

Additions underscored  
Deletions [bracketed]

## NYSE American Rules

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### Trading of Option Contracts

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### Section 900NY. Rules Principally Applicable to Trading of Option Contracts

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#### Rule 964.2NY. Participation Entitlement of Specialists and e-Specialists

(a) The Exchange may establish from time to time a participation entitlement formula that is applicable to all Specialists. The Exchange will, on a quarterly basis, designate, from among all Specialists and e-Specialists in a class, the Primary Specialist in each class. The Primary Specialist will be determined by objective evaluation of the relative quote performance of each Specialist and e-Specialist, and would include one or more of the following factors: time and size at the NBBO, average quote width, average quote size, electronic volumes from resting quotes and orders in the Consolidated Book, and the relative share of electronic volume for a given class of options. The Exchange will publish the evaluation criteria, including the relative weighting of each factor, by Trader Update at least 5 business days prior to an evaluation period.

(b) The participation entitlement for Specialists and e-Specialists, collectively the Specialist Pool as defined in Rule 900.2NY(75), shall operate as follows:

(1) *Generally.*

(i) To be entitled to a participation entitlement, the Specialist/e-Specialist must be quoting at the NBBO.

(ii) A Specialist/e-Specialist may not be allocated a total quantity greater than the quantity than the Specialist/e-Specialist is quoting at the NBBO.

(iii) The participation entitlement is based on the number of contracts remaining after all Customer orders in the book at the best bid/offer on the Exchange have been satisfied.

(iv) An individual Specialist or e-Specialist will be allocated a number of contracts equal to the greater of their share in the Specialist Pool guaranteed participation or their "size pro rata" allocation as provided in Rule 964NY(b)(3), but in either case, no greater than the size of the Specialist's disseminated size.

(v) An e-Specialist shall not receive a participation entitlement with respect to orders represented in open outcry on the Trading Floor.

(2) *Participation Rates applicable to Specialist Pool.* The collective Specialist/e-Specialist participation entitlement shall be no greater than 40%.

(3) *Allocation of Participation Entitlement Amongst Specialist Pool.*

(A) Bids and Offers of Specialists and e-Specialists quoting at the NBBO shall participate in the Specialist Pool participation entitlement on a size pro rata basis. The Primary Specialist's size pro-rata participation in the Specialist Pool will receive additional weighting, as determined by the Exchange, and announced via Trader Update[.]; provided, however, that if all participants in the Specialist Pool are quoting the same size, this additional weighting[but in no case] will be no greater than 66 2/3% if there is only one e-[s]Specialist, and no [more]greater than 50% if there are two or more e-Specialists.

(B) For all orders of five (5) contracts or fewer, the Primary Specialist will be allocated the balance after any allocation to Customers, not to exceed the size of their quote, provided the Primary Specialist is quoting at the NBBO, and the order was not originally allocated to a Directed Order Market Maker.

(4) *Participation Entitlement In Instances Where a Directed Order Market-Maker Receives a Participation Entitlement Pursuant to Rule 964.1NY.* The participation entitlement set forth in this Rule shall not apply in instances where a Directed Order Market-Maker receives a participation entitlement pursuant to Rule 964.1NY.

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