RULE 518. Complex Orders

(a) – (e) No change.

Interpretations and Policies:

.01 – .02 No change,

.03 Improvement Percentages. The Exchange will use the following methods to determine whether a complex order is qualified to initiate a Complex Auction.

(a) Initial Improvement Percentage (“IIP”). For complex orders received prior to the opening of all individual components of a complex strategy, the System will calculate an IIP value, which is a defined percentage of the current [dcMBBO]cNBBO bid/ask differential once all of the components of the complex strategy have opened. Such percentage will be defined by the Exchange and communicated to Members via Regulatory Circular. If a Complex Auction-eligible order is priced equal to, or improves, the IIP value and is also priced equal to, or improves, other complex orders and/or quotes resting at the top of the Strategy Book, the complex order will be eligible to initiate a Complex Auction.

(b) Upon Receipt Improvement Percentage (“URIP”). Upon receipt of a complex order when the complex strategy is open, the System will calculate a URIP value, which is a defined percentage of the current [dcMBBO]cNBBO bid/ask differential. Such percentage will be defined by the Exchange and communicated to Members via Regulatory Circular. If a Complex Auction-eligible order is priced equal to, or improves, the URIP value and is also priced to improve other complex orders and/or quotes resting at the top of the Strategy Book, the complex order will be eligible to initiate a Complex Auction.

(c) Re-evaluation Improvement Percentage (“RIP”). Upon evaluation of a complex order resting at the top of the Strategy Book, the System will calculate a RIP value, which is a defined percentage of the current [dcMBBO]cNBBO bid/ask differential. Such percentage will be defined by the Exchange and communicated to Members via Regulatory Circular. If a complex order resting at the top of the Strategy Book is priced equal to, or improves, the RIP value, the complex order will be eligible to initiate a Complex Auction.

*****