

Note: Proposed new language is underlined. Proposed deletions are enclosed in [brackets].

### **Rules of EDGX Exchange, Inc.**

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## **CHAPTER XXI. TRADING SYSTEMS**

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### **Rule 21.8. Order Display and Book Processing**

(a)-(e) (No changes.)

(f) *Directed Market Maker Participation Entitlements.* An Options Member may designate a Market Maker (“Directed Market Maker”) on orders it enters into the System (“Directed Orders”). The Directed Market Maker must be registered with the Exchange as a Market Maker in the relevant option class at the time of receipt of the Directed Order to be eligible to receive the Directed Market Maker participation entitlement. Only Customer Orders will be eligible to be directed by an Options Member. The Directed Market Maker participation entitlement shall not be in effect unless the Customer Overlay is in effect and the participation entitlement shall only apply to any remaining balance after Customer orders have been satisfied. The Directed Market Maker participation entitlements are as follows:

(1) For each incoming order, if the Directed Market Maker has a priority quote at the NBBO, its participation entitlement is equal to the greater of (i) the proportion of the total size at the best price represented by the size of its quote, or (ii) sixty percent (60%) of the contracts to be allocated if there is only one (1) other Market Maker quotation or non-Customer order at the NBBO and forty percent (40%) if there are two (2) or more other Market Maker quotes and/or non-Customer orders at the NBBO.

(g) *Primary Market Maker Participation Entitlements.* A Primary Market Maker may be appointed by the Exchange in option classes in accordance with Rule 22.2. The Primary Market Maker participation entitlements shall not be in effect unless the Customer Overlay is in effect and the participation entitlements shall only apply to any remaining balance after Customer orders have been satisfied. The Primary Market Maker participation entitlements are as follows:

(1) For each incoming order, if the Primary Market Maker has a priority quote at the NBBO, its participation entitlement is equal to the greater of (i) the proportion of the total size at the best price represented by the size of its quote, or (ii) sixty percent (60%) of the contracts to be allocated if there is only one (1) other Market Maker quotation or non-Customer order at the NBBO and forty percent (40%) if

there are two (2) or more other Market Maker quotes and/or non-Customer orders at the NBBO.

(2) (No change.)

(h)-(k) (No changes.)

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