

Additions underlined
 Deletions [bracketed]

NYSE MKT RULES

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TRADING OF OPTION CONTRACTS

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

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Rule 928 NY. Risk Limitation Mechanism

(a) *Counters.*

(1) Trade Counter. The System will[shall] maintain separate "trade counters" for each of the following scenarios: [(1)](i) when any order, including a single-leg order or any leg of a Complex Order, submitted by an ATP Holder [a non-Market Maker ATP Holder ("non-Market Maker" for purposes of this Rule 928NY) Applicable Order, as defined in Commentary .07 herein,] is executed in any series in a specified class; [(2) when a Market Maker Applicable Order, as defined in Commentary .07 herein, is executed in any series in a specified class;] and [(3)](ii) when a Market Maker quote is executed in any series in an appointed class. For each of these scenarios, the trade counters [shall]will be incremented every time a trade is executed, in accordance with Commentary .07 to this Rule, and [shall]will also aggregate the number of contracts traded during each such execution. The trade counters [shall]will also calculate applicable percentages for [Market Makers and non-Market Makers]ATP Holders using the Percentage-Based Risk Limitation Mechanism set forth below in Rule 928NY(d).

(2) Trigger Counter. The System [shall]will maintain a separate "trigger counter" to track the number of times that an ATP Holder[a non-Market Maker or Market Maker] has triggered any of the Risk Limitation Mechanisms pursuant to Rule 928NY(b),(c), or (d).

(b) *Transaction-Based Risk Limitation Mechanism.* The Transaction-Based Risk Limitation Mechanism [shall]will be triggered whenever one of the following conditions is met:

(1) When a trade counter indicates that within a time period specified by the Exchange, “n” executions of an ATP Holder’s open orders have traded in a specific class[For a non-Market Maker, when a trade counter has reached "n" executions within a time period specified by the Exchange against the non-Market Maker's Applicable Orders in a specified class]; or

[(2) For a Market Maker, when a trade counter has reached "n" executions within a time period specified by the Exchange against the Market Maker's Applicable Orders in a specified class; or]

(2) When a trade counter indicates that within a time period specified by the Exchange, “n” executions of a Market Maker’s quotes have traded in an appointed class[(3) For a Market Maker, when a trade counter has reached "n" executions within a time period specified by the Exchange against the Market Maker's quotes in an appointed class].

(c) *Volume-Based Risk Limitation Mechanism.* The Volume-Based Risk Limitation Mechanism [shall]will be triggered whenever one of the following conditions is met:

(1) When a trade counter indicates that within a time period specified by the Exchange, “k” contracts of an ATP Holder’s open orders have traded in a specific class[For a non-Market Maker, when a trade counter has reached "k" contracts traded within a time period specified by the Exchange against the non-Market Maker's Applicable Orders in a specified class]; or

[(2) For a Market Maker, when a trade counter has reached "k" contracts traded within a time period specified by the Exchange against the Market Maker's Applicable Orders in a specified class; or]

(2) When a trade counter indicates that within a time period specified by the Exchange, “k” contracts of a Market Maker’s quotes have traded in an appointed class[(3) For a Market Maker, when a trade counter has reached "k" contracts traded within a time period specified by the Exchange against the Market Maker's quotes in an appointed class].

(d) *Percentage-Based Risk Limitation Mechanism.* The Percentage-Based Risk Limitation Mechanism [shall]will be triggered whenever one of the following conditions is met:

(1) When a trade counter has calculated that within a time period specified by the Exchange, “p” percentage of an ATP Holder’s open orders have traded in a specific class[For a non-Market Maker, when a trade counter has calculated that the non-Market Maker has traded "p" percentage within a time period specified by the Exchange against the non-Market Maker's Applicable Orders in a specified class]; or

[(2) For a Market Maker, when a trade counter has calculated that the Market Maker has traded "p" percentage within a time period specified by the Exchange against the Market Maker's Applicable Orders in a specified class; or]

(2) When a trade counter has calculated that within a time period specified by the Exchange, "p" percentage of a Market Maker's quotes have traded in an appointed class[(3) For a Market Maker, when a trade counter has calculated that the Market Maker has traded "p" percentage within a time period specified by the Exchange against the Market Maker's quotes in an appointed class].

The "p" percentage specified by each ATP Holder will[the non-Market Maker or Market Maker shall] be calculated as follows:

(i) A trade counter [shall]will first calculate, for each series of an option class, the percentage(s) of [a non-Market Maker's or Market Maker's]an ATP Holder's order size(s) [in the specified class] or a Market Maker's quote size [in the appointed class] that is executed on each side of the market, including both displayed and non-displayed size;

(ii) A trade counter [shall]will then sum the overall [series] percentages of the size(s) for the entire option class to calculate the "p" percentage.

(e) The System [shall]will take the following action if one of the Risk Limitation Mechanisms above is triggered:

(1) If triggered pursuant to paragraph (b)(1), (c)(1) or (d)(1) above, the System [shall]will automatically cancel all of the ATP Holder's orders[non-Market Maker's Applicable Orders] in the specified class, except as provided in Commentary .01 to this Rule.[:]

[(2) If triggered pursuant to paragraph (b)(2), (c)(2) or (d)(2) above, the System shall automatically cancel all of the Market Maker's Applicable Orders in the specified class; or

(3)](2) If triggered pursuant to paragraph (b)(2), (c)(2) or (d)(2)[(b)(3), (c)(3) or (d)(3)] above, the System [shall]will automatically cancel all of the Market Maker's quotes in the appointed class.

(f) The System [shall]will take the following action if the trigger counter indicates that any of the Risk Limitation Mechanisms are triggered more than "t" times within a time period specified by the Exchange:

(1) If triggered pursuant to paragraph (b)(1), (c)(1) or (d)(1) above, the System [shall]will automatically cancel all of the ATP Holder's orders, except as provided in Commentary .01 to this Rule[non-Market Maker's Applicable Orders], regardless of which specified class triggered the Risk Limitation Mechanism.

[(2) If triggered pursuant to paragraph (b)(2), (c)(2) or (d)(2) above, the System shall automatically cancel all of the Market Maker's Applicable Orders, regardless of which specified class triggered the Risk Limitation Mechanism.

(3)](2) If triggered pursuant to paragraph (b)(2), (c)(2) or (d)(2)](b)(3), (c)(3) or (d)(3)] above, the System [shall]will automatically cancel all of the Market Maker's quotes, regardless of which appointed class triggered the Risk Limitation Mechanism.

Commentary:

.01 Pursuant to paragraphs (e) and (f) of Rule 928NY, the [The] System [shall]will automatically cancel quotes or electronic orders, or portions thereof, that have not been routed to away markets, excluding intraday and prior day GTC, AON, CUBE, and orders entered in response to an electronic auction that are valid only for the duration of the auction (“GTX”)[Applicable Orders or quotes pursuant to paragraphs (e) and (f) of Rule 928NY] by generating a "bulk cancel" message. In addition to the bulk cancel message, the System [shall]will generate an alert message notifying the ATP Holder[Marker Maker or non-Market Maker] that it has exceeded the number of triggers of the Risk Limitation Mechanisms, pursuant to paragraph (f) of Rule 928NY. Orders and quotes residing in the Consolidated Book received prior to processing of the bulk cancel message may trade. Any unexecuted portion of an order subject to a “bulk cancel” message that had routed away, but returned unexecuted, will be immediately cancelled. [The bulk cancel message shall be processed by the System in time priority with any other quote or order message received by the System. Any Applicable Orders or quotes that matched with a Market Maker's quote or a Market Maker's or non-Market Maker's Applicable Order and were received by the System prior to the receipt of the bulk cancel message shall be automatically executed. Applicable Orders or quotes received by the System after receipt of the bulk cancel message shall not be executed. Public Customer orders cancelled pursuant to a Risk Limitation Mechanism bulk cancel message shall not be counted for purposes of calculating the Exchange's Cancellation Fee.]

.02 If a Risk Limitation Mechanism is triggered pursuant to Rule 928NY(b)(1), (c)(1), or (d)(1), any new orders[Rule 928NY(b)(1) or (2), (c)(1) or (2), or (d)(1) or (2), any Applicable Orders sent by the non-Market Maker or Market Maker, respectively,] in the specified class submitted by the ATP Holder will [shall] be rejected until the ATP Holder[non-Market Maker or Market Maker] submits a message (which may be automated) to the System to enable the entry of new orders[Applicable Orders]. If a Risk Limitation Mechanism is triggered pursuant to Rule 928NY(b)(2), (c)(2), or (d)(2)[Rule 928NY(b)(3), (c)(3), or (d)(3)], any new quotes sent by the Market Maker in the appointed class [shall]will be rejected until the Market Maker submits a message (which may be automated) to the System to enable the entry of new quotes. If any of the Risk Limitation Mechanisms are triggered pursuant to paragraph[s] (f)(1) [or (f)(2)] to Rule 928NY, any new orders[Applicable Orders sent by the non-Market Maker or

Market Maker, respectively], in any class, submitted by the ATP Holder will[shall] be rejected until the ATP Holder [non-Market Maker or Market Maker] makes non-automated contact with the Exchange to enable the entry of new orders[Applicable Orders]. If any of the Risk Limitation Mechanisms are triggered pursuant to Rule 928NY (f)[(3)](2), any new quotes sent by the Market Maker, in any class, [shall]will be rejected until the Market Maker makes non-automated contact with the Exchange to enable the entry of new quotes.

.03 The Exchange [shall]will specify via Trader Update any applicable minimum, maximum and/or default settings for the Risk Limitation Mechanisms [provided under Rule 928NY]; provided, however, that the Exchange [shall]will not (i) specify a minimum setting of less than [one]three or a maximum setting of more than [100]2,000 for the Transaction-Based Risk Limitation Mechanism; (ii) specify a minimum setting of less than 20 or a maximum setting of more than 500,000 for the Volume-Based Risk Limitation Mechanism; (iii) specify a minimum setting of less than 100 or a maximum setting of more than 200,000 for the Percentage-Based Risk Limitation Mechanism or (iv) specify a minimum setting of less than one or a maximum of more than 100 for the number of triggers of the Risk Limitation Mechanisms, pursuant to paragraph (f) of Rule 928NY. The Exchange [shall]will also specify via Trader Update any applicable time period(s) for the Risk Limitation Mechanisms [provided under Rule 928NY]; provided, however, that the Exchange [shall]will not specify a time period of less than 100 milliseconds.

.04

- (a) One of the three Risk Limitation Mechanisms must be activated for all Market Maker quotes. Once a Market Maker activates a Risk Limitation Mechanism [provided under Rule 928NY] for its quotes in an appointed class, the mechanism[,], and the settings established [by the Market Maker, shall]will remain active unless, and until, the Market Maker [deactivates the Risk Limitation Mechanism or] changes the settings.
- (b) The Risk Limitation Mechanisms may be activated, but [is]are not mandated, for [Applicable Orders]orders submitted by ATP Holders[non-Market Makers and Market Makers]. To be effective, [a non-Market Maker or Market Maker]an ATP Holder must activate a Risk Limitation Mechanism, and corresponding settings, [provided under Rule 928NY for its Applicable Orders]for orders in a specified class[, and any corresponding settings, on a daily basis, if at all, or the Risk Limitation Mechanism shall not be active]. Once an ATP Holder activates a Risk Limitation Mechanism for its orders in a specified class, the mechanism and the settings established will remain active unless, and until, the ATP Holder deactivates the Risk Limitation Mechanism or changes the settings. The Risk Limitation Mechanisms [provided under Rule 928NY shall]will be in effect, if activated by an ATP Holder [non-Market Maker or Market

Maker], during Core Trading Hours, including during Trading Auctions, as defined in Rule 952NY. [Market Makers and non-Market Makers]ATP Holders that utilize any of the Risk Limitation Mechanisms [shall]will be subject to paragraph (f) of Rule 928NY.

.05 In the event that there are no Market Makers quoting in a class, the best bids and offers of those orders residing in the Consolidated Book in the class [shall]will be disseminated as the BBO. If there are no Market Makers quoting in the class and there are no orders in the Consolidated Book in the class, the System shall disseminate a bid of zero and an offer of zero.

.06 The trade counters [shall]will automatically reset and commence a new count for the ATP Holder[a non-Market Maker or Market Maker] (1) when a time period specified by the Exchange elapses or, (2) if one of the Risk Limitation Mechanisms [provided under Rule 928NY] is triggered, when the ATP Holder[non-Market Maker or Market Maker] submits a message to the System to enable the entry of new [Applicable Orders]orders or quotes, as provided in Commentary .02 to this Rule 928NY. Absent a breach pursuant to Rule 928NY(f), the trigger counter [shall]will automatically reset and commence a new count for the ATP Holder[a non-Market Maker or Market Maker] (1) when a time period specified by the Exchange elapses; or (2) following any intraday update to configurable thresholds, as provided in Commentary .03 to this Rule 928NY. Following any breach pursuant to Rule 928NY(f), the trigger counter [shall]will be reset and commence a new count when the ATP Holder[non-Market Maker or Market Maker] makes non-automated contact with the Exchange to enable the entry of new [Applicable Orders]orders or quotes, as provided in Commentary .02 to this Rule 928NY.

.07 [Only executions against order types specified by the Exchange via Trader Update and against quotes of Market Makers shall be considered by a trade counter.] Executions against Market Maker orders [shall]will not be considered by a trade counter in connection with that Market Maker's quoting activity. Likewise, executions against Market Maker quotes [shall]will not be considered by a trade counter in connection with the Market Maker's order activity. Executions of routable orders on away markets will be considered by a trade counter once the execution report is received by the Exchange. Executions of each leg of a Complex Orders will be considered by a trade counter as an individual transaction.[Unless otherwise specified by the Exchange via Trader Update, the Risk Limitation Mechanisms are available only to ATP Holders utilizing ArcaDirect and only for the following order types: PNP Orders and PNP-Blind Orders (collectively, the "Applicable Orders").]

.08 A determination of whether the conditions of paragraph (b), (c) or (d) of Rule 928NY have been met, and any resulting cancellation of [Applicable Orders]orders or quotes pursuant to paragraphs (e) and (f) of Rule 928NY, [shall]will be made on the basis of trading permit identification. [A non-Market

Maker or a Market Maker may activate no more than] An ATP Holder may activate one of the three Risk Limitation Mechanisms [provided under Rule 928NY] for a particular class for its orders. A Market Maker must activate exactly one of the three Risk Limitation Mechanisms [provided under Rule 928NY] for a particular class for its quotes. A Market Maker may activate different Risk Limitation Mechanisms for its [Applicable Orders] orders and quotes for a particular class.

.09 For purposes of Rule 928NY, the terms "class" and "classes" [shall] will include all option series, both puts and calls, overlying the same underlying security. For the purposes of this Rule 928NY only, any series of mini-options contracts [shall] will also be included in the terms "class" and "classes" but only insofar as it relates to the Risk Limitation Mechanism and operation thereof.

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