

New text is underlined;
Deleted text is in [brackets]

NYSE American Rules

* * * * *

Trading of Option Contracts

* * * * *

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

Rules with a “P” modifier are operative for symbols that are trading on the Pillar trading platform. If a symbol is trading on the Pillar trading platform, a rule with the same number as a rule with a “P” modifier will no longer be operative for that symbol. The Exchange will announce by Trader Update when symbols are trading on the Pillar trading platform.

* * * * *

Rule 900.2NY. Definitions

Whenever and wherever used herein, unless the context requires otherwise, the following terms shall be deemed to have the meanings indicated:

* * * * *

Customer and Professional Customer.

The term “Customer” means an individual or organization that is not a Broker/Dealer; when not capitalized, “customer” refers to any individual or organization whose order is being represented, including a Broker/Dealer.

The term “Professional Customer” means an individual or organization that (i) is not a Broker/Dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). A Professional Customer will be treated in the same manner as a Broker/Dealer (or non-Customer) in securities for the purposes of Rules 900.3NY(j) (Facilitation Order), 900.3NYP(g)(2) (Customer Cross Orders and Complex Customer Cross Orders), 904G(f) (FLEX Trading Procedures and Principles - Crossing Limitations), 934NY(Crossing), 934.1NY (Facilitation Cross Transactions), 934.2NY(At-Risk Cross Transactions), 934.3NY(Solicitation), 963NY(Priority and Order Allocation Procedures - Open Outcry), 964NY (Display, Priority and Order Allocation - Trading Systems), 964NYP (Order Ranking, Display, and Allocation), 964NYP(h)(2)(A) and (B) (Specialist Pool Guaranteed Participation), 964.2NY(b)(1)(iii)(Participation Entitlement of Specialists and e-Specialists), 964.2NY(b)(3)(B)(Allocation Of Participation Entitlement Amongst Specialist Pool), [971.1NY and] 971.1NYP (Single-Leg Electronic Cross Transactions), [971.2NY]971.2NYP (Complex Electronic Cross Transactions), 975NY(b)(1) (Obvious Errors

and Catastrophic Errors), Rule 980NY(b) (Electronic Complex Order Trading), and 980NYP (Electronic Complex Order Trading).

* * * * *

Rule 935NY. Order Exposure Requirements

With respect to orders routed to the Exchange, Users may not execute as principal orders they represent as agent unless (i) agency orders are first exposed on the Exchange for at least one (1) second; (ii) the User has been bidding or offering on the Exchange for at least one (1) second prior to receiving an agency order that is executable against such bid or offer; (iii) the User utilizes the Customer Best Execution Auction (“CUBE Auction”) pursuant to Rules [971.1NY,]971.1NYP, or [971.2NY]971.2NYP; or (iv) the User utilizes the Complex Order Auction (“COA”) pursuant to Rule 980NY(e) or 980NYP(f).

* * * * *

Rule 971.2NY. Complex Electronic Cross Transactions

This Rule is not applicable to trading on Pillar.

* * * * *

Rule 971.2NYP. Complex Electronic Cross Transactions

(a) *Complex CUBE Order.* A Complex CUBE Order is a Complex Order, as defined in Rule 900.3NYP(f), submitted electronically by an ATP Holder (“Initiating Participant”) into the Complex Customer Best Execution Auction (“Complex CUBE Auction” or “Auction”) that the Initiating Participant represents as agent on behalf of a public customer, broker dealer, or any other entity.

(1) The Initiating Participant guarantees the execution of the Complex CUBE Order by submitting a contra-side order (“Complex Contra Order”) representing principal interest or non-Customer interest it has solicited to trade solely with the Complex CUBE Order at a specified “stop price” or an “auto-match limit price” as described in paragraphs (b)(1)(A) and (b)(1)(B) of this Rule. The stop price and auto-match limit price are not displayed.

(A) *Definitions.* The following are definitions for purposes of this Rule.

(i) The “Complex BBO” means the best-priced complex order(s) in the same complex strategy to buy (sell). The Complex BB cannot exceed the DBO and the Complex BO cannot exceed the DBB.

(ii) The “CUBE BBO” means the CUBE BB and the CUBE BO.

(a) The CUBE BB for a Complex CUBE Order to buy is comprised of the higher of: the Complex BB or the Complex BB plus one cent (\$0.01) if there is a Customer Complex Order on the Complex BB; or the DBB or the DBB plus one cent (\$0.01) if

there is displayed Customer interest on the Exchange BBO and the DBB is calculated using the Exchange BBO.

(b) The CUBE BO for a Complex CUBE Order to sell is comprised of the lower of: the Complex BO or the Complex BO minus one cent (\$0.01) if there is a Customer Complex Order on the Complex BO; or the DBO or the DBO minus one cent (\$0.01) if there is displayed Customer interest on the Exchange BBO and the DBO is calculated using the Exchange BBO.

(iii) The “DBBO” has the meaning set forth in Rule 980NYP(a)(5).

(iv) The “initiating price” for a Complex CUBE Order to buy (sell) is the lower (higher) of the Complex CUBE Order’s net price or the price that locks the DBO (DBB) or, if the DBO (DBB) includes displayed Customer interest on the Exchange, the DBO (DBB) minus (plus) one cent (\$0.01).

(v) The “range of permissible executions” of a Complex CUBE Order to buy (sell) includes prices equal to or between the initiating price as the upper (lower) bound and the CUBE BB (BO) as the lower (upper) bound. The range of permissible executions will be adjusted based on updates to the CUBE BB (BO) during an Auction. If the CUBE BB (BO) updates to be higher (lower) than the initiating price the Auction will end early pursuant to paragraph (c)(3) of this Rule.

(2) Initiation of Auction. To initiate a Complex CUBE Auction, the net price of a Complex CUBE Order to buy (sell) must be equal to or higher (lower) than the CUBE BB (BO). A Complex CUBE Order that does not meet this requirement will be rejected along with the Complex Contra Order. The time at which the Auction is initiated will also be considered the time of execution for the Complex CUBE Order.

(b) Complex CUBE Auction Eligibility Requirements. All options traded on the Exchange are eligible to be part of a Complex CUBE Auction. An Auction will be initiated provided all of the following conditions are met:

(1) The Initiating Participant marks the Complex CUBE Order for Auction processing and submits a Complex Contra Order with a “stop price” or an “auto-match limit price” (described below) as the means of guaranteeing the execution of the Complex CUBE Order.

(A) Stop price. The “stop price” is the price at which the Initiating Participant guarantees the Complex CUBE Order. The stop price must be equal to the initiating price. A stop price specified for a Complex CUBE Order that is not equal to the initiating price is not eligible to initiate an Auction and both the Complex CUBE Order and the Complex Contra Order will be rejected; or

(B) Auto-match limit. The “auto-match limit price” is the best price at which the Initiating Participant is willing to trade with the Complex CUBE Order. An “auto-match limit price” must be executable against the initiating price of the Auction. When the Initiating Participant utilizes an auto-match limit price for a Complex CUBE Order to buy (sell), the Complex Contra Order will automatically match the price and size of all RFR Responses that are priced lower (higher) than the initiating price down (up) to the auto-match limit price. An auto-match limit price specified for a Complex CUBE Order to buy (sell) that is below (above) the CUBE BB (BO) will be repriced to the CUBE BB (BO). An auto-match limit price specified for a Complex CUBE Order to buy (sell) that is above (below) the initiating price is not eligible to initiate an Auction and both the Complex CUBE Order and the Complex Contra Order will be rejected.

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

(3) Complex CUBE Orders submitted when there is insufficient time for an Auction to run the full duration of the Response Time Interval are not eligible to initiate an Auction and will be rejected, along with the Complex Contra Order.

(4) Complex CUBE Orders submitted during a trading halt are not eligible to initiate an Auction and will be rejected, along with the Complex Contra Order.

(c) Auction Process. One or more Complex CUBE Auctions in the same complex strategy may occur at the same time. If multiple Complex CUBE Auctions in a complex strategy are running concurrently, the Auctions will conclude sequentially, based on the time each Complex CUBE Auction is initiated, unless an Auction concludes early, per paragraph (c)(3) of this Rule. At the time each Auction concludes, the Complex CUBE Order will be allocated against all eligible RFR Responses available at the time of conclusion. In the event there are multiple Auctions underway that are each terminated early, the Auctions will be processed sequentially based on the time each Complex CUBE Auction is initiated. Once commenced, the Complex CUBE Order (as well as the Complex Contra Order) may not be cancelled or modified, and will proceed as follows:

(1) Complex CUBE Auction Request for Responses (“RFR”) and Response Time Interval.

(A) Upon receipt of a Complex CUBE Order, the Exchange will send an RFR to all ATP Holders who subscribe to receive RFR messages. The RFR will include an AuctionID and will identify the complex order strategy, the side and size of the Complex CUBE Order, and the initiating price.

(B) The “Response Time Interval” means the period of time during which responses to the RFR may be entered. The Response Time Interval will last for a set duration within parameters determined by the Exchange and announced by

Trader Update. The minimum/maximum parameters for the Response Time Interval will be no less than 100 milliseconds and no more than one (1) second.

(C) Any ATP Holder may respond to the RFR, provided such response is properly marked specifying the price, size and side of the market (“RFR Response”). Any RFR Response to a Complex CUBE Order to buy (sell) priced below (above) the CUBE BB (BO) will be repriced to the CUBE BB (BO) and will be eligible to trade in the Auction at such price. The Auction will accept RFR Responses as follows:

(i) Complex GTX Order - A Complex GTX Order is an Electronic Complex Order, as defined in Rule 980NYP, with a time-in-force contingency for the Response Time Interval, which must specify price, size and side of the market. A Complex GTX Order must be on the opposite side of a Complex CUBE Order being auctioned and may include an AuctionID to respond to a specific Complex CUBE Auction. A Complex GTX Order submitted without an AuctionID will respond to the Auction that began closest in time to the submission of the Complex GTX Order.

(a) Complex GTX Orders will not be displayed on the Consolidated Book or disseminated to any participants. For purposes of trading and allocation with the Complex CUBE Order, Complex GTX Orders will be ranked and prioritized as Priority 2 - Display Orders, per Rule 964NYP(e).

(b) A Complex GTX Order will execute solely with the Complex CUBE Order, if at all, and then cancel.

(c) Complex GTX Orders may be cancelled or modified.

(d) A Complex GTX Order will be rejected if it is priced higher (lower) than the initiating price of a Complex CUBE Order to buy (sell), or if it is submitted when there is no contra-side Complex CUBE Auction being conducted.

(ii) Unrelated Electronic Complex Orders - Electronic Complex Orders, as defined in Rule 980NYP (including if designated as COA Orders), on the opposite side of the market in the same complex strategy as a Complex CUBE Order that are not marked GTX, that are received during the Response Time Interval or resting in the Consolidated Book when an Auction commences and that are eligible to participate within the range of permissible executions specified for the Auction pursuant to paragraph (a)(4) of this Rule will be also considered RFR Responses.

(2) Conclusion of Auction. The Auction will conclude at the end of the Response Time Interval, unless it concludes early pursuant to paragraph (c)(3) of this Rule or because

there is a trading halt in any of the component series. At the conclusion of the Auction, the Complex CUBE Order will execute pursuant to paragraph (c)(4) of this Rule. Any remaining quantity of RFR Responses (excluding Complex GTX Orders) after the Auction will be processed in accordance with Rule 964NYP (Order Ranking, Display, and Allocation).

(3) Early Conclusion of Auction. When the Auction concludes early, the Complex CUBE Order will execute pursuant to paragraph (c)(4) of this Rule. An Auction for a Complex CUBE Order to buy (sell) will conclude early if, during the Response Time Interval, the Exchange receives updates to the CUBE BBO as follows.

(A) Any same-side interest that adjusts the CUBE BB (BO) to be higher (lower) than the initiating price.

(B) Any opposite-side interest that adjusts the CUBE BO (BB) to be lower (higher) than the initiating price, but only when the CUBE BO (BB) is based on the DBO (DBB) (i.e., leg market interest on the Exchange).

(4) Allocation of Complex CUBE Orders. When a Complex CUBE Auction concludes, including if it ends early, Complex CUBE Orders will be allocated as follows.

(A) Customer Priority. Consistent with Rule 964NYP(j), for execution with the Complex CUBE Order, at each price, first priority is given to Customer RFR Responses, followed by non-Customer RFR Responses ranked Priority 1 - Market Orders (each, "Priority 1 Interest"), with next priority given to Customer RFR Responses ranked Priority 2 - Display Orders ("Priority 2 Customer Interest"), followed by non-Customer RFR Responses ranked Priority 2 - Display Orders. Third priority is afforded to Customer RFR Responses followed by non-Customer RFR Responses ranked Priority 3 - Non-Display Orders.

(B) Allocation.

(i) Time. RFR Responses of Customers ranked Priority 1 and Priority 2, as well as all RFR Responses ranked Priority 3, will trade with the Complex CUBE Order based on time, per Rule 964NYP(j).

(ii) Size Pro Rata. RFR Responses of non-Customers ranked Priority 1 and Priority 2 will be capped at the Complex CUBE Order size for purposes of size pro rata allocation per Rule 964NYP(i).

(C) Surrender Quantity. An Initiating Participant that guarantees a Complex CUBE Order with a stop price (per Rule 971.2NYP(b)(1)(A)) has the option of designating a "Surrender Quantity" and receiving some percentage of the Complex CUBE Order less than the 40% participant guarantee (per Rule 971.2NYP(c)(4)(D)(i)(b)). If the Initiating Participant elects a Surrender Quantity, and there is sufficient contra-side interest equal to or better than the stop price to satisfy the Complex CUBE Order, the Complex CUBE Order executes against the

Complex Contra Order up to the amount of its Surrender Quantity. Absent sufficient size of contra-side interest equal to or better than the stop price, the Complex Contra Order will trade with the balance of the Complex CUBE Order at the stop price regardless of the Complex Contra Order's Surrender Quantity, if any. Surrender Quantity information is not disseminated to other market participants and may not be modified after the Complex Contra Order is submitted.

(D) RFR Responses and Complex Contra Order Allocation. At a price, RFR Responses are allocated in accordance with paragraphs (c)(4)(A) and (B) above. The allocation to the Complex Contra Order, if any, depends on the method by which the Complex CUBE Order was guaranteed.

(i) Stop price. For a Complex CUBE Order to buy (sell), the Complex CUBE Order will execute as follows:

(a) First, with RFR Responses at each price level priced below (above) the stop price, within the range of permissible executions, beginning with the lowest (highest) price.

(b) Any remaining contracts of the Complex CUBE Order will execute at the stop price, first with all Priority 1 Interest, then with Priority 2 Customer Interest, followed by the Complex Contra Order. At the stop price, the Complex Contra Order will receive an allocation of the greater of 40% of the original Complex CUBE Order size or one contract (or the greater of 50% of the original Complex CUBE Order size or one contract if there is only one RFR Response), or the Surrender Quantity if one has been specified. Next, any remaining Complex CUBE Order contracts will be allocated first among remaining RFR Responses at the stop price. If all RFR Responses are filled, any remaining Complex CUBE Order contracts will be allocated to the Complex Contra Order.

(c) If there are no RFR Responses, the Complex CUBE Order will execute against the Complex Contra Order at the stop price.

(ii) Auto-match limit. For a Complex CUBE Order to buy (sell), the Complex CUBE executions will occur as follows:

(a) First, with RFR Responses at each price level priced below (above) the auto-match limit price within the range of permissible executions, beginning with the lowest (highest) price.

(b) Next, with RFR Responses at a price equal to the price of the Complex Contra Order's auto-match limit price, and if volume remains, to prices higher (lower) than the auto-match limit price.

At each price level equal to or higher (lower) than the auto-match limit price, the Complex Contra Order will be allocated contracts equal to the aggregate size of all other RFR Responses within the range of permissible executions, until a price point is reached where the balance of the CUBE Order can be fully executed (the “clean-up price”). If the Complex Contra Order meets its allocation guarantee at a price below (above) the clean-up price, it will cease matching RFR Responses.

(c) At the clean-up price, any remaining contracts of the Complex CUBE Order will execute against all Priority 1 Interest, then with Priority 2 Customer Interest, followed by the Complex Contra Order. The Complex Contra Order will receive additional contracts required to achieve an allocation of the greater of 40% of the original Complex CUBE Order size or one contract (or the greater of 50% of the original Complex CUBE Order size or one contract if there is only one RFR Response). If there are other RFR Responses at the clean-up price, the remaining Complex CUBE Order contracts will be allocated first to RFR Responses. Any remaining Complex CUBE Order contracts will be allocated to the Complex Contra Order at the initiating price.

(d) If there are no RFR Responses, the Complex CUBE Order will execute against the Complex Contra Order at the initiating price.

Commentary:

.01 Concurrent Single-Leg and Complex CUBE Auctions involving the same option series. A Complex CUBE Auction for a Complex Order that includes a certain option series may occur concurrently with a single-leg CUBE Auction for the same series pursuant to Rule 971.1NYP (Single-Leg Electronic Cross Transactions). To the extent there are concurrent single-leg and Complex CUBE Auctions for a specific option series, each CUBE Auction will be processed sequentially based on the time each CUBE Auction commenced. At the time each CUBE Auction concludes, including when it concludes early, it will be processed pursuant to Rule 971.1NYP(c)(4) or Rule 971.2NYP(c)(4) as applicable.

.02 The following conduct will be considered conduct inconsistent with just and equitable principles of trade:

(a) An ATP Holder entering RFR Responses to an Auction for which the ATP Holder is the Initiating Participant.

(b) Engaging in a pattern and practice of trading or quoting activity for the purpose of causing an Auction to conclude before the end of the Response Time Interval.

(c) An Initiating Participant that breaks up an agency order into separate Complex CUBE Orders for the purpose of gaining a higher allocation percentage than the Initiating

Participant would have otherwise received in accordance with the allocation procedures contained in paragraph (c)(4) of this Rule.

(d) Engaging in a pattern and practice of sending multiple RFR Responses at the same price that in the aggregate exceed the size of the Complex CUBE Order.

.03 Reserved.

.04 AON Complex CUBE Auctions. Except as provided below, an AON Complex CUBE Auction will be subject to the provisions of Rule 971.2NYP. An Initiating Participant may designate a Complex CUBE Order that has at least 500 contracts on the smallest leg as AON (an “AON Complex CUBE Order”) and unlike non-AON Complex CUBE Orders, such AON Complex CUBE Orders may only be guaranteed by a specified stop price. A Complex Contra Order that guarantees an AON Complex CUBE Order is not eligible to designate a Surrender Quantity of its guaranteed participation.

(a) An AON Complex CUBE Order to buy (sell) will execute in full with the Complex Contra Order at the single stop price even if there is non-Customer interest priced lower (higher) than the stop price that, either on its own or when aggregated with non-Customer RFR Responses at the stop price or better, is insufficient to satisfy the full quantity of the AON Complex CUBE Order.

(b) The Complex Contra Order will not receive any allocation and will be cancelled if (i) RFR Responses to sell (buy) at prices lower (higher) than the stop price can satisfy the full quantity of the AON Complex CUBE Order or (ii) there is Customer interest to sell (buy) at the stop price or better that on its own, or when aggregated with RFR Responses to sell (buy) at the stop price or prices lower (higher) than the stop price, can satisfy the full quantity of the AON Complex CUBE Order. In either case, the RFR Responses will be allocated as provided for in paragraphs (c)(4) of this Rule, as applicable.

(c) The AON Complex CUBE Order to buy (sell) and Complex Contra Order will both be cancelled if there is Customer interest to sell (buy) at the stop price or better and such interest, either on its own or when aggregated with RFR Responses to sell (buy) at the stop price or prices lower (higher) than the stop price are insufficient to satisfy the full quantity of the AON Complex CUBE Order.

(d) Prior to entering an agency order on behalf of a Customer into the Complex CUBE Auction as an AON Complex CUBE Order, Initiating Participants must deliver to the Customer a written notification informing the Customer that such order may be executed using the Complex CUBE Auction. Such written notification must disclose the terms and conditions contained in this Commentary .04 and must be in a form approved by the Exchange.

* * * * *

Rule 980NYP. Electronic Complex Order Trading

* * * * *

(b) *Types of ECOs.*

(1) ECOs may be entered as Limit Orders, Limit Orders designated as Complex Only Orders, Complex CUBE Orders, Complex QCCs, or as Complex Customer Cross Orders.

(2) ECOs may be designated with a time-in-force of Day, IOC, FOK, or GTC, as those terms are defined in Rule 900.3NYP(b), or GTX.

* * * * *

(f) *Execution of ECOs During a COA.* A COA Order received when a complex strategy is open for trading and that satisfies the requirements of paragraph (1) below will initiate a COA only on arrival after trading with eligible interest per paragraph (2)(A) below. A COA Order will be rejected if entered during a pre-open state or if entered during Core Trading Hours with a time-in-force of FOK or GTX. Only one COA may be conducted at a time in a complex strategy and a COA Order received during a Complex CUBE Auction in the same complex strategy will not initiate a COA.

* * * * *

(3) Early End to a COA. A COA will end before the expiration of the Response Time Interval if:

* * * * *

(E) The Exchange receives a Complex CUBE Order or a Complex QCC Order in the same complex strategy as the COA Order.

* * * * *