

Additions underlined
 Deletions [bracketed]

NYSE MKT RULES

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

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Rule 971.1NY. Electronic Cross Transactions

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(b) CUBE Auction Eligibility Requirements. All options traded on the Exchange are eligible for the CUBE Auction. For purposes of determining whether a CUBE Order is eligible to initiate an Auction, references to the National Best Bid or Offer ("NBBO") or Exchange Best Bid or Offer ("BBO") refer to the quoted market at the time the Auction is initiated. The time at which the Auction is initiated shall also be considered the time of execution for the CUBE Order and the execution of orders in the Auction shall qualify as exceptions to Trade-Through Liability, pursuant to Rule 991NY(b)(5) and (9). An Initiating Participant may initiate a CUBE Auction provided all of the following are met:

(1) Range of Permissible Executions. A CUBE Order to buy (sell) may execute at prices equal to or between the initiating price as the upper (lower) bound and the NBB (NBO) as the lower (upper) bound, provided that:

(A) If the CUBE Order to buy (sell) is for 50 contracts or more and there is Customer interest in the Consolidated Book at the Exchange Best Bid ("BB") (Exchange Best Offer ("BO")), the lower (upper) bound of executions shall be the higher (lower) of the BB plus one cent (BO minus one cent) or the NBB (NBO).

(B) If the CUBE Order to buy (sell) is for fewer than 50 contracts, the initiating price shall be the lower (higher) of the CUBE Order's limit price, the NBO (NBB), or the BO minus one cent (BB plus one cent) and the lower (upper) bound of executions shall be the higher (lower) of the NBB (NBO) or the BB plus one cent (BO minus one cent).

(C) If the BBO on the same side as the CUBE Order updates during the Auction, the range of permissible executions will adjust in accordance with the updated BBO, unless the incoming same-side interest that would update the BBO would cause the Auction to conclude early pursuant to paragraph (c)(4)(D) of this Rule.

(D) If at the time the Auction is initiated, there is a Marketable Order to sell (buy) that has been displayed pursuant to Rule 967NY(a)(4)(A), the displayed price of

the collared order minus (plus) one Trading Collar shall be considered the BO (BB) when determining the range of permissible executions.

(2) CUBE Orders to buy (sell) with a limit price below (above) the lower (upper) bound of executions specified in paragraph (b)(1) of this Rule are not eligible to initiate an Auction and shall be rejected along with the Contra Order.

(3) CUBE Orders, once accepted, will never execute outside the range of permissible executions and will never trade through their own limit price. Unrelated quotes and orders that participate in the Auction will never trade through their own limit price.

(4) CUBE Orders submitted before the opening of trading are not eligible to initiate an Auction and shall be rejected, along with the Contra Order.

(5) CUBE Orders submitted during the final second of the trading session in the affected series are not eligible to initiate an Auction and shall be rejected, along with the Contra Order.

(6) CUBE Orders for fewer than 50 contracts will be rejected when:

(A) [that are submitted when] the BBO is \$0.01 wide[will be rejected.]; or

(B) the NBBO is \$0.01 wide, unless the Initiating Participant guarantees the execution of the CUBE Order to buy (sell) at a price that is equal to the NBO minus one cent (NBB plus one cent), utilizing a single stop price, auto-match or auto-match limit as specified in paragraphs (c)(1)(A)-(C) of this Rule.

(7) CUBE Orders may be entered in \$.01 increments regardless of the MPV of the series involved. Contra Orders may be priced in one cent increments when specifying the stop price or the auto-match limit price (as described in paragraphs (c)(1)(A) and (c)(1)(C) of this Rule).

(8) The minimum size requirement for a CUBE Order is one contract.

(9) If the NBBO is crossed when a CUBE Order is submitted, it will be rejected.

Commentary:

.01 Reserved.[Rules 971.1NY(b)(1)(B) (CUBE Auctions for fewer than 50 contracts) and 971.1NY(b)(8) (the minimum size for a CUBE Auction is one contract) are subject to a pilot period expiring on January 18, 2017 (the "Pilot Period"). During this Pilot Period, the Exchange will submit certain data, periodically as required by the Commission, to provide supporting evidence that, among other things, there is meaningful competition

for all size orders and that there is an active and liquid market functioning on the Exchange outside of the CUBE Auction. Any data that is submitted to the Commission will be provided on a confidential basis.]

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