Rule 402. Criteria for Underlying Securities

(a) Underlying securities with respect to which put or call option contracts are approved for listing and trading on the Exchange must meet the following criteria:

   (1) the security must be registered and be an “NMS stock” as defined in Rule 600 of Regulation NMS under the Exchange Act[.]; and

   (2) No change.

(b) In addition, the Exchange shall from time to time establish guidelines to be considered in evaluating potential underlying securities for Exchange options transactions. There are many relevant factors which must be considered in arriving at such a determination, and the fact that a particular security may meet the guidelines established by the Exchange does not necessarily mean that it will be selected as an underlying security. Further, in exceptional circumstances an underlying security may be selected by the Exchange even though it does not meet all of the guidelines. The Exchange may also give consideration to maintaining diversity among various industries and issuers in selecting underlying securities. Notwithstanding the foregoing, however, absent exceptional circumstances, an underlying security will not be selected unless:

   (1) – (5) No change.

   (6) Notwithstanding the requirements set forth in paragraphs (1), (2), (4) and (5) above, the Exchange may list and trade an option contract if:

      (i) the underlying security meets the guidelines for continued approval in Rule 403[.]; and

      (ii) No change.

(c) Securities of Restructured Companies.

   (1) No change.

   (2) “Share” and “Number of Shareholder” Guidelines. In determining whether a Restructure Security satisfies the share guideline set forth in Rule 402(b)(1) (the “Share Guideline”) or the number of holders guideline set forth in Rule 402(b)(2) (the “Number of Shareholders Guideline”), the Exchange may rely upon the facts and circumstances that it expects
to exist on the option’s intended listing date, rather than on the date on which the Exchange selects for options trading the underlying Restructure Security.

(i) The Exchange may assume that:

(A) both the “Share” and “Number of Shareholders” Guidelines are satisfied if, on the option’s intended listing date, the Exchange expects no fewer than forty (40) million shares of the Restructure Security to be issued and outstanding[.]; and

(B) No change.

(ii) – (iii) No change.

(3) – (11) No change.

(d) – (f) No change.

(g) Securities deemed appropriate for options trading shall include shares issued by registered closed-end management investment companies that invest in the securities of issuers based in one or more foreign countries (“International Funds”) if they meet the criteria and guidelines set forth in this Rule 402 and either:

(1) the Exchange has a market information sharing agreement with the primary home exchange for each of the securities held by the fund[.]; or

(2) No change.

(h) No change.

(i) Securities deemed appropriate for options trading shall include shares or other securities (“Exchange-Traded Fund Shares”) that are traded on a national securities exchange and are defined as an “NMS stock” under Rule 600 of Regulation NMS, and that:

(1) represent interests in registered investment companies (or series thereof) organized as open-end management investment companies, unit investment trusts or similar entities that hold portfolios of securities and/or financial instruments (“Funds”), including, but not limited to, stock index futures contracts, options on futures, options on securities and indices, equity caps, collars and floors, swap agreements, forward contracts, repurchase agreements and reverse repurchase agreements (the “Financial Instruments”), and money market instruments, including, but not limited to, U.S. government securities and repurchase agreements (the “Money Market Instruments”) comprising or otherwise based on or representing investments in broad-based indexes or portfolios of securities and/or Financial Instruments and Money Market Instruments (or that hold securities in one or more other registered investment companies that themselves hold such portfolios of securities and/or Financial Instruments and Money Market Instruments); [or]
(2) represent interests in a trust or similar entity that holds a specified non-U.S. currency or currencies deposited with the trust which when aggregated in some specified minimum number may be surrendered to the trust or similar entity by the beneficial owner to receive the specified non-U.S. currency or currencies and pays the beneficial owner interest and other distributions on the deposited non-U.S. currency or currencies, if any, declared and paid by the trust (“Currency Trust Shares”); [or]

(3) represent commodity pool interests principally engaged, directly or indirectly, in holding and/or managing portfolios or baskets of securities, commodity futures contracts, options on commodity futures contracts, swaps, forward contracts and/or options on physical commodities and/or non-U.S. currency (“Commodity Pool ETFs”); [or]

(4) – (5) No change.

(j) No change.

(k) (1) Securities deemed appropriate for options trading shall include shares or other securities (“Equity Index-Linked Securities,” “Commodity-Linked Securities,” “Currency-Linked Securities,” “Fixed Income Index-Linked Securities,” “Futures-Linked Securities,” and “Multifactor Index-Linked Securities,” collectively known as “Index-Linked Securities”) that are principally traded on a national securities exchange and an “NMS Stock” (as defined in Rule 600 of Regulation NMS under the Securities Exchange Act of 1934), and represent ownership of a security that provides for the payment at maturity, as described below:

(i) – (v) No change.

(vi) Multifactor Index-Linked Securities are securities that provide for the payment at maturity of a cash amount based on the performance or the leveraged (multiple or inverse) performance of any combination of two or more Equity Reference Assets, Commodity Reference Assets, Currency Reference Assets, Fixed Income Reference Assets, or Futures Reference Assets (“Multifactor Reference Asset”);

(2) – (4) No change.

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Rule 403. Withdrawal of Approval of Underlying Securities

(a) – (i) No change.

Interpretations and Policies:

.01 No change.

.02 If an option class is open for trading on another national securities exchange, the Exchange may delist such option class immediately. If an option class is open for trading solely on the Exchange, the Exchange may determine to not open for trading any additional series in that option
class; may restrict series with open interest to closing transactions, provided that, opening transactions by Market Makers executed to accommodate closing transactions of other market participants may be permitted; and may delist the option class when all series within that class have expired. In all instances, delisting shall be preceded by a notice to members concerning the delisting.

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Rule 404. Series of Option Contracts Open for Trading

(a) – (g) No change.

Interpretations and Policies:

.01 No change.

.02 Short Term Option Series Program. After an option class has been approved for listing and trading on the Exchange, the Exchange may open for trading on any Thursday or Friday that is a business day (“Short Term Option Opening Date”) series of options on that class that expire at the close of business on each of the next five Fridays that are business days and are not Fridays in which monthly options series or Quarterly Options Series expire (“Short Term Option Expiration Dates”). The Exchange may have no more than a total of five Short Term Option Expiration Dates. Monday and Wednesday SPY Expirations and Monday and Wednesday QQQ Expirations (described in the paragraphs below) are not included as part of this count. If the Exchange is not open for business on the respective Thursday or Friday, the Short Term Option Opening Date will be the first business day immediately prior to that respective Thursday or Friday. Similarly, if the Exchange is not open for business on a Friday, the Short Term Option Expiration Date will be the first business day immediately prior to that Friday.

The Exchange may open for trading on any Tuesday or Wednesday that is a business day (“Wednesday SPY Expiration Opening Date” and “Wednesday QQQ Expiration Opening Date”) series of options on the SPDR S&P 500 ETF Trust (“SPY”) and the INVESCO QQQ Trust℠, Series 1 (“QQQ”) that expire at the close of business on each of the next five Wednesdays that are business days and are not Wednesdays on which Quarterly Options Series expire (“Wednesday SPY Expirations” and “Wednesday QQQ Expirations”). The Exchange may have no more than a total of five Wednesday SPY Expirations and no more than a total of five Wednesday QQQ Expirations. Non-Wednesday SPY Expirations and Non-Wednesday QQQ Expirations (described in the paragraph above) are not included as part of this count. If the Exchange is not open for business on the respective Tuesday or Wednesday, the Wednesday SPY Expiration Opening Date and the Wednesday QQQ Expiration Opening Date will be the first business day immediately prior to that respective Tuesday or Wednesday. Similarly, if the Exchange is not open for business on a Wednesday, the expiration date for a Wednesday SPY Expiration and a Wednesday QQQ Expiration will be the first business day immediately prior to that Wednesday. References to “Short Term Option Series” below shall be read to include “Wednesday SPY Expirations” and “Wednesday QQQ Expirations,” except where indicated otherwise.
With respect to Wednesday SPY Expirations and Wednesday QQQ Expirations, the Exchange may open for trading on any Tuesday or Wednesday that is a business day series of options on the SPDR S&P 500 ETF Trust (“SPY”) and the INVESCO QQQ Trust℠, Series 1 (“QQQ”) to expire on any Wednesday of the month that is a business day and is not a Wednesday in which Quarterly Options Series expire (“Wednesday SPY Expirations” and “Wednesday QQQ Expirations”). With respect to Monday SPY Expirations and Monday QQQ Expirations, the Exchange may open for trading on any Friday or Monday that is a business day series of options on SPY or QQQ to expire on any Monday of the month that is a business day and is not a Monday in which Quarterly Options Series expire (“Monday SPY Expirations” and “Monday QQQ Expirations”), provided that Monday SPY Expirations and Monday QQQ Expirations that are listed on Friday must be listed at least one business week and one business day prior to the expiration. The Exchange may list up to five consecutive Wednesday SPY Expirations, five consecutive Wednesday QQQ Expirations, five consecutive Monday SPY Expirations, and five consecutive Monday QQQ Expirations at one time; the Exchange may have no more than a total of five Wednesday SPY Expirations, five Wednesday QQQ Expirations, five Monday SPY Expirations, and five Monday QQQ Expirations. Monday and Wednesday SPY Expirations and Monday and Wednesday QQQ Expirations will be subject to the provisions of this Rule.

Regarding Short Term Option Series:

(a) Classes. The Exchange may select up to fifty (50) currently listed option classes in which Short Term Option Series may be opened on any Short Term Option Opening Date. In addition to the 50 option class restriction, the Exchange may also list Short Term Option Series on any option classes that are selected by other securities exchanges that employ a similar Pilot Program under their respective rules. For each option class eligible for participation in the Short Term Option Series Program, the Exchange may open up to thirty (30) Short Term Option Series for each expiration date in that class.

(b) No change.

(c) Initial Series. The Exchange may open up to thirty (30) initial series for each option class that participates in the Short Term Option Series Program. The strike price of each Short Term Option Series will be fixed at a price per share, with approximately the same number of strike prices above and below the value of the underlying security at about the time that Short Term Option Series are initially opened for trading on the Exchange (e.g., if seven series are initially opened, there will be at least three strike prices above and three strike prices below the value of the underlying security). Any strike prices listed by the Exchange shall be reasonably close to the price of the underlying equity security and within the following parameters: (i) if the price of the underlying security is less than or equal to $20, strike prices shall be not more than one hundred percent (100%) above or below the price of the underlying security; and (ii) if the price of the underlying security is greater than $20, strike prices shall be not more than fifty percent (50%) above or below the price of the underlying security.

(d) No change.
(e) **Strike Price Interval.** The strike price interval for Short Term Option Series may be $0.50 or greater for option classes that trade in $1 strike price intervals and are in the Short Term Option Series Program. If the class does not trade in $1 strike price intervals, the strike price interval for Short Term Option Series may be $0.50 or greater where the strike price is less than $100 and $1.00 or greater where the strike price is between $100 and $150, and $2.50 or greater for strike prices greater than $150. A non-Short Term Option series that is included in a class that has been selected to participate in the Short Term Option Series Program is referred to as a “Related non-Short Term Option.” Notwithstanding any other provision regarding strike prices in this [r]ule, related non-Short Term Option series shall be opened during the month prior to expiration in the same manner as permitted in Rule 404, Interpretations and Policies .02, and in the same strike price intervals for the Short Term Option Series permitted in this Rule 404, Interpretations and Policies .02(e).

(f) Notwithstanding (e) above, when Short Term Options Series in equity options, excluding Exchange-Traded Funds (“ETFs”) and ETNs, have an expiration more than twenty-one (21) days from the listing date, the strike interval for each options class shall be based on the table within Policy .11.

.03 – .09 No change.

.10 Notwithstanding any other provision regarding the interval of strike prices of series of options on Exchange-Traded Fund Shares in this rule, the interval of strike prices on SPDR S&P 500 ETF (“SPY”), iShares S&P 500 Index ETF (“IVV”), PowerShares Invesco QQQ Trust (“QQQ”), iShares Russell 2000 Index Fund (“IWM”), and the SPDR Dow Jones Industrial Average ETF (“DIA”) options will be $1 or greater.

.11 With respect to listing Short Term Option Series in equity options, excluding Exchange-Traded Fund Shares and ETNs, which have an expiration date more than twenty-one (21) days from the listing date, the following table will apply as noted within Policy .02(f). The below table indicates the applicable strike intervals and supersedes Policy .02(d) which permits additional series to be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying security moves substantially from the exercise price or prices of the series already opened.

<table>
<thead>
<tr>
<th>Tier</th>
<th>Average Daily Volume</th>
<th>Share Price</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Greater than 5,000</td>
<td>$0.50</td>
</tr>
<tr>
<td>1</td>
<td>Greater than 5,000</td>
<td>$0.50</td>
</tr>
<tr>
<td>2</td>
<td>Greater than 1,000 to 5,000</td>
<td>$1.00</td>
</tr>
<tr>
<td>3</td>
<td>0 to 1,000</td>
<td>$2.50</td>
</tr>
</tbody>
</table>
The Share Price is the closing price on the primary market on the last day of the calendar quarter. In the event of a corporate action, the Share Price of the surviving company is utilized.

The Average Daily Volume is the total number of options contracts traded in a given security for the applicable calendar quarter divided by the number of trading days in the applicable calendar quarter. Beginning on the second trading day in the first month of each calendar quarter, the Average Daily Volume shall be calculated by utilizing data from the prior calendar quarter based on Customer-cleared volume at The Options Clearing Corporation. For options listed on the first trading day of a given calendar quarter, the Average Daily Volume shall be calculated using the quarter prior to the last trading calendar quarter.

Short Term Options Series that are newly eligible for listing pursuant to Exchange Rule 402 will not be subject to this proposed Policy .11 until after the end of the first full calendar quarter following the date the option class was first listed for trading on any options market.

Notwithstanding the limitations imposed by this Policy .11, this proposal does not amend the range of strikes that may be listed pursuant to Policy .02 above, regarding the Short Term Option Series Program.

**Rule 404A. Select Provisions of Options Listing Procedures Plan**

(a) No change.

(b) The exercise price of each options series listed by the Exchange shall be fixed at a price per share which is reasonably close to the price of the underlying equity security, Exchange Traded Fund (“ETF” and referred to as “Exchange Traded Fund Shares” in Rule 402(i)) or Trust Issued Receipt (“TIR”) at or about the time the Exchange determines to list such series. Additionally,

(1) – (6) No change.

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**Rule 503. Openings on the Exchange**

(a) – (c) No change.

(d) For purposes of this Rule, “market for the underlying security” shall be either the primary listing market, the primary volume market (defined as the market with the most liquidity in that underlying security for the previous two calendar months), or the first market to open the underlying security, as determined by the Exchange on a[n] class-by-[ ]class basis and announced to [the ]Members through a Regulatory Circular.

(e) **Starting the Opening Process.**

   (1) The opening process cannot occur prior to 9:30 a.m. Eastern Time and can only begin following the dissemination of a quote or trade in the market for the underlying security.
Following the dissemination of a quote or trade in the market for the underlying security, the System will pause for a period of time no longer than one half second to allow the market place to absorb this information. The length of the pause will be disseminated to [m]embers through a Regulatory Circular. After the conclusion of the pause the opening process will begin when either:

(i) – (iii) No change.

(2) – (8) No change.

(f) **Opening Process.**

(1) No change.

(2) If there are quotes or orders that lock or cross each other, the System will open by following the Opening Process detailed below.

(i) - (vi) No change.

(vii) **Imbalance Process.** If all opening marketable size cannot be completely executed at or within the EQR without trading at a price inferior to the ABBO, or cannot trade at or within the quality opening market range in the absence of a valid width NBBO, the System will automatically institute the following imbalance process:

(A) No change.

(B) If at the conclusion of the Timer, quotes and orders submitted during the Imbalance Timer, or other changes to the ABBO, would not allow the entire imbalance amount to trade at the Exchange at or within the EQR without trading at a price inferior to the ABBO, the System will:

1. - 4. No change.

5. Except as set forth in subsection a. below, if after that number of times the System still cannot route and/or trade the entire imbalance amount, the System will open as many contracts as possible by routing to other markets with prices better than the Exchange opening price for their disseminated size, trade available contracts on the Exchange at the opening price and route to other markets at prices equal to the Exchange opening price for their disseminated size. In this situation, the System will price any contracts routed to other markets at the away market price. If there is an opening transaction, any unexecuted contracts from the imbalance not traded or routed will be cancelled back to the entering Member if the price for those contracts crosses the opening price, unless such unexecuted contracts are from a non-Market Maker order in a Proprietary Product, in which case the remaining size will be placed on the Book with a protected price equal to the opening price and the Liquidity Exposure Process, as defined in Exchange Rule 515(c)(2)(i) will begin immediately after the Opening Process is complete. However, in a series where the EQR has been calculated to be zero on the bid side and market
order sell interest has a quantity greater than all of the buy interest, the System will treat the market order(s) like a limit order(s) to sell at the lowest Minimum Trading Increment and the Opening Process will be satisfied with an opening price at the lowest Minimum Increment with any remaining balance of the sell order(s) being placed on the Book in time priority and made available for execution following the Opening Process.

a. If the option is being used in the calculation of a final settlement price of an Index pursuant to Interpretation and Policy .02 of Exchange Rule 503 on expiration date, then, if after that number of times the System still cannot trade the entire imbalance amount, the System will instead conduct a further imbalance process to trade the entire imbalance amount, as described in Interpretation and Policy .03 of Exchange Rule 503.

6. No change.

(C) No change.

(viii) - (xi) No change.

(g) No change.

Interpretations and Policies:

.01 – .02 No change.

.03 SPIKES Special Settlement Auction.

(a) – (e) No change.

(f) If any must-fill interest cannot be filled during the Exchange’s imbalance process performed pursuant to Exchange Rule 503, the SSIP will be commenced to satisfy such must-fill interest, as follows:

(1) The System will broadcast a system imbalance broadcast message to all subscribers of the Exchange’s relevant data feed and begin an SSIP Imbalance Timer, the duration of which shall be determined by the Exchange and announced via Regulatory Circular, however it shall not [to] exceed ten seconds.

(2) – (5) No change.

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Rule 515A. MIAX Price Improvement Mechanism (“PRIME”) and PRIME Solicitation Mechanism
(a) **Price Improvement Mechanism (“PRIME”).** PRIME is a process by which a Member may electronically submit for execution (“Auction”) an order it represents as agent (“Agency Order”) against principal interest, and/or an Agency Order against solicited interest.

(1) **Auction Eligibility Requirements.** A Member (the “Initiating Member”) may initiate an Auction provided all of the following are met:

   (i) the Agency Order is in a class designated as eligible for PRIME as determined by the Exchange and within the designated Auction order eligibility size parameters as such size parameters are determined by the Exchange; [and]

   (ii) the Initiating Member must stop the entire Agency Order as principal or with a solicited order at the better of the NBBO or the Agency Order’s limit price (if the order is a limit order); and

   (iii) with respect to Agency Orders that have a size of less than 50 contracts, if at the time of receipt of the Agency Order, the NBBO has a bid/ask differential of $0.01, the System will reject the Agency Order.

(2) No change.

(b) No change.

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**Rule 518. Complex Orders**

(a) No change.

(b) **Types of Complex Orders.**

   (1) – (2) No change.

   (3) **Complex Auction or Cancel Order.** A Complex Auction-or-Cancel or “cAOC” order is a complex limit order used to provide liquidity during a specific Complex Auction with a time in force that corresponds with that event. cAOC orders are not displayed to any market participant, and are not eligible for trading outside of the event. A cAOC order with a size greater than the aggregate auctioned size (as defined in Rule 518(d)(4)) will be capped for allocation purposes at the aggregate auctioned size.

   (4) – (9) No change.

(c) – (e) No change.

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