this Rule [6.12]5.32.

Rule [6.13]5.33. Complex Orders

Trading of complex orders is subject to all other Rules applicable to trading of orders, unless otherwise provided in this Rule [6.13]5.33.

(a) *Definitions.* For purposes of this Rule, the following terms have the meanings below. A term defined elsewhere in the Rules has the same meaning with respect to this Rule [6.13]5.33, unless otherwise defined below.

* * * * *

Legging

The term “Legging” is defined in Rule [6.13]5.33(g).

* * * * *

(b) *Types of Complex Orders.* The Exchange determines which Times-in-Force of Day, GTC, GTD, IOC, or OPG are available for complex orders (including for eligibility to enter the COB and initiate a COA). The Exchange determines which Capacities (*i.e.*, non-broker-dealer customers, broker-dealers that are not Market-Makers on an options exchange, or Market-Makers on an options exchange) are eligible for entry onto the COB. Complex orders are Book Only and may be market or limit orders. Users may designate complex orders as Attributable or Non-Attributable. Users may not submit complex orders through bulk ports. The System also accepts the following instructions for complex orders:

(1) – (3) No change.

(4) *Book Only Complex Order.* A “Book Only complex order” is a complex order the System ranks and executes pursuant to this Rule [6.13]5.33 or cancels or rejects, as applicable (in accordance with the User’s instructions).

(5) *Post Only Complex Order.* A “Post Only complex order” is a complex order the System ranks and executes pursuant to this Rule [6.13]5.33 or cancels or rejects, as applicable (in accordance with the User’s instructions), except the order may not remove liquidity from the COB or the Simple Book. The System cancels or rejects a Post Only market complex order unless it is subject to the drill-through protection in Rule [6.14]5.34(b)(6).

(6) – (8) No change.

(c) *COB Opening Process (Including After a Trading Halt).* The COB Opening Process occurs at the beginning of each trading session and after a trading halt.

(1) *Complex Order Entry Period.* The System accepts complex orders for inclusion in the COB Opening Process at the times and in the manner set forth in Rule [6.11]5.31, except the Order Entry Period for complex orders ends when the complex strategy opens. Complex orders entered during the Order Entry Period are not eligible for execution until the COB Opening Process occurs. Beginning at 7:30 a.m. and updated every five seconds thereafter until the initiation of the COB Opening Process, the Exchange disseminates indicative prices and order imbalance information based on complex orders queued in the System for the COB Opening Process.

(2) *Initiation of COB Opening Process.* The System initiates the COB Opening Process for a complex strategy after a number of seconds (which number the Exchange determines) after all legs of the strategy in the Simple Book are open for trading. All complex orders the System receives prior to opening a complex strategy

as set forth in this subparagraph (2) (including any delay applied by the Exchange pursuant to this subparagraph (2) and subparagraph (C) below) are eligible to be matched in the Opening Process pursuant to this subparagraph (2) and not during the Opening Process described in Rule [6.11]5.31.

(A) No change.

(B) *Transition to Regular Trading.* After the System determines a COB opening price, the Exchange executes matching complex orders in accordance with the priority in Rule [6.12]5.32(a) applicable to the class at the COB opening price. The System enters any remaining complex orders (or unexecuted portions) into the COB, subject to a User's instructions.

(C) No change.

(d) *Complex Order Auctions (COAs).*

(1) *Commencement of COA.* Upon receipt of a COA-eligible order, the System initiates the COA process by sending a COA auction message to all subscribers to the Exchange's data feeds that deliver COA auction messages. A COA auction message identifies the COA auction ID, instrument ID (i.e., complex strategy), Capacity, quantity, and side of the market of the COA-eligible order. If the COA-eligible order is a Complex Reserve Order, the COA auction message only identifies the Display Quantity; however, the entire quantity (both the Display Quantity and Reserve Quantity) may execute following the COA pursuant to subparagraph (5) below. The Exchange may also determine to include the price in COA auction messages, which will be the limit order price or the SBO (SBB) (if initiated by a buy (sell) market complex order), or the drill-through price if the order is subject to the drill-through protection in Rule [6.14]5.34(b).

(2) – (4) No change.

(5) *Processing of COA-Eligible Orders.*

(A) At the end of the Response Time Interval, the System executes a COA-eligible order (in whole or in part) against contra side interest in price priority. If there is contra side interest at the same price, the System allocates the contra side interest as follows:

(i) Orders and quotes in the Simple Book (both displayed and nondisplayed orders) for the individual leg components of the complex order through Legging (subject to paragraph (g)), which the System allocates in accordance with the priority in Rule [6.12]5.32(a) applicable to the class.

(ii) COA Responses and unrelated orders posted to the COB, which the System allocates in accordance with the priority in Rule [6.12]5.32(a) applicable to the class.

(B) No change.

(e) *Processing of Do-Not-COA Orders/Orders Resting on the COB.* Upon receipt of a do-not-COA order, or if the System determines an order resting on the COB is eligible for execution following evaluation pursuant to paragraph (i), the System executes it (in whole or in part) against contra side interest in price priority. If there is contra side interest at the same price, the System allocates the contra side interest as follows:

(1) Orders and quotes in the Simple Book (both displayed and nondisplayed orders) for the individual leg components of the complex order through Legging (subject to paragraph (g)), which the System allocates in accordance with the priority in Rule [6.12]5.32(a) applicable to the class.

(2) Complex orders resting on the COB, which the System allocates in accordance with the priority in Rule [6.12]5.32(a) applicable to the class.

The System enters any do-not-COA order (or unexecuted portion) that does not execute against the individual leg markets or complex orders into the COB (if eligible for entry), and applies a timestamp based on the time it enters the COB. The System cancels or rejects any complex order (or unexecuted portion) that would execute at a price outside of the SBBO, that is not eligible for entry into the COB, or in accordance with the User's instructions. Complex orders resting on the COB may execute pursuant to this paragraph (e) following evaluation pursuant to paragraph (i) and remain on the COB until they execute or are cancelled or rejected.

(f) *Minimum Increments and Execution Prices.*

(1) No change.

(2) The System does not execute a complex order pursuant to this Rule [6.13]5.33 at a net price (1) that would cause any component of the complex strategy to be executed at a price of zero; (2) worse than the SBBO; (3) that would cause any component of the complex strategy to be executed at a price worse than the individual component price on the Simple Book; (4) worse than the price that would be available if the complex order Legged into the Simple Book; or (5) ahead of orders on the Simple Book without improving the BBO on at least one component of the complex strategy by at least \$0.01. The System executes complex orders without consideration of any prices for the complex strategy that might be available on other exchanges trading the same complex strategy; provided, however, that such complex order price may be subject to the drill-through price protection described in Rule [6.14]5.34(b).

(g) No change.

(h) *Additional Complex Order Handling*. Processing and execution of complex orders pursuant to this Rule [6.13]5.33 (including pursuant to paragraphs (d) and (e), and following evaluation pursuant to paragraph (i)) are subject to the following:

(1) *Order Locks/Crosses Opposite Side of SBBO*. A complex market order or a limit order with a price that locks or crosses the then-current opposite side SBBO and does not execute because the SBBO is the best price but not available for execution (because it does not satisfy the complex order ratio or the complex order cannot Leg into the Simple Book) enters the COB with a book and display price that improves the then-current opposite side SBBO by \$0.01. If the SBBO changes, the System continuously reprices the book and display price of the complex order (or unexecuted portion) based on the new SBBO (up to the limit price, if it is a limit order), subject to the drill-through price protection described in Rule [6.14]5.34(b), until:

(A) – (B) No change.

(2) – (4) No change.

(i) – (k) No change.

... Interpretations and Policies:

.01 Market-Maker Quoting. Market-Makers are not required to quote on the COB. Complex strategies are not subject to any quoting requirements that apply to a Market-Maker in its appointed classes. The Exchange does not take into account a Market-Maker's complex orders entered in its appointed classes when determining whether a Market-Maker meets its quoting obligations pursuant to Rule [8.6]5.52 in its appointed classes.

.02 Market-Maker Executions. A Market-Maker's orders for complex strategies executed in classes in which it has no appointment are included in the total number of all contracts the Market-Maker executes on the Exchange in any calendar quarter in determining whether the Market-Maker exceeds the 25% threshold pursuant to Rule [8.6]5.52(f).

.03 Dissemination of COA Information. A Trading Permit Holder's dissemination of information related to COA-eligible orders to third parties or a pattern or practice of submitting orders that cause a COA to conclude early will be deemed conduct inconsistent with just and equitable principles of trade and a violation of Rule [4]8.1.

Rule [6.14]5.34. Order and Quote Price Protection Mechanisms and Risk Controls

The System's acceptance and execution of orders, quotes, and bulk messages, as applicable, pursuant to the Rules, including Rules [6.11]5.31 through [6.13]5.33, are subject to the following price protection mechanisms and risk controls, as applicable.

(a) No change.

(b) *Complex Orders.*

(1) – (5) No change.

(6) *Drill-Through Protection.*

(A) If a User enters a buy (sell) complex order into the System, the System executes the order pursuant to Rule [6.13]5.33(e) up to a buffer amount above (below) the SNBO (SNBB) that existed at the time of order entry (the “drill-through price”), or initiates a COA at the drill-through price if the order would initiate a COA pursuant to Rule [6.13]5.33(d). The Exchange determines a default buffer amount on a class-by-class basis; however, a User may establish a higher or lower amount than the Exchange default amount.

(B) No change.

(c) *All Orders.*

(1) – (3) No change.

(4) *Risk Monitor Mechanism.* If a TPH enables this functionality:

(A) – (E) No change.

(F) A TPH may also engage the Risk Monitor Mechanism to cancel resting bids and offers, as well as subsequent orders as set forth in Rule [6.14]5.34(c)(6).

* * * * *

Rule 5.35. RESERVED

Rule [6.15]5.36. Order Routing

(a) *General.* For System Securities, the order routing process is available to Users from 9:30 a.m. until market close. Users can designate orders as either available or not available for routing. Orders designated as not available for routing and bulk messages, which are not eligible for routing, are processed pursuant to Rule [6.12]5.32.

(1) *Routing to Away Options Exchanges.* For an order designated as available for routing, the System first checks the Book for available contracts for execution against the order pursuant to Rule [6.12]5.32. Unless otherwise instructed by the User, the System then designates the order (or unexecuted portion) as IOC and routes it to one or more options exchanges for potential execution, per the entering User’s instructions. After the System receives responses to the order, to the extent it was not

executed in full through the routing process, the System processes the order (or unexecuted portion) as follows, depending on parameters set by the User when the incoming order was originally entered:

(A) No change.

(B) posts the unfilled balance of the order to the Book, subject to the Price Adjust process described in Rule [6.12]5.32(b), if applicable;

(C) – (E) No change.

(2) – (3) No change.

(b) *Priority of Routed Orders.* The System does not rank or maintain in the Book pursuant to Rule [6.12]5.32 orders it has routed to other options exchanges, and therefore those orders are not available to execute against incoming orders. Once routed by the System, an order becomes subject to the rules and procedures of the destination options exchange, including, but not limited to, order cancellation. If a routed order (or unexecuted portion) is subsequently returned to the Exchange, the order (or unexecuted portion) receives a new time stamp reflecting the time the System receives the returned order.

(c) No change.

(d) *Cboe Trading as Outbound Router.* The Exchange routes orders via Cboe Trading, which serves as the Outbound Router of the Exchange, pursuant to Rule 3.[17]63. The Outbound Router routes orders in options listed and open for trading on C2 to other options exchanges pursuant to the Rules solely on behalf of C2. The Outbound Router is subject to regulation as a facility of the Exchange, including the requirement to file proposed rule changes under Section 19 of the Exchange Act. Use of Cboe Trading or Routing Services described in paragraph (e) below to route orders to other market centers is optional. Parties that do not desire to use Cboe Trading for routing or other Routing Services provided by the Exchange must designate orders as not available for routing.

(e) – (f) No change.

[Section C. Operational and Liability Matters]

[Rule 6.26. Binding Transactions]

(a) All executions of bids and offers submitted to and accepted by the System in accordance with the Rules constitute binding contracts, subject to the Bylaws, the Rules, and the Rules of the Clearing Corporation.

(b) The price at which an order or quote is executed is binding even if the System sent an erroneous report, or no report, regarding the execution. A report is not be binding if an order or quote did not execute but the System erroneously reported it as executed.]

SECTION D. MARKET-MAKER OBLIGATIONS

Rule 5.50. Market-Maker Class Appointments

(a) A registered Market-Maker may select class appointments to make markets in those classes during all trading sessions.

(b) A Market-Maker may enter an appointment request via an Exchange-approved electronic interface with the Exchange's systems by 9:00 a.m., which appointment becomes effective on the day the Market-Maker enters the appointment request.

(c) The Exchange may limit the number of appointments a Market-Maker may have, or the number of Market-Makers that may have appointments in a class, pursuant to Rule 3.52(c).

(d) Each Trading Permit held by a Market-Maker has an appointment credit of 1.0. A Market-Maker may select for each of its Trading Permits any combination of class appointments, whose aggregate appointment cost does not exceed 1.0, based on the class "appointment costs" set forth below:

<u>Class</u>	<u>Appointment Cost</u>
<u>All classes</u>	<u>.0001</u>

Rule 5.51. Obligations of Market-Makers

(a) In registering as a Market-Maker, a Trading Permit Holder commits itself to various obligations. Transactions of a Market-Maker in its market-making capacity must constitute a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and Market-Makers should not make bids or offers or enter into transactions that are inconsistent with such course of dealings. Ordinarily, a Market-Maker must:

(1) during trading hours, maintain a continuous two-sided market in each of its appointed classes, pursuant to Rule 5.52(d);

(2) engage, to a reasonable degree under the existing circumstances, in dealings for its own accounts when there exists, or it is reasonably anticipated that there will exist, a lack of price continuity, a temporary disparity between the supply of (or demand for) a particular option contract, or a temporary distortion of the price relationships between option contracts of the same class;

(3) compete with other Market-Makers in its appointed classes;

(4) update quotations in response to changed market conditions in its appointed classes;

(5) maintain active markets in its appointed classes; and

(6) make markets that will be honored for the number of contracts entered into the System in its appointed classes.

(b) Market-Makers should only effect purchases or sales on the Exchange in a reasonable and orderly manner.

(c) If the Exchange finds any substantial or continued failure by a Market-Maker to engage in a course of dealings as specified in paragraph (a) of this Rule, the Market-Maker will be subject to disciplinary action or suspension or revocation of its registration as a Market-Maker or its appointment in one or more of its appointed classes. Nothing in this Rule will limit any other power of the Exchange under the Rules, or procedures of the Exchange with respect to the registration or appointment of a Market-Maker or in respect of any violation by a Market-Maker of the provisions of this Rule.

Rule 5.52. Market-Maker Quotes

(a) *Firm Quotes.* Market-Maker bids and offers are firm for all orders under this Rule and Rule 602 of Regulation NMS under the Exchange Act (“Rule 602”) for the number of contracts specified in the bid or offer, except if:

(1) a system malfunction or other circumstance impairs the Exchange’s ability to disseminate or update market bids and offers in a timely and accurate manner;

(2) the level of trading activities or the existence of unusual market conditions is such that the Exchange is incapable of collecting, processing, and making available to quotation vendors the data for the option in a manner that accurately reflects the current state of the market on the Exchange;

(3) prior to the conclusion of the Opening Process; or

(4) any of the circumstances provided in paragraph (c)(4) of Rule 602 exist.

(b) *Size.* A Market-Maker’s bid (offer) for a series must be accompanied by the number of contracts at the price of the bid (offer) the Market-Maker is willing to buy (sell). The best bid and best offer entered by a Market-Maker must have a size of at least one contract.

(c) *Two-Sided Quotes.* A Market-Maker that enters a bid (offer) on the Exchange in a series in an appointed class must enter an offer (bid).

(d) *Continuous Quotes.* A Market-Maker must enter continuous bids and offers (in accordance with the requirements in Rules 5.51 and 5.52) in 60% of the cumulative number

of seconds, or such higher percentage as the Exchange may announce in advance, for which that Market Maker's appointed classes are open for trading on a trading day, excluding any adjusted series, any intra-day add-on series on the day during which such series are added for trading, any Quarterly Option Series, and any series with an expiration of greater than 270 days.

(1) If a technical failure or limitation of the System prevents a Market-Maker from maintaining, or from communicating to the Exchange, timely and accurate quotes in a series, the Exchange does not consider the duration of such failure when determining whether that Market-Maker has satisfied the 60% quoting standard with respect to that series.

(2) Specifically, the Exchange will calculate this requirement by taking the total number of seconds the Market Maker disseminates quotes in each appointed class, excluding any adjusted series, any intra-day add-on series on the day during which such series are added for trading, any Quarterly Option Series, and any series with an expiration of greater than 270 days, and dividing that time by the eligible total number of seconds each appointed class is open for trading that trading day (including all trading sessions). Quoting is not required in every appointed class. This quoting obligation applies to all of a Market-Maker's appointed classes collectively. The Exchange determines compliance by a Market-Maker with the quoting obligations in this paragraph (d) on a monthly basis. However, determining compliance with this quoting obligation on a monthly basis does not relieve a Market-Maker from meeting this obligation on a daily basis, nor does it prohibit the Exchange from taking disciplinary action against a Market-Maker for failing to meet this obligation each trading day.

(3) The Exchange may consider other exceptions to this obligation based on demonstrated legal or regulatory requirements or other mitigating circumstances.

(4) The continuous quoting obligations set forth in this paragraph (d) (A) will be suspended during a trading halt, suspension, or pause in the underlying security, and will not recommence until after the first regular way transaction on the primary listing market in the underlying security following such halt, suspension, or pause in the underlying security, as reported by the responsible single plan processor, and (B) will be suspended for the duration that an underlying NMS stock is in a limit up-limit down state.

Market-Maker continuous quoting obligations in this paragraph (d) apply collectively to Market-Makers associated with the same Trading Permit Holder firm.

(e) The Exchange may call on a Market-Maker to submit a single quote or maintain continuous quotes in one or more series of a Market-Maker's appointed class whenever, in the judgment of the Exchange, it is necessary to do so in the interest of maintaining a fair and orderly market.

(f) A Market-Maker is considered an OEF under the Rules in all classes in which the Market-Maker has no appointment. The total number of contracts a Market-Maker may execute in classes in which it has no appointment may not exceed 25% of the total number of all contracts the Market-Maker executes on the Exchange in any calendar quarter.

Rule 5.53. Good Standing for Market-Makers

(a) To remain in good standing as a Market-Maker, the Market-Maker must:

(1) continue to meet the requirements established in Exchange Act Rule 15c3-1(a)(6)(i), the general requirements for Trading Permit Holders set forth in Chapter 3 of the Rules, and the Market-Maker requirements set forth in Chapter 5 of the Rules;

(2) comply with the Rules as well as the Rules of the Clearing Corporation and the Federal Reserve Board; and

(3) pay on a timely basis such participation, transaction, and other fees as the Exchange prescribes.

(b) The Exchange may suspend or terminate a Trading Permit Holder's registration as a Market-Maker or a Market-Maker's appointment to a class, or otherwise withdraw the good standing of a Market-Maker as provided in the Rules, if the Market-Maker ceases to maintain any of these conditions for approval or violates any of its agreements with the Exchange or any of the provisions of the Rules.

SECTION E. INTERMARKET LINKAGE

The rules contained in Cboe Options Chapter 5, Section E relating to the Options Order Protection and Locked/Crossed Market Plan, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Section. The terms "Exchange" and "Cboe Options" in Cboe Options Chapter 5, Section E mean "C2" for purposes of this Section.

CHAPTER 6. POST-TRANSACTION MATTERS

SECTION A. TRANSACTION REPORTS AND MODIFICATIONS

Rule 6.1. RESERVED

Rule 6.2. Transaction Reports; Users' Identities

(a) The System sends to a User aggregated and individual transaction reports for the User's transactions, which reports include transaction details; the contra party's EFID, clearing Trading Permit Holder account number, and Capacity; and the name of any away exchange if an order was routed for execution.

(b) The Exchange reveals a User's identity (1) when a registered clearing agency ceases to act for a participant, or the User's Clearing Trading Permit Holder, and the registered clearing agency determines not to guarantee the settlement of the User's trades, or (2) for regulatory purposes or to comply with an order of an arbitrator or court.

Rule 6.3. RESERVED

Rule 6.[27]4. Reporting of Matched Trades to Clearing Corporation

(a) – (b) No change.

[Rule 6.28. Transaction Reports; Users' Identities

(a) The System sends to a User aggregated and individual transaction reports for the User's transactions, which reports include transaction details; the contra party's EFID, clearing Trading Permit Holder account number, and Capacity; and the name of any away exchange if an order was routed for execution.

(b) The Exchange reveals a User's identity (1) when a registered clearing agency ceases to act for a participant, or the User's Clearing Trading Permit Holder, and the registered clearing agency determines not to guarantee the settlement of the User's trades, or (2) for regulatory purposes or to comply with an order of an arbitrator or court.]

Rule 6.[29]5. Nullification and Adjustment of Options Transactions Including Obvious Errors

The Exchange may nullify a transaction or adjust the execution price of a transaction in accordance with this Rule. However, the determination as to whether a trade was executed at an erroneous price may be made by mutual agreement of the affected parties to a particular transaction. A trade may be nullified or adjusted on the terms that all parties to a particular transaction agree, provided, however, that such agreement to nullify or adjust must be conveyed to the Exchange in a manner prescribed by the Exchange prior to 8:30 a.m. on the first trading day following execution. It is considered conduct inconsistent with just and equitable principles of trade for any participant to use the mutual adjustment process to circumvent any applicable Rule or the Exchange Act.

(a) No change.

(b) *Theoretical Price*. Upon receipt of a request for review and prior to any review of a transaction execution price, the "Theoretical Price" for the option must be determined. For purposes of this Rule, if the applicable option series is traded on at least one other options exchange, then the Theoretical Price of an option series is the last NBB just prior to the trade in question with respect to an erroneous sell transaction or the last NBO just prior to the trade in question with respect to an erroneous buy transaction unless one of the exceptions in subparagraphs (b)(1) through (3) below exists. For purposes of this provision, when a single order received by the Exchange is executed at multiple price levels, the last NBB and last

NBO just prior to the trade in question would be the last NBB and last NBO just prior to the Exchange's receipt of the order. The Exchange will rely on this paragraph (b) and Interpretation and Policy .08 of this Rule when determining Theoretical Price.

(1) *Transactions at the Open*. For a transaction occurring as part of the Opening Process (as defined in Rule [6.11]5.31), the Exchange will determine the Theoretical Price if there is no NBB or NBO for the affected series just prior to the erroneous transaction or if the bid/ask differential of the NBB and NBO just prior to the erroneous transaction is equal to or greater than the Minimum Amount set forth in the chart contained in subparagraph (b)(3) below. If the bid/ask differential is less than the Minimum Amount, the Theoretical Price is the NBB or NBO just prior to the erroneous transaction.

(2) – (3) No change.

(c) – (e) No change.

(f) *Trading Halts*. The Exchange will nullify any transaction that occurs during a trading halt in the affected option on the Exchange pursuant to Rule [6.32]5.20.

(g) – (l) No change.

(m) *Review*. Subject to the limitations contained in subparagraph (c)(3) above, a Trading Permit Holder affected by a determination made under this Rule may appeal such determination, in accordance with Chapter 1[9]5 of the Exchange's rules. For purposes of this Rule, a Trading Permit Holder must be aggrieved as described in Rule 1[9]5.1. Notwithstanding any provision in Rule 1[9]5.2 to the contrary, a request for review must be made in writing (in a form and manner prescribed by the Exchange) no later than the close of trading on the next trade date after the Trading Permit Holder receives notification of such determination from the Exchange.

...Interpretations and Policies:

.01 No change.

.02 For the purposes of Rule 6.[29]5, to the extent the provisions of Rule 6.[29]5 would result in the Exchange applying an adjustment of an erroneous sell transaction to a price lower than the execution price or an erroneous buy transaction to a price higher than the execution price, the Exchange will not adjust or nullify the transaction, but rather, the execution price will stand.

.03 – .05 No change.

.06 *Verifiable Disruptions or Malfunctions of Exchange Systems*. Electronic transactions arising out of a “verifiable disruption or malfunction” in the use of operation of any Exchange automated quotation, dissemination, execution, or communication system will either be

nullified or adjusted by an Official. Transactions that qualify for price adjustment will be adjusted to the Theoretical Price, as defined in paragraph (b) of Rule 6.[29]5.

.07 Complex Orders

(a) If a complex order executes against individual legs and at least one of the legs qualifies as an Obvious Error under subparagraph (c)(1) of Rule 6.[29]5 or a Catastrophic Error under subparagraph (d)(1) of Rule 6.[29]5, then the leg(s) that is an Obvious or Catastrophic Error will be adjusted in accordance with subparagraph (c)(4)(A) or (d)(3) of Rule 6.[29]5, respectively, regardless of whether one of the parties is a Customer. However, any Customer order subject to this paragraph (a) will be nullified if the adjustment would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the Customer's limit price on the complex order or individual leg(s). If any leg of a complex order is nullified, the entire transaction is nullified.

(b) If a complex order executes against another complex order and at least one of the legs qualifies as an Obvious Error under subparagraph (c)(1) of Rule 6.[29]5 or a Catastrophic Error under subparagraph (d)(1) of Rule 6.[29]5, then the leg(s) that is an Obvious or Catastrophic Error will be adjusted or busted in accordance with subparagraph (c)(4) or (d)(3) of Rule 6.[29]5, respectively, so long as either: (1) the width of the National Spread Market for the complex order strategy just prior to the erroneous transaction was equal to or greater than the amount set forth in the wide quote table of subparagraph (b)(3) of Rule 6.[29]5 or (2) the net execution price of the complex order is higher (lower) than the offer (bid) of the National Spread Market for the complex order strategy just prior to the erroneous transaction by an amount equal to at least the amount shown in the table in subparagraph (c)(1) of Rule 6.[29]5. If any leg of a complex order is nullified, the entire transaction is nullified. For purposes of Rule 6.[29]5, the National Spread Market for a complex order strategy is determined by the National Best Bid/Offer of the individual legs of the strategy.

.08 Exchange Determining Theoretical Price. For purposes of this Rule, when the Exchange must determine the Theoretical Price pursuant to subparagraphs (b)(1) through (3) of Rule 6.[29]5 (*i.e.*, at the open, when there are no valid quotes or when there is a wide quote), then the Exchange will determine the Theoretical Price as follows.

(a) – (d) No change.

[Rule 6.30. Give Up of a Clearing Trading Permit Holder

(a) *General.* For each transaction in which a Trading Permit Holder participates, a Trading Permit Holder must may indicate, at the time of the trade or through post-trade allocation, any Options Clearing Corporation (“OCC”) number of the Clearing Trading Permit Holder through which the transaction will be cleared (“give up”). The Clearing Trading Permit Holder that is given up must be a Designated Give Up or Guarantor of the Trading Permit Holder as set forth in paragraph (b) below. Clearing Trading Permit Holders may elect to Opt In, as defined and described in paragraph (c) below, and restrict one or more of its OCC number(s) (“Restricted OCC Number”). A Trading Permit Holder may give up a Restricted

OCC Number provided the Trading Permit Holder has written authorization as described in paragraph (c)(2) below (“Authorized Trading Permit Holder”) and provided the Restricted OCC Number belongs to a Designated Give Up of the Trading Permit Holder.

(b) *Designated Give Ups.*

(1) *Definition of Designated Give Up.* For purposes of this Rule, a “Designated Give Up” of a Trading Permit Holder refers to a Clearing Trading Permit Holder that the Trading Permit Holder identified to the Exchange as a Clearing Trading Permit Holder that the Trading Permit Holder would like the ability to give up and that the Exchange processed as a Designated Give Up.

(2) *Definition of Guarantor.* For purposes of this Rule, a “Guarantor” of an executing Trading Permit Holder refers to a Clearing Trading Permit Holder that has issued a Letter of Guarantee or Letter of Authorization for the executing Trading Permit Holder under the Rules that is in effect at the time of the execution of the applicable trade.

(3) *Identification of Designated Give Up.* Every Trading Permit Holder (other than a Market-Maker) must identify, in a form and manner prescribed by the Exchange and in advance of giving up any Clearing Trading Permit Holder that is not a Guarantor for the Trading Permit Holder, any Designated Give Ups. A Trading Permit Holder shall only give up (A) a Clearing Trading Permit Holder that the Exchange has previously identified and processed as a Designated Give Up for that Trading Permit Holder, provided that the Designated Give Up has not Opted In, or provided that the Trading Permit Holder is an Authorized Trading Permit Holder of that Designated Give Up, or (B) a Guarantor for that Trading Permit Holder.

(4) *Non Market-Makers.* Any Trading Permit Holder (other than a Market-Maker) may designate, pursuant to subparagraph (b)(3) above, any Clearing Trading Permit Holder other than its Guarantor, as a Designated Give Up.

(5) *Market-Makers.* For each transaction in which a Market-Maker participates, a Guarantor of the Market-Maker must be the Clearing Trading Permit Holder through which the transaction will be cleared.

(6) *Guarantors.* A Guarantor for a Trading Permit Holder will be enabled to be given up for that Trading Permit Holder without any further action by the Clearing Trading Permit Holder or Trading Permit Holder.

(7) *Removal of Designated Give Up.* If a Trading Permit Holder (other than a Market-Maker) no longer wants the ability to give up a particular Designated Give Up, the Trading Permit Holder must notify the Exchange, in a form and manner prescribed by the Exchange.

(c) *Opt In.* Clearing Trading Permit Holders may request the Exchange restrict one or more of their OCC clearing numbers (“Opt In”) as described in subparagraph (c)(1) below. If a Clearing Trading Permit Holder opts In, the Exchange will require written authorization from the Clearing Trading Permit Holder permitting a Trading Permit Holder to give up a Clearing Trading Permit Holder’s Restricted OCC Number. An Opt In would remain in effect until the Clearing Trading Permit Holder terminates the Opt In as described in subparagraph (c)(3) below. If a Clearing Trading Permit Holder does not Opt In, that Clearing Trading Permit Holder’s OCC number would be subject to give up by any Trading Permit Holder.

(1) *Clearing Trading Permit Holder Process to Opt In.* A Clearing Trading Permit Holder may Opt In by sending a completed “Clearing Trading Permit Holder Restriction Form” listing all Restricted OCC Numbers and Authorized Trading Permit Holders. A Clearing Trading Permit Holder may elect to restrict one or more OCC clearing numbers that are registered in its name at OCC. The Clearing Trading Permit Holder would be required to submit the Clearing Trading Permit Holder Restriction Form to the Exchange’s Membership Department as described on the form. Once submitted, the Exchange requires ninety days before a Restricted OCC Number is effective within the System.

(2) *Trading Permit Holder Give Up Process for Restricted OCC Numbers.* A Trading Permit Holder desiring to give up a Restricted OCC Number must become an Authorized Trading Permit Holder. The Clearing Trading Permit Holder will be required to authorize a Trading Permit Holder as described in subparagraph (1) or (3), unless the Restricted OCC Number is already subject to a Letter of Guarantee that the Trading Permit Holder is a party to.

(3) *Amendments to Authorized Trading Permit Holders or Restricted OCC Numbers.* A Clearing Trading Permit Holder may amend its Authorized Trading Permit Holders or Restricted OCC Numbers by submitting a new Clearing Trading Permit Holder Restriction Form to the Exchange’s Membership Department indicating the amendment as described on the form. Once a Restricted OCC Number is effective within the System pursuant to paragraph (1) above, the Exchange may permit the Clearing Trading Permit Holder to authorize, or remove authorization for, a Trading Permit Holder to Give Up the Restricted OCC Number intra-day only in unusual circumstances, and on the next business day in all regular circumstances. The Exchange will promptly notify Trading Permit Holders if they are no longer authorized to give up a Clearing Trading Permit Holder’s Restricted OCC Number. If a Clearing Trading Permit Holder removes a Restricted OCC Number, any Trading Permit Holder may give up that OCC clearing number once the removal has become effective on or before the next business day, provided that the Trading Permit Holder has identified the Clearing Trading Permit Holder as a Designated Give Up.

(d) *System.* The Exchange’s trading systems shall only accept orders that identify an effective Designated Give Up or a Guarantor. For any Restricted OCC Number, the Exchange’s trading

systems will only accept orders for that number from an Authorized Trading Permit Holder that has also designated that Clearing Trading Permit Holder as a Designated Give Up.

(e) *Notice.* The Exchange shall notify a Clearing Trading Permit Holder, in writing and as soon as practicable, of each Trading Permit Holder that has identified the Clearing Trading Permit Holder as a Designated Give Up pursuant to subparagraph (b)(3) above. The Exchange shall notify a Trading Permit Holder, in writing and as soon as practicable, of each Clearing Trading Permit Holder that has identified the Trading Permit Holder as an Authorized Trading Permit Holder pursuant to subparagraph (c) above.

(f) *Other Give Up Changes.*

(1) *Give Up Changes Made by Executing Trading Permit Holders.* If the executing Trading Permit Holder has the ability through an Exchange system to do so, the Trading Permit Holder may change the give up on the trade to another Designated Give Up, provided it's an Authorized Trading Permit Holder for any Restricted OCC Number, or to its Guarantor. The ability of an executing Trading Permit Holder to make any give up change ends at the trade input cutoff time established by the Clearing Corporation (or fifteen minutes thereafter if the Exchange receives and is able to process a request to extend its time of final trade submission to the Clearing Corporation) ("Trade Date Cutoff Time").

(2) *Give Up Changes Made by Designated Give Ups to Affiliates and Back Office Agents.* If a Designated Give Up has the ability through an Exchange system to do so, the Designated Give Up may change the give up on a trade to (A) another Clearing Trading Permit Holder affiliated with the Designated Give Up or (B) a Clearing Trading Permit Holder that is a back office agent for the Designated Give Up. The ability to make such a change ends at the Trade Date Cutoff Time.

(3) *Give Up Changes Made by Designated Give Ups or Guarantors and Clearing Trading Permit Holders on T+1.* If a Designated Give Up (or Guarantor) and a Clearing Trading Permit Holder have the ability through an Exchange system to do so, the Designated Give Up (or Guarantor) and Clearing Trading Permit Holder may each enter trade records into the Exchange's systems on the next trading day ("T+1") that would effect a transfer of the trade in a non-expired option series from that Designated Give Up (or Guarantor) to that Clearing Trading Permit Holder. The ability to make such a change ends at 1:00 p.m. Eastern Time on T+1 ("T+1 Cutoff Time"). The Designated Give Up (or Guarantor) must notify the Exchange and all the parties to the trade, in writing, of any such change.

(g) *Responsibility.* For purposes of the Rules, a Clearing Trading Permit Holder is financially responsible for all trades for which it is the give up at the Applicable Cutoff Time. Nothing in this Rule precludes a different party from being responsible for the trade outside of the Rules pursuant to the Rules of the Clearing Corporation, any agreement between the applicable parties, other applicable rules and regulations, arbitration, court proceedings, or otherwise.

For purposes of this Rule, the “Applicable Cutoff Time” shall refer[s] to the T+1 Cutoff Time for non-expiring option series and to the Trade Date Cutoff Time for expiring option series.

(h) An intentional misuse of this Rule is impermissible, and may be treated as a violation of Rule 8.1.

. . . Interpretations and Policies:

.01 Nothing in Rule 6.30 precludes the clearance of Exchange transactions by a non-Trading Permit Holder pursuant to the Rules of the Clearing Corporation so long as a Clearing Trading Permit Holder is also designated as having responsibility under these Rules for the clearance and comparison of such transactions.]

Rule 6.[31]6. Clearing Editor

(a) – (b) No change.

(c) Changes related to the Designated Give Up through the use of Clearing Editor are governed by Rule [6.30]5.10.

. . . Interpretations and Policies:

.01 Any actions the Exchange takes pursuant to this Rule 6.[31]6 do not constitute a determination by the Exchange that a transaction was effected in conformity with the requirements of the Rules. Any improper change a Trading Permit Holder makes through Clearing Editor will be processed and given effect, but would be subject to appropriate disciplinary action in accordance with the Rules. In addition, nothing in this Rule is intended to define or limit the Exchange’s ability to sanction or take other remedial action against a Trading Permit Holder pursuant to other Rules for rule violations or other activity for which the Exchange may impose remedial measures.

Rule 6.7. Off-Floor Transfers of Positions

(a) Permissible Off-Floor Transfers. Notwithstanding the prohibition set forth in Rule 5.12, existing positions in options listed on the Exchange of a Trading Permit Holder or of a Non-Trading Permit Holder that are to be transferred on, from, or to the books of a Clearing Trading Permit Holder may be transferred off the Exchange (an “off-floor transfer”) if the off-floor transfer involves one or more of the following events:

(1) pursuant to Rule 8.5 or 8.14, an adjustment or transfer in connection with the correction of a bona fide error in the recording of a transaction or the transferring of a position to another account, provided that the original trade documentation confirms the error;

(2) the transfer of positions from one account to another account where no change in ownership is involved (i.e., accounts of the same person (as defined in Rule 1.1)),

provided the accounts are not in separate aggregation units or otherwise subject to information barrier or account segregation requirements;

(3) the consolidation of accounts where no change in ownership is involved;

(4) a merger, acquisition, consolidation, or similar non-recurring transaction for a person;

(5) the dissolution of a joint account in which the remaining Trading Permit Holder assumes the positions of the joint account;

(6) the dissolution of a corporation or partnership in which a former nominee of the corporation or partnership assumes the positions;

(7) positions transferred as part of a Trading Permit Holder's capital contribution to a new joint account, partnership, or corporation;

(8) the donation of positions to a not-for-profit corporation;

(9) the transfer of positions to a minor under the Uniform Gifts to Minors Act; or

(10) the transfer of positions through operation of law from death, bankruptcy, or otherwise.

(b) *Netting.* Unless otherwise permitted by paragraph (f), when effecting an off-floor transfer pursuant to paragraph (a), no position may net against another position ("netting"), and no position transfer may result in preferential margin or haircut treatment.

(c) *Transfer Price.* The transfer price, to the extent it is consistent with applicable laws, rules, and regulations, including rules of other self-regulatory organizations, and tax and accounting rules and regulations, at which an off-floor transfer is effected may be:

(1) the original trade prices of the positions that appear on the books of the transferring Clearing Trading Permit Holder, in which case the records of the transfer must indicate the original trade dates for the positions; provided, transfers to correct errors under subparagraph (a)(1) must be transferred at the correct original trade prices;

(2) mark-to-market prices of the positions at the close of trading on the transfer date;

(3) mark-to-market prices of the positions at the close of trading on the trade date prior to the transfer date; or

(4) the then-current market price of the positions at the time the off-floor transfer is effected.

(d) *Prior Written Notice.* A Trading Permit Holder(s) and its Clearing Trading Permit Holder(s) (to the extent that the Trading Permit Holder is not self-clearing) must submit to the

Exchange, in a manner determined by the Exchange, written notice prior to effecting an off-floor transfer from or to the account(s) of a Trading Permit Holder(s), except that notification is not required for transfers effected pursuant to subparagraph (a)(1) or (a)(2) of this Rule.

(1) The notice must indicate (A) the Exchange-listed options positions to be transferred, (B) the nature of the transaction, (C) the enumerated provision(s) under paragraph (a) pursuant to which the positions are being transferred, (D) the name of the counterparty(ies), (E) the anticipated transfer date, (F) the method for determining the transfer price under paragraph (c) above, and (G) any other information requested by the Exchange.

(2) Receipt of notice of an off-floor transfer does not constitute a determination by the Exchange that the off-floor transfer was effected or reported in conformity with the requirements of this Rule. Notwithstanding submission of written notice to Exchange, Trading Permit Holders and Clearing Trading Permit Holders that effect off-floor transfers that do not conform to the requirements of this Rule will be subject to appropriate disciplinary action in accordance with the Rules.

(e) Records. Each Trading Permit Holder and each Clearing Trading Permit Holder that is a party to an off-floor transfer must make and retain records of the information provided in the notice to the Exchange pursuant to subparagraph (d)(1), as well as information on (1) the actual Exchange-listed options transferred; (2) the actual transfer date; and (3) the actual transfer price (and the original trade dates, if applicable). The Exchange may also request the Trading Permit Holder or Clearing Trading Permit Holder to provide other information.

(f) Presidential Exemptions. In addition to the exemptions set forth in paragraph (a) of this Rule, the Exchange President (or senior-level designee) may grant an exemption from the requirement of Rule 5.12, on his or her own motion or upon application of the Trading Permit Holder (with respect to the Trading Permit Holder's positions) or a Clearing Trading Permit Holder (with respect to positions carried and cleared by the Clearing Trading Permit Holder), when, in the judgment of the President or his or her designee, allowing the off-floor transfer is necessary or appropriate for the maintenance of a fair and orderly market and the protection of investors and is in the public interest, including due to unusual or extraordinary circumstances, such as the possibility that the market value of the person's positions will be compromised by having to comply with the requirement to trade on the Exchange pursuant to the normal auction process or when, in the judgment of the president or his or her designee, market conditions make trading on the Exchange impractical.

(g) Routine, Recurring Transfers. The off-floor transfer procedure set forth in this Rule is intended to facilitate non-routine, non-recurring movements of positions and is not to be used repeatedly or routinely, except for transfers between accounts of the same person pursuant to subparagraph (a)(2). The off-floor transfer procedure may not be used in circumvention of the normal auction process.

(h) Exchange-Listed Options. The off-floor transfer procedure set forth in this Rule is only applicable to positions in options listed on the Exchange. Off-floor transfers of positions in

Exchange-listed options may also be subject to applicable laws, rules, and regulations, including rules of other self-regulatory organizations. Transfers of non-Exchange listed options and other financial instruments are not governed by this Rule.

Rule 6.8. Off-Floor RWA Transfers

Notwithstanding Rule 5.12, existing positions in options listed on the Exchange of a Trading Permit Holder or non-Trading Permit Holder (including an affiliate of a Trading Permit Holder) may be transferred on, from, or to the books of a Clearing Trading Permit Holder off the Exchange if the transfer establishes a net reduction of risk-weighted assets attributable to those the Trading Permit Holder or non-Trading Permit Holder's options positions (an "RWA Transfer").

(a) RWA Transfers include, but are not limited to: (1) a transfer of options positions from Clearing Corporation member A to Clearing Corporation member B that net (offset) with positions held at Clearing Corporation member B, and thus closes all or part of those positions, and (2) a transfer of positions from a bank-affiliated Clearing Corporation member to a non-bank-affiliated Clearing Corporation member.

(b) RWA Transfers may occur on a routine, recurring basis.

(c) RWA Transfers may result in the netting of positions.

(d) No RWA Transfer may result in preferential margin or haircut treatment.

(e) No RWA Transfer may result in a change in ownership (i.e., an RWA transfer must occur between accounts of the same person (as defined in Rule 1.1)).

(f) No prior written notice to the Exchange is required for RWA Transfers.

(g) Off-floor transfers of positions in Exchange-listed options may be subject to applicable laws, rules, and regulations, including rules of other self-regulatory organizations. Transfers of non-Exchange listed options and other financial instruments are not governed by this Rule.

Rule 6.9. In-Kind Exchange of Options Positions and ETF Shares and UIT Interests

Notwithstanding Rule 5.12, positions in options listed on the Exchange may be transferred off the Exchange by a Trading Permit Holder in connection with transactions (a) to purchase or redeem creation units of ETF shares between an authorized participant and the issuer of such ETF shares or (b) to create or redeem units of a unit investment trust ("UIT") between a broker-dealer and the issuer of such UIT units, which transfers would occur at the price(s)

used to calculate the net asset value of such ETF shares or UIT units, respectively. For purposes of this Rule:

(a) an “authorized participant” is an entity that has a written agreement with the issuer of ETF shares or one of its service providers, which allows the authorized participant to place orders for the purchase and redemption of creation units (i.e., specified numbers of ETF shares);

(b) an “issuer of ETF shares” is an entity registered with the Commission as an open-end management investment company under the Investment Company Act of 1940; and

(c) an “issuer of UIT units” is a trust registered with the Commission as a unit investment trust under the Investment Company Act of 1940.

[Rule 6.32. Trading Halts

(a) The Exchange may halt trading in any class in the interests of a fair and orderly market. The Trade Desk, in consultation with a designated senior executive officer of the Exchange, may halt trading in any security in the interests of a fair and orderly market for a period exceeding two consecutive business days. Any trading halt that lasts more than two consecutive business days is reviewed by the President or his/her designee, who may determine whether, in the interests of a fair and orderly market, to terminate or modify any such trading halt that is then still in effect. When considering whether to halt trading in a class, the Exchange considers the following factors, among others:

(1) in the case of an option on a security:

(A) trading in the underlying security has been halted or suspended in one or more of the markets trading the underlying security; generally, trading will be halted when a Regulatory Halt in the underlying security has occurred in the primary market for that security; or

(B) the opening of the underlying security has been delayed because of unusual circumstances;

(2) in the case of an option on an index:

(A) the extent to which trading in the stocks or options underlying the index is not occurring;

(B) the current calculation of the index derived from the current market prices of the stock;

(C) the “current index level” (which is the implied forward level based on volatility index (security) futures prices) for a volatility index is not available or the cash (spot) value for a volatility index is not available; or

(D) the activation of price limits on futures exchanges or the halt of trading in related futures;

(3) occurrence of an act of God or other event outside the Exchange's control;

(4) occurrence of a System technical failure or failures including, but not limited to, the failure of a part of the central processing system, a number of Trading Permit Holder trading applications, or the electrical power supply to the System itself or any related system; or

(5) other unusual conditions or circumstances are present.

When the hours of trading of the underlying primary securities market for an index option do not overlap or coincide with those of the Exchange, and during Global Trading Hours, subparagraphs (1) and (2) above do not apply.

(b) If the Exchange determines to halt trading, all trading in the effected class(es) is halted. For all halts, the System queues a User's open orders pursuant to Rule 6.11(b) unless a User entered instructions to cancel its orders. C2 disseminates through its trading facilities and over OPRA a symbol with respect to the class(es) indicating that trading in the class(es) has been halted. The Exchange makes available to vendors a record of the time and duration of the halt.

(c) No Trading Permit Holder or person associated with a Trading Permit Holder may effect a trade on the Exchange in any class during the time in which a halt is in effect for the class. The Exchange will nullify any transaction in a class that occurs during a trading halt of that class or, with respect to equity options (including options overlying ETFs), during a Regulatory Halt as declared by the primary listing market for the underlying security.

(d) The Exchange may determine to resume trading in a class that has been the subject of a halt pursuant to this Rule if the interests of a fair and orderly market are best served by a resumption of trading. When considering whether to resume trading in a class, the Exchange will consider, among other factors, whether the conditions which led to the halt are no longer present.

(e) When the primary market for a security underlying the current index value of an index option does not open for trading, halts trading prematurely, or otherwise experiences a disruption of normal trading on a given day, or if a particular security underlying the current index value of an index option does not open for trading, halts trading prematurely, or otherwise experiences a disruption of normal trading on a given day in its primary market, the price of that security is determined, for the purposes of calculating the current index value at expiration, in accordance with the Rules and By-Laws of OCC.

. . . Interpretations and Policies:

.01 The Exchange will halt trading in all stock options whenever a market-wide trading halt commonly known as a circuit breaker is initiated in response to extraordinary market

conditions. This Rule will be in effect during a pilot period that expires at the close of business on October 18, 2021. If the pilot is not either extended or approved permanently at the end of the pilot period, the prior version of Rule 6.32 will be in effect. This Interpretation and Policy .01 does not apply during Global Trading Hours.

(a) The Exchange will halt trading in all stock options and not reopen for the time periods specified in this Rule if there is a Level 1, 2, or 3 Market Decline. For purposes of this Rule:

(1) A “Market Decline” means a decline in price of the S&P 500 Index between 9:30 a.m. and 4:00 p.m. on a trading day as compared to the closing price of the S&P 500 Index for the immediately preceding trading day. The Level 1, Level 2, and Level 3 Market Declines that will be applicable for the trading day will be publicly disseminated before 9:30 a.m.

(2) A “Level 1 Market Decline” means a Market Decline of 7%.

(3) A “Level 2 Market Decline” means a Market Decline of 13%.

(4) A “Level 3 Market Decline” means a Market Decline of 20%.

(b) *Halts in Trading.*

(1) If a Level 1 or Level 2 Market Decline occurs after 9:30 a.m. and up to and including 3:25 p.m. or, in the case of an early scheduled close, 12:25 p.m., the Exchange will halt trading in all stock options for 15 minutes after a Level 1 or Level 2 Market Decline. The Exchange will halt trading based on a Level 1 or Level 2 Market Decline only once per trading day. The Exchange will not halt trading if a Level 1 or Level 2 Market Decline occurs after 3:25 p.m. or, in the case of an early scheduled close, 12:25 p.m.

(2) If a Level 3 Market Decline occurs at any time during the trading day, the Exchange will halt trading in all stock options until the next trading day.

(c) *Reopening of Trading.*

(1) Following a trading halt, a class will reopen for trading in accordance with Rule 6.11.

(2) If a circuit breaker is initiated in all stocks due to a Level 1 or Level 2 Market Decline:

(A) The Exchange will halt trading in each class of options on those stocks until trading has resumed on the primary listing market for the stocks or notice has been received from the primary listing market that trading may resume. If, however, trading has not resumed on the primary listing market for a stock within 15 minutes following the end of the 15-minute halt period, the

Exchange may resume trading in the options if at least one market has resumed trading in the stock.

(B) The Exchange will halt trading in all other stock options not specified in subparagraph (1) above. The Exchange may resume trading in such other stock options anytime after the 15-minute halt period.

(d) Nothing in this Rule will be construed to limit the ability of the Exchange to halt or suspend trading in any class traded on the Exchange pursuant to any other Exchange Rule or policy.

.02 If a primary listing market issues an individual stock trading pause in an underlying eligible NMS stock, as defined in this Rule, the Exchange will halt trading in options on that stock until trading has resumed on the primary listing market for the stock, which generally will occur after a period of five minutes. If, however, trading has not resumed on the primary listing market for the stock after ten minutes have passed since the individual stock trading pause message has been received from the responsible single plan processor, the Exchange may resume trading in the options if at least one market has resumed trading in the stock.

(a) Upon receipt of a trading pause message from the single plan processor responsible for consolidation of information for the stock, the Exchange will automatically implement a trading halt in the overlying options traded on the Exchange.

(b) During the halt, the Exchange will maintain existing orders in the Book, accept orders, and process cancels.

(c) Following a trading halt, a class will reopen for trading in accordance with Rule 6.1.

(d) Nothing in this Rule will be construed to limit the ability of the Exchange to halt or suspend trading in any class traded on the Exchange pursuant to any other Exchange Rule or policy.

(e) The provisions of this Rule will be in effect for options on eligible NMS stocks. The term “eligible NMS stocks” means NMS stocks, other than rights and warrants.]

[Rule 6.33. Authority to Take Action Under Emergency Conditions

The Chief Executive Officer, the President (or his or her senior-level designee) has the power to halt or suspend trading in some or all securities traded on the Exchange, to close some or all Exchange facilities, to determine the duration of any such halt, suspension, or closing, to take one or more of the actions permitted to be taken by any person or body of the Exchange under the Rules, or to take any other action deemed to be necessary or appropriate for the maintenance of a fair and orderly market or the protection of investors, or otherwise in the public interest, due to emergency conditions or extraordinary circumstances, such as (a) actual or threatened physical danger, severe climatic conditions, natural disaster, civil unrest, terrorism, acts of war, or loss or interruption of facilities utilized by the Exchange, (b) a request by a governmental agency or official, or (c) a period of mourning or recognition for a person or event.]

[Rule 6.34. Disaster Recovery]

(a) The Exchange maintains business continuity and disaster recovery plans, including backup systems, it may activate to maintain fair and orderly markets in the event of a systems failure, disaster, or other unusual circumstance that may threaten the ability to conduct business on the Exchange.

(b) Trading Permit Holders that contribute a meaningful percentage of the Exchange's overall volume must connect to the Exchange's backup systems and participate in functional and performance testing as announced by the Exchange, which occurs at least once every 12 months. The Exchange has established the following standards to identify Trading Permit Holders that account for a meaningful percentage of the Exchange's overall volume and, taken as a whole, that constitute the minimum necessary for the maintenance of fair and orderly markets in the event of the activation of business continuity and disaster recovery plans:

(1) The Exchange determines the percentage of volume it considers to be meaningful for purposes of this Rule.

(2) The Exchange measures volume executed on the Exchange during a single designated quarter for a given year. The Exchange also individually notifies all Trading Permit Holders annually, and at least three months prior to the scheduled functional and performance testing, that are subject to this paragraph (b) based on the designated quarter's volume.

(c) All Trading Permit Holders may connect to the Exchange's backup systems and participate in testing of such systems.]

[Rule 6.35. Message Traffic Mitigation]

To mitigate message traffic, based on C2's traffic with respect to target traffic levels and in accordance with C2's overall objective of reducing both peak and overall traffic:

(a) *Replace on Queue*. The System does not send an outbound message in a series that has not been but is about to be sent if a more current quote message for the same series is available for sending, but does not delay the sending of any messages.

(b) *Price/Size Updates*. C2 prioritizes price update messages over size update messages in all series and in conjunction with the replace on queue functionality described in paragraph (a).]

[Rule 6.39. Equity Market Plan to Address Extraordinary Market Volatility]

The Exchange will modify option order processing during a limit up-limit down state. For purposes of this rule, a "limit up-limit down state" means the period of time when the underlying security of an option enters a limit or straddle state as defined in the Regulation

NMS Plan to Address Extraordinary Market Volatility (the “Limit Up-Limit Down Plan” or the “Plan”).

(a) *Exchange Order Types*. The following order types will be handled specially during a limit up-limit down state: market orders, market-on-close orders, and stop orders. Refer to Rule 6.12 for a description of how these orders will be handled during a limit up-limit down state.

(b) *Order Handling*. The following order handling features will operate differently during a limit up-limit down state:

(1) *Openings*. Refer to Rule 6.11 for a description of how the Opening Process will operate during a limit up-limit down state.

(2) *Complex Order Request for Responses Auction*. Refer to Rule 6.13 for a description of how a COA will operate during a limit up-limit down state.

(3) *Canceling/Replacing Orders*. If a request to replace a limit order with a market order is received while the underlying security is in a limit up-limit down state, then the market order and the original limit order will be returned.

(c) *Obvious Error*. Refer to Rule 6.36 for a description of how the Exchange will handle potential obvious error executions during a limit up-limit down state.

(d) *Market-Maker Quoting Obligations*. Subject to certain limitations specified in Rule 8.6, the Exchange will not require Market-Makers to quote in series of options when the underlying security is in a limit up-limit down state.]

[Rule 6.42. Disclaimers and Limitations

(a) Neither the Exchange nor any of its directors, officers, committee members, other officials, employees, contractors, or agents, nor any subsidiaries or affiliates of the Exchange or any of their directors, officers, committee members, other officials, employees, contractors, or agents (“Covered Persons”) will be liable to Trading Permit Holders or to persons associated therewith for any loss, expense, damages, or claims that arise out of the use or enjoyment of the facilities afforded by the Exchange, any interruption in or failure or unavailability of any such facilities, or any action taken or omitted to be taken in respect to the business of the Exchange except to the extent such loss, expense, damages, or claims are attributable to the willful misconduct, gross negligence, bad faith, or fraudulent or criminal acts of the Exchange or its officers, employees, or agents acting within the scope of their authority. Without limiting the generality of the foregoing, and subject to the same exception, no Covered Person will have any liability to any person or entity for any loss, expense, damages, or claims that result from any error, omission, or delay in calculating or disseminating any current or closing index value, any current or closing value of interest rate options, or any reports of transactions in or quotations for options or other securities, including underlying securities. The Exchange makes no warranty, express or implied, as to results to be obtained by any person or entity from the use or enjoyment of the facilities afforded by the Exchange, including without

limitation, of any data transmitted or disseminated by or on behalf of the Exchange or any reporting authority designated by the Exchange, including but not limited to any data described in the preceding sentence, and the Exchange makes no express or implied warranties of merchantability or fitness for a particular purpose or use with respect to any such data. The foregoing limitations of liability and disclaimers are in addition to, and not in limitation of, the provisions of Article Eighth of the Exchange's Certificate of Incorporation or any limitations otherwise available under law.

(b) Whenever custody of an unexecuted order or quote is transmitted by a Trading Permit Holder to or through the System or to any other facility of the Exchange whereby the Exchange assumes responsibility for the transmission or execution of the order or quote, provided that the Exchange has acknowledged receipt of such order or quote, the Exchange may, in its sole discretion, compensate one or more Trading Permit Holders for their losses alleged to have resulted from the failure to process an order or quote correctly due to the acts or omissions of the Exchange or due to the failure of its systems or facilities (each, a "Loss Event"), subject to the following limits:

(1) As to any one or more requests for compensation made by a single Trading Permit Holder that arose out of one or more Loss Events occurring on a single trading day, the Exchange may compensate the Trading Permit Holder up to but not exceeding the larger of \$100,000 or the amount of any recovery obtained by the Exchange under any applicable insurance maintained by the Exchange;

(2) As to the aggregate of all requests for compensation made by all Trading Permit Holders that arose out of one or more Loss Events occurring on a single trading day, the Exchange may compensate the Trading Permit Holders, in the aggregate, up to but not exceeding the larger of \$250,000 or the amount of the recovery obtained by the Exchange under any applicable insurance maintained by the Exchange;

(3) As to the aggregate of all requests for compensation made by all Trading Permit Holders that arose out of one or more Loss Events occurring during a single calendar month, the Exchange may compensate the Trading Permit Holders, in the aggregate, up to but not exceeding the larger of \$500,000 or the amount of the recovery obtained by the Exchange under any applicable insurance maintained by the Exchange.

A Trading Permit Holder may not make a request for compensation under this Rule for less than \$100. Losses incurred on the same trading day and arising out of the same underlying act or omission of the Exchange or failure of the Exchange's systems or facilities may be aggregated to meet the \$100 minimum. Nothing in this Rule will obligate the Exchange to seek recovery under any applicable insurance policy.

(c) Notice of all requests for compensation pursuant to this Rule must be in writing and must be submitted no later than 1:00 p.m. on the next business day following the Loss Event giving rise to such requests. All requests must be in writing and must be submitted along with supporting documentation by 6:00 p.m. on the third business day following the Loss Event giving rise to each such request. Additional information related to the request as demanded

by the Exchange is also required to be provided. The Exchange will not consider requests for which timely notice and submission have not been provided as required under this paragraph (c).

(d) If all of the timely requests submitted pursuant to paragraph (c) above that are granted cannot be fully satisfied because in the aggregate they exceed the applicable maximum amount of payments authorized in paragraph (b) above, then such maximum amount will be allocated among all such requests arising on a single trading day or during a single calendar month, as applicable, based upon the proportion that each such request bears to the sum of all such requests.

(e) In determining whether to make payment of a request pursuant to paragraph (b) above, the Exchange may determine whether the amount requested should be reduced based on the actions or inactions of the requesting Trading Permit Holder, including, without limitation, whether the actions or inactions of the Trading Permit Holder contributed to the Loss Event; whether the Trading Permit Holder made appropriate efforts to mitigate its loss; whether the Trading Permit Holder realized any gains as a result of a Loss Event; whether the losses of the Trading Permit Holder, if any, were offset by hedges of positions either on the Exchange or on another affiliated or unaffiliated market; and whether the Trading Permit Holder provided sufficient information to document the request and as demanded by the Exchange.

(f) All determinations made pursuant to this Rule by the Exchange are final and not subject to appeal under Chapter 19 of the Rules or otherwise. Nothing in this Rule, nor any payment pursuant to this Rule, will in any way limit, waive, or proscribe any defenses a Covered Person may have to any claim, demand, liability, action, or cause of action, whether such defense arises in law or equity, or whether such defense is asserted in a judicial, administrative, or other proceeding.

(g) This Rule is effective as of July 1, 2015 (the “Effective Date”). No claim for liability under any previous version of this Rule will be valid if brought with respect to any acts, omissions or transactions occurring more than one year prior to the Effective Date of this Rule, or if brought more than one month after the Effective Date of this Rule.]

[Rule 6.43. Limitation on the Liability of Index Licensors for Options on Units

(a) The term “index licensor” as used in this Rule refers to any entity that grants the Exchange a license to use one or more indexes or portfolios in connection with the trading of options on Units (as defined in Rule 5.3.06).

(b) No index licensor with respect to any index pertaining to Units underlying an option traded on the Exchange makes any warranty, express or implied, as to the results to be obtained by any person or entity from the use of such index, any opening, intraday, or closing value therefor, or any data included therein or relating thereto, in connection with the trading of any option contract on Units based thereon or for any other purpose. The index licensor will obtain information for inclusion in, or for use in the calculation of, such index from sources it believes to be reliable, but the index licensor does not guarantee the accuracy or completeness

of such index, any opening, intraday, or closing value therefor, or any data included therein or related thereto. The index licensor hereby disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any such index, any opening, intraday, or closing value therefor, any data included therein or relating thereto, or any option contract on Units based thereon. The index licensor will have no liability for any damages, claims, losses (including any indirect or consequential losses), expenses, or delays, whether direct or indirect, foreseen or unforeseen, suffered by any person arising out of any circumstance or occurrence relating to the person's use of such index, any opening, intraday, or closing value therefor, any data included therein or relating thereto, or any option contract on Units based thereon, or arising out of any errors or delays in calculating or disseminating such index.]

[Rule 6.44. Legal Proceedings Against the Exchange

No Trading Permit Holder or person associated with a Trading Permit Holder may institute a lawsuit or other legal proceeding against the Exchange or any of its directors, officers, committee members, other officials, employees, contractors, or agents, or any subsidiaries or affiliates of the Exchange or any of their directors, officers, committee members, other officials, employees, contractors, or agents, for actions taken or omitted to be taken in connection with the official business of the Exchange or any subsidiary or affiliate, except to the extent such actions or omissions constitute violations of the federal securities laws for which a private right of action exists. This provision does not apply to appeals of disciplinary actions or other actions by the Exchange as provided for in the Rules.]

[Rule 6.45. Limitation on Liability of Reporting Authorities for Indexes Underlying Options

No Reporting Authority, and no other entity identified in this Rule makes any warranty, express or implied, as to the results to be obtained by any person or entity from the use of such index, any opening, intraday or closing value therefor, or any data included therein or relating thereto, in connection with the trading of any option contract based thereon or for any other purpose. The Reporting Authority or any other entity identified in this Rule shall obtain information for inclusion in, or for use in the calculation of, such index from sources it believes to be reliable, but the Reporting Authority or any other entity identified in this Rule does not guarantee the accuracy or completeness of such index, any opening, intraday or closing value therefor, or any data included therein or related thereto. The Reporting Authority and any other entity identified in this Rule hereby disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to such index, any opening, intra-day, or closing value therefor, any data included therein or relating thereto, or any option contract based thereon. The Reporting Authority and any other entity identified in this Rule shall have no liability for any damages, claims, losses (including any indirect or consequential losses), expenses, or delays, whether direct or indirect, foreseen or unforeseen, suffered by any person arising out of any circumstance or occurrence relating to the person's use of such index, any opening, intraday or closing value therefor, any data included therein or relating thereto, or any option contract based thereon, or arising out of any errors or delays in calculating or disseminating such index. The foregoing disclaimers shall apply to Standard & Poor's, a division of The McGraw-Hill Companies,

Inc. (“S&P”) in respect to the S&P Indexes, Frank Russell Company in respect to the Russell Indexes, The NASDAQ Stock Market, Inc. in respect to the Nasdaq Indexes, Morgan Stanley Dean Witter & Co. Incorporated in respect of the Morgan Stanley Indexes, Dow Jones and Company, Inc. in respect to the Dow Jones Averages and any other Dow Jones Indexes, Goldman, Sachs & Co. in respect to the Goldman Sachs Indexes; to the foregoing Reporting Authorities in respect to any other indexes for which they act as the designated Reporting Authority; to the Exchange in respect to the indexes for which it is the designated Reporting Authority; and to any other Reporting Authority in respect to any index for which it acts as such.]

[Section D. Crossing]

[Rule 6.50. Order Exposure Requirement]

(a) *Principal Transactions.* A Trading Permit Holder may not execute as principal against orders it represents as agent unless: (1) agency orders are first exposed on the System for at least one (1) second, or (2) the Trading Permit Holder has been bidding or offering for at least one (1) second prior to receiving an agency order that is executable against such bid or offer.

(b) *Solicitation Orders.* A Trading Permit Holder must expose orders it represents as agent for at least one (1) second before the orders may be executed on the System, in whole or in part, against orders solicited from Trading Permit Holders and non-Trading Permit Holder broker-dealers to transact with the orders.

. . . Interpretations and Policies:

.01 This Rule prevents a Trading Permit Holder from executing agency orders to increase its economic gain from trading against the order without first giving other trading interest on the Exchange an opportunity to either trade with the agency order or to trade at the execution price when the Trading Permit Holder was already bidding or offering on the Book. However, the Exchange recognizes that it may be possible for a Trading Permit Holder to establish a relationship with a customer or other person to deny agency orders the opportunity to interact on the Exchange and to realize similar economic benefits as it would achieve by executing agency orders as principal. It is a violation of this Rule for a Trading Permit Holder to be a party to any arrangement designed to circumvent this Rule by providing an opportunity for a customer to regularly execute against agency orders handled by the Trading Permit Holder immediately upon their entry into the System.

.02 It is a violation of this Rule for a Trading Permit Holder to cause the execution of an order it represents as agent on C2 against orders it solicited from Trading Permit Holders and non-Trading Permit Holder broker-dealers, whether such solicited orders are entered into C2 directly by the Trading Permit Holder or by the solicited party (either directly or through another Trading Permit Holder), if the Trading Permit Holder fails to expose orders on C2 as required by this Rule.

.03 With respect to nondisplayed portions of Reserve orders, the exposure requirement of this Rule is satisfied if the displayed portion of the order is displayed at its displayable price for one second.

.04 Prior to or after submitting an order to the System, a Trading Permit Holder cannot inform another Trading Permit Holder or any other third party of any of the terms of the order.]

[Rule 6.51. Trading on Knowledge of Imminent Undisclosed Solicited Transaction

It will be considered conduct inconsistent with just and equitable principles of trade and a violation of Rule 4.1 for any Trading Permit Holder or person associated with a Trading Permit Holder, who has knowledge of all material terms and conditions of an original order and a solicited order, including a facilitation order, that matches the original order's limit, the execution of which are imminent, to enter, based on such knowledge, an order to buy or sell an option of the same class as an option that is the subject of the original order, or an order to buy or sell the security underlying such class, or an order to buy or sell any related instrument until either (a) all the terms and conditions of the original order and any changes in the terms and conditions of the original order of which that Trading Permit Holder or associated person has knowledge are disclosed to the trading crowd or (b) the solicited trade can no longer reasonably be considered imminent in view of the passage of time since the solicitation. For purposes of this Rule, an order to buy or sell a "related instrument" means, in reference to an index option, an order to buy or sell securities comprising ten percent or more of the component securities in the index or an order to buy or sell a futures contract on any economically equivalent index. With respect to an SPX option, an OEX option is a related instrument, and vice versa.]

[Section E. Intermarket Linkage

The rules contained in Cboe Options Chapter 5, Section E relating to the Options Order Protection and Locked/Crossed Market Plan, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Section. The terms "Exchange" and "Cboe Options" in Cboe Options Chapter 5, Section E mean "C2" for purposes of this Section.]

[Section F. Exercises and Deliveries] SECTION B. EXERCISES AND DELIVERIES

The rules contained in Cboe Options Chapter 6, Section B, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Section. C2 Trading Permit Holders must comply with Cboe Options Chapter 6, Section B as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter 6, Section B have the following meanings for purposes of this Section: "Exchange" and "Cboe Options" mean "C2"; "Trading Permit Holder" (i.e., Cboe Options Trading Permit Holder) means "Trading Permit Holder" (i.e., C2 Trading Permit Holder); and "Clearing Trading Permit Holder" (i.e., Cboe Options Clearing Trading Permit Holder) means "Clearing Trading Permit Holder" (i.e., C2 Clearing Trading Permit Holder).

Notwithstanding the above paragraph, the rules contained in Cboe Options Chapter 6, Section B regarding Range Options, Binary Options, Corporate Debt Security options, Credit Options, Government Security options, and interest rate options do not apply to C2.

[Section G. Off-Floor Transactions and Transfers]

[Rule 6.60. Prohibition on Transactions Off the Exchange

(a) No rule, stated policy, or practice of the Exchange may prohibit or condition, or be construed to prohibit or condition, or otherwise limit, directly or indirectly, the ability of any Trading Permit Holder acting as agent to effect any transaction otherwise than on the Exchange with another person (except when such Trading Permit Holder also is acting as agent for such other person in such transaction) in any equity security listed on the Exchange or to which unlisted trading privileges on the Exchange have been extended.

(b) No rule, stated policy, or practice of the Exchange may prohibit or condition, or be construed to prohibit, condition, or otherwise limit, directly or indirectly, the ability of any Trading Permit Holder to effect any transaction otherwise than on the Exchange in any reported security listed and registered on the Exchange or as to which unlisted trading privileges on the Exchange have been extended (other than a put option or call option issued by the Clearing Corporation) which is not a covered security.]

[Rule 6.61. Off-Floor Transfers of Positions

(a) *Permissible Off-Floor Transfers.* Notwithstanding the prohibition set forth in Rule 6.60, existing positions in options listed on the Exchange of a Trading Permit Holder or of a Non-Trading Permit Holder that are to be transferred on, from, or to the books of a Clearing Trading Permit Holder may be transferred off the Exchange (an “off-floor transfer”) if the off-floor transfer involves one or more of the following events:

(1) pursuant to Rule 8.5 or 8.14 of the Cboe Rules (incorporated into Chapter 5 of the Rules), an adjustment or transfer in connection with the correction of a bona fide error in the recording of a transaction or the transferring of a position to another account, provided that the original trade documentation confirms the error;

(2) the transfer of positions from one account to another account where no change in ownership is involved (i.e., accounts of the same person (as defined in Rule 1.1)), provided the accounts are not in separate aggregation units or otherwise subject to information barrier or account segregation requirements;

(3) the consolidation of accounts where no change in ownership is involved;

(4) a merger, acquisition, consolidation, or similar non-recurring transaction for a person;

(5) the dissolution of a joint account in which the remaining Trading Permit Holder assumes the positions of the joint account;

- (6) the dissolution of a corporation or partnership in which a former nominee of the corporation or partnership assumes the positions;
 - (7) positions transferred as part of a Trading Permit Holder's capital contribution to a new joint account, partnership, or corporation;
 - (8) the donation of positions to a not-for-profit corporation;
 - (9) the transfer of positions to a minor under the Uniform Gifts to Minors Act; or
 - (10) the transfer of positions through operation of law from death, bankruptcy, or otherwise.
- (b) *Netting*. Unless otherwise permitted by paragraph (f), when effecting an off-floor transfer pursuant to paragraph (a), no position may net against another position ("netting"), and no position transfer may result in preferential margin or haircut treatment.
- (c) *Transfer Price*. The transfer price, to the extent it is consistent with applicable laws, rules, and regulations, including rules of other self-regulatory organizations, and tax and accounting rules and regulations, at which an off-floor transfer is effected may be:
- (1) the original trade prices of the positions that appear on the books of the transferring Clearing Trading Permit Holder, in which case the records of the transfer must indicate the original trade dates for the positions; provided, transfers to correct errors under subparagraph (a)(1) must be transferred at the correct original trade prices;
 - (2) mark-to-market prices of the positions at the close of trading on the transfer date;
 - (3) mark-to-market prices of the positions at the close of trading on the trade date prior to the transfer date; or
 - (4) the then-current market price of the positions at the time the off-floor transfer is effected.
- (d) *Prior Written Notice*. A Trading Permit Holder(s) and its Clearing Trading Permit Holder(s) (to the extent that the Trading Permit Holder is not self-clearing) must submit to the Exchange, in a manner determined by the Exchange, written notice prior to effecting an off-floor transfer from or to the account(s) of a Trading Permit Holder(s), except that notification is not required for transfers effected pursuant to subparagraph (a)(1) or (a)(2) of this Rule.
- (1) The notice must indicate (A) the Exchange-listed options positions to be transferred, (B) the nature of the transaction, (C) the enumerated provision(s) under paragraph (a) pursuant to which the positions are being transferred, (D) the name of the counterparty(ies), (E) the anticipated transfer date, (F) the method for determining

the transfer price under paragraph (c) above, and (G) any other information requested by the Exchange.

(2) Receipt of notice of an off-floor transfer does not constitute a determination by the Exchange that the off-floor transfer was effected or reported in conformity with the requirements of this Rule. Notwithstanding submission of written notice to Exchange, Trading Permit Holders and Clearing Trading Permit Holders that effect off-floor transfers that do not conform to the requirements of this Rule will be subject to appropriate disciplinary action in accordance with the Rules.

(e) *Records.* Each Trading Permit Holder and each Clearing Trading Permit Holder that is a party to an off-floor transfer must make and retain records of the information provided in the notice to the Exchange pursuant to subparagraph (d)(1), as well as information on (1) the actual Exchange-listed options transferred; (2) the actual transfer date; and (3) the actual transfer price (and the original trade dates, if applicable). The Exchange may also request the Trading Permit Holder or Clearing Trading Permit Holder to provide other information.

(f) *Presidential Exemptions.* In addition to the exemptions set forth in paragraph (a) of this Rule, the Exchange President (or senior-level designee) may grant an exemption from the requirement of Rule 6.60, on his or her own motion or upon application of the Trading Permit Holder (with respect to the Trading Permit Holder's positions) or a Clearing Trading Permit Holder (with respect to positions carried and cleared by the Clearing Trading Permit Holder), when, in the judgment of the President or his or her designee, allowing the off-floor transfer is necessary or appropriate for the maintenance of a fair and orderly market and the protection of investors and is in the public interest, including due to unusual or extraordinary circumstances, such as the possibility that the market value of the person's positions will be compromised by having to comply with the requirement to trade on the Exchange pursuant to the normal auction process or when, in the judgment of the president or his or her designee, market conditions make trading on the Exchange impractical.

(g) *Routine, Recurring Transfers.* The off-floor transfer procedure set forth in this Rule is intended to facilitate non-routine, non-recurring movements of positions and is not to be used repeatedly or routinely, except for transfers between accounts of the same person pursuant to subparagraph (a)(2). The off-floor transfer procedure may not be used in circumvention of the normal auction process.

(h) *Exchange-Listed Options.* The off-floor transfer procedure set forth in this Rule is only applicable to positions in options listed on the Exchange. Off-floor transfers of positions in Exchange-listed options may also be subject to applicable laws, rules, and regulations, including rules of other self-regulatory organizations. Transfers of non-Exchange listed options and other financial instruments are not governed by this Rule.]

[Rule 6.62. Off-Floor RWA Transfers

Notwithstanding Rule 6.60, existing positions in options listed on the Exchange of a Trading Permit Holder or non-Trading Permit Holder (including an affiliate of a Trading Permit

Holder) may be transferred on, from, or to the books of a Clearing Trading Permit Holder off the Exchange if the transfer establishes a net reduction of risk-weighted assets attributable to those the Trading Permit Holder or non-Trading Permit Holder's options positions (an "RWA Transfer").

(a) RWA Transfers include, but are not limited to: (1) a transfer of options positions from Clearing Corporation member A to Clearing Corporation member B that net (offset) with positions held at Clearing Corporation member B, and thus closes all or part of those positions, and (2) a transfer of positions from a bank-affiliated Clearing Corporation member to a non-bank-affiliated Clearing Corporation member.

(b) RWA Transfers may occur on a routine, recurring basis.

(c) RWA Transfers may result in the netting of positions.

(d) No RWA Transfer may result in preferential margin or haircut treatment.

(e) No RWA Transfer may result in a change in ownership (i.e., an RWA transfer must occur between accounts of the same person (as defined in Rule 1.1)).

(f) No prior written notice to the Exchange is required for RWA Transfers.

(g) Off-floor transfers of positions in Exchange-listed options may be subject to applicable laws, rules, and regulations, including rules of other self-regulatory organizations. Transfers of non-Exchange listed options and other financial instruments are not governed by this Rule.]

[Rule 6.63. In-Kind Exchange of Options Positions and ETF Shares and UIT Interests

Notwithstanding Rule 6.60, positions in options listed on the Exchange may be transferred off the Exchange by a Trading Permit Holder in connection with transactions (a) to purchase or redeem creation units of ETF shares between an authorized participant and the issuer of such ETF shares or (b) to create or redeem units of a unit investment trust ("UIT") between a broker-dealer and the issuer of such UIT units, which transfers would occur at the price(s) used to calculate the net asset value of such ETF shares or UIT units, respectively. For purposes of this Rule:

(a) an "authorized participant" is an entity that has a written agreement with the issuer of ETF shares or one of its service providers, which allows the authorized participant to place orders for the purchase and redemption of creation units (i.e., specified numbers of ETF shares);

(b) an "issuer of ETF shares" is an entity registered with the Commission as an open-end management investment company under the Investment Company Act of 1940; and

(c) an "issuer of UIT units" is a trust registered with the Commission as a unit investment trust under the Investment Company Act of 1940.]

CHAPTER 7. REGULATORY RECORDS, REPORTS, AND AUDITS
[Regulatory Records, Reports, and Audits]

[Section A. General] SECTION A. GENERAL

The rules contained in Cboe Options Chapter 7, Section A, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Section. C2 Trading Permit Holders must comply with Cboe Options Chapter 7, Section B as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter 7, Section A have the following meanings for purposes of this Section: “Exchange” and “Cboe Options” mean “C2”; “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder); “Clearing Trading Permit Holder” (i.e., Cboe Options Clearing Trading Permit Holder) means “Clearing Trading Permit Holder” (i.e., C2 Clearing Trading Permit Holder).

Notwithstanding the above paragraph, the rules contained in Cboe Options Chapter 7, Section A regarding Corporate Debt Security options, Government security options, and interest rate options [and Cboe Options Rule 7.6 (Securities Accounts and Orders of Market-Makers)] do not apply to C2.

Notwithstanding the above paragraph, with respect to C2, the following replaces Cboe Options Rule 7.6 in its entirety:

Rule 7.6. Securities Accounts and Orders of Market-Makers

(a) Identification of Accounts. In a manner prescribed by the Exchange, each Market-Maker must file with the Exchange and keep current a list identifying all accounts for stock, options, and related securities trading in which the Market-Maker may, directly or indirectly, engage in trading activities or over which it exercises investment discretion. No Market-Maker may engage in stock, options, or related securities trading in an account that has not been reported pursuant to this Rule.

(b) Reports of Orders. Each Market-Maker must, upon the request of the Exchange and in the prescribed form, report to the Exchange every order entered by the Market-Maker for the purchase or sale of (1) a security underlying options traded on the Exchange, or (2) a security convertible into or exchangeable for such underlying security, as well as opening and closing positions in all such securities held in each account reported pursuant to paragraph (a) of this Rule. The report pertaining to orders must include the terms of each order, identification of the brokerage firms through which the orders were entered, the times of entry or cancellation, the times report of execution were received, and, if all or part of the order was executed, the quantity and execution price.

(c) Joint Accounts. No Market-Maker may, directly or indirectly, hold any interest or participate in any joint account for buying or selling any options contract unless each participant in such joint account is a Trading Permit Holder and unless such account is

reported to, and not disapproved by, the Exchange. Such reports in a form prescribed by the Exchange must be filed with the Exchange before any transaction is effected on the Exchange for such joint account. A participant in a joint account must:

(1) Be either a Market-Maker or a Clearing Trading Permit Holder that carries the joint account.

(2) File and keep current a completed application on the form prescribed by the Exchange.

(3) Be jointly and severally responsible for assuring that the account complies with all the Rules.

(4) Not be a Market-Maker with an appointment in the same option classes to which the joint account holder also has an appointment a Market-Maker.

[Section B. Consolidated Audit Trail (CAT)]SECTION B. CONSOLIDATED AUDIT TRAIL (CAT) COMPLIANCE RULE

The rules contained in Cboe Options Chapter 7, Section B, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Section. C2 Trading Permit Holders must comply with Cboe Options Chapter 7, Section B as if such rules were part of the Rules. The terms “Exchange” and “Cboe Options” in Section [F]B of Cboe Options Chapter [VI]7 mean “C2” for purposes of this Section.

[CHAPTER 8 Market-Makers]

[Rule 8.1. Initial Market-Maker Registration]

Trading Permit Holders registered as Market-Makers have certain rights and bear certain responsibilities beyond those of other Trading Permit Holders. All Market-Makers are designated as specialists on the Exchange for all purposes under the Exchange Act.

(a) To register as a Market-Maker, a Trading Permit Holder must file an application in writing on such forms as the Exchange may prescribe. The Exchange reviews applications and considers an applicant’s market-making ability and such other factors as the Exchange deems appropriate in determining whether to approve an applicant’s registration as a Market-Maker.

(b) The registration of any Trading Permit Holder as a Market-Maker may be suspended or terminated by the Exchange upon a determination that such Trading Permit Holder has failed to properly perform as a Market-Maker.

(c) There is no limit on the number of Trading Permit Holders that may become Market-Makers unless the Exchange determines to impose a limit based on system constraints, capacity restrictions, or other factors relevant to protecting the integrity of the System. The

Exchange will not impose any such limitations until it has submitted objective standards for imposing the limits to the SEC for its review and approval.

(d) A Trading Permit Holder or prospective Trading Permit Holder adversely affected by an Exchange determination under this Chapter 8, including the Exchange's termination or suspension of a Trading Permit Holder's registration as a Market-Maker or a Market-Maker's appointment to a class, may obtain a review of such determination in accordance with the provisions of Chapter 19.]

[Rule 8.2. Market-Maker Class Appointments

(a) A registered Market-Maker may select class appointments to make markets in those classes during all trading sessions.

(b) A Market-Maker may enter an appointment request via an Exchange-approved electronic interface with the Exchange's systems by 9:00 a.m., which appointment becomes effective on the day the Market-Maker enters the appointment request.

(c) The Exchange may limit the number of appointments a Market-Maker may have, or the number of Market-Makers that may have appointments in a class, pursuant to Rule 8.1(c).]

[Rule 8.3. Market-Maker Class Appointment Costs

Each Trading Permit held by a Market-Maker has an appointment credit of 1.0. A Market-Maker may select for each of its Trading Permits any combination of class appointments, whose aggregate appointment cost does not exceed 1.0, based on the class "appointment costs" set forth below:

Class	Appointment Cost
All classes	.0001]

[Rule 8.4. Good Standing for Market-Makers

(a) To remain in good standing as a Market-Maker, the Market-Maker must:

(1) continue to meet the requirements established in Exchange Act Rule 15c3-1(a)(6)(i), the general requirements for Trading Permit Holders set forth in Chapter 3 of the Rules, and the Market-Maker requirements set forth in Chapter 8 of the Rules.

(2) comply with the Rules as well as the Rules of the Clearing Corporation and the Federal Reserve Board; and

(3) pay on a timely basis such participation, transaction, and other fees as the Exchange prescribes.

(b) The Exchange may suspend or terminate a Trading Permit Holder's registration as a Market-Maker or a Market-Maker's appointment to a class, or otherwise withdraw the good standing of a Market-Maker as provided in the Rules, if the Market-Maker ceases to maintain any of these conditions for approval or violates any of its agreements with the Exchange or any of the provisions of the Rules.]

[Rule 8.5. Obligations of Market-Makers

(a) In registering as a Market-Maker, a Trading Permit Holder commits itself to various obligations. Transactions of a Market-Maker in its market-making capacity must constitute a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and Market-Makers should not make bids or offers or enter into transactions that are inconsistent with such course of dealings. Ordinarily, a Market-Maker must:

(1) during trading hours, maintain a continuous two-sided market in each of its appointed classes, pursuant to Rule 8.6(d);

(2) engage, to a reasonable degree under the existing circumstances, in dealings for its own accounts when there exists, or it is reasonably anticipated that there will exist, a lack of price continuity, a temporary disparity between the supply of (or demand for) a particular option contract, or a temporary distortion of the price relationships between option contracts of the same class;

(3) compete with other Market-Makers in its appointed classes;

(4) update quotations in response to changed market conditions in its appointed classes;

(5) maintain active markets in its appointed classes; and

(6) make markets that will be honored for the number of contracts entered into the System in its appointed classes.

(b) Market-Makers should only effect purchases or sales on the Exchange in a reasonable and orderly manner.

(c) If the Exchange finds any substantial or continued failure by a Market-Maker to engage in a course of dealings as specified in paragraph (a) of this Rule, the Market-Maker will be subject to disciplinary action or suspension or revocation of its registration as a Market-Maker or its appointment in one or more of its appointed classes. Nothing in this Rule will limit any other power of the Exchange under the Rules, or procedures of the Exchange with respect to the registration or appointment of a Market-Maker or in respect of any violation by a Market-Maker of the provisions of this Rule.]

[Rule 8.6. Market-Maker Quotes]

(a) *Firm Quotes.* Market-Maker bids and offers are firm for all orders under this Rule and Rule 602 of Regulation NMS under the Exchange Act (“Rule 602”) for the number of contracts specified in the bid or offer, except if:

(1) a system malfunction or other circumstance impairs the Exchange’s ability to disseminate or update market bids and offers in a timely and accurate manner;

(2) the level of trading activities or the existence of unusual market conditions is such that the Exchange is incapable of collecting, processing, and making available to quotation vendors the data for the option in a manner that accurately reflects the current state of the market on the Exchange;

(3) prior to the conclusion of the Opening Process; or

(4) any of the circumstances provided in paragraph (c)(4) of Rule 602 exist.

(b) *Size.* A Market-Maker’s bid (offer) for a series must be accompanied by the number of contracts at the price of the bid (offer) the Market-Maker is willing to buy (sell). The best bid and best offer entered by a Market-Maker must have a size of at least one contract.

(c) *Two-Sided Quotes.* A Market-Maker that enters a bid (offer) on the Exchange in a series in an appointed class must enter an offer (bid).

(d) *Continuous Quotes.* A Market-Maker must enter continuous bids and offers (in accordance with the requirements in Rules 8.5 and 8.6) in 60% of the cumulative number of seconds, or such higher percentage as the Exchange may announce in advance, for which that Market Maker’s appointed classes are open for trading on a trading day, excluding any adjusted series, any intra-day add-on series on the day during which such series are added for trading, any Quarterly Option Series, and any series with an expiration of greater than 270 days.

(1) If a technical failure or limitation of the System prevents a Market-Maker from maintaining, or from communicating to the Exchange, timely and accurate quotes in a series, the Exchange does not consider the duration of such failure when determining whether that Market-Maker has satisfied the 60% quoting standard with respect to that series.

(2) Specifically, the Exchange will calculate this requirement by taking the total number of seconds the Market Maker disseminates quotes in each appointed class, excluding any adjusted series, any intra-day add-on series on the day during which such series are added for trading, any Quarterly Option Series, and any series with an expiration of greater than 270 days, and dividing that time by the eligible total number of seconds each appointed class is open for trading that trading day (including all

trading sessions). Quoting is not required in every appointed class. This quoting obligation applies to all of a Market-Maker's appointed classes collectively. The Exchange determines compliance by a Market-Maker with the quoting obligations in this paragraph (d) on a monthly basis. However, determining compliance with this quoting obligation on a monthly basis does not relieve a Market-Maker from meeting this obligation on a daily basis, nor does it prohibit the Exchange from taking disciplinary action against a Market-Maker for failing to meet this obligation each trading day.

(3) The Exchange may consider other exceptions to this obligation based on demonstrated legal or regulatory requirements or other mitigating circumstances.

(4) The continuous quoting obligations set forth in this paragraph (d) (A) will be suspended during a trading halt, suspension, or pause in the underlying security, and will not recommence until after the first regular way transaction on the primary listing market in the underlying security following such halt, suspension, or pause in the underlying security, as reported by the responsible single plan processor, and (B) will be suspended for the duration that an underlying NMS stock is in a limit up-limit down state.

Market-Maker continuous quoting obligations in this paragraph (d) apply collectively to Market-Makers associated with the same Trading Permit Holder firm.

(e) The Exchange may call on a Market-Maker to submit a single quote or maintain continuous quotes in one or more series of a Market-Maker's appointed class whenever, in the judgment of the Exchange, it is necessary to do so in the interest of maintaining a fair and orderly market.

(f) A Market-Maker is considered an OEF under the Rules in all classes in which the Market-Maker has no appointment. The total number of contracts a Market-Maker may execute in classes in which it has no appointment may not exceed 25% of the total number of all contracts the Market-Maker executes on the Exchange in any calendar quarter.]

[Rule 8.7. Securities Accounts and Orders of Market-Makers

(a) *Identification of Accounts.* In a manner prescribed by the Exchange, each Market-Maker must file with the Exchange and keep current a list identifying all accounts for stock, options, and related securities trading in which the Market-Maker may, directly or indirectly, engage in trading activities or over which it exercises investment discretion. No Market-Maker may engage in stock, options, or related securities trading in an account that has not been reported pursuant to this Rule.

(b) *Reports of Orders.* Each Market-Maker must, upon the request of the Exchange and in the prescribed form, report to the Exchange every order entered by the Market-Maker for the purchase or sale of (1) a security underlying options traded on the Exchange, or (2) a security convertible into or exchangeable for such underlying security, as well as opening and closing

positions in all such securities held in each account reported pursuant to paragraph (a) of this Rule. The report pertaining to orders must include the terms of each order, identification of the brokerage firms through which the orders were entered, the times of entry or cancellation, the times report of execution were received, and, if all or part of the order was executed, the quantity and execution price.

(c) *Joint Accounts.* No Market-Maker may, directly or indirectly, hold any interest or participate in any joint account for buying or selling any options contract unless each participant in such joint account is a Trading Permit Holder and unless such account is reported to, and not disapproved by, the Exchange. Such reports in a form prescribed by the Exchange must be filed with the Exchange before any transaction is effected on the Exchange for such joint account. A participant in a joint account must:

- (1) Be either a Market-Maker or a Clearing Trading Permit Holder that carries the joint account.
- (2) File and keep current a completed application on the form prescribed by the Exchange.
- (3) Be jointly and severally responsible for assuring that the account complies with all the Rules.
- (4) Not be a Market-Maker with an appointment in the same option classes to which the joint account holder also has an appointment a Market-Maker.]

[Rule 8.8. Financial Requirements and Arrangements for Market-Makers

(a) Each Market-Maker must maintain net capital sufficient to comply with the requirements of Exchange Act Rule 15c3-1. Each Market-Maker that is a Clearing Trading Permit Holder must also maintain net capital sufficient to comply with the requirements of the Clearing Corporation.

(b) Each Market-Maker who makes an arrangement to finance its transactions as a Market-Maker must identify to the Exchange the source of the financing and its terms. The Exchange must be informed immediately of the intention of any party to terminate or change any such arrangement.]

CHAPTER 8. BUSINESS CONDUCT

The rules contained in Cboe Options Chapter 8, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Chapter. Trading Permit Holders must comply with Cboe Options Chapter 8 as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter 8 have the following meanings for purposes of this Chapter: “Exchange” and “Cboe Options” mean “C2”; “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder); “trading

crowd” means “Exchange”; and “Clearing Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Clearing Trading Permit Holders” (i.e., C2 Clearing Trading Permit Holder).

Notwithstanding the above paragraph, the rules contained in Cboe Options Chapter 8 regarding FLEX Options, Corporate Debt Security options, Credit Options, Government security options, Binary Options, interest rate options and Cboe Options Rules 8.20 (Prohibition Against Customers Functioning as Market-Makers), 8.21 (Multiple Representations Prohibited), 8.22 (Trading by Trading Permit Holders on the Floor) and 8.30.06 (Position Limits Firm Facilitation Exception) do not apply to C2.

CHAPTER 9. DOING BUSINESS WITH THE PUBLIC
[Doing Business with the Public]

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CHAPTER 10. MARGIN REQUIREMENTS
[Margin Requirements]

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CHAPTER 11. NET CAPITAL REQUIREMENTS
[Net Capital Requirements]

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CHAPTER 12. SUMMARY SUSPENSION
[Summary Suspension]

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CHAPTER 13. DISCIPLINE
[Discipline]

The rules contained in Cboe Options Chapter 13, as such rules may be in effect from time to time, apply to C2 and are incorporated into this Chapter. C2 Trading Permit Holders must comply with Cboe Options Chapter 13 as if such rules were part of the Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from Cboe Options Chapter 13 have the following meanings for purposes of this Chapter: “Exchange” and “Cboe Options” mean “C2”; “Trading Permit Holder” (i.e., Cboe Options Trading Permit Holder) means “Trading Permit Holder” (i.e., C2 Trading Permit Holder); and “Clearing Trading Permit Holder” (i.e., Cboe Options Clearing Trading Permit Holder) means “Clearing Trading Permit Holder” (i.e., C2 Clearing Trading Permit Holder). [Any references in Cboe Options Rule 13.15 to Rule 2.3 are deemed to refer to C2 Rule 3.9.]

Notwithstanding the above paragraph, Cboe Options Rules 13.15(g)(4), 13.15(g)(5) and 13.15(g)(7) do not apply to C2.

Notwithstanding the above paragraphs, with respect to C2, the following replaces Cboe Options Rule 13.15(g)(6) – Violations of Trading Conduct and Decorum Policies in its entirety:

(6) Failure to Attend Exchange-Mandated Educational Training

A fine may be imposed upon a Trading Permit Holder or persons associated with Trading Permit Holders in accordance with the fine schedule set forth below for failure to attend Exchange-mandated educational training (per Rule 3.1[3]1).

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Notwithstanding the above paragraph, with respect to C2, the following replaces Cboe Options Rule 13.15(g)(14) and (19) in their entirety:

(14) Failure to Meet C2 Quoting Obligations

A fine will be imposed upon a Market-Maker in accordance with the fine schedule set forth below for failure to meet its continuous quoting obligations (Rule [8.6]5.52(d)).

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(19) Failure to Conduct or Participate in Mandatory Systems Testing [(Rule 6.34(b))]

A fine will be imposed upon a Trading Permit Holder who fails to conduct or participate in mandatory systems testing (Rule [6.34]5.24(b)). Such fines are imposed on the basis of the following schedule:

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CHAPTER 14. ARBITRATION

[Arbitration]

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CHAPTER 15. HEARINGS AND REVIEW

[Hearings and Review]

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