



Cboe EDGX Exchange, Inc.

Rules of Cboe EDGX Exchange, Inc.

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CHAPTER I. ADOPTION, INTERPRETATION AND APPLICATION OF RULES, AND DEFINITIONS

Rule 1.1. Adoption of Exchange Rules

The following Exchange Rules are adopted pursuant to Article III, Section 3.3 and Article X, Section 10.1 of the By-Laws of the Exchange.

[Amended October 11, 2017 (SR-BatsEDGX-2017-35)]

Rule 1.2. Interpretation

Exchange Rules shall be interpreted in such a manner to comply with the rules and requirements of the Act and to effectuate the purposes and business of the Exchange, and to require that all practices in connection with the securities business be just, reasonable and not unfairly discriminatory.

Rule 1.3. Applicability

Exchange Rules shall apply to all Members and persons associated with a Member.

Rule 1.4. Effective Time

All Exchange Rules shall be effective when approved by the Commission in accordance with the Act and the rules and regulations thereunder, except for those Rules that are effective upon filing with the Commission in accordance with the Act and the rules thereunder and except as otherwise specified by the Exchange or provided elsewhere in these Rules.

Rule 1.5. Definitions

Unless the context otherwise requires, for all purposes of these Exchange Rules, terms used in Exchange Rules shall have the meaning assigned in Article I of the Exchange's By-Laws or as set forth below:

(a) Act

The term "Act" or "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(b) Adverse Action

The term "adverse action" shall mean any action taken by the Exchange which affects adversely the rights of any Member, applicant for membership, or any person associated with a Member (including the denial of membership and the barring of any person from becoming associated with a Member) and any prohibition or limitation by the Exchange imposed on any person with respect to access to services offered by the Exchange, or a Member thereof. This term does not include disciplinary actions for violations of any provision of the Act or the rules and regulations promulgated thereunder, or any provision of the By-Laws or Exchange Rules or any

interpretation thereof or resolution or order of the Board or appropriate Exchange committee which has been filed with the Commission pursuant to Section 19(b) of the Act and has become effective thereunder. Review of disciplinary actions is provided for in Chapter VIII of the Exchange Rules.

(c) Authorized Trader

The term “Authorized Trader” or “AT” shall mean a person who may submit orders (or who supervises a routing engine that may automatically submit orders) to the Exchange’s trading facilities on behalf of his or her Member or Sponsored Participant.

(d) EDGX Book

The term “EDGX Book” shall mean the System’s electronic file of orders.

(e) Board and Board of Directors

The terms “Board” and “Board of Directors” shall mean the Board of Directors of the Exchange.

(f) Broker

The term “broker” shall have the same meaning as in Section 3(a)(4) of the Act.

(g) Commission

The term “Commission” shall mean the Securities and Exchange Commission.

(h) Dealer

The term “dealer” shall have the same meaning as in Section 3(a)(5) of the Act.

(i) Designated Self-Regulatory Organization

The term “designated self-regulatory organization” shall mean a self-regulatory organization, other than the Exchange, designated by the Commission under Section 17(d) of the Act to enforce compliance by Members with Exchange Rules.

(j) Exchange

The term “Exchange” shall mean Cboe EDGX Exchange, Inc., a registered national securities exchange.

(k) Industry Member

The term “Industry Member” means a member of any committee or hearing panel who (i) is or has served in the prior three years as an officer, director, or employee of a broker or dealer, excluding an outside director or a director not engaged in the day-to-day management of a broker or dealer; (ii) is an officer, director (excluding an outside director), or employee of an entity that owns more than ten percent of the equity of a broker or dealer, and the broker or dealer accounts

for more than five percent of the gross revenues received by the consolidated entity; (iii) owns more than five percent of the equity securities of any broker or dealer, whose investments in brokers or dealers exceed ten percent of his or her net worth, or whose ownership interest otherwise permits him or her to be engaged in the day-to-day management of a broker or dealer; (iv) provides professional services to brokers or dealers, and revenues for such services constitute 20 percent or more of the professional revenues received by such member or 20 percent or more of the gross revenues received by such member's firm or partnership; (v) provides professional services to a director, officer, or employee of a broker, dealer, or corporation that owns 50 percent or more of the voting stock of a broker or dealer, and such services relate to the director's, officer's, or employee's professional capacity and constitute 20 percent or more of the professional revenues received by such member or 20 percent or more of the gross revenues received by such member's firm or partnership; or (vi) has a consulting or employment relationship with or provides professional services to the Exchange or any affiliate thereof or has had any such relationship or provided any such services at any time within the prior three years.

(l) Market Maker

The term "Market Maker" shall mean a Member that acts as a Market Maker pursuant to Chapter XI.

(m) Market Maker Authorized Trader

The term "Market Maker Authorized Trader" or "MMAT" shall mean an authorized trader who performs market making activities pursuant to Chapter XI on behalf of a Market Maker.

(n) Member

The term "Member" shall mean any registered broker or dealer that has been admitted to membership in the Exchange. A Member will have the status of a "member" of the Exchange as that term is defined in Section 3(a)(3) of the Act. Membership may be granted to a sole proprietor, partnership, corporation, limited liability company or other organization which is a registered broker or dealer pursuant to Section 15 of the Act, and which has been approved by the Exchange.

(o) NBB, NBO and NBBO

The term "NBB" shall mean the national best bid, the term "NBO" shall mean the national best offer, and the term "NBBO" shall mean the national best bid or offer.

(p) Person

The term "person" shall mean a natural person, partnership, corporation, limited liability company, entity, government, or political subdivision, agency or instrumentality of a government.

(q) Person Associated with a Member

The terms "person associated with a Member" or "associated person of a Member" means any partner, officer, director, or branch manager of a Member (or person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or

under common control with such Member, or any employee of such Member, except that any person associated with a Member whose functions are solely clerical or ministerial shall not be included in the meaning of such term for purposes of these Rules.

(r) Post-Closing Session

The term “Post-Closing Session” shall mean the time between 4:00 p.m. and 8:00 p.m. Eastern Time.

(s) Pre-Opening Session

The term “Pre-Opening Session” shall mean the time between 8:00 a.m. and 9:30 a.m. Eastern Time.

(t) (Reserved.)

(u) Protected NBB, Protected NBO and Protected NBBO

The term “Protected NBB” shall mean the national best bid that is a Protected Quotation, the term “Protected NBO” shall mean the national best offer that is a Protected Quotation, and the term “Protected NBBO” shall mean the national best bid or offer that is a Protected Quotation.

(v) Protected Bid, Protected Offer and Protected Quotation

The term “Protected Bid” or “Protected Offer” shall mean a bid or offer in a stock that is (i) displayed by an automated trading center; (ii) disseminated pursuant to an effective national market system plan; and (iii) an automated quotation that is the best bid or best offer of a national securities exchange or association. The term “Protected Quotation” shall mean a quotation that is a Protected Bid or Protected Offer.

(w) Qualified Clearing Agency

The term “Qualified Clearing Agency” means a clearing agency registered with the Commission pursuant to Section 17A of the Act that is deemed qualified by the Exchange.

(x) Registered Broker or Dealer

The term “registered broker or dealer” means any registered broker or dealer, as defined in Section 3(a)(48) of the Act, that is registered with the Commission under the Act.

(y) Regular Trading Hours

The term “Regular Trading Hours” means the time between 9:30 a.m. and 4:00 p.m. Eastern Time.

(z) Sponsored Participant

The term “Sponsored Participant” shall mean a person which has entered into a sponsorship arrangement with a Sponsoring Member pursuant to Rule 11.3.

(aa) Sponsoring Member

The term “Sponsoring Member” shall mean a Member that is a registered broker-dealer and that has been designated by a Sponsored Participant to execute, clear and settle transactions resulting from the System. The Sponsoring Member shall be either (i) a clearing firm with membership in a clearing agency registered with the Commission that maintains facilities through which transactions may be cleared or (ii) a correspondent firm with a clearing arrangement with any such clearing firm.

(bb) Statutory Disqualification

The term “statutory disqualification” shall mean any statutory disqualification as defined in Section 3(a)(39) of the Act.

(cc) System

The term “System” shall mean the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away.

(dd) Top of Book

The term “Top of Book” shall mean the best-ranked order to buy (or sell) in the EDGX Book as ranked pursuant to Rule 11.9.

(ee) User

The term “User” shall mean any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3.

(ff) UTP Security

The term “UTP Security” shall mean any security that is not listed on the Exchange but is traded on the Exchange pursuant to unlisted trading privileges.

(gg) The Plan

The term “the Plan” shall mean The National Market System Plan to Address Extraordinary Market Volatility. The terms Limit Price, Price Band, Upper Price Band and Lower Price Band, among others used in the Plan, shall have the definitions and meanings ascribed to them under the Plan.

(hh) The term “Regular Session” shall mean the time between the completion of the Opening Process or Continent Open as defined in Rule 11.7 and 4:00 p.m. Eastern Time.

(ii) The term “Early Trading Session” shall mean the time between 7:00 a.m. and 8:00 a.m. Eastern Time.

[Adopted March 12, 2010; amended December 15, 2011 (SR-EDGX-2011-28); amended August 22, 2012 (SR-EDGX-2012-24); amended April 8, 2013 (SR-EDGX-2013-08); amended October 29, 2014 (SR-EDGX-2014-18); amended December 29, 2014 (SR-EDGX-2014-33); amended January 12, 2015 (SR-EDGX-2015-03); amended February 13, 2015 (SR-EDGX-2015-06); amended April 6, 2016 (SR-EDGX-2016-06)]

CHAPTER II. MEMBERS OF THE EXCHANGE

Rule 2.1. Rights, Privileges and Duties of Members

Unless otherwise provided in the Exchange Rules or the By-Laws of the Exchange, each Member shall have the rights, privileges and duties of any other Member.

Rule 2.2. Obligations of Members and the Exchange

In addition to all other obligations imposed by the Exchange in its By-Laws or the Exchange Rules, all Members, as a condition of effecting approved securities transactions on the Exchange's trading facilities, shall agree to be regulated by the Exchange and shall recognize that the Exchange is obligated to undertake to enforce compliance with the provisions of the Exchange Rules, its By-Laws, its interpretations and policies and with the provisions of the Act and regulations thereunder, and that, subject to orders and rules of the Commission, the Exchange is required to discipline Members and persons associated with Members for violations of the provisions of the Exchange Rules, its By-Laws, its interpretations and policies and the Act and regulations thereunder, by expulsion, suspension, limitation of activities, functions, and operations, fines, censure, being suspended or barred from being associated with a Member, or any other fitting sanction.

Rule 2.3. Member Eligibility

Unless otherwise provided in the Exchange Rules or the By-Laws of the Exchange, each Member shall have the rights, privileges and duties of any other Member. Obligations of Members and the Exchange. In addition to all other obligations imposed by the Exchange in its By-Laws or the Exchange Rules, all Members, as a condition of effecting approved securities transactions on the Exchange's trading facilities, shall agree to be regulated by the Exchange and shall recognize that the Exchange is obligated to undertake to enforce compliance with the provisions of the Exchange Rules, its By-Laws, its interpretations and policies and with the provisions of the Act and regulations thereunder, and that, subject to orders and rules of the Commission, the Exchange is required to discipline Members and persons associated with Members for violations of the provisions of the Exchange Rules, its By-Laws, its interpretations and policies and the Act and regulations thereunder, by expulsion, suspension, limitation of activities, functions, and operations, fines, censure, being suspended or barred from being associated with a Member, or any other fitting sanction Member Eligibility.

Except as hereinafter provided, any registered broker or dealer that is and remains a member of a national securities association registered under Section 15A(a) of the Act or a member of another national securities exchange registered under Section 6(a) of the Act (other than or in addition to the following affiliates of the Exchange: Cboe BZX Exchange, Inc., Cboe BYX Exchange, Inc., Cboe EDGA Exchange, Inc., or Cboe C2 Exchange, Inc.) or any person associated with such a registered broker or dealer, shall be eligible to be and to remain a Member.

[Adopted March 12, 2010; amended October 27, 2010 (SR-EDGX-2010-15); amended February 1, 2012 (SR-EDGX-2012-04); amended August 6, 2013 (SR-EDGX-2013-31); amended March 31, 2014 (SR-EDGX-2012-04); amended February 17, 2015 (SR-EDGX-2015-06); amended February 28, 2017 (SR-BatsEDGX-2016-60)]

Rule 2.4. Mandatory Participation in Testing of Backup Systems

(a) Pursuant to Regulation SCI and with respect to the Exchange's business continuity and disaster recovery plans, including its backup systems, the Exchange is required to establish standards for the designation of Members that the Exchange reasonably determines are, taken as a whole, the minimum necessary for the maintenance of fair and orderly markets in the event of the activation of such plans. The Exchange has established standards and will designate Members according to those standards as set forth below. All Members are permitted to connect to the Exchange's backup systems and to participate in testing of such systems.

(b) Certain Members are required to connect to the Exchange's backup systems and participate in functional and performance testing as announced by the Exchange, which shall occur at least once every 12 months. Specifically, Members that have been determined by the Exchange to contribute a meaningful percentage of the Exchange's overall volume must participate in mandatory testing of the Exchange's backup systems.

Interpretations and Policies

.01 For purposes of identifying Members that account for a meaningful percentage of the Exchange's overall volume, the Exchange will measure volume executed on the Exchange during a single designated quarter for a given year. The percentage of volume that the Exchange considers to be meaningful for purposes of this Interpretation and Policy .01 will be determined by the Exchange and will be published in a circular distributed to Members. The Exchange will also individually notify all Members annually, and at least three (3) months prior to the scheduled functional and performance testing, that are subject to paragraph (b) based on the designated calendar quarter's volume.

[Adopted March 12, 2010; amended November 1, 2015 (SR-EDGX-2015-45); amended December 20, 2019 (SR-CboeEDGX-2019-075)]

Rule 2.5. Restrictions

(a) The Exchange may determine not to permit a person to become a Member or person associated with a Member or continue as a Member or person associated with a Member in any capacity on the Exchange where:

- (1) such person is other than a natural person and is not a registered broker or dealer;
- (2) such person is a natural person who is not either a registered broker or dealer or associated with a registered broker or dealer;
- (3) such person is subject to a statutory disqualification;
- (4) such person is not a member of another registered national securities exchange or association;

(5) such person fails to meet any of the qualification requirements for becoming a Member or associated with a Member after approval thereof;

(6) such person fails to meet any condition placed by the Exchange on such Member or association with a Member; or

(7) such person violates any agreement with the Exchange.

(b) If a Member or person associated with a Member that becomes subject to a statutory disqualification under the Exchange Act wants to continue as a Member of the Exchange or in association with a Member, the Member or associated person must, within thirty (30) days of becoming subject to a statutory disqualification, submit a request to the Exchange seeking to continue as a Member or in association with a Member notwithstanding the statutory disqualification. Failure to timely submit such a request is a factor that may be taken into consideration by the Exchange in making determinations pursuant to paragraph (a) of this Rule.

(c) Subject to Rule 7.6 (Summary Suspension of Exchange Services), any person whose request to become a Member is denied or conditioned, or any person whose association with a Member is denied or conditioned pursuant to paragraph (a) of this Rule, and any Member or person associated with a Member who is not permitted pursuant to paragraph (a) of this Rule to continue as a Member or to be associated with a Member or which continuance as a Member or association is conditioned, may seek review under the provisions of the Exchange Rules relating to adverse action.

(d) No natural person or registered broker or dealer shall be admitted as, or be entitled to continue as, a Member or an associated person of a Member, unless such natural person or broker or dealer meets the standards of training, experience and competence as the Exchange may prescribe. Each Member shall have the responsibility and duty to ascertain by investigation the good character, business repute, qualifications and experience of any person applying for registration with the Exchange as an associated person of such Member.

(e) No registered broker or dealer shall be admitted as, or be entitled to continue as, a Member if such broker or dealer:

(1) fails to comply with either the financial responsibility requirements established by Rule 15c3-1 under the Act, or such other financial responsibility and operational capability requirements as may be established by the Exchange Rules;

(2) fails to adhere to the Exchange Rules relating to the maintenance of books and records or those rules of other self-regulatory organizations of which such broker or dealer is or was a Member;

(3) fails to demonstrate to the Exchange adequate systems capability, capacity, integrity and security necessary to conduct business on the Exchange;

(4) does not clear transactions executed on the Exchange through a registered clearing agency using a continuous net settlement system;

(5) is subject to any unsatisfied liens, judgments or unsubordinated creditor claims of a material nature, which, in the absence of a reasonable explanation therefor, remain outstanding for more than six months;

(6) has been subject to any bankruptcy proceeding, receivership or arrangement for the benefit of creditors within the past three years; or

(7) has engaged in an established pattern of failure to pay just debts or has defaulted, without a reasonable explanation, on an obligation to a self-regulatory organization, or any member of a self-regulatory organization.

(f) No person shall be admitted as a Member or as an associated person of a Member where it appears that such person has engaged, and there is a reasonable likelihood that such person again may engage, in acts or practices inconsistent with just and equitable principles of trade.

(g) No person shall become an associated person of a Member unless such person agrees:

(1) to supply the Exchange with such information with respect to such person's relationships and dealings with the Member as may be specified by the Exchange;

(2) to permit examination of such person's books and records by the Exchange to verify the accuracy of any information so supplied; and

(3) to be regulated by the Exchange and to recognize that the Exchange is obligated to undertake to enforce compliance with the provisions of the Exchange Rules, the By-Laws, the interpretations and policies of the Exchange and the provisions of the Act and the regulations thereunder.

Interpretations and Policies

.01 Proficiency Examinations:

(a) The Exchange may require the successful completion of a written proficiency examination to enable it to examine and verify that prospective Members and associated persons of Members have adequate training, experience and competence to comply with the Exchange Rules and policies of the Exchange.

(b) If the Exchange requires the completion of such proficiency examinations, the Exchange may, in exceptional cases and where good cause is shown, waive such proficiency examinations as are required by the Exchange upon written request of the applicant and accept other standards as evidence of an applicant's qualifications. Advanced age, physical infirmity or experience in fields ancillary to the securities business will not individually of themselves constitute sufficient grounds to waive a proficiency examination.

(c) The Exchange requires the General Securities Representative Examination ("Series 7") in qualifying persons seeking registration as general securities representatives, including as Authorized Traders on behalf of Members. For those persons seeking limited registration as

Securities Traders as described in paragraph (f) below, the Exchange requires the Securities Traders Qualification Examination (“Series 57”). The Exchange uses the Uniform Application for Securities Industry Registration or Transfer (“Form U4”) as part of its procedure for registration and oversight of Member personnel. Any person who last passed the Securities Industry Essentials Examination (“SIE”) or who was last registered as a representative, whichever occurred last, four or more years immediately preceding the date of receipt by the Exchange of a new application for registration as a representative shall be required to pass the SIE in addition to a representative qualification examination appropriate to his or her category of registration.

(d) The Exchange requires each Member other than a sole proprietorship or a proprietary trading firm with 25 or fewer Authorized Traders (“Limited Size Proprietary Firm”) to register at least two Principals with the Exchange. A Limited Size Proprietary Firm is required to register at least one Principal with the Exchange. In addition, the Exchange may waive the two Principal requirement in situations that indicate conclusively that only one Principal associated with the Member should be required. For purposes of this paragraph (d), a “Principal” shall be any individual responsible for supervising the activities of a Member’s Authorized Traders and each person designated as a Chief Compliance Officer on Schedule A of Form BD. This paragraph (d) shall not apply to a Member that solely conducts business on the Exchange as an Options Member, however, Options Members must comply with the registration requirements set forth in Rule 17.2(g). Each Principal is required to successfully complete the General Securities Principal Examination (“Series 24”). The Exchange uses Form U4 as part of its procedure for registration and oversight of Member personnel.

The Exchange will accept the New York Stock Exchange Series 14 Compliance Official Examination in lieu of the Series 24 to satisfy the above requirement for any person designated as a Chief Compliance Officer. Individuals that supervise the activities of General Securities Representatives must successfully complete the Series 7 as a prerequisite to the Series 24 or Series 14 and shall be referred to as General Securities Principals. The Exchange will require the Series 57 as a prerequisite to the Series 24 or Series 14 for those Principals whose supervisory responsibilities are limited to overseeing the activities of Series 57 qualified Securities Traders. These limited representative Principals shall be referred to as Securities Trader Principals. Each Principal with responsibility over securities trading activities on the Exchange shall become qualified and registered as a Securities Trader Principal.

(e) Each Member subject to Exchange Act Rule 15c3-1 shall designate a Financial/Operations Principal. The duties of a Financial/Operations Principal shall include taking appropriate actions to assure that the Member complies with applicable financial and operational requirements under Exchange Rules and the Exchange Act, including but not limited to those requirements relating to the submission of financial reports and the maintenance of books and records. Each Financial/Operations Principal is required to successfully complete the Financial and Operations Principal Examination (“Series 27”). The Exchange uses Form U4 as part of its procedure for registration and oversight of Member personnel. A Financial/Operations Principal of a Member may be a full-time employee of the Member or may be a part-time employee or independent contractor of the Member. The Exchange may waive the requirements of this paragraph (e) if a Member has satisfied the financial and operational requirements of its designated examining authority applicable to registration.

(f) The Exchange recognizes the Series 57 qualification for Authorized Traders that engage solely in trading on the Exchange, on either an agency or principal basis.

(g) For purposes of paragraphs (d) above, a “proprietary trading firm” shall mean a Member that trades its own capital, that does not have customers, and that is not a member of the Financial Industry Regulatory Authority. In addition, to qualify for this definition, the funds used by a proprietary trading firm must be exclusively firm funds, all trading must be in the firm’s accounts, and traders must be owners of, employees of, or contractors to the firm.

(h) Foreign Registrations. Any person who is in good standing as a representative with the Financial Conduct Authority in the United Kingdom or with a Canadian stock exchange or securities regulator shall be exempt from the requirement to pass the SIE.

(i) The following sets forth the qualification requirements for each of the registration categories described above:

CATEGORY OF REGISTRATION	QUALIFICATION EXAMINATION	ALTERNATIVE ACCEPTABLE QUALIFICATIONS
General Securities Representative	Series 7 and SIE	
Securities Trader	Series 57 and SIE	N/A
General Securities Principal	Series 24	Compliance Official Examination (Series 14) ²
Securities Trader Principal	Series 24	Compliance Official Examination (Series 14) ²
Financial/Operations Principal	Series 27	Other examination acceptable to designated examining authority ³
Options Principal ⁴	Series 4	General Securities Principal Examination (Series 24)

¹ (Reserved.)

² The Exchange will only permit the Series 14 for those designated as Chief Compliance Officers on Schedule A of Form BD.

³ An examination acceptable to the Member’s designated examining authority is only acceptable to the Exchange if the Exchange waives the requirements of paragraph (e).

⁴ Please refer to Rule 17.2(g) for a more detailed description of the requirements for registration as an Options Principal.

.02 Continuing Education Requirements:

(a) Requirements

No Member shall permit any Authorized Trader, Principal, Financial/Operations Principal or Options Principal (each a “Registered Representative”) to continue to, and no Registered Representative shall continue to, perform duties as a Registered Representative on behalf of such Member, unless such person has complied with the continuing education requirements in this Rule. Each Registered Representative shall complete the Regulatory Element of the continuing education program on the occurrence of their second registration anniversary date and every three years thereafter or as otherwise prescribed by the Exchange. On each occasion, the Regulatory Element must be completed within 120 days after the person’s registration anniversary date. A person’s initial registration date, also known as the “base date,” shall establish the cycle of anniversary dates for purposes of this Rule. The content of the Regulatory Element of the program shall be determined by the Exchange for each registration category of persons subject to the Rule. All Registered Representatives shall comply with the continuing education requirements applicable to their particular registration, as set forth in paragraph (e) below.

(b) Failure to Complete

Unless otherwise determined by the Exchange, Registered Representatives who have not completed the Regulatory Element of the program within the prescribed time frames will have their registration deemed inactive until such time as the requirements of the program have been satisfied. Any person whose registration has been deemed inactive under this Rule shall cease all activities as a Registered Representative and is prohibited from performing any duties and functioning in any capacity requiring registration. A registration that is inactive for a period of two years will be administratively terminated. A person whose registration is so terminated may reactivate the registration only by reapplying for registration and satisfying applicable registration and qualification requirements of the Exchange’s Rules. The Exchange may, upon application and a showing of good cause, allow for additional time for a Registered Representative to satisfy the program requirements.

(c) Disciplinary Actions

Unless otherwise determined by the Exchange, a Registered Representative will be required to retake the Regulatory Element and satisfy all of its requirements in the event such person:

(1) is subject to any statutory disqualification as defined in Section 3(a)(39) of the Exchange Act,

(2) is subject to suspension or to the imposition of a fine of \$5,000 or more for violation of any provision of any securities law or regulation, or any agreement with or rule or standard of conduct of any securities governmental agency, securities self-regulatory organization, or as imposed by any such regulatory or self-regulatory organization in connection with a disciplinary proceeding, or

(3) is ordered as a sanction in a disciplinary action to retake the Regulatory Element by any securities governmental agency or securities self-regulatory organization.

The retaking of the Regulatory Element shall commence with participation within 120 days of the Registered Representative becoming subject to the statutory disqualification, in the case of (1) above, or the disciplinary action becoming final, in the case of (2) or (3) above. The date of the disciplinary action shall be treated as such person's base date for purposes of this Rule.

(d) Reassociation in a Registered Capacity

Any Registered Representative who has terminated association with a registered broker or dealer and who has, within two (2) years of the date of termination, become reassociated in a registered capacity with a registered broker or dealer shall participate in the Regulatory Element at such intervals that may apply (second anniversary and every three years thereafter) based on the initial registration anniversary date, rather than based on the date of reassociation in a registered capacity.

(e) The following sets forth the Regulatory Elements appropriate for each registration category:

CATEGORY OF REGISTRATION	REGULATORY ELEMENT
General Securities Representative	S101 General Program
Securities Trader	S101 General Program
General Securities Principal	S201 Supervisor Program
Securities Trader Principal	S201 Supervisor Program
Financial/Operations Principal	S201 Supervisor Program
Options Principal	S201 Supervisor Program

.03 Registration Procedures.

Persons associated with a Member registering with the Exchange shall electronically file a Form U4 with the Central Registration Depository ("CRD") System by appropriately checking the Exchange as a requested registration on the electronic Form U4 filing. Any person required to complete Form U4 shall promptly electronically file any required amendments to Form U4 with the CRD System.

.04 Termination of Employment.

(a) The discharge or termination of employment of any person registered with the Exchange, together with the reasons therefor, shall be electronically reported to the CRD System, by a Member immediately following the date of termination, but in no event later than thirty (30) days following termination on a Uniform Termination Notice for Securities Industry Registration ("Form U5"). A copy of said termination notice shall be provided concurrently to the person whose association has been terminated.

(b) The Member shall electronically report to the CRD System, by means of an amendment to the Form U5 filed pursuant to paragraph (a) above, in the event that the Member learns of facts or circumstances causing any information set forth in the notice to become

inaccurate or incomplete. Such amendment shall be provided concurrently to the person whose association has been terminated no later than thirty (30) days after the Member learns of the facts or circumstances giving rise to the amendment.

.05 Statutory Disqualification Proceedings Pending Before Another SRO

The Exchange may waive the provisions of this Rule when a proceeding is pending before another self-regulatory organization to determine whether to permit a Member or associated person of a Member to become or continue membership or association notwithstanding a statutory disqualification. In the event the Exchange determines to waive the provisions of this Rule with respect to a Member or associated person, the Exchange shall determine whether the Exchange will concur in any Exchange Act Rule 19h-1 filing made by another self-regulatory organization with respect to the Member or associated person.

[Adopted March 12, 2010; amended October 27, 2010 (SR-EDGX-2010-15); amended February 1, 2012 (SR-EDGX-2012-04); amended August 6, 2013 (SR-EDGX-2013-31); amended March 31, 2014 (SR-EDGX-2012-04); amended February 17, 2015 (SR-EDGX-2015-06); amended August 7, 2015 (SR-EDGX-2015-18); amended January 4, 2016 (SR-EDGX-2015-66); amended November 23, 2016 (SR-BatsEDGX-59); amended October 1, 2018 (SR-CboeEDGX-2018-040)]

Rule 2.6. Application Procedures for Membership or to become an Associated Person of a Member

(a) Applications for membership shall be made to the Exchange and shall contain the following:

(1) An agreement to abide by, comply with, and adhere to the provisions of the Exchange's Certificate of Incorporation, its By-Laws, the Exchange Rules, the policies, interpretations and guidelines of the Exchange and all orders and decisions of the Exchange's Board and penalties imposed by the Board, and any duly authorized committee; provided, however, that such agreement shall not be construed as a waiver by the applicant of any right to appeal as provided in the Act.

(2) An agreement to pay such dues, assessments, and other charges in the manner and amount as shall from time to time be fixed by the Exchange.

(3) An agreement that the Exchange and its officers, employees and members of its Board and of any committee shall not be liable, except for willful malfeasance, to the applicant or to any other person, for any action taken by such director, officer or member in his official capacity, or by any employee of the Exchange while acting within the scope of his employment, in connection with the administration or enforcement of any of the provisions of the Certificate of Incorporation, By-Laws, Exchange Rules, policies, interpretations or guidelines of the Exchange or any penalty imposed by the Exchange, its Board or any duly authorized committee.

(4) An agreement that, in cases where the applicant fails to prevail in a lawsuit or administrative adjudicative proceeding instituted by the applicant against the

Exchange or any of its officers, directors, committee members, employees or agents, to pay the Exchange or any of its officers, directors, committee members, employees or agents, all reasonable expenses, including attorneys' fees, incurred by the Exchange in the defense of such proceeding, but only in the event that such expenses exceed Fifty Thousand Dollars (\$50,000.00); provided, however, that such payment obligation shall not apply to internal disciplinary actions by the Exchange or administrative appeals.

(5) An agreement to maintain and make available to the Exchange, its authorized employees and its Board or committee members such books and records as may be required to be maintained by the Commission or the Exchange Rules.

(6) Such other reasonable information with respect to the applicant as the Exchange may require.

(b) Applications for association with a Member shall be made on Form U-4 and such other forms as the Exchange may prescribe, and shall be delivered to the Exchange in such manner as designated by the Exchange.

(c) If the Exchange is satisfied that the applicant is qualified for membership pursuant to the provisions of this Chapter, the Exchange shall promptly notify, in writing, the applicant of such determination, and the applicant shall be a Member.

(d) If the Exchange is not satisfied that the applicant is qualified for membership pursuant to the provisions of this Chapter, the Exchange shall promptly notify the applicant of the grounds for denying the applicant. The Board on its own motion may reverse the determination that the applicant is not qualified for membership. If a majority of the Board specifically determines to reverse the determination to deny membership, the Board shall promptly notify Exchange staff, who shall promptly notify the applicant of the Board's decision and shall grant membership to the applicant. An applicant who has been denied membership may appeal such decision under Chapter X of the Exchange Rules governing adverse action.

(e) In considering applications for membership, the Exchange shall adhere to the following procedures:

(1) Where an application is granted, the Exchange shall promptly notify the applicant.

(2) The applicant shall be afforded an opportunity to be heard on the denial of membership pursuant to Chapter X of the Exchange Rules governing adverse action.

(f) Except where, pursuant to Section 17(d) of the Act, the Exchange has been relieved of its responsibility to review and act upon applications for associated persons of a Member, the procedure set forth in this Chapter shall govern the processing of any such applications.

(g) Each applicant shall file with the Exchange a list and descriptive identification of those persons associated with the applicant who are its executive officers, directors, principal shareholders, and general partners. Such persons shall file with the Exchange a Uniform

Application for Securities Industry Registration or Transfer (“Form U4”). Applicants approved as Members of the Exchange must keep such information current with the Exchange.

[Adopted March 12, 2010; amended February 17, 2015 (SR-EDGX-2015-06)]

Rule 2.7. Revocation of Membership or Association with a Member

Members or associated persons of Members may effect approved equities securities transactions on the Exchange’s trading facilities only so long as they possess all the qualifications set forth in the Exchange Rules. Except where, pursuant to Section 17(d) of the Act, the Exchange has been relieved of its responsibility to monitor the continued qualifications of a Member or an associated person of a Member, when the Exchange has reason to believe that a Member or associated person of a Member fails to meet such qualifications, the Exchange may act to revoke such person’s membership or association. Such action shall be instituted under, and governed by, Chapters VII and VIII of the Exchange Rules and may be appealed under Chapter X of the Exchange Rules governing adverse action. In connection with any revocation of rights as a Member or voluntary termination of rights as a Member pursuant to Rule 2.8, the Member’s membership in the Exchange shall be cancelled.

Rule 2.8. Voluntary Termination of Rights as a Member

A Member may voluntarily terminate its rights as a Member only by a written resignation addressed to the Exchange’s Secretary or another officer designated by the Exchange. Such resignation shall not take effect until 30 days after all of the following conditions have been satisfied: (i) receipt of such written resignation; (ii) all indebtedness due the Exchange shall have been paid in full; (iii) any Exchange investigation or disciplinary action brought against the Member has reached a final disposition; and (iv) any examination of such Member in process is completed and all exceptions noted have been reasonably resolved; provided, however, that the Board may declare a resignation effective at any time.

Rule 2.9. Dues, Assessments and Other Charges

The Exchange may prescribe such reasonable assessments, dues or other charges as it may, in its discretion, deem appropriate. Such assessments and charges shall be equitably allocated among Members, issuers and other persons using the Exchange’s facilities.

Rule 2.10. Affiliation between Exchange and a Member

Without the prior approval of the Commission, the Exchange or any entity with which it is affiliated shall not, directly or indirectly, acquire or maintain an ownership interest in a Member. In addition, without the prior approval of the Commission, a Member shall not be or become an affiliate of the Exchange, or an affiliate of any affiliate of the Exchange. The term affiliate shall have the meaning specified in Rule 12b-2 under the Act. Nothing in this Rule 2.10 shall prohibit a Member or its affiliate from acquiring or holding an equity interest in Cboe Global Markets, Inc. that is permitted by the ownership and voting limitations contained in the Certificate of Incorporation and Bylaws of Cboe Global Markets, Inc. In addition, nothing in this Rule 2.10 shall prohibit a Member from being or becoming an affiliate of the Exchange, or an affiliate of any affiliate of the Exchange, solely by reason of such Member or any officer, director, manager,

managing member, partner or affiliate of such Member being or becoming either (a) a Director pursuant to the Bylaws of the Exchange, or (b) a Director serving on the Board of Directors of Cboe Global Markets, Inc. In addition, nothing in this Rule 2.10 shall prohibit the Exchange from being an affiliate of its routing broker/dealer Cboe Trading, Inc. or of Cboe EDGA Exchange, Inc., Cboe BZX Exchange, Inc., Cboe BYX Exchange, Inc., Cboe Exchange, Inc., Cboe C2 Exchange, Inc., or Cboe Futures Exchange, LLC.

[Adopted March 12, 2010; amended February 5, 2014 (SR-EDGX-2013-43); amended February 28, 2017 (SR-BatsEDGX-2016-60); amended October 11, 2017 (SR-BatsEDGX-2017-35)]

Rule 2.11. Cboe Trading, Inc. as Outbound Router

(a) For so long as Cboe Trading, Inc. (“Cboe Trading”) is affiliated with the Exchange and is providing outbound routing of orders from the Exchange to other securities exchanges, facilities of securities exchanges, automated trading systems, electronic communications networks or other brokers or dealers (collectively, “Trading Centers”) (such function of Cboe Trading is referred to as the “Outbound Router”), each of the Exchange and Cboe Trading shall undertake as follows:

(1) The Exchange will regulate the Outbound Router function of Cboe Trading as a facility (as defined in Section 3(a)(2) of the Act), subject to Section 6 of the Act. In particular, and without limitation, under the Act, the Exchange will be responsible for filing with the Commission rule changes and fees relating to the Cboe Trading Outbound Router function and Cboe Trading will be subject to exchange non-discrimination requirements.

(2) FINRA, a self-regulatory organization unaffiliated with the Exchange or any of its affiliates, will carry out oversight and enforcement responsibilities as the designated examining authority designated by the Commission pursuant to Rule 17d-1 of the Act with the responsibility for examining Cboe Trading for compliance with applicable financial responsibility rules.

(3) A Member’s use of Cboe Trading to route orders to another Trading Center will be optional. Any Member that does not want to use Cboe Trading may use other routers to route orders to other Trading Centers.

(4) Cboe Trading will not engage in any business other than (a) its Outbound Router function, (b) its Inbound Router function as described in Rule 2.12, (c) its usage of an error account in compliance with paragraph (a)(7), below, and (d) any other activities it may engage in as approved by the Commission.

(5) The Exchange shall establish and maintain procedures and internal controls reasonably designed to adequately restrict the flow of confidential and proprietary information between the Exchange and its facilities (including Cboe Trading), and any other entity, including any affiliate of Cboe Trading, and, if Cboe Trading or any of its affiliates engages in any other business activities other than providing routing services to the Exchange, between the segment of Cboe Trading or its affiliate that provides the other business activities and the routing services.

(6) The Exchange or Cboe Trading may cancel orders as either deems to be necessary to maintain fair and orderly markets if a technical or systems issue occurs at the Exchange, Cboe Trading or a routing destination. The Exchange or Cboe Trading shall provide notice of the cancellation to affected Members as soon as practicable.

(7) Cboe Trading shall maintain an error account for the purpose of addressing positions that are the result of an execution or executions that are not clearly erroneous under Rule 11.15 and result from a technical or systems issue at Cboe Trading, the Exchange, a routing destination, or a non-affiliate third-party Routing Broker that affects one or more orders (“Error Positions”).

(A) For purposes of this Rule 2.11(a)(7), an Error Position shall not include any position that results from an order submitted by a Member to the Exchange that is executed on the Exchange and automatically processed for clearance and settlement on a locked-in basis.

(B) Except as provided in Rule 2.11(a)(7)(C), Cboe Trading shall not (i) accept any positions in its error account from an account of a Member, or (ii) permit any Member to transfer any positions from the Member’s account to Cboe Trading’s error account.

(C) If a technical or systems issue results in the Exchange not having valid clearing instructions for a Member to a trade, Cboe Trading may assume that Member’s side of the trade so that the trade can be automatically processed for clearance and settlement on a locked-in basis.

(D) In connection with a particular technical or systems issue, Cboe Trading or the Exchange shall either (1) assign all resulting Error Positions to Members in accordance with paragraph (i) below, or (2) have all resulting Error Positions liquidated in accordance with subparagraph (ii) below. Any determination to assign or liquidate Error Positions, as well as any resulting assignments, shall be made in a nondiscriminatory fashion.

(1) Cboe Trading or the Exchange shall assign all Error Positions resulting from a particular technical or systems issue to the Members affected by that technical or systems issue if Cboe Trading or the Exchange:

(1) Determines that it has accurate and sufficient information (including valid clearing information) to assign the positions to all of the Members affected by that technical or systems issue;

(2) Determines that it has sufficient time pursuant to normal clearance and settlement deadlines to evaluate the information necessary to assign the positions to all of the Members affected by that technical or systems issue; and

(3) Has not determined to cancel all orders affected by that technical or systems issue in accordance with subparagraph (a)(6) above.

(2) If Cboe Trading or the Exchange is unable to assign all Error Positions resulting from a particular technical or systems issue to all of the affected Members in accordance with subparagraph (D) above, or if Cboe Trading or the Exchange determines to cancel all orders affected by the technical or systems issue in accordance with subparagraph (a)(6) above, then Cboe Trading shall liquidate any applicable Error Positions as soon as practicable. In liquidating such Error Positions, Cboe Trading shall:

(1) Provide complete time and price discretion for the trading to liquidate the Error Positions to a third-party broker-dealer and shall not attempt to exercise any influence or control over the timing or methods of such trading; and

(2) Establish and enforce policies and procedures that are reasonably designed to restrict the flow of confidential and proprietary information between the third-party broker-dealer and Cboe Trading/the Exchange associated with the liquidation of the Error Positions.

(E) Cboe Trading and the Exchange shall make and keep records to document all determinations to treat positions as Error Positions and all determinations for the assignment of Error Positions to Members or the liquidation of Error Positions, as well as records associated with the liquidation of Error Positions through the third-party broker-dealer.

(b) The books, records, premises, officers, agents, directors and employees of Cboe Trading as a facility of the Exchange shall be deemed to be the books, records, premises, officers, agents, directors and employees of the Exchange for purposes of, and subject to oversight pursuant to, the Act. The books and records of Cboe Trading as a facility of the Exchange shall be subject at all times to inspection and copying by the Exchange and the Commission. Nothing in these Rules shall preclude officers, agents, directors or employees of the Exchange from also serving as officers, agents, directors and employees of Cboe Trading.

[Adopted March 12, 2010; amended May 17, 2012 (SR-EDGX-2012-08); amended October 25, 2012 (SR-EDGX-2012-43); amended January 12, 2015 (SR-EDGX-2014-35); amended August 11, 2015 (SR-EDGX-2015-37)]

Rule 2.12. Cboe Trading, Inc. as Inbound Router

(a) For so long as the Exchange is affiliated with Cboe Exchange, Inc., Cboe C2 Exchange, Inc., Cboe EDGA Exchange, Inc., Cboe BYX Exchange, Inc., or Cboe BZX Exchange, Inc. (each, a “Cboe Exchange”), and Cboe Trading, Inc. (“Cboe Trading”) in its capacity as a facility of each Cboe Exchange is utilized for the routing of orders from a Cboe Exchange to the Exchange, the Exchange undertakes as follows:

(1) The Exchange shall: (a) enter into a plan pursuant to Rule 17d-2 under the Exchange Act with a non-affiliated self-regulatory organization to relieve the Exchange of regulatory responsibilities for Cboe Trading with respect to rules that are common rules between the Exchange and the SRO, and (b) enter into a regulatory services contract with a non-affiliated SRO to perform regulatory responsibilities for Cboe Trading for unique Exchange rules.

(2) The regulatory services contract in paragraph 2.12(a)(1) shall require the Exchange to provide the non-affiliated self-regulatory organization with information, in an easily accessible manner, regarding all exception reports, alerts, complaints, trading errors, cancellations, investigations, and enforcement matters (collectively, “Exceptions”) in which Cboe Trading is identified as a participant that has potentially violated Exchange or SEC rules, and shall require that the non-affiliated self-regulatory organization provide a report to the Exchange quantifying all such exception reports, alerts, complaints, trading errors, cancellations, investigations and enforcement matters on not less than a quarterly basis.

(3) The Exchange, on behalf of the holding company indirectly owning the Exchange and Cboe Trading, shall establish and maintain procedures and internal controls reasonably designed to ensure that Cboe Trading does not develop or implement changes to its systems on the basis of nonpublic information obtained as a result of its affiliation with the Exchange until such information is available generally to similarly situated members of the Exchange in connection with the provision of inbound order routing to the Exchange.

(b) Provided the above conditions are complied with, and provided further that Cboe Trading operates as an outbound router on behalf of each Cboe Exchange in accordance with the rules of each Cboe Exchange, Cboe Trading may provide inbound routing services to the Exchange from each Cboe Exchange.

[Adopted March 12, 2010; amended April 20, 2011 (SR-EDGX-2011-12); amended April 22, 2012 (SR-EDGX-2012-09); amended July 2, 2013 (SR-EDGX-2013-17); amended February 5, 2014 (SR-EDGX-2013-43); amended January 12, 2015 (SR-EDGX-2014-35); amended February 28, 2017 (SR-BatsEDGX-2016-60); amended June 13, 2018 (SR-CboeEDGX-2018-015)]

CHAPTER III. RULES OF FAIR PRACTICE

Rule 3.1. Business Conduct of Members

A Member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade.

Rule 3.2. Violations Prohibited

No Member shall engage in conduct in violation of the Act, the rules or regulations thereunder, the By-Laws, Exchange Rules or any policy or written interpretation of the By-Laws or Exchange Rules by the Board or an appropriate Exchange committee. Every Member shall so supervise persons associated with the Member as to assure compliance with those requirements.

Rule 3.3. Use of Fraudulent Devices

No Member shall effect any transaction in, or induce the purchase or sale of, any security by means of any manipulative, deceptive or other fraudulent device or contrivance.

Rule 3.4. False Statements

No Member or applicant for membership, or person associated with a Member or applicant, shall make any false statements or misrepresentations in any application, report or other communication to the Exchange. No Member or person associated with a Member shall make any false statement or misrepresentation to any Exchange committee, officer, the Board or any designated self-regulatory organization in connection with any matter within the jurisdiction of the Exchange.

Rule 3.5. Communications with the Public

Members and persons associated with a Member shall comply with FINRA Rule 2210 (except FINRA Rule 2210(c)) as if such Rule were part of the Exchange's Rules. The Exchange and FINRA are parties to an agreement pursuant to which FINRA has agreed to perform certain functions on behalf of the Exchange. Therefore, Members are complying with Exchange Rule 3.5 by complying with FINRA Rule 2210 as written. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under Exchange Rule 3.5 are being performed by FINRA on the Exchange's behalf.

[Adopted March 12, 2010; amended November 11, 2013 (SR-EDGX-2013-40)]

Rule 3.6. Fair Dealing with Customers

All Members have a fundamental responsibility for fair dealing with their customers. Practices which do not represent fair dealing include, but are not limited to, the following:

(a) Recommending speculative securities to customers without knowledge of or an attempt to obtain information concerning the customers' other securities holdings, their financial situation and other necessary data. This prohibition has particular application to high pressure telephonic sales campaigns;

(b) Excessive activity in customer accounts (churning or overtrading) in relation to the objectives and financial situation of the customer;

(c) Establishment of fictitious accounts in order to execute transactions which otherwise would be prohibited or which are contrary to the Member's policies.

(d) Causing the execution of transactions which are unauthorized by customers or the sending of confirmations in order to cause customers to accept transactions not actually agreed upon;

(e) Unauthorized use or borrowing of customer funds or securities; and

(f) Recommending the purchase of securities or the continuing purchase of securities in amounts which are inconsistent with the reasonable expectation that the customer has the financial ability to meet such a commitment.

Interpretations and Policies

.01 Members who handle customer orders on the Exchange shall establish and enforce objective standards to ensure queuing and executing of customer orders in a fair and equitable manner.

Rule 3.7. Recommendations to Customers

(a) In recommending to a customer the purchase, sale or exchange of any security, a Member shall have reasonable grounds for believing that the recommendation is suitable for such customer upon the basis of the facts disclosed by such customer, after reasonable inquiry by the Member, as to the customer's other securities holdings and as to the customer's financial situation and needs.

(b) A Member may use material referring to past recommendations if it sets forth all recommendations as to the same type, kind, grade or classification of securities made by the Member within the last year. Longer periods of years may be covered if they are consecutive and include the most recent year. Such material must also name each security recommended and give the date and nature of each recommendation (e.g., whether to buy or sell), the price at the time of the recommendation, the price at which, or the price within which, the recommendation was to be acted upon, and the fact that the period was one of generally falling or rising markets, if such was the case.

Interpretations and Policies

.01 Recommendations made in connection with products listed pursuant to Chapter XIV, if applicable, shall comply with the provisions of (a) above. No Member shall recommend to a customer a transaction in any such product unless the Member has a reasonable basis for believing at the time of making the recommendation that the customer has such knowledge and experience in financial matters that he may reasonably be expected to be capable of evaluating the risks of the recommended transaction and is financially able to bear the risks of the recommended position.

Rule 3.8. The Prompt Receipt and Delivery of Securities

(a) Purchases. No Member may accept a customer's purchase order for any security until it has first ascertained that the customer placing the order or its agent agrees to receive securities against payment in an amount equal to any execution, even though such an execution may represent the purchase of only a part of a larger order.

(b) Sales. No Member shall execute a sale order for any customer or for its own account in any security unless such sale complies with the applicable provisions of the Act, including Regulation SHO.

Rule 3.9. Charges for Services Performed

A Member's charges, if any, for services performed (including miscellaneous services such as collection of moneys due for principal, dividends or interest; exchange or transfer of securities; appraisals, safekeeping or custody of securities; and other services) shall be reasonable and not unfairly discriminatory among customers.

Rule 3.10. Use of Information

A Member who, in the capacity of payment agent, transfer agent, or any other similar capacity, or in any fiduciary capacity, has received information as to the ownership of securities shall not make use of such information for soliciting purchases, sales or exchanges except at the request, and on behalf, of the issuer.

Rule 3.11. Publication of Transactions and Quotations

No Member shall report to the Exchange or publish or cause to be published any transaction as a purchase or sale of any security unless such Member believes that such transaction was a bona fide purchase or sale of such security, and no Member shall purport to quote the bid or asked price for any security, unless such Member believes that such quotation represents a bona fide bid for, or offer of, such security.

Rule 3.12. Offers at Stated Prices

No Member shall make an offer to buy from or sell to any person any security at a stated price unless such Member is prepared to purchase or sell, as the case may be, at such price and under such conditions as are stated at the time of such offer to buy or sell.

Rule 3.13. Payments Involving Publications that Influence the Market Price of a Security

(a) Except as provided in paragraph (b), no Member shall directly or indirectly, give, permit to be given, or offer to give anything of value to any person for the purpose of influencing or rewarding the action of such person in connection with the publication or circulation in any electronic or other public media, including any investment service or similar publication, website, newspaper, magazine or other periodical, radio, or television program of any matter that has, or is intended to have, an effect upon the market price of any security.

(b) The prohibitions in paragraph (a) shall not apply to compensation paid to a person in connection with the publication or circulation of:

- (1) a communication that is clearly distinguishable as paid advertising;
- (2) a communication that discloses the receipt of compensation and the amount thereof in accordance with Section 17(b) of the Securities Act; or
- (3) a research report, as that term is defined in FINRA Rule 2241.

[Adopted March 12, 2010; amended August 3, 2010 (SR-EDGX-2010-11); amended October 23, 2015 (SR-EDGX-2015-43)]

Rule 3.14. Disclosure on Confirmations

A Member, at or before the completion of each transaction with a customer, shall give or send to such customer such written notification or confirmation of the transaction as is required by Commission Rule 10b-10.

Rule 3.15. Disclosure of Control

A Member controlled by, controlling, or under common control with, the issuer of any security, shall disclose to a customer the existence of such control before entering into any contract with or for such customer for the purchase or sale of such security, and if such disclosure is not made in writing, it shall be supplemented by the giving or sending of a written disclosure to the customer at or before completion of the transaction.

Rule 3.16. Discretionary Accounts

(a) No Member shall effect any purchase or sale transactions with, or for, any customer's account in respect of which such Member is vested with any discretionary power if such transactions are excessive in size or frequency in view of the financial resources and character of such account.

(b) No Member shall exercise any discretionary power in a customer's account unless such customer has given prior written authorization and the account has been accepted by the Member, as evidenced in writing by a person duly designated by the Member.

(c) The Member shall approve promptly in writing each discretionary order entered and shall review all discretionary accounts at frequent intervals in order to detect and prevent transactions which are excessive in size or frequency in view of the financial resources and character of the account. The Member shall designate a partner, officer or manager in each office, including the main office, to carry out the approval and review procedures.

(d) This Rule shall not apply to an order by a customer for the purchase or sale of a definite amount of a specified security which order gives the Member discretion only over the time and price of execution.

Rule 3.17. Customer's Securities or Funds

No Member shall make improper use of a customer's securities or funds.

Rule 3.18. Prohibition Against Guarantees

No Member shall guarantee, directly or indirectly, a customer against loss in any securities account of such customer carried by the Member or in any securities transaction effected by the Member with or for such customer.

Rule 3.19. Sharing in Accounts; Extent Permissible

No Member shall share, directly or indirectly, in the profits or losses in any account of a customer carried by the Member or any other Member, unless authorized by the customer or Member carrying the account; and a Member shall share in the profits or losses in any account of such customer only in direct proportion to the financial contributions made to such account by the Member. Accounts of the immediate family of any person employed by or under the control of a Member shall be exempt from this direct proportionate share limitation. For purposes of this Rule, the term "immediate family" shall include parents, mother-in-law, father-in-law, husband or wife, children or any other relative to whose support the person employed by or under the control of a Member contributes directly or indirectly.

Rule 3.20. Influencing or Rewarding Employees of Others

(a) No member or person associated with a member shall, directly or indirectly, give or permit to be given anything of value, including gratuities, in excess of one hundred dollars per individual per year to any person, principal, proprietor, employee, agent or representative of another person where such payment or gratuity is in relation to the business of the employer of the recipient of the payment or gratuity. A gift of any kind is considered a gratuity.

(b) This Rule shall not apply to contracts of employment with or to compensation for services rendered by persons enumerated in paragraph (a) provided that there is in existence prior to the time of employment or before the services are rendered, a written agreement between the member and the person who is to be employed to perform such services. Such agreement shall include the nature of the proposed employment, the amount of the proposed compensation, and the written consent of such person's employer or principal.

(c) A separate record of all payments or gratuities in any amount known to the member, the employment agreement referred to in paragraph (b) and any employment compensation paid as a result thereof shall be retained by the member for the period specified by Exchange Act Rule 17a-4.

[Adopted March 12, 2010; amended November 11, 2013 (SR-EDGX-2013-40); amended September 30, 2015 (SR-EDGX-2015-44)]

Rule 3.21. Customer Disclosures

No Member may accept an order from a customer for execution in the Early Trading, Pre-Opening or Post-Closing Trading Session without disclosing to such customer that extended hours trading involves material trading risks, including the possibility of lower liquidity, high volatility, changing prices, unlinked markets, an exaggerated effect from news announcements, wider spreads and any other relevant risk. The absence of an updated underlying index value or intraday indicative value is an additional trading risk in extended hours for UTP Derivative Securities (as defined in Rule 14.1(c)). The disclosures required pursuant to this Rule may take the following form or such other form as provides substantially similar information:

(a) **Risk of Lower Liquidity.** Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your order may only be partially executed, or not at all.

(b) **Risk of Higher Volatility.** Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price in extended hours trading than you would during regular market hours.

(c) **Risk of Changing Prices.** The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening of the next morning. As a result, you may receive an inferior price in extended hours trading than you would during regular market hours.

(d) **Risk of Unlinked Markets.** Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended hours trading system.

(e) **Risk of News Announcements.** Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

(f) **Risk of Wider Spreads.** The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

(g) **Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value (“IIV”).** For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in extended trading hours. Since

the underlying index value and IIV are not calculated or widely disseminated during extended hours trading sessions, an investor who is unable to calculate implied values for certain derivative securities products in those sessions may be at a disadvantage to market professionals.

[Adopted March 12, 2010; amended April 6, 2016 (SR-EDGX-2016-06)]

Rule 3.22. Reserved.

[Adopted March 12, 2010; amended April 5, 2011 (SR-EDGX-2011-07); amended October 9, 2013 (SR-EDGX-2013-36); amended November 22, 2015 (SR-EDGX-2015-51)]

Rule 3.23. Reserved.

Rule 3.24. Reserved.

Rule 3.25. Reserved.

Rule 3.26. Telemarketing

(a) Telemarketing Restrictions

No Member or associated person of a Member shall make an outbound telephone call to:

- (1) any person's residence at any time other than between 8 a.m. and 9 p.m. local time at the called person's location;
- (2) any person that previously has stated that he or she does not wish to receive any outbound telephone calls made by or on behalf of the Member; or
- (3) any person who has registered his or her telephone number on the Federal Trade Commission's national do-not-call registry.

(b) Caller Disclosures

No Member or associated person of a Member shall make an outbound telephone call to any person without disclosing truthfully, promptly and in a clear and conspicuous manner to the called person the following information:

- (1) the identity of the caller and the Member;
- (2) the telephone number or address at which the caller may be contacted; and
- (3) that the purpose of the call is to solicit the purchase of securities or related services.

The telephone number provided may not be a 900 number or any other number for which charges exceed local or long-distance transmission charges.

(c) Exceptions

The prohibition of paragraph(s) (a)(1) does not apply to outbound telephone calls by a Member or an associated person of a Member if:

- (1) the Member has received that person's express prior consent;
- (2) the Member has an established business relationship with the person; or
- (3) the person called is a broker or dealer.

(d) Member's Firm-Specific Do-Not-Call List

(1) Each Member shall make and maintain a centralized list of persons who have informed the Member or an associated person of a Member that they do not wish to receive outbound telephone calls.

(2) Prior to engaging in telemarketing, a Member must institute procedures to comply with paragraphs (a) and (b). Such procedures must meet the following minimum standards:

(A) Written policy. Members must have a written policy for maintaining the do-not-call list described under paragraph (d)(1).

(B) Training of personnel engaged in telemarketing. Personnel engaged in any aspect of telemarketing must be informed and trained in the existence and use of the do-not-call list.

(C) Recording, disclosure of do-not-call requests. If a Member receives a request from a person not to receive calls from that Member, the Member must record the request and place the person's name, if provided, and telephone number on the Member's firm-specific do-not-call list at the time the request is made. Members must honor a person's do-not-call request within a reasonable time from the date such request is made. This period may not exceed 30 days from the date of such request. If such requests are recorded or maintained by a party other than the Member on whose behalf the outbound telephone call is made, the Member on whose behalf the outbound telephone call is made will be liable for any failures to honor the do-not-call request.

(D) Identification of telemarketers. A Member or associated person of a Member making an outbound telephone call must make the caller disclosures set forth in paragraph (b).

(E) Affiliated persons or entities. In the absence of a specific request by the person to the contrary, a person's do-not-call request shall apply to the Member making the call, and shall not apply to affiliated entities unless the consumer reasonably would expect them to be included given the identification of the caller and the product being advertised.

(F) Maintenance of do-not-call lists. A Member making outbound telephone calls must maintain a record of a person's request not to receive further calls.

(e) Do-Not-Call Safe Harbors

(1) A Member or associated person of a Member making outbound telephone calls will not be liable for violating paragraph (a)(3) if:

(A) the Member has an established business relationship with the called person. A person's request to be placed on the Member's firm-specific do-not-call list terminates the established business relationship exception to the national do-not-call registry provision for that Member even if the person continues to do business with the Member;

(B) the Member has obtained the person's prior express written consent. Such consent must be clearly evidenced by a signed, written agreement (which may be obtained electronically under the E-Sign Act) between the person and the Member, which states that the person agrees to be contacted by the Member and includes the telephone number to which the calls may be placed; or

(C) the Member or associated person of a Member making the call has a personal relationship with the called person.

(2) A Member or associated person of a Member making outbound telephone calls will not be liable for violating paragraph (a)(3) if the Member or associated person of a Member demonstrates that the violation is the result of an error and that as part of the Member's routine business practice:

(A) the Member has established and implemented written procedures to comply with paragraphs (a) and (b);

(B) the Member has trained its personnel, and any entity assisting in its compliance, in the procedures established pursuant to paragraph (e)(2)(A);

(C) the Member has maintained and recorded a list of telephone numbers that it may not contact in compliance with paragraph (d); and

(D) the Member uses a process to prevent outbound telephone calls to any telephone number on the Member's firm-specific do-not-call list or the national do-not-call registry, employing a version of the national do-not-call registry obtained from the Federal Trade Commission no more than 31 days prior to the date any call is made, and maintains records documenting this process.

(f) Wireless Communications

The provisions set forth in this Rule are applicable to Members and associated persons of Members making outbound telephone calls to wireless telephone numbers.

(g) Outsourcing Telemarketing

If a Member uses another appropriately registered or licensed entity or person to perform telemarketing services on its behalf, the Member remains responsible for ensuring compliance with all provisions contained in this Rule.

(h) Billing Information

For any telemarketing transaction, no Member or associated person of a Member shall cause billing information to be submitted for payment, directly or indirectly, without the express informed consent of the customer. Each Member or associated person of a Member must obtain the express informed consent of the person to be charged and to be charged using the identified account.

In any telemarketing transaction involving preacquired account information, the following requirements must be met to evidence express informed consent:

(1) In any telemarketing transaction involving preacquired account information and a free-to-pay conversion feature, the Member or associated person of a Member must:

(A) obtain from the customer, at a minimum, the last four digits of the account number to be charged;

(B) obtain from the customer an express agreement to be charged and to be charged using the account number pursuant to paragraph (h)(1)(A); and

(C) make and maintain an audio recording of the entire telemarketing transaction.

(2) In any other telemarketing transaction involving preacquired account information not described in paragraph (h)(1), the Member or associated person of a Member must:

(A) identify the account to be charged with sufficient specificity for the customer to understand what account will be charged; and

(B) obtain from the customer an express agreement to be charged and to be charged using the account number identified pursuant to paragraph (h)(2)(A).

(i) Caller Identification Information

(1) Any Member that engages in telemarketing must transmit or cause to be transmitted the telephone number and, when made available by the Member's telephone carrier, the name of the Member to any caller identification service in use by a recipient of an outbound telephone call.

(2) The telephone number so provided must permit any person to make a do-not-call request during regular business hours.

(3) Any Member that engages in telemarketing is prohibited from blocking the transmission of caller identification information.

(j) Unencrypted Consumer Account Numbers

No Member or associated person of a Member shall disclose or receive, for consideration, unencrypted consumer account numbers for use in telemarketing. The term “unencrypted” means not only complete, visible account numbers, whether provided in lists or singly, but also encrypted information with a key to its decryption. This paragraph will not apply to the disclosure or receipt of a customer’s billing information to process pursuant to a telemarketing transaction.

(k) Abandoned Calls

(1) No Member or associated person of a Member shall “abandon” any outbound telephone call. An outbound telephone call is “abandoned” if a called person answers it and the call is not connected to a Member or associated person of a Member within two seconds of the called person’s completed greeting.

(2) A Member or associated person of a Member shall not be liable for violating paragraph (k)(1) if:

(A) the Member or associated person of a Member employs technology that ensures abandonment of no more than three percent of all outbound telephone calls answered by a person, measured over the duration of a single calling campaign, if less than 30 days, or separately over each successive 30-day period or portion thereof that the campaign continues;

(B) the Member or associated person of a Member, for each outbound telephone call placed, allows the telephone to ring for at least 15 seconds or 4 rings before disconnecting an unanswered call;

(C) whenever a Member or associated person of a Member is not available to speak with the person answering the outbound telephone call within two seconds after the person’s completed greeting, the Member or associated person of a Member promptly plays a prerecorded message that states the name and telephone number of the Member or associated person of a Member on whose behalf the call was placed; and

(D) the Member or associated person of a Member retains records establishing compliance with paragraph (k)(2).

(l) Prerecorded Messages

(1) No Member or associated person of a Member shall initiate any outbound telephone call that delivers a prerecorded message, other than a prerecorded message

permitted for compliance with the call abandonment safe harbor in paragraph (k)(2)(C), unless:

(A) the Member has obtained from the called person an express agreement, in writing, that:

(1) the Member obtained only after a clear and conspicuous disclosure that the purpose of the agreement is to authorize the Member to place prerecorded calls to such person;

(2) the Member obtained without requiring, directly or indirectly, that the agreement be executed as a condition of purchasing any good or service;

(3) evidences the willingness of the called person to receive calls that deliver prerecorded messages by or on behalf of the Member; and

(4) includes such person's telephone number and signature (which may be obtained electronically under the E-Sign Act);

(B) the Member allows the telephone to ring for at least 15 seconds or four rings before disconnecting an unanswered call and, within two seconds after the completed greeting of the called person, plays a prerecorded message that promptly provides the disclosures in paragraph (b), followed immediately by a disclosure of one or both of the following:

(1) in the case of a call that could be answered in person, that the called person can use an automated interactive voice and/or keypress-activated opt-out mechanism to assert a firm-specific do-not-call request pursuant to the Member's procedures instituted under paragraph (d)(2)(C) at any time during the message. The mechanism must automatically add the number called to the Member's firm-specific do-not-call list; once invoked, immediately disconnect the call; and be available for use at any time during the message; and

(2) in the case of a call that could be answered by an answering machine or voicemail service, that the call recipient can use a toll-free telephone number to assert a firm-specific do-not-call request pursuant to the Member's procedures instituted under paragraph (d)(2)(C). The number provided must connect directly to an automated interactive voice or keypress-activated opt-out mechanism that automatically adds the number called to the Member's firm-specific do-not-call list; immediately thereafter disconnects the call; and is accessible at any time throughout the duration of the telemarketing campaign; and

(C) the Member complies with all other requirements of this Rule and other applicable federal and state laws.

(2) Any call that complies with all applicable requirements of paragraph (l) shall not be deemed to violate paragraph (k).

(m) Credit Card Laundering

Except as expressly permitted by the applicable credit card system, no Member or associated person of a Member shall:

(1) present to or deposit into the credit card system for payment a credit card sales draft generated by a telemarketing transaction that is not the result of a telemarketing credit card transaction between the cardholder and the Member;

(2) employ, solicit, or otherwise cause a merchant, or an employee, representative or agent of the merchant, to present to or to deposit into the credit card system for payment a credit card sales draft generated by a telemarketing transaction that is not the result of a telemarketing credit card transaction between the cardholder and the merchant; or

(3) obtain access to the credit card system through the use of a business relationship or an affiliation with a merchant, when such access is not authorized by the merchant agreement or the applicable credit card system.

(n) Definitions

For purposes of this Rule:

(1) The term “account activity” includes, but is not limited to, purchases, sales, interest credits or debits, charges or credits, dividend payments, transfer activity, securities receipts or deliveries, and/or journal entries relating to securities or funds in the possession or control of the Member.

(2) The term “acquirer” means a business organization, financial institution, or an agent of a business organization or financial institution that has authority from an organization that operates or licenses a credit card system to authorize merchants to accept, transmit, or process payment by credit card through the credit card system for money, goods or services, or anything else of value.

(3) The term “billing information” means any data that enables any person to access a customer’s or donor’s account, such as a credit or debit card number, a brokerage, checking, or savings account number, or a mortgage loan account number. A “donor” means any person solicited to make a charitable contribution. A “charitable contribution” means any donation or gift of money or any other thing of value, for example a transfer to a pooled income fund.

(4) The term “broker-dealer of record” refers to the broker or dealer identified on a customer’s account application for accounts held directly at a mutual fund or variable insurance product issuer.

(5) The term “caller identification service” means a service that allows a telephone subscriber to have the telephone number and, where available, name of the calling party transmitted contemporaneously with the telephone call, and displayed on a device in or connected to the subscriber’s telephone.

(6) The term “cardholder” means a person to whom a credit card is issued or who is authorized to use a credit card on behalf of or in addition to the person to whom the credit card is issued.

(7) The term “credit” means the right granted by a creditor to a debtor to defer payment of debt or to incur debt and defer its payment.

(8) The term “credit card” means any card, plate, coupon book, or other credit device existing for the purpose of obtaining money, property, labor, or services on credit.

(9) The term “credit card sales draft” means any record or evidence of a credit card transaction.

(10) The term “credit card system” means any method or procedure used to process credit card transactions involving credit cards issued or licensed by the operator of that system.

(11) The term “customer” means any person who is or may be required to pay for goods or services through telemarketing.

(12) The term “established business relationship” means a relationship between a Member and a person if:

(A) the person has made a financial transaction or has a security position, a money balance, or account activity with the Member or at a clearing firm that provides clearing services to such Member within the 18 months immediately preceding the date of an outbound telephone call;

(B) the Member is the broker-dealer of record for an account of the person within the 18 months immediately preceding the date of an outbound telephone call; or

(C) the person has contacted the Member to inquire about a product or service offered by the Member within the three months immediately preceding the date of an outbound telephone call.

A person’s established business relationship with a Member does not extend to the Member’s affiliated entities unless the person would reasonably expect them to be included. Similarly, a person’s established business relationship with a Member’s affiliate does not extend to the Member unless the person would reasonably expect the Member to be included.

(13) The term “free-to-pay conversion” means, in an offer or agreement to sell or provide any goods or services, a provision under which a customer receives a product or service for free for an initial period and will incur an obligation to pay for the product or service if he or she does not take affirmative action to cancel before the end of that period.

(14) The term “merchant” means a person who is authorized under a written contract with an acquirer to honor or accept credit cards, or to transmit or process for payment credit card payments, for the purchase of goods or services or a charitable contribution.

(15) The term “merchant agreement” means a written contract between a merchant and an acquirer to honor or accept credit cards, or to transmit or process for payment credit card payments, for the purchase of goods or services or a charitable contribution.

(16) The term “outbound telephone call” means a telephone call initiated by a telemarketer to induce the purchase of goods or services or to solicit a charitable contribution from a donor.

(17) The term “person” means any individual, group, unincorporated association, limited or general partnership, corporation, or other business entity.

(18) The term “personal relationship” means any family member, friend, or acquaintance of the person making an outbound telephone call.

(19) The term “preacquired account information” means any information that enables a Member or associated person of a Member to cause a charge to be placed against a customer’s or donor’s account without obtaining the account number directly from the customer or donor during the telemarketing transaction pursuant to which the account will be charged.

(20) The term “telemarketer” means any person who, in connection with telemarketing, initiates or receives telephone calls to or from a customer or donor.

(21) The term “telemarketing” means consisting of or relating to a plan, program, or campaign involving at least one outbound telephone call, for example cold-calling. The term does not include the solicitation of sales through the mailing of written marketing materials, when the person making the solicitation does not solicit customers by telephone but only receives calls initiated by customers in response to the marketing materials and during those calls takes orders only without further solicitation. For purposes of the previous sentence, the term “further solicitation” does not include providing the customer with information about, or attempting to sell, anything promoted in the same marketing materials that prompted the customer’s call.

Interpretations and Policies

.01 Members and associated persons of Members that engage in telemarketing also are subject to the requirements of relevant state and federal laws and rules, including but not limited to the Telemarketing and Consumer Fraud and Abuse Prevention Act, the Telephone Consumer Protection Act, and the rules of the Federal Communications Commission (“FCC”) relating to telemarketing practices and the rights of telephone consumers.

.02 It is considered conduct inconsistent with just and equitable principles of trade and a violation of Exchange Rule 3.1 for any Member or associated person of a Member to: (1) call a person repeatedly or continuously in a manner likely to annoy or be offensive; or (2) use threats, intimidation, or profane or obscene language in calling any person.

[Adopted June 29, 2012 (SR-EDGX-2012-15)]

CHAPTER IV. BOOKS AND RECORDS

Rule 4.1. Requirements

Each Member shall make and keep books, accounts, records, memoranda and correspondence in conformity with Section 17 of the Act and the rules thereunder, with all other applicable laws and the rules, regulations and statements of policy promulgated thereunder, and with Exchange Rules.

Rule 4.2. Furnishing of Records

Every Member shall furnish to the Exchange, upon request and in a time and manner required by the Exchange, current copies of any financial information filed with the Commission, as well as any records, files, or financial information pertaining to transactions executed on or through the Exchange. Further, the Exchange shall be allowed access, at any time, to the books and records of the Member in order to obtain or verify information related to transactions executed on or through the Exchange or activities relating to the Exchange.

Interpretations and Policies

.01 Consistent with the responsibility of the Exchange and the Commission to provide for timely regulatory investigations, the Exchange has adopted the following general time parameters within which Members are required to respond to Exchange requests for trading data:

1st Request 10 business days

2nd Request 5 business days

3rd Request 5 business days

The third request letter will be sent to the Member's compliance officer and/or senior officer. Notwithstanding the parameters listed above, the Exchange reserves the right, in its sole discretion, to require information to be provided more quickly than described above.

.02 Regulatory Data Submission Requirement. Members shall submit to the Exchange such Exchange-related order, market and transaction data as the Exchange by Regulatory Circular may specify, in such form and on such schedule as the Exchange may require.

Rule 4.3. Record of Written Complaints

(a) Each Member shall keep and preserve for a period of not less than four years a file of all written complaints of customers and action taken by the Member in respect thereof, if any. Further, for the first two years of the four-year period, the Member shall keep such file in a place readily accessible to examination or spot checks.

(b) A "complaint" shall mean any written statement of a customer or any person acting on behalf of a customer alleging a grievance involving the activities of a Member or persons under the control of the Member in connection with (1) the solicitation or execution of any transaction

conducted or contemplated to be conducted through the facilities of the Exchange or (2) the disposition of securities or funds of that customer which activities are related to such a transaction.

[Adopted March 12, 2010; amended October 21, 2013 (SR-EDGX-2013-39)]

Rule 4.4. Disclosure of Financial Condition

(a) A Member shall make available for inspection by a customer, upon request, the information relative to such Member's financial condition disclosed in its most recent balance sheet prepared either in accordance with such Member's usual practice or as required by any State or Federal securities laws, or any rule or regulation thereunder. Further, a Member shall send to its customers the statements required by Commission Rule 17a-5(c).

(b) As used in paragraph (a) of this Rule, the term "customer" has the same meaning as set forth in Commission Rule 17a-5(c)(4).

Rule 4.5. Consolidated Audit Trail – Definitions

For purposes of Rules 4.5 through 4.16:

(a) "Account Effective Date" means:

(1) with regard to those circumstances in which an Industry Member has established a trading relationship with an institution but has not established an account with that institution:

(A) when the trading relationship was established prior to November 15, 2018 for Industry Members other than Small Industry Members, or prior to November 15, 2019 for Small Industry Members, either:

(1) the date the relationship identifier was established within the Industry Member;

(2) the date when trading began (i.e., the date the first order was received) using the relevant relationship identifier; or

(3) if both dates are available, the earlier date will be used to the extent that the dates differ; or

(B) when the trading relationship was established on or after November 15, 2018 for Industry Members other than Small Industry Members, or on or after November 15, 2019 for Small Industry Members, the date the Industry Member established the relationship identifier, which would be no later than the date the first order was received;

(2) where an Industry Member changes back office providers or clearing firms prior to November 15, 2018 for Industry Members other than Small Industry

Members, or prior to November 15, 2019 for Small Industry Members, the date an account was established at the relevant Industry Member, either directly or via transfer;

(3) where an Industry Member acquires another Industry Member prior to November 15, 2018 for Industry Members other than Small Industry Members, or prior to November 15, 2019 for Small Industry Members, the date an account was established at the relevant Industry Member, either directly or via transfer;

(4) where there are multiple dates associated with an account established prior to November 15, 2018 for Industry Members other than Small Industry Members, or prior to November 15, 2019 for Small Industry Members, the earliest available date;

(5) with regard to Industry Member proprietary accounts established prior to November 15, 2018 for Industry Members other than Small Industry Members, or prior to November 15, 2019 for Small Industry Members:

(A) the date established for the account in the Industry Member or in a system of the Industry Member or

(B) the date when proprietary trading began in the account (i.e., the date on which the first orders were submitted from the account).

With regard to paragraphs (2) – (5), the Account Effective Date will be no later than the date trading occurs at the Industry Member or in the Industry Member's system.

(b) “Active Accounts” means an account that has had activity in Eligible Securities within the last six months.

(c) “Allocation Report” means a report made to the Central Repository by an Industry Member that identifies the Firm Designated ID for any account(s), including subaccount(s), to which executed shares are allocated and provides the security that has been allocated, the identifier of the firm reporting the allocation, the price per share of shares allocated, the side of shares allocated, the number of shares allocated to each account, and the time of the allocation; provided, for the avoidance of doubt, any such Allocation Report shall not be required to be linked to particular orders or executions.

(d) “Business Clock” means a clock used to record the date and time of any Reportable Event required to be reported under Rules 4.5 through 4.16.

(e) “CAT” means the consolidated audit trail contemplated by SEC Rule 613.

(f) “CAT NMS Plan” means the National Market System Plan Governing the Consolidated Audit Trail, as amended from time to time.

(g) “CAT-Order-ID” means a unique order identifier or series of unique order identifiers that allows the Central Repository to efficiently and accurately link all Reportable Events for an order, and all orders that result from the aggregation or disaggregation of such order.

(h) “CAT Reporting Agent” means a Data Submitter that is a third party that enters into an agreement with an Industry Member pursuant to which the CAT Reporting Agent agrees to fulfill such Industry Member’s reporting obligations under Rules 4.5 through 4.16.

(i) “Central Repository” means the repository responsible for the receipt, consolidation, and retention of all information reported to the CAT pursuant to SEC Rule 613 and the CAT NMS Plan.

(j) “Compliance Threshold” has the meaning set forth in Rule 4.15(d).

(k) “Customer” means:

(1) the account holder(s) of the account at an Industry Member originating the order; and

(2) any person from whom the Industry Member is authorized to accept trading instructions for such account, if different from the account holder(s).

(l) “Customer Account Information” shall include, but not be limited to, account number, account type, customer type, date account opened, and large trader identifier (if applicable); except, however, that:

(1) in those circumstances in which an Industry Member has established a trading relationship with an institution but has not established an account with that institution, the Industry Member will:

(A) provide the Account Effective Date in lieu of the “date account opened”;

(B) provide the relationship identifier in lieu of the “account number”; and

(C) identify the “account type” as a “relationship”;

(2) in those circumstances in which the relevant account was established prior to November 15, 2018 for Industry Members other than Small Industry Members, or prior to November 15, 2019 for Small Industry Members, and no “date account opened” is available for the account, the Industry Member will provide the Account Effective Date in the following circumstances:

(A) where an Industry Member changes back office providers or clearing firms and the date account opened is changed to the date the account was opened on the new back office/clearing firm system;

(B) where an Industry Member acquires another Industry Member and the date account opened is changed to the date the account was opened on the post-merger back office/clearing firm system;

(C) where there are multiple dates associated with an account in an Industry Member's system, and the parameters of each date are determined by the individual Industry Member; and

(D) where the relevant account is an Industry Member proprietary account.

(m) "Customer Identifying Information" means information of sufficient detail to identify a Customer, including, but not limited to:

(1) with respect to individuals: name, address, date of birth, individual tax payer identification number ("ITIN")/social security number ("SSN"), individual's role in the account (*e.g.*, primary holder, joint holder, guardian, trustee, person with the power of attorney); and

(2) with respect to legal entities: name, address, Employer Identification Number ("EIN")/Legal Entity Identifier ("LEI") or other comparable common entity identifier, if applicable; provided, however, that an Industry Member that has an LEI for a Customer must submit the Customer's LEI in addition to other information of sufficient detail to identify a Customer.

(n) "Data Submitter" means any person that reports data to the Central Repository, including national securities exchanges, national securities associations, broker-dealers, the SIPs for the CQS, CTA, UTP and Plan for Reporting of Consolidated Options Last Sale Reports and Quotation Information ("OPRA") Plans, and certain other vendors or third parties that may submit data to the Central Repository on behalf of Industry Members.

(o) "Eligible Security" includes:

- (1) all NMS Securities; and
- (2) all OTC Equity Securities.

(p) "Error Rate" means the percentage of Reportable Events collected by the Central Repository in which the data reported does not fully and accurately reflect the order event that occurred in the market.

(q) "Firm Designated ID" means a unique identifier for each trading account designated by Industry Members for purposes of providing data to the Central Repository, where each such identifier is unique among all identifiers from any given Industry Member for each business date.

(r) "Industry Member" means a member of a national securities exchange or a member of a national securities association.

(s) "Industry Member Data" has the meaning set forth in Rule 4.7(a)(2).

(t) “Initial Plan Processor” means the first Plan Processor selected by the Operating Committee in accordance with SEC Rule 613, Section 6.1 of the CAT NMS Plan and the National Market System Plan Governing the Process for Selecting a Plan Processor and Developing a Plan for the Consolidated Audit Trail.

(u) “Listed Option” or “Option” have the meaning set forth in Rule 600(b)(35) of Regulation NMS.

(v) “Manual Order Event” means a non-electronic communication of order-related information for which Industry Members must record and report the time of the event.

(w) “Material Terms of the Order” includes: the NMS Security or OTC Equity Security symbol; security type; price (if applicable); size (displayed and non-displayed); side (buy/sell); order type; if a sell order, whether the order is long, short, short exempt; open/close indicator (except on transactions in equities); time in force (if applicable); if the order is for a Listed Option, option type (put/call), option symbol or root symbol, underlying symbol, strike price, expiration date, and open/close (except on market maker quotations); and any special handling instructions.

(x) “NMS Security” means any security or class of securities for which transaction reports are collected, processed, and made available pursuant to an effective transaction reporting plan, or an effective national market system plan for reporting transactions in Listed Options.

(y) “NMS Stock” means any NMS Security other than an option.

(z) “Operating Committee” means the governing body of the CAT NMS, LLC designated as such and described in Article IV of the CAT NMS Plan.

(aa) “Options Market Maker” means a broker-dealer registered with an exchange for the purpose of making markets in options contracts traded on the exchange.

(bb) “Order” or “order”, with respect to Eligible Securities, shall include:

- (1) Any order received by an Industry Member from any person;
- (2) Any order originated by an Industry Member; or
- (3) Any bid or offer.

(cc) “OTC Equity Security” means any equity security, other than an NMS Security, subject to prompt last sale reporting rules of a registered national securities association and reported to one of such association’s equity trade reporting facilities.

(dd) “Participant” means each Person identified as such in Exhibit A of the CAT NMS Plan, as amended, in such Person’s capacity as a Participant in CAT NMS, LLC.

(ee) “Person” means any individual, partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association and any heirs, executors,

administrators, legal representatives, successors and assigns of such Person where the context so permits.

(ff) “Plan Processor” means the Initial Plan Processor or any other Person selected by the Operating Committee pursuant to SEC Rule 613 and Sections 4.3(b)(i) and 6.1 of the CAT NMS Plan, and with regard to the Initial Plan Processor, the National Market System Plan Governing the Process for Selecting a Plan Processor and Developing a Plan for the Consolidated Audit Trail, to perform the CAT processing functions required by SEC Rule 613 and set forth in the CAT NMS Plan.

(gg) “Received Industry Member Data” has the meaning set forth in Rule 4.7(a)(2).

(hh) “Recorded Industry Member Data” has the meaning set forth in Rule 4.7(a)(1).

(ii) “Reportable Event” includes, but is not limited to, the original receipt or origination, modification, cancellation, routing, execution (in whole or in part) and allocation of an order, and receipt of a routed order.

(jj) “SRO” means any self-regulatory organization within the meaning of Section 3(a)(26) of the Exchange Act.

(kk) “SRO-Assigned Market Participant Identifier” means an identifier assigned to an Industry Member by an SRO or an identifier used by a Participant.

(ll) “Small Industry Member” means an Industry Member that qualifies as a small broker-dealer as defined in Rule 0-10(c) under the Securities Exchange Act of 1934, as amended.

(mm) “Trading Day” shall have the meaning as is determined by the Operating Committee. For the avoidance of doubt, the Operating Committee may establish different Trading Days for NMS Stocks (as defined in SEC Rule 600(b)(47)), Listed Options, OTC Equity Securities, and any other securities that are included as Eligible Securities from time to time.

[Adopted March 15, 2017 (SR-BatsEDGX-2017-08)]

Rule 4.6. Consolidated Audit Trail - Clock Synchronization

(a) Clock Synchronization

(1) Each Industry Member shall synchronize its Business Clocks, other than such Business Clocks used solely for Manual Order Events or used solely for the time of allocation on Allocation Reports, at a minimum to within a fifty (50) millisecond tolerance of the time maintained by the atomic clock of the National Institute of Standards and Technology (“NIST”), and maintain such synchronization.

(2) Each Industry Member shall synchronize:

(A) its Business Clocks used solely for Manual Order Events; and

(B) its Business Clocks used solely for the time of allocation on Allocation Reports at a minimum to within a one second tolerance of the time maintained by the NIST atomic clock, and maintain such synchronization.

(3) The tolerance for paragraphs (a)(1) and (a)(2) of this Rule includes all of the following:

(A) The difference between the NIST atomic clock and the Industry Member's Business Clock;

(B) The transmission delay from the source; and

(C) The amount of drift of the Industry Member's Business Clock.

(4) Business Clocks must be synchronized every business day before market open to ensure that timestamps for Reportable Events are accurate. To maintain clock synchronization, Business Clocks must be checked against the NIST atomic clock and re-synchronized, as necessary, throughout the day.

(b) Documentation

Industry Members must document and maintain their synchronization procedures for Business Clocks. Industry Members must keep a log of the times when they synchronize their Business Clocks and the results of the synchronization process. This log should include notice of any time a Business Clock drifts more than the applicable tolerance specified in paragraph (a) of this Rule. Such log must include results for a period of not less than five years ending on the then current date, or for the entire period for which the Industry Member has been required to comply with this Rule if less than five years.

(c) Certification

Each Industry Member shall certify to the Exchange that its Business Clocks satisfy the synchronization requirements set forth in paragraph (a) of this Rule periodically in accordance with the certification schedule established by the Operating Committee pursuant to the CAT NMS Plan.

(d) Violation Reporting

Each Industry Member with Business Clocks must report to the Plan Processor and the Exchange violations of paragraph (a) of this Rule pursuant to the thresholds set by the Operating Committee pursuant to the CAT NMS Plan.

[Adopted March 15, 2017 (SR-BatsEDGX-2017-08)]

Rule 4.7. Consolidated Audit Trail – Industry Member Data Reporting

(a) Recording and Reporting Industry Member Data

(1) Subject to paragraph (3) below, each Industry Member shall record and electronically report to the Central Repository the following details for each order and each Reportable Event, as applicable (“Recorded Industry Member Data”) in the manner prescribed by the Operating Committee pursuant to the CAT NMS Plan:

(A) for original receipt or origination of an order:

(1) Firm Designated ID(s) for each Customer;

(2) CAT-Order-ID;

(3) SRO-Assigned Market Participant Identifier of the Industry Member receiving or originating the order;

(4) date of order receipt or origination;

(5) time of order receipt or origination (using timestamps pursuant to Rule 4.10); and

(6) Material Terms of the Order;

(B) for the routing of an order:

(1) CAT-Order-ID;

(2) date on which the order is routed;

(3) time at which the order is routed (using timestamps pursuant to Rule 4.10);

(4) SRO-Assigned Market Participant Identifier of the Industry Member routing the order;

(5) SRO-Assigned Market Participant Identifier of the Industry Member or Participant to which the order is being routed;

(6) if routed internally at the Industry Member, the identity and nature of the department or desk to which the order is routed; and

(7) Material Terms of the Order;

(C) for the receipt of an order that has been routed, the following information:

(1) CAT-Order-ID;

(2) date on which the order is received;

(3) time at which the order is received (using timestamps pursuant to Rule 4.10);

(4) SRO-Assigned Market Participant Identifier of the Industry Member receiving the order;

(5) SRO-Assigned Market Participant Identifier of the Industry Member or Participant routing the order; and

(6) Material Terms of the Order;

(D) if the order is modified or cancelled:

(1) CAT-Order-ID;

(2) date the modification or cancellation is received or originated;

(3) time at which the modification or cancellation is received or originated (using timestamps pursuant to Rule 4.10);

(4) price and remaining size of the order, if modified;

(5) other changes in the Material Terms of the Order, if modified; and

(6) whether the modification or cancellation instruction was given by the Customer or was initiated by the Industry Member;

(E) if the order is executed, in whole or in part:

(1) CAT-Order-ID;

(2) date of execution;

(3) time of execution (using timestamps pursuant to Rule 4.10);

(4) execution capacity (principal, agency or riskless principal);

(5) execution price and size;

(6) SRO-Assigned Market Participant Identifier of the Industry Member executing the order;

(7) whether the execution was reported pursuant to an effective transaction reporting plan or the Plan for Reporting of Consolidated Options Last Sale Reports and Quotation Information; and

(F) other information or additional events as may be prescribed pursuant to the CAT NMS Plan.

(2) Subject to paragraph (3) below, each Industry Member shall record and report to the Central Repository the following, as applicable (“Received Industry Member Data” and collectively with the information referred to in Rule 4.7(a)(1) “Industry Member Data”)) in the manner prescribed by the Operating Committee pursuant to the CAT NMS Plan:

(A) if the order is executed, in whole or in part:

(1) An Allocation Report;

(2) SRO-Assigned Market Participant Identifier of the clearing broker or prime broker, if applicable; and

(3) CAT-Order-ID of any contra-side order(s);

(B) if the trade is cancelled, a cancelled trade indicator; and

(C) for original receipt or origination of an order, the Firm Designated ID for the relevant Customer, and in accordance with Rule 4.8, Customer Account Information and Customer Identifying Information for the relevant Customer.

(3) Each Industry Member that is an Options Market Maker is not required to report to the Central Repository the Industry Member Data regarding the routing, modification or cancellation of its quotes in Listed Options. Each Industry Member that is an Options Market Maker shall report to the Exchange the time at which its quote in a Listed Option is sent to the Exchange (and, if applicable, any subsequent quote modification time and/or cancellation time when such modification or cancellation is originated by the Options Market Maker).

(b) Timing of Recording and Reporting

(1) Each Industry Member shall record Recorded Industry Member Data contemporaneously with the applicable Reportable Event.

(2) Each Industry Member shall report:

(A) Recorded Industry Member Data to the Central Repository by 8:00 a.m. Eastern Time on the Trading Day following the day the Industry Member records such Recorded Industry Member Data; and

(B) Received Industry Member Data to the Central Repository by 8:00 a.m. Eastern Time on the Trading Day following the day the Industry Member receives such Received Industry Member Data.

(3) Industry Members may, but are not required to, voluntarily report Industry Member Data prior to the applicable 8:00 a.m. Eastern Time deadline.

(c) Applicable Securities

(1) Each Industry Member shall record and report to the Central Repository the Industry Member Data as set forth in paragraph (a) of this Rule for each NMS Security registered or listed for trading on such exchange or admitted to unlisted trading privileges on such exchange.

(2) Each Industry Member shall record and report to the Central Repository the Industry Member Data as set forth in this paragraph (a) of this Rule for each Eligible Security for which transaction reports are required to be submitted to FINRA.

(d) Security Symbolology

(1) For each exchange-listed Eligible Security, each Industry Member shall report Industry Member Data to the Central Repository using the symbolology format of the exchange listing the security.

(2) For each Eligible Security that is not exchange-listed, each Industry Member shall report Industry Member Data to the Central Repository using such symbolology format as approved by the Operating Committee pursuant to the CAT NMS Plan.

(e) Error Correction

For each Industry Member for which errors in Industry Member Data submitted to the Central Repository have been identified by the Plan Processor or otherwise, such Industry Member shall submit corrected Industry Member Data to the Central Repository by 8:00 a.m. Eastern Time on T+3.

[Adopted March 15, 2017 (SR-BatsEDGX-2017-08)]

Rule 4.8. Consolidated Audit Trail – Customer Information Reporting

(a) Initial Set of Customer Information

Each Industry Member shall submit to the Central Repository the Firm Designated ID, Customer Account Information and Customer Identifying Information for each of its Customers with an Active Account prior to such Industry Member's commencement of reporting to the Central Repository and in accordance with the deadlines set forth in Rule 4.13.

(b) Daily Updates to Customer Information

Each Industry Member shall submit to the Central Repository any updates, additions or other changes to the Firm Designated ID, Customer Account Information and Customer Identifying Information for each of its Customers with an Active Account on a daily basis.

(c) Periodic Updates to Complete Set of Customer Information

On a periodic basis as designated by the Plan Processor and approved by the Operating Committee, each Industry Member shall submit to the Central Repository a complete set of Firm Designated IDs, Customer Account Information and Customer Identifying Information for each of its Customers with an Active Account.

(d) Error Correction

For each Industry Member for which errors in Firm Designated ID, Customer Account Information and Customer Identifying Information for each of its Customers with an Active Account submitted to the Central Repository have been identified by the Plan Processor or otherwise, such Industry Member shall submit corrected data to the Central Repository by 5:00 p.m. on T+3.

[Adopted March 15, 2017 (SR-BatsEDGX-2017-08)]

Rule 4.9. Consolidated Audit Trail – Industry Member Information Reporting

Each Industry Member shall submit to the Central Repository information sufficient to identify such Industry Member, including CRD number and LEI, if such LEI has been obtained, prior to such Industry Member's commencement of reporting to the Central Repository and in accordance with the deadlines set forth in Rule 4.13, and keep such information up to date as necessary.

[Adopted March 15, 2017 (SR-BatsEDGX-2017-08)]

Rule 4.10. Consolidated Audit Trail - Time Stamps

(a) Millisecond Time Stamps

(1) Subject to paragraphs (a)(2) and (b), each Industry Member shall record and report Industry Member Data to the Central Repository with time stamps in milliseconds.

(2) Subject to paragraph (b), to the extent that any Industry Member's order handling or execution systems utilize time stamps in increments finer than milliseconds, such Industry Member shall record and report Industry Member Data to the Central Repository with time stamps in such finer increment.

(b) One Second Time Stamps/Electronic Order Capture

(1) Each Industry Member may record and report Manual Order Events to the Central Repository in increments up to and including one second, provided that each Industry Member shall record and report the time when a Manual Order Event has been captured electronically in an order handling and execution system of such Industry Member ("Electronic Capture Time") in milliseconds; and

(2) Each Industry Member may record and report the time of Allocation Reports in increments up to and including one second.

[Adopted March 15, 2017 (SR-BatsEDGX-2017-08)]

Rule 4.11. Consolidated Audit Trail – Clock Synchronization Rule Violation

An Industry Member that engages in a pattern or practice of reporting Reportable Events outside of the required clock synchronization time period as set forth in Rules 4.5 through 4.16 without reasonable justification or exceptional circumstances may be considered in violation of this Rule.

[Adopted March 15, 2017 (SR-BatsEDGX-2017-08)]

Rule 4.12. Consolidated Audit Trail – Connectivity and Data Transmission

(a) Data Transmission

Each Industry Member shall transmit data as required under the CAT NMS Plan to the Central Repository utilizing such format(s) as may be provided by the Plan Processor and approved by the Operating Committee.

(b) Connectivity

Each Industry Member shall connect to the Central Repository using a secure method(s), including but not limited to private line(s) and virtual private network connection(s).

(c) CAT Reporting Agents

(1) Any Industry Member may enter into an agreement with a CAT Reporting Agent pursuant to which the CAT Reporting Agent agrees to fulfill the obligations of such Industry Member under Rules 4.5 through 4.16. Any such agreement shall be evidenced in writing, which shall specify the respective functions and responsibilities of each party to the agreement that are required to effect full compliance with the requirements of Rules 4.5 through 4.16.

(2) All written documents evidencing an agreement described in subparagraph (1) shall be maintained by each party to the agreement.

(3) Each Industry Member remains primarily responsible for compliance with the requirements of Rules 4.5 through 4.16, notwithstanding the existence of an agreement described in this paragraph.

[Adopted March 15, 2017 (SR-BatsEDGX-2017-08)]

Rule 4.13. Consolidated Audit Trail – Development and Testing

(a) Development

(1) Connectivity and Acceptance Testing

(1) Industry Members (other than Small Industry Members) shall begin connectivity and acceptance testing with the Central Repository no later than August 15, 2018.

(2) Small Industry Members shall begin connectivity and acceptance testing with the Central Repository no later than August 15, 2019.

(2) Reporting Customer and Industry Member Information

(1) Industry Members (other than Small Industry Members) shall begin reporting Customer and Industry Member information, as required by Rules 4.8(a) and 4.9, respectively, to the Central Repository for processing no later than October 15, 2018.

(2) Small Industry Members shall begin reporting Customer and Industry Member information, as required by Rules 4.8(a) and 4.9, respectively, to the Central Repository for processing no later than October 15, 2019.

(3) Submission of Order Data

(1) Industry Members (other than Small Industry Members)

(B) Industry Members (other than Small Industry Members) are permitted, but not required, to submit order data for testing purposes beginning no later than May 15, 2018.

(C) Industry Members (other than Small Industry Members) shall participate in the coordinated and structured testing of order submission, which will begin no later than August 15, 2018.

(1) Small Industry Members

(D) Small Industry Members are permitted, but not required, to submit order data for testing purposes beginning no later than May 15, 2019.

(E) Small Industry Members shall participate in the coordinated and structured testing of order submission, which will begin no later than August 15, 2019.

(4) Submission of Options Market Maker Quote. Industry Members are permitted, but not required to, submit Quote Sent Time on Options Market Maker quotes, beginning no later than October 15, 2018.

(b) Testing

Each Industry Member shall participate in testing related to the Central Repository, including any industry-wide disaster recovery testing, pursuant to the schedule established pursuant to the CAT NMS Plan.

[Adopted March 15, 2017 (SR-BatsEDGX-2017-08)]

Rule 4.14. Consolidated Audit Trail - Recordkeeping

Each Industry Member shall maintain and preserve records of the information required to be recorded under Rules 4.5 through 4.16 for the period of time and accessibility specified in SEC Rule 17a-4(b). The records required to be maintained and preserved under this Rule may be immediately produced or reproduced on “micrographic media” as defined in SEC Rule 17a-4(f)(1)(i) or by means of “electronic storage media” as defined in SEA Rule 17a-4(f)(1)(ii) that meet the conditions set forth in SEC Rule 17a-4(f) and be maintained and preserved for the required time in that form.

[Adopted March 15, 2017 (SR-BatsEDGX-2017-08)]

Rule 4.15. Consolidated Audit Trail – Timely, Accurate and Complete Data

(a) General

Industry Members are required to record and report data to the Central Repository as required by Rules 4.5 through 4.16 in a manner that ensures the timeliness, accuracy, integrity and completeness of such data.

(b) LEIs

Without limiting the requirement set forth in paragraph (a), Industry Members are required to accurately provide the LEIs in their records as required by Rules 4.5 through 4.16 and may not knowingly submit inaccurate LEIs to the Central Repository; provided, however, that this requirement does not impose any additional due diligence obligations on Industry Members with regard to LEIs for CAT purposes.

(c) Compliance with Error Rate

If an Industry Member reports data to the Central Repository with errors such that the error percentage exceeds the maximum Error Rate established by the Operating Committee pursuant to the CAT NMS Plan, then such Industry Member would not be in compliance with Rules 4.5 through 4.16.

(d) Compliance Thresholds

Each Industry Member shall be required to meet a separate compliance threshold which will be an Industry Member-specific rate that may be used as the basis for further review or investigation into the Industry Member’s performance with regard to the CAT (the “Compliance Thresholds”). Compliance Thresholds will compare an Industry Member’s error rate to the aggregate Error Rate over a period of time to be defined by the Operating Committee. An Industry Member’s

performance with respect to its Compliance Threshold will not signify, as a matter of law, that such Industry Member has violated Rules 4.5 through 4.16.

[Adopted March 15, 2017 (SR-BatsEDGX-2017-08)]

Rule 4.16. Consolidated Audit Trail – Compliance Dates

(a) General

Paragraphs (b) and (c) of this Rule set forth the additional details with respect to the compliance date of Rules 4.5 through 4.16. Unless otherwise noted, Rules 4.5 through 4.16 are fully effective and Members must comply with their terms.

(b) Clock Synchronization

(1) Each Industry Member shall comply with Rule 4.6 with regard to Business Clocks that capture time in milliseconds commencing on or before March 15, 2017.

(2) Each Industry Member shall comply with Rule 4.2 with regard to Business Clocks that do not capture time in milliseconds commencing on or before February 19, 2018.

(c) CAT Data Reporting

(1) Each Industry Member (other than a Small Industry Member) shall record and report the Industry Member Data to the Central Repository by November 15, 2018.

(2) Each Industry Member that is a Small Industry Member shall record and report the Industry Member Data to the Central Repository by November 15, 2019.

[Adopted March 15, 2017 (SR-BatsEDGX-2017-08)]

Rule 4.17. Consolidated Audit Trail – Fee Dispute Resolution

(a) Definitions.

(1) For purposes of this Rule, the terms “CAT NMS Plan”, “Industry Member”, “Operating Committee”, and “Participant” are defined as set forth in the Rule 4.5 (Consolidated Audit Trail – Definitions).

(2) “Subcommittee” means a subcommittee designated by the Operating Committee pursuant to the CAT NMS Plan.

(3) “CAT Fee” means any fees contemplated by the CAT NMS Plan and imposed on Industry Members pursuant to Exchange Rules.

(b) Fee Dispute Resolution.

Disputes initiated by an Industry Member with respect to CAT Fees charged to such Industry Member, including disputes related to the designated tier and the fee calculated pursuant to such tier, shall be resolved by the Operating Committee, or a Subcommittee designated by the Operating Committee, of the CAT NMS Plan, pursuant to the Fee Dispute Resolution Procedures adopted pursuant to the CAT NMS Plan and set forth in paragraph (c) of this Rule. Decisions on such matters shall be binding on Industry Members, without prejudice to the rights of any such Industry Member to seek redress from the SEC or in any other appropriate forum.

(c) Fee Dispute Resolution Procedures under the CAT NMS Plan.

(1) Scope of Procedures

These Fee Dispute Resolution Procedures provide the procedure for Industry Members that dispute CAT Fees charged to such Industry Member, including disputes related to the designated tier and the fee calculated pursuant to such tier, to apply for an opportunity to be heard and to have the CAT Fees charged to such Industry Member reviewed.

(2) Submission and Time Limitation on Application to CAT NMS, LLC (“Company”)

An Industry Member that disputes CAT Fees charged to such Industry Member and that desires to have an opportunity to be heard with respect to such disputed CAT Fees shall file a written application with the Company within 15 business days after being notified of such disputed CAT Fees. The application shall identify the disputed CAT Fees, state the specific reasons why the applicant takes exception to such CAT Fees, and set forth the relief sought. In addition, if the applicant intends to submit any additional documents, statements, arguments or other material in support of the application, the same should be so stated and identified.

(3) Procedure Following Applications for Hearing

(A) Fee Review Subcommittee

The Company will refer applications for hearing and review promptly to the Subcommittee designated by the Operating Committee pursuant to Section 4.12 of the CAT NMS Plan with responsibility for conducting the reviews of CAT Fee disputes pursuant to these Fee Dispute Resolution Procedures. This Subcommittee will be referred to as the Fee Review Subcommittee. The members of the Fee Review Subcommittee will be subject to the provisions of Section 4.3(d) of the CAT NMS Plan regarding recusal and Conflicts of Interest.

(B) Record

The Fee Review Subcommittee will keep a record of the proceedings.

(C) Hearings and Documents

The Fee Review Subcommittee will hold hearings promptly. The Fee Review Subcommittee will set a hearing date. The parties to the hearing (as described in paragraph (4)(A) below) shall furnish the Fee Review Subcommittee with all materials relevant to the proceedings at least 72 hours prior to the date of the hearing. Each party shall have the right to inspect and copy the other party's materials prior to the hearing.

(4) Hearing and Decision

(A) Parties

The parties to the hearing shall consist of the applicant and a representative of the Company who shall present the reasons for the action taken by the Company that allegedly aggrieved the applicant.

(B) Counsel

The applicant is entitled to be accompanied, represented and advised by counsel at all stages of the proceedings.

(C) Conduct of Hearing

The Fee Review Subcommittee shall determine all questions concerning the admissibility of evidence and shall otherwise regulate the conduct of the hearing. Each of the parties shall be permitted to make an opening statement, present witnesses and documentary evidence, cross examine opposing witnesses and present closing arguments orally or in writing as determined by the Fee Review Subcommittee. The Fee Review Subcommittee also shall have the right to question all parties and witnesses to the proceeding. The Fee Review Subcommittee shall keep a record of the hearing. The formal rules of evidence shall not apply.

(D) Decision

The Fee Review Subcommittee shall set forth its decision in writing and send the written decision to the parties to the proceeding. Such decisions shall contain the reasons supporting the conclusions of the Fee Review Subcommittee.

(5) Review

(A) Petition

The decision of the Fee Review Subcommittee shall be subject to review by the Operating Committee either on its own motion within 20 business days after issuance of the decision or upon written request submitted by the applicant within 15 business days after issuance of the decision. The applicant's petition shall be in writing and specify the findings and conclusions to which the applicant objects, together with the reasons for such objections. Any objection to a decision not

specified in writing shall be considered to have been abandoned and may be disregarded. Parties may petition to submit a written argument to the Operating Committee and may request an opportunity to make an oral argument before the Operating Committee. The Operating Committee shall have sole discretion to grant or deny either request.

(B) Conduct of Review

The Operating Committee shall conduct the review. The review shall be made upon the record and shall be made after such further proceedings, if any, as the Operating Committee may order. Based upon such record, the Operating Committee may affirm, reverse or modify, in whole or in part, the decision of the Fee Review Subcommittee. The decision of the Operating Committee shall be in writing, shall be sent to the parties to the proceeding and shall be final.

(6) Time Limit for Review

A final decision regarding the disputed CAT Fees by the Operating Committee, or the Fee Review Subcommittee (if there is no review by the Operating Committee), must be provided within 90 days of the date on which the Industry Member filed a written application regarding disputed CAT Fees with the Company pursuant to Paragraph (2) of these Fee Dispute Resolution Procedures. The Operating Committee may extend the 90-day time limit under this Paragraph (6) at its discretion.

(7) Miscellaneous Provisions

(A) Service of Notice

Any notices or other documents may be served upon the applicant either personally or by leaving the same at its, his or her place of business or by deposit in the United States post office, postage prepaid, by registered or certified mail, addressed to the applicant at its, his or her last known business or residence address.

(B) Extension of Certain Time Limits

Any time limits imposed under these Fee Dispute Resolution Procedures for the submission of answers, petitions or other materials may be extended by permission of the Operating Committee. All papers and documents relating to review by the Fee Review Subcommittee or the Operating Committee must be submitted to the Fee Review Subcommittee or Operating Committee, as applicable.

(8) Agency Review

Decisions on such CAT Fee disputes made pursuant to these Fee Dispute Resolution Procedures shall be binding on Industry Members, without prejudice to the rights of any such Industry Member to seek redress from the SEC or in any other appropriate forum.

(9) Payment of Disputed CAT Fees

(A) Timing of Fee Payment

An Industry Member that files a written application with the Company regarding disputed CAT Fees in accordance with these Fee Dispute Resolution Procedures is not required to pay such disputed CAT Fees until the dispute is resolved in accordance with these Fee Dispute Resolution Procedures, including any review pursuant to Paragraph (8). For the purposes of this Paragraph (9), the disputed CAT Fees means the amount of the invoiced CAT Fees that the Industry Member has asserted pursuant to these Fee Dispute Resolution Procedures that such Industry Member does not owe to the Company. The Industry Member must pay any invoiced CAT Fees that are not disputed CAT Fees when due as set forth in the original invoice.

(B) Interest on Unpaid CAT Fees

Once the dispute regarding CAT Fees is resolved pursuant to these Fee Dispute Resolution Procedures, if it is determined that the Industry Member owes any of the disputed CAT Fees, then the Industry Member must pay such disputed CAT Fees that are owed as well as interest on such disputed CAT Fees from the original due date (that is, 30 days after receipt of the original invoice of such CAT Fees) until such disputed CAT Fees are paid at a per annum rate equal to the lesser of (i) the Prime Rate plus 300 basis points, or (ii) the maximum rate permitted by applicable law.

[Adopted August 30, 2017 (SR-BatsEDGX-2017-24)]

CHAPTER V. SUPERVISION

Rule 5.1. Written Procedures

Each Member shall establish, maintain and enforce written procedures which will enable it to supervise properly the activities of associated persons of the Member and to assure their compliance with applicable securities laws, rules, regulations and statements of policy promulgated thereunder, with the rules of the designated self-regulatory organization, where appropriate, and with Exchange Rules.

Rule 5.2. Responsibility of Members

Final responsibility for proper supervision shall rest with the Member. The Member shall designate a partner, officer or manager in each office of supervisory jurisdiction, including the main office, to carry out the written supervisory procedures. A copy of such procedures shall be kept in each such office.

Rule 5.3. Records

Each Member shall be responsible for making and keeping appropriate records for carrying out the Member's supervisory procedures.

Rule 5.4. Review of Activities

Each Member shall review the activities of each office, which shall include the periodic examination of customer accounts to detect and prevent irregularities or abuses.

Rule 5.5. Prevention of the Misuse of Material, Nonpublic Information

(a) Each Member must establish, maintain and enforce written policies and procedures reasonably designed, taking into consideration the nature of such Member's business, to prevent the misuse of material, non-public information by the Member or persons associated with the Member. Members for whom the Exchange is the Designated Examining Authority ("DEA") that are required to file SEC Form X-17A-5 with the Exchange on an annual or more frequent basis must file, contemporaneously with the submission of the calendar year end Insider Trading and Securities Fraud Enforcement Act certifications, compliance acknowledgements stating that the procedures mandated by this Rule have been established, enforced and maintained. Any Member, or associated person who becomes aware of a possible misuse of material, non-public information must promptly notify the Exchange's Surveillance Department. For purposes of this Rule, "associated person" and "person associated with a Member" means anyone who directly is engaged in the Member's trading-related activities, including general partners, officers, directors, managers (or any person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under common control with a Member or any employee of the Member. For the purposes of this Rule, the term "employee" includes every person who is compensated directly or indirectly by the Member for the solicitation or handling of business in securities, including individuals trading securities for the account of the Member, whether such securities are dealt in on an exchange or are dealt over-the-counter.

(b) For purposes of this Rule 5.5, conduct constituting the misuse of material, non-public information includes, but is not limited to, the following:

(1) Trading in any securities issued by a corporation, or in any related securities or related options or other derivative securities, while in possession of material, non-public information concerning that issuer; or

(2) Trading in a security or related options or other derivative securities, while in possession of material non-public information concerning imminent transactions in the security or related securities; or

(3) Disclosing to another person or entity any material, non-public information involving a corporation whose shares are publicly traded or an imminent transaction in an underlying security or related securities for the purpose of facilitating the possible misuse of such material, non-public information.

(c) This Rule 5.5 requires that, at a minimum, each Member establish, maintain, and enforce the following policies and procedures:

(1) All associated persons must be advised in writing of the prohibition against the misuse of material, non-public information;

(2) All associated persons must sign attestations affirming their awareness of, and agreement to abide by the aforementioned prohibitions. These signed attestations must be maintained for at least three years, the first two years in an easily accessible place;

(3) Each Member must receive and retain copies of trade confirmations and monthly account statements for each brokerage account in which an associated person has a direct or indirect financial interest or makes investment decisions. The activity in such accounts should be reviewed at least quarterly by the Member for the purpose of detecting the possible misuse of material, non-public information; and

(4) All associated persons must disclose to the Member whether they, or any person in whose account they have a direct or indirect financial interest, or make investment decisions, are an officer, director or 10% shareholder in a company whose shares are publicly traded. Any transaction in the stock (or option thereon) of such company shall be reviewed to determine whether the transaction may have involved a misuse of material non-public information.

Maintenance of the foregoing policies and procedures will not, in all cases, satisfy the requirements and intent of this Rule 5.5; the adequacy of each Member's policies and procedures will depend upon the nature of such Member's business.

Rule 5.6. Anti-Money Laundering Compliance Program

(a) Each Member shall develop and implement an anti-money laundering program reasonably designed to achieve and monitor compliance with the requirements of the Bank Secrecy

Act (31 U.S.C. 5311, et seq.), and the implementing regulations promulgated thereunder by the Department of the Treasury. Each Member's anti-money laundering program must be approved, in writing, by a member of its senior management.

(b) The anti-money laundering programs required by the Rule shall, at a minimum:

(1) establish and implement policies and procedures that can be reasonably expected to detect and cause the reporting of transactions required under 31 U.S.C. 5318(g) and the implementing regulations thereunder;

(2) establish and implement policies and internal controls reasonably designed to achieve compliance with the Bank Secrecy Act and the implementing regulations thereunder;

(3) provide for independent testing for compliance to be conducted by the Member's personnel or by a qualified outside party;

(4) designate, and identify to the Exchange (by name, title, mailing address, e-mail address, telephone number, and facsimile number), a person or persons responsible for implementing and monitoring the day-to-day operations and internal controls of the program and provide prompt notification to the Exchange regarding any change in such designation(s); and

(5) provide ongoing training for appropriate persons; and

(6) include appropriate risk-based procedures for conducting ongoing customer due diligence, to include, but not be limited to:

(A) understanding the nature and purpose of customer relationships for the purpose of developing a customer risk profile; and

(B) conducting ongoing monitoring to identify and report suspicious transactions and, on a risk basis, to maintain and update customer information. For purposes of this subparagraph (6)(B), customer information shall include information regarding the beneficial owners of legal entity customers (as defined in 31 CFR 1010.230(e)).

In the event that any of the provisions of this Rule 5.6 conflict with any of the provisions of another applicable self-regulatory organization's rule requiring the development and implementation of an anti-money laundering compliance program, the provisions of the rule of the Member's Designated Examining Authority shall apply.

[Amended January 4, 2020 (SR-CboeEDGX-2019-073)]

CHAPTER VI. EXTENSIONS OF CREDIT

Rule 6.1. Prohibitions and Exemptions

(a) A Member shall not effect a securities transaction through Exchange facilities in a manner contrary to the regulations of the Board of Governors of the Federal Reserve System.

(b) The margin which must be maintained in margin accounts of customers shall be as follows:

(1) 25% of the current market value of all securities “long” in the account;
plus

(2) \$2.50 per share or 100% of the current market value, whichever amount is greater, of each stock “short” in the account selling at less than \$5.00 per share; plus

(3) \$5.00 per share or 30% of the current market value, whichever amount is greater, of each stock “short” in the account selling at \$5.00 per share or above; plus

(4) 5% of the principal amount or 30% of the current market value, whichever amount is greater, of each bond “short in the account.

Rule 6.2. Day Trading Margin

(a) The term “day trading” means the purchasing and selling of the same security on the same day. A “day trader” is any customer whose trading shows a pattern of day trading.

(b) Whenever day trading occurs in a customer’s margin account the margin to be maintained shall be the margin on the “long” or “short” transaction, whichever occurred first, as required pursuant to Exchange Rule 6.1(b). When day trading occurs in the account of a day trader, the margin to be maintained shall be the margin on the “long” or “short” transaction, whichever occurred first, as required for initial margin by Regulation T of the Board of Governors of the Federal Reserve System, or as required pursuant to Exchange Rule 6.1(b), whichever amount is greater.

(c) No Member shall permit a public customer to make a practice, directly or indirectly, of effecting transactions in a cash account where the cost of securities purchased is met by the sale of the same securities. No Member shall permit a public customer to make a practice of selling securities with them in a cash account which are to be received against payment from another registered broker or dealer where such securities were purchased and are not yet paid for.

CHAPTER VII. SUSPENSION BY CHIEF REGULATORY OFFICER

Rule 7.1. Imposition of Suspension

(a) A Member which fails or is unable to perform any of its contracts, or is insolvent or is unable to meet the financial responsibility requirements of the Exchange, shall immediately inform the Secretary in writing of such fact. Upon receipt of said notice, or whenever it shall appear to the Chief Regulatory Officer (“CRO”) (after such verification and with such opportunity for comment by the Member as the circumstances reasonably permit) that a Member has failed to perform its contracts or is insolvent or is in such financial or operational condition or is otherwise conducting its business in such financial or operational condition or is otherwise conducting its business in such a manner that it cannot be permitted to continue in business with safety to its customers, creditors and other Members of the Exchange, the CRO may summarily suspend the Member or may impose such conditions and restrictions upon the Member as are reasonably necessary for the protection of investors, the Exchange, the creditors and the customers of such Member.

(b) A Member that does not pay any dues, fees, assessments, charges or other amounts due to the Exchange within 90 days after the same has become payable shall be reported to the CRO, who may, after giving reasonable notice to the Member of such arrearages, suspend the Member until payment is made. Should payment not be made within six months after payment is due, the Member’s membership may be cancelled by the Exchange.

(c) In the event of suspension of a Member, the Exchange shall give prompt notice of such suspension to the Members of the Exchange. Unless the CRO shall determine that lifting the suspension without further proceedings is appropriate, such suspension shall continue until the Member is reinstated as provided in Rule 7.3. of this Chapter.

Rule 7.2. Investigation Following Suspension

Every Member suspended under the provisions of this Chapter shall immediately make available every facility requested by the Exchange for the investigation of its affairs and shall forthwith file with the Secretary a written statement covering all information requested, including a complete list of creditors and the amount owing to each and a complete list of each open long and short security position maintained by the Member and each of its customers. The foregoing includes, without limitation, the furnishing of such of the Member’s books and records and the giving of such sworn testimony as may be requested by the Exchange.

Rule 7.3. Reinstatement

A Member suspended under the provisions of this Chapter may apply for reinstatement by a petition in accordance with and in the time provided for by the provisions of the Exchange Rules relating to adverse action.

Rule 7.4. Failure to be Reinstated

A Member suspended under the provisions of this Chapter who fails to seek or obtain reinstatement in accordance with Rule 7.3 shall have its membership cancelled by the Exchange in accordance with the Exchange's By-Laws.

Rule 7.5. Termination of Rights by Suspension

A Member suspended under the provisions of this Chapter shall be deprived during the term of its suspension of all rights and privileges conferred to it by virtue of its membership in the Exchange.

Rule 7.6. Summary Suspension of Exchange Services

The CRO (after such verification with such opportunity for comment as the circumstances reasonably permit) may summarily limit or prohibit (i) any person from access to services offered by the Exchange, if such person has been and is expelled or suspended from any self-regulatory organization or barred or suspended from being associated with a Member of any self-regulatory organization or is in such financial or operating difficulty that the Exchange determines that such person cannot be permitted to do business with safety to investors, creditors, Exchange Members or the Exchange; or (ii) a person who is not a Member from access to services offered by the Exchange, if such person does not meet the qualification requirements or other pre-requisites for such access and if such person cannot be permitted to continue to have access with safety to investors, creditors, Members and the Exchange. Any person aggrieved by any such summary action may seek review under the provisions of the Exchange Rules relating to adverse action.

Rule 7.7. Commission Action

The Commission may stay any summary action taken pursuant to this Chapter on its own motion or upon application by any person aggrieved thereby made pursuant to Section 19(d) of the Act and the rules thereunder.

CHAPTER VIII. DISCIPLINE

Rule 8.1. Disciplinary Jurisdiction

(a) A Member or a person associated with a Member (the “Respondent”) who is alleged to have violated or aided and abetted a violation of any provision of the Act or the rules and regulations promulgated thereunder, or any provision of the Certificate of Incorporation, By-Laws or Rules of the Exchange or any interpretation thereof or any resolution or order of the Board or appropriate Exchange committee shall be subject to the disciplinary jurisdiction of the Exchange under this Chapter, and after notice and opportunity for a hearing may be appropriately disciplined by: expulsion; suspension; limitation of activities, functions and operation; fine; censure; suspension or bar from association with a Member or any other fitting sanction, in accordance with the provisions of this Chapter.

An individual Member, responsible party, or other person associated with a Member may be charged with any violation committed by employees under his/her/its supervision or by the Member with which he/she/it is associated, as though such violation were his/her/its own. A Member organization may be charged with any violation committed by its employees or by any other person who is associated with such Member organization, as though such violation were its own.

(b) Any Member or person associated with a Member shall continue to be subject to the disciplinary jurisdiction of the Exchange following the termination of such person’s membership or association with a Member with respect to matters that occurred prior to such termination; provided that written notice of the commencement of an inquiry into such matters is given by the Exchange to such former Member or former associated person within one year of receipt by the Exchange of the latest written notice of the termination of such person’s status as a Member or person associated with a Member. The foregoing notice requirement does not apply to a person who at any time after a termination again subjects himself or herself to the disciplinary jurisdiction of the Exchange by becoming a Member or a person associated with a Member.

(c) A summary suspension or other action taken pursuant to Chapter VII of the Rules of the Exchange shall not be deemed to be disciplinary action under this Chapter, and the provisions of this chapter shall not be applicable to such action.

(d) The Exchange may contract with another self-regulatory organization to perform some or all of the Exchange’s disciplinary functions. In that event, the Exchange shall specify to what extent the Rules in this Chapter VIII shall govern Exchange disciplinary actions and to what extent the rules of the other self-regulatory organization shall govern such actions. Notwithstanding the fact that the Exchange may contract with another self-regulatory organization to perform some or all of the Exchange’s disciplinary functions, the Exchange shall retain ultimate legal responsibility for and control of such functions.

Rule 8.2. Complaint and Investigation

(a) Initiation of Investigation

The Exchange, or the designated self-regulatory organization, when appropriate, shall investigate possible violations within the disciplinary jurisdiction of the Exchange which are brought to its attention in any manner, or upon order of the Board, the CRO or other Exchange officials designated by the CRO, or upon receipt of a complaint alleging such violation.

(b) Report

In every instance where an investigation has been instituted as a result of a complaint, and in every other instance in which an investigation results in a finding that there are reasonable grounds to believe that a violation has been committed, a written report of the investigation shall be submitted to the CRO by the Exchange's staff or, when appropriate, by the designated self-regulatory organization.

(c) Requirement to Furnish Information and Right to Counsel

Each Member and person associated with a Member shall be obligated upon request by the Exchange to appear and testify, and to respond in writing to interrogatories and furnish documentary materials and other information requested by the Exchange in connection with (i) an investigation initiated pursuant to paragraph (a) of this Rule or (ii) a hearing or appeal conducted pursuant to this Chapter or preparation by the Exchange in anticipation of such a hearing or appeal. No Member or person associated with a Member shall impede or delay an Exchange investigation or proceeding conducted pursuant to this Chapter nor refuse to comply with a request made by the Exchange pursuant to this paragraph. A Member or person associated with a Member is entitled to be represented by counsel during any such Exchange investigation, proceeding or inquiry.

(d) Notice, Statement and Access

Prior to submitting its report, the staff shall notify the person(s) who is the subject of the report (hereinafter "Subject") of the general nature of the allegations and of the specific provisions of the Act, rules and regulations promulgated thereunder, or provisions of the Certificate of Incorporation, By-Laws or Rules of the Exchange or any interpretation thereof or any resolution of the Board, that appear to have been violated. Except when the CRO determines that expeditious action is required, a Subject shall have 15 days from the date of the notification described above to submit a written statement to the CRO concerning why no disciplinary action should be taken. To assist a Subject in preparing such a written statement, he or she shall have access to any documents and other materials in the investigative file of the Exchange that were furnished by him or her or his or her agents.

(e) Failure to Furnish Information

Failure to furnish testimony, documentary evidence or other information requested by the Exchange in the course of an Exchange inquiry, investigation, hearing or appeal conducted pursuant to this Chapter or in the course of preparation by the Exchange in anticipation of such a hearing or appeal on the date or within the time period the Exchange specifies shall be deemed to be a violation of this Rule 8.2.

(f) Regulatory Cooperation

No Member or person associated with a Member or other person or entity subject to the jurisdiction of the Exchange shall refuse to appear and testify before another exchange or other self-regulatory organization in connection with a regulatory investigation, examination or disciplinary proceeding or refuse to furnish testimony, documentary materials or other information or otherwise impede or delay such investigation, examination or disciplinary proceeding if the Exchange requests such testimony, documentary materials or other information in connection with an inquiry resulting from an agreement entered into by the Exchange pursuant to subsection (g) of this Rule. The requirements of this Rule 8.2(f) shall apply when the Exchange has been notified by another self-regulatory organization of the request for testimony, documentary materials or other information and the Exchange then requests in writing that a Member, person associated with a Member or other person or entity provide such testimony, documentary materials or other information. Any person or entity required to furnish testimony, documentary materials or other information pursuant to this Rule 8.2(f) shall be afforded the same rights and procedural protections as that person or entity would have if the Exchange had initiated the request.

(g) Cooperative Agreements

The Exchange may enter into agreements with domestic and foreign self-regulatory organizations providing for the exchange of information and other forms of mutual assistance or for market surveillance, investigative, enforcement or other regulatory purposes.

(h) Videotaped Responses

In lieu of, or in addition to, submitting a written statement concerning why no disciplinary action should be taken as permitted by paragraph (d) of this Rule, the Subject may submit a statement in the form of a videotaped response. Except when the CRO determines that expeditious action is required, the Subject shall have 15 days from the date of the notification described in paragraph (d) to submit the videotaped response. The Exchange will establish standards concerning the length and format of such videotaped responses.

Rule 8.3. Expedited Proceeding

Upon receipt of the notification required by Rule 8.2(d), a Subject may seek to dispose of the matter through a letter of consent signed by the Subject. If a Subject desires to attempt to dispose of the matter through a letter of consent, the Subject must submit to the staff within 15 days from the date of the notification required by Rule 8.2(d) a written notice electing to proceed in an expedited manner pursuant to this Rule 8.3. The Subject must then endeavor to reach agreement with the Exchange's staff upon a letter of consent which is acceptable to the staff and which sets forth a stipulation of facts and findings concerning the Subject's conduct, the violation(s) committed by the Subject and the sanction(s) therefor. The matter can only be disposed of through a letter of consent if the staff and the Subject are able to agree upon terms of a letter of consent which are acceptable to the staff and the letter is signed by the Subject. At any point in the negotiations regarding a letter of consent, either the staff may deliver to the Subject or the Subject may deliver to the staff a written declaration of an end to the negotiations. On delivery of such a declaration the subject will then have 15 days to submit a written statement pursuant to Rule 8.2(d) and thereafter the staff may bring the matter to the CRO. If the letter of consent is accepted by the CRO, the Exchange may adopt the letter as its decision and shall take no further action against the

Subject respecting the matters that are the subject of the letter. If the letter of consent is rejected by the CRO, the matter shall proceed as though the letter had not been submitted. Upon rejection, the Subject will then have 15 days to submit a written statement pursuant to Rule 8.2(d). The CRO's decision to accept or reject a letter of consent shall be final, and a Subject may not seek review thereof.

Rule 8.4. Charges

(a) Determination Not to Initiate Charges

Whenever it shall appear to the CRO from the investigation report that no probable cause exists for finding a violation within the disciplinary jurisdiction of the Exchange, or whenever the CRO otherwise determines that no further proceedings are warranted, he or she shall issue a written statement to that effect setting forth the reasons for such finding.

(b) Initiation of Charges

Whenever it shall appear to the CRO that there is probable cause for finding a violation within the disciplinary jurisdiction of the Exchange and that further proceedings are warranted, the CRO shall direct the issuance of a statement of charges against the Respondent specifying the acts in which the Respondent is charged to have engaged and setting forth the specific provisions of the Act, rules and regulations promulgated thereunder, By-Laws, Exchange Rules, interpretations or resolutions of which such acts are in violation. A copy of the charges shall be served upon the Respondent in accordance with Rule 8.12.

Rule 8.5. Answer

The Respondent shall have 15 business days after service of the charges to file a written answer thereto. The answer shall specifically admit or deny each allegation contained in the charges, and the Respondent shall be deemed to have admitted any allegation not specifically denied. The answer may also contain any defense which the Respondent wishes to submit and may be accompanied by documents in support of his answer or defense. In the event the Respondent fails to file an answer within the time provided, the charges shall be considered to be admitted.

Rule 8.6. Hearings

(a) Selection of Hearing Panel

(1) Definitions. For purposes of this paragraph (a), the terms set forth below shall have the following meanings:

(A) The term "Industry Member" means a member of any hearing panel who (i) is or has served in the prior three years as an officer, director, or employee of a broker or dealer, excluding an outside director or a director not engaged in the day-to-day management of a broker or dealer; (ii) is an officer, director (excluding an outside director), or employee of an entity that owns more than ten percent of the equity of a broker or dealer, and the broker or dealer accounts for more than five percent of the gross revenues received by the consolidated entity; (iii) owns

more than five percent of the equity securities of any broker or dealer, whose investments in brokers or dealers exceed ten percent of his or her net worth, or whose ownership interest otherwise permits him or her to be engaged in the day-to-day management of a broker or dealer; (iv) provides professional services to brokers or dealers, and such services constitute 20 percent or more of the professional revenues received by the member or 20 percent or more of the gross revenues received by the member's firm or partnership; (v) provides professional services to a director, officer, or employee of a broker, dealer, or corporation that owns 50 percent or more of the voting stock of a broker or dealer, and such services relate to the director's, officer's, or employee's professional capacity and constitute 20 percent or more of the professional revenues received by the member or 20 percent or more of the gross revenues received by the member's firm or partnership; or (vi) has a consulting or employment relationship with or provides professional services to the Exchange or any affiliate thereof or has had any such relationship or provided any such services at any time within the prior three years.

(B) The term "Member Representative member" means a member of any hearing panel who is an officer, director, employee or agent of an Exchange Member.

(2) Subject to Rule 8.7. concerning summary proceedings, a hearing on the charges shall be held before a panel of three (3) hearing officers (the "Hearing Panel") appointed by the Chief Executive Officer. Each Hearing Panel shall be comprised as follows: (i) a professional hearing officer, who shall serve as Chairman of the Hearing Panel, (ii) a hearing officer who is an Industry Member, as such term is defined in Rule 8.6, and (iii) a hearing officer who is a Member Representative member, as such term is defined in Rule 8.6 (each a "Hearing Officer"). Prospective Hearing Officers shall be required to disclose to the Exchange their employment history for the past 10 years, any past or current material business or other financial relationships with the Exchange or any members of the Exchange, and any other information deemed relevant by the Exchange. Such disclosures relating to the particular Hearing Officers selected by the Chief Executive Officer shall be provided to the Respondent upon request after the selection of the Hearing Panel. In selecting Hearing Officers for a particular matter, the Chief Executive Officer should give reasonable consideration to the prospective Hearing Officers' professional competence and reputation, experience in the securities industry, familiarity with the subject matter involved, the absence of bias and any actual or perceived conflict of interest, and any other relevant factors.

(b) Impartiality of Hearing Officers

When any Hearing Officer considers a disciplinary matter he or she is expected to function impartially and independently of the staff members who prepared and prosecuted the charges. Exchange counsel may assist the Hearing Panel in preparing its written recommendations or judgments. Within 15 days of the appointment of the Hearing Panel, the Respondent may move for disqualification of any Hearing Officer sitting on such Panel based upon bias or conflict of interest. Such motions shall be made in writing and state with specificity the facts and circumstances giving rise to the alleged bias or conflict of interest. The motion papers shall be

filed with the Hearing Panel and the Secretary of the Exchange. The Exchange may file a brief in opposition to the Respondent's motion within 15 days of service thereof. The Hearing Panel shall rule upon such motion no later than 30 days from filing by the Respondent. Prior adverse rulings against the Respondent or Respondent's attorney in other matters shall not, in and of themselves, constitute grounds for disqualification. If the Hearing Panel believes the Respondent has provided satisfactory evidence in support of the motion to disqualify, the applicable Hearing Officer shall remove himself or herself and request the Chief Executive Officer to reassign the hearing to another Hearing Officer such that the Hearing Panel still meets the compositional requirements described in Rule 8.6(a). If the Hearing Panel determines that the Respondent's grounds for disqualification are insufficient, it shall deny the Respondent's motion for disqualification by setting forth the reasons for the denial in writing and the Hearing Panel will precede with the hearing. The ruling by the Hearing Panel on such motions shall not be subject to interlocutory review.

(c) Notice and List of Documents

Participants shall be given at least 15 business days' notice of the time and place of the hearing and a statement of the matters to be considered therein. All documentary evidence intended to be presented in the hearing by the Respondent, the Exchange, or the designated self-regulatory authority must be received by the Hearing Panel at least eight (8) days in advance of the hearing or it may not be presented in the hearing. The parties shall furnish each other with a list of all documents submitted for the record not less than four (4) business days in advance of the hearing, and the documents themselves shall be made available to the parties for inspection and copying.

(d) Conduct of Hearing

The Hearing Panel shall determine all questions concerning the admissibility of evidence and shall otherwise regulate the conduct of the hearing. Formal rules of evidence shall not apply. The charges shall be presented by a representative of the Exchange or the designated self-regulatory authority who, along with the Respondent, may present evidence and produce witnesses who shall testify under oath and are subject to being questioned by the Hearing Panel and opposing parties. The Respondent is entitled to be represented by counsel who may participate fully in the hearing. A transcript of the hearing shall be made and shall become part of the record.

[Amended October 11, 2017 (SR-BatsEDGX-2017-35)]

Rule 8.7. Summary Proceedings

Notwithstanding the provisions of Rule 8.6 of this Chapter, the CRO may make a determination without a hearing and may impose a penalty as to violations which the Respondent has admitted or charges which the Respondent has failed to answer or which otherwise are not in dispute. Notice of such summary determination, specifying the violations and penalty, shall be served upon the Respondent, who shall have ten (10) business days from the date of service to notify the CRO that he desires a hearing upon all or a portion of any charges not previously admitted or upon the penalty. Failure to so notify the CRO shall constitute an admission of the violations and acceptance of the penalty as determined by the CRO and a waiver of all rights of review. If the Respondent

requests a hearing, the matters which are the subject of the hearing shall be handled in accordance with the hearing and review procedures of this Chapter.

Rule 8.8. Offers of Settlement

(a) Submission of Offer

At any time during the course of any proceeding under this Chapter, the Respondent may submit to the CRO a written offer of settlement which shall contain a proposed stipulation of facts and shall consent to a specified penalty. Where the CRO accepts an offer of settlement, he or she shall issue a decision, including findings and conclusions and imposing a penalty, consistent with the terms of such offer. Where the CRO rejects an offer of settlement, he or she shall notify the Respondent and the matter shall proceed as if such offer had not been made, and the offer and all documents relating thereto shall not become part of the record. A decision of the CRO issued upon acceptance of an offer of settlement as well as the determination of the CRO whether to accept or reject such an offer shall become final 20 business days after such decision is issued, and the Respondent may not seek review thereof.

(b) Submission of Statement

A Respondent may submit with an offer of settlement a written statement in support of the offer. In addition, if the staff will not recommend acceptance of an offer of settlement before the CRO, a Respondent shall be notified and may appear before the CRO to make an oral statement in support of his/her offer. Finally, if the CRO rejects an offer that the staff supports, a Respondent may appear before the CRO to make an oral statement concerning why he/she believes the CRO should change his or her decision and accept Respondent's offer, and if Respondent makes such appearance, the staff may also appear before the CRO to make an oral statement in support of its position. A Respondent must make a request for such an appearance within 5 days of being notified that the offer was rejected or that the staff will not recommend acceptance.

(c) Repeated Offers Unless the CRO shall otherwise order, a Respondent shall be entitled to submit to the CRO a maximum of two written offers of settlement in connection with the statement of charges issued to that Respondent pursuant to Rule 8.4(b).

Rule 8.9. Decision

Following a hearing conducted pursuant to Rule 8.6 of this Chapter, the Hearing Panel shall prepare a decision in writing, based solely on the record, determining whether the Respondent has committed a violation and imposing the penalty, if any, therefor. The decision shall include a statement of findings and conclusions, with the reasons therefor, upon all material issues presented on the record. Where a penalty is imposed, the decision shall include a statement specifying the acts or practices in which the Respondent has been found to have engaged and setting forth the specific provisions of the Act, rules and regulations promulgated thereunder, By-Laws, Exchange Rules, interpretations or resolutions of which the acts are deemed to be in violation. The Respondent shall promptly be sent a copy of the decision.

Rule 8.10. Review

(a) Petition

The Respondent shall have ten (10) days after service of notice of a decision made pursuant to Rule 8.9 of this Chapter to petition for review thereof. Such petition shall be in writing and shall specify the findings and conclusions to which exceptions are taken together with reasons for such exceptions. Any objections to a decision not specified by written exception shall be considered to have been abandoned.

(b) Conduct of Review

The review shall be conducted by the Appeals Committee of the Board. Unless the Appeals Committee shall decide to open the record for introduction of evidence or to hear argument, such review shall be based solely upon the record and the written exceptions filed by the parties. The Appeals Committee's decision shall be in writing and shall be final.

(c) Review on Motion of Board

The Board may on its own initiative order review of a decision made pursuant to Rule 8.7, 8.8, or 8.9 of this Chapter within 20 business days after issuance of the decision. Such review shall be conducted in accordance with the procedure set forth in paragraph (b) of this Rule.

(d) Review of Decision Not to Initiate Charges

Upon application made by the Chief Executive Officer within 30 days of a decision made pursuant to Rule 8.4(a) of this Chapter, the Board may order review of such decision. Such review shall be conducted in accordance with the procedures set forth in paragraph (b), as applicable.

Rule 8.11. Effective Date of Judgment

Penalties imposed under this Chapter shall not become effective until the review process is completed or the decision otherwise becomes final. Pending effectiveness of a decision imposing a penalty on the Respondent, the CRO, Hearing Panel or committee of the Board, as applicable, may impose such conditions and restrictions on the activities of the Respondent as he, she or it considers reasonably necessary for the protection of investors, creditors and the Exchange.

Interpretations and Policies

.01 Exchange staff shall make all necessary filings concerning formal and informal disciplinary actions required under the Act and the rules and regulations promulgated thereunder, and shall take all other actions necessary to comply with any other applicable law or regulation.

[Amended November 3, 2016 (SR-BatsEDGX-2016-64)]

Rule 8.12. Miscellaneous Provisions

(a) Service of Notice

Any charges, notices or other documents may be served upon the Respondent either personally or by leaving the same at his place of business or by deposit in the United States post office, postage prepaid, by registered or certified mail addressed to the Respondent at his last known place of business.

(b) Extension of Time Limits

Any time limits imposed under this Chapter for the submission of answers, petitions or other materials may be extended by permission of the authority at the Exchange to whom such materials are to be submitted.

(c) Reports and Inspection of Books for Purpose of Investigating Complaints

For the purpose of any investigation or determination as to the filing of a complaint, or any hearing of any complaint against any Member of the Exchange or any person associated with a Member, the Exchange's staff, CRO, Board or designated self-regulatory organization shall have the right (1) to require any Member of the Exchange to report orally or in writing with regard to any matter involved in any such investigation or hearing, and (2) to investigate the books, records and accounts of any such Member with relation to any matter involved in any such investigation or hearing. No Member shall refuse to make any report as required in this Rule, or refuse to permit any inspection of books, records and accounts as may be validly called for under this Rule.

Rule 8.13. Costs of Proceedings

Any Member disciplined pursuant to this Chapter shall bear such part of the costs of the proceedings as the CRO or the Board deems fair and appropriate in the circumstances.

Rule 8.14. Agency Review

Actions taken by the Exchange under this Chapter shall be subject to the review and action of any appropriate regulatory agency under the Act.

Rule 8.15. Imposition of Fines for Minor Violation(s) of Rules

(a) In lieu of commencing a disciplinary proceeding as described in Rules 8.1 through 8.13, the Exchange may, subject to the requirements set forth in this Rule, impose a fine on any Member, associated person of a Member, or registered or non-registered employee of a Member, for any violation of a Rule of the Exchange, which violation the Exchange shall have determined is minor in nature. The Exchange may, if no exceptional circumstances are present, impose a fine based upon a determination that there exists a pattern or practice of violative conduct. The Exchange also may aggregate similar violations generally if the conduct was unintentional, there was no injury to public investors, or the violations resulted from a single systemic problem or cause that has been corrected. Any fine imposed pursuant to this Rule that does not exceed \$2,500 and is not contested shall not be publicly reported, except as may be required by Rule 19d-1 under the Act or as may be required by any other regulatory authority.

(b) In any action taken by the Exchange pursuant to this Rule, the person against whom a fine is imposed shall be served (as provided in Rule 8.12) with a written statement, signed by an

authorized officer of the Exchange, setting forth (i) the Rule or Rules alleged to have been violated; (ii) the act or omission constituting each such violation; (iii) the fine imposed for each such violation; and (iv) the date by which such determination becomes final and such fine becomes due and payable to the Exchange, or such determination must be contested as provided in paragraph (d) below, such date to be not less than 15 business days after the date of service of the written statement.

(c) If the person against whom a fine is imposed pursuant to this Rule pays the fine, such payment shall be deemed to be a waiver by such person of such person's right to a disciplinary proceeding under Rules 8.1 through 8.13 and any review of the matter by the Appeals Committee or by the Board.

(d) Any person against whom a fine is imposed pursuant to this Rule may contest the Exchange's determination by filing with the Exchange not later than the date by which such determination must be contested, a written response meeting the requirements of an Answer as provided in Rule 8.5 at which point the matter shall become a disciplinary proceeding subject to the provisions of Rules 8.1 through 8.13. In any such disciplinary proceeding, if the Hearing Panel determines that the person charged is guilty of the rule violation(s) charged, the Hearing Panel shall (i) be free to impose any one or more disciplinary sanctions and (ii) determine whether the rule violation(s) is minor in nature. The person charged and the Board of the Exchange may require a review by the Board of any determination by the Hearing Panel by proceeding in the manner described in Rule 8.10.

(e) The Exchange shall prepare and announce to its Members and Member organizations from time to time a listing of the Exchange Rules as to which the Exchange may impose fines as provided in this Rule. Such listing shall also indicate the specific dollar amount that may be imposed as a fine hereunder with respect to any violation of any such Rule or may indicate the minimum and maximum dollar amounts that may be imposed by the Exchange with respect to any such violation. Nothing in this Rule shall require the Exchange to impose a fine pursuant to this Rule with respect to the violation of any Rule included in any such listing.

Interpretations and Policies

.01 List of Exchange Rule Violations and Recommended Fine Schedule Pursuant to Rule

8.15:

Recommended Fine Schedule – 8.15.01(a)-(e)

Occurrence*	Individual	Member firm
First time fined	\$100	\$500
Second time fined	\$300	\$1,000
Third time fined	\$500	\$2,500

*Within a "rolling" 12-month period.

- (a) Rule 4.2 and Interpretations, thereunder, requiring the submission of responses to Exchange requests for trading data within specified time period.
- (b) Rule 11.10(a)(5) requirement to identify short sale orders as such.
- (c) Rule 11.10(f) requirement to comply with locked and crossed market rules.
- (d) Rule 3.5 Advertising Practices.
- (e) Rule 12.11 Interpretation and Policy .01 and Exchange Act Rule 604 – Failure to properly display limit orders.

Recommended Fine Amount for 8.15.01(f)-(g): \$100 per violation

- (f) Rule 4.2 and Interpretations thereunder related to the requirement to furnish Exchange-related order, market and transaction data, as well as financial or regulatory records and information.
- (g) Rule 11.20(a)(1) requirement for Market Makers to maintain continuous, two-sided quotations.

Recommended Fines for 8.15.01(h): see Rule 25.3

- (h) Rules contained in the Rules applicable to EDGX Options, as set forth in Rule 25.3 (Penalty for Minor Rule Violations).

[Adopted March 12, 2010; amended December 15, 2011 (SR-EDGX-2011-28); amended October 29, 2014 (SR-EDGX-2014-18); amended February 19, 2015 (SR-EDGX-2015-10); amended August 7, 2015 (SR-EDGX-2015-18); amended March 11, 2016 (SR-EDGX-2016-03)]

Rule 8.16. Ex Parte Communications

- (a) Unless on notice and opportunity for all parties to participate:
 - (1) No Respondent or Exchange staff member shall make or knowingly cause to be made an ex parte communication relevant to the merits of a proceeding to any Hearing Officer, any member of the Board of Directors or a member of a committee of the Board who is participating in a decision with respect to that proceeding (an “Adjudicator”); and
 - (2) No Adjudicator shall make or knowingly cause to be made to a Respondent or Exchange staff member an ex parte communication relevant to the merits of that proceeding.
- (b) An Adjudicator who receives, makes, or knowingly causes to be made a communication prohibited by this Rule shall place in the record of the proceeding:
 - (1) all such written communications;

- (2) memoranda stating the substance of all such oral communications; and
- (3) all written responses and memoranda stating the substance of all oral responses to all such communications.

(c) If a prohibited ex parte communication has occurred, the Board of Directors or a committee thereof may take whatever action it deems appropriate in the interests of justice, the policies underlying the Act, and the Exchange By-Laws and Rules, including dismissal or denial of the offending party's interest or claim. All participants to a proceeding may respond to any allegations or contentions contained in a prohibited ex parte communication placed in the record. Such responses shall be placed in the record.

(d) The prohibitions of this Rule shall apply beginning with the initiation of an investigation as provided in Rule 8.2(a), unless the person responsible for the communication has knowledge that the investigation shall be initiated, in which case the prohibitions shall apply beginning at the time of his or her acquisition of such knowledge.

Rule 8.17. Expedited Client Suspension Proceeding

(a) Initiation of Proceeding

(1) Scope of Authority. With the prior written authorization of the CRO or such other senior officers as the CRO may designate, the Office of General Counsel or Regulatory Department of the Exchange (such departments generally referred to as the "Exchange" for purposes of this Rule 8.17) may initiate an expedited suspension proceeding with respect to alleged violations of Rule 12.15 (Disruptive Quoting and Trading Activity Prohibited).

(2) Service of Notice. The Exchange shall initiate the proceeding by serving a notice on a Member or associated person of a Member (hereinafter "Respondent"). The Exchange shall serve the notice by personal service or overnight commercial courier. The notice shall be effective upon service.

(3) Content of Notice. The notice shall state whether the Exchange is requesting the Respondent to be required to take action or to refrain from taking action. The notice shall be accompanied by:

(A) a declaration of facts, signed by a person with knowledge of the facts contained therein, that specifies the acts that constitute the alleged violation; and

(B) a proposed order that contains the required elements of a suspension order (except the date and hour of the order's issuance), which are set forth in subparagraph (d)(2) of this Rule).

(b) Appointment of Hearing Officers and Hearing Panel

(1) As soon as practicable after the Exchange initiates a suspension proceeding, a Hearing Panel shall be assigned in accordance with paragraph (a) of Rule 8.6.

(2) If at any time a Hearing Officer determines that he or she has a conflict of interest or bias or circumstances otherwise exist where his or her fairness might reasonably be questioned, or if a Party files a motion to disqualify a Hearing Officer, the recusal and disqualification proceeding shall be conducted in accordance with paragraph (b) of Rule 8.6, except that:

(A) a motion seeking disqualification of a Hearing Officer must be filed no later than 5 days after the announcement of the Hearing Panel; and

(B) the Exchange may file a brief in opposition to the Respondent's motion no later than 5 days after service thereof.

(c) Hearing

(1) When Held. The hearing shall be held not later than 15 days after service of the notice initiating the suspension proceeding, unless otherwise extended by the Chairman of the Hearing Panel with the consent of the Parties for good cause shown. If a Hearing Officer is recused or disqualified, the hearing shall be held not later than five days after a replacement Hearing Officer is appointed.

(2) Service of Notice of Hearing. A notice of date, time, and place of the hearing shall be served on the Parties not later than seven days before the hearing, unless otherwise ordered by the Chairman of the Hearing Panel. Service shall be made by personal service or overnight commercial courier. The notice shall be effective upon service.

(3) Authority of Hearing Officers. A Hearing Officer shall have authority to do all things necessary and appropriate to discharge his or her duties as set forth under paragraph (d) of Rule 8.6.

(4) Witnesses. A person who is subject to the jurisdiction of the Exchange shall testify under oath or affirmation. The oath or affirmation shall be administered by a court reporter or a notary public.

(5) Additional Information. At any time during its consideration, the Hearing Panel may direct a Party to submit additional information. Any additional information submitted shall be provided to all Parties at least one day before the Hearing Panel renders its decision.

(6) Transcript. The hearing shall be recorded by a court reporter and a written transcript thereof shall be prepared. A transcript of the hearing shall be available to the Parties for purchase from the court reporter at prescribed rates. A witness may purchase a copy of the transcript of his or her own testimony from the court reporter at prescribed rates. Proposed corrections to the transcript may be submitted by affidavit to the Hearing

Panel within a reasonable time determined by the Hearing Panel. Upon notice to all the Parties to the proceeding, the Hearing Panel may order corrections to the transcript as requested or sua sponte.

(7) Record and Evidence Not Admitted. The record shall consist of the notice initiating the proceeding, the declaration, and the proposed order described in subparagraph (a)(3) above; the transcript of the hearing; all evidence considered by the Hearing Panel; and any other document or item accepted into the record by the Hearing Panel. The Office of General Counsel shall be the custodian of the record. Proffered evidence that is not accepted into the record by the Hearing Panel shall be retained by the custodian of the record until the date when the Exchange's decision becomes final or, if applicable, upon the conclusion of any review by the SEC or the federal courts.

(8) Failure to Appear at Hearing. If a Respondent fails to appear at a hearing for which it has notice, the allegations in the notice and accompanying declaration may be deemed admitted, and the Hearing Panel may issue a suspension order without further proceedings. If the Exchange fails to appear at a hearing for which it has notice, the Hearing Panel may order that the suspension proceeding be dismissed.

(d) Issuance of Suspension Order by Hearing Panel

(1) Basis for Issuance. The Hearing Panel shall issue a written decision stating whether a suspension order shall be imposed. The Hearing Panel shall issue the decision not later than ten days after receipt of the hearing transcript, unless otherwise extended by the Chairman of the Hearing Panel with the consent of the Parties for good cause shown. A suspension order shall be imposed if the Hearing Panel finds:

(A) by a preponderance of the evidence that the alleged violation specified in the notice has occurred; and

(B) that the violative conduct or continuation thereof is likely to result in significant market disruption or other significant harm to investors.

(2) Content, Scope, and Form of Order. A suspension order shall:

(A) be limited to: (i) ordering a Respondent to cease and desist from violating Rule 12.15, and/or (ii) ordering a Respondent to cease and desist from providing access to the Exchange to a client of Respondent that is causing violations of Rule 12.15;

(B) set forth the alleged violation and the significant market disruption or other significant harm to investors that is likely to result without the issuance of an order;

(C) (describe in reasonable detail the act or acts the Respondent is to take or refrain from taking and to suspend the Respondent unless and until such action is taken or refrained from; and

(D) include the date and hour of its issuance.

(3) Duration of Order. A suspension order shall remain effective and enforceable unless modified, set aside, limited, or revoked pursuant to paragraph (e), below.

(4) Service. The Hearing Panel's decision and any suspension order shall be served by personal service or overnight commercial courier. The suspension order shall be effective upon service.

(e) Review by Hearing Panel

At any time after the Respondent is served with a suspension order, a Party may apply to the Hearing Panel to have the order modified, set aside, limited, or revoked. The application shall set forth with specificity the facts that support the request. The Hearing Panel shall respond to the request in writing within ten days after receipt of the request, unless otherwise extended by the Chairman of the Hearing Panel with the consent of the Parties for good cause shown. The Hearing Panel's response shall be served on the Respondent via personal service or overnight commercial courier. The filing of an application under this Rule shall not stay the effectiveness of the suspension order.

(f) Application to SEC for Review

Sanctions imposed pursuant to this Rule constitute final and immediately effective disciplinary sanctions imposed by the Exchange. The right to have any action under this Rule reviewed by the SEC is governed by Section 19 of the Exchange Act. The filing of an application for review shall not stay the effectiveness of a suspension order unless the SEC otherwise orders.

[Adopted March 30, 2016 (SR-BatsEDGX-2016-04)]

Rule 8.18. Release of Disciplinary Complaints, Decisions and Other Information

(a) General Standards

(1) The Exchange shall release to the public a copy of, and at the Exchange's discretion information with respect to, any disciplinary complaint or disciplinary decision issued by the Exchange, as defined in paragraph (e) of this Rule. The Exchange shall, in response to a request, release to the requesting party a copy of any identified disciplinary complaint or disciplinary decision issued by the Exchange, as defined in paragraph (e) of this Rule.

(2) The Exchange shall release to the public a copy of, and at the Exchange's discretion information with respect to, any client suspension order issued by the Exchange pursuant to Rule 8.17.

(b) Release Specifications

(1) Copies of, and information with respect to, any disciplinary complaint released to the public pursuant to paragraph (a) of this Rule shall indicate that a disciplinary complaint represents the initiation of a formal proceeding by the Exchange in which findings as to the allegations in the complaint have not been made and does not represent a decision as to any of the allegations contained in the complaint.

(2) Copies of, and information with respect to, any disciplinary decision released to the public pursuant to paragraph (a) of this Rule prior to the expiration of the time period provided for an appeal or call for review as permitted under Exchange Rules or the Act, or while such an appeal or call for review is pending, shall indicate that the findings and sanctions imposed therein are subject to review and modification by the Exchange or the SEC.

(c) Discretion to Redact Certain Information or Waive Publication

(1) Notwithstanding paragraph (a) of this Rule, the Exchange reserves the right to redact, on a case-by-case basis, information that contains confidential customer information, including customer identities, or information that raises significant identity theft, personal safety, or privacy concerns that are not outweighed by investor protection concerns.

(2) Notwithstanding paragraph (a) of this Rule, the Exchange may determine, in its discretion, to waive the requirement to release a copy of, or information with respect to, any disciplinary complaint or disciplinary decision under those extraordinary circumstances where the release of such information would violate fundamental notions of fairness or work an injustice.

(d) Notice of Appeals of Exchange Decisions to the Commission

The Exchange shall provide notice to the public if a disciplinary decision of the Exchange is appealed to the Commission and the notice shall state whether the effectiveness of the decision has been stayed pending the outcome of proceedings before the Commission.

(e) Definitions

(1) For the purpose of this Rule, the term “disciplinary complaint” shall mean any statement of charges issued pursuant to Rule 8.4 or any notice served pursuant to Rule 8.17.

(2) For the purpose of this Rule, the term “disciplinary decision” shall mean any decision issued pursuant to the Chapter VIII, including, decisions issued by a Hearing Panel or the Appeals Committee, accepted offers of settlement, and suspension orders pursuant to Rule 8.17; provided, however, minor rule violation plan letters issued pursuant to Rules 8.15 and 25.3 are not subject to this Rule.

[Adopted November 3, 2016 (SR-BatsEDGX-2016-64)]

CHAPTER IX. ARBITRATION

Rule 9.1. Code of Arbitration

Every Member or associated person of a Member shall be subject to the 12000 and 13000 Series of FINRA's Manual, the Code of Arbitration Procedure for Customer and Industry Disputes, respectively ("FINRA Code of Arbitration"), as the same may be in effect from time to time, except as may be specified in this Chapter IX, for every claim, dispute or controversy arising out of or in connection with matters eligible for submission under Rule 9.2 ("Exchange arbitrations"). For purposes of Exchange arbitrations, defined terms used in this Chapter IX and not otherwise defined herein shall have the same meaning as those prescribed in the FINRA Code of Arbitration, and procedures contained in the FINRA Code of Arbitration shall have the same application as toward Exchange arbitrations. Members shall comply with any FINRA rules and interpretations thereof incorporated by reference as if such rules and interpretations were part of the Exchange's Rules.

[Adopted March 12, 2010; amended February 5, 2014 (SR-EDGX-2014-01)]

Rule 9.2. Matters Eligible for Submission

The FINRA Code of Arbitration is prescribed and adopted for the arbitration of any dispute, claim or controversy arising out of or in connection with the business of any Member, or arising out of the employment or termination of employment of associated person(s) with any Member:

- (a) between or among Members;
- (b) between or among Members and associated persons; and
- (c) between or among Members or associated persons and public customers, or others; except any type of dispute, claim or controversy that is not permitted to be arbitrated under the FINRA Code of Procedure.

[Adopted March 12, 2010; amended February 5, 2014 (SR-EDGX-2014-01)]

Rule 9.3. Predispute Arbitration Agreements

The requirements of FINRA Rule 2268 shall apply to predispute arbitration agreements between Members and their customers as if such rule were part of the Exchange's Rules.

[Adopted March 12, 2010; amended February 5, 2014 (SR-EDGX-2014-01)]

Rule 9.4. Referrals

If any matter comes to the attention of an arbitrator during and in connection with the arbitrator's participation in a proceeding, either from the record of the proceeding or from material or communications related to the proceeding, that the arbitrator has reason to believe may constitute a violation of the Exchange's Rules or the federal securities laws, the arbitrator may initiate a referral of the matter to the Exchange for disciplinary investigation; provided, however, that any such referral should only be initiated by an arbitrator after the matter before him has been settled

or otherwise disposed of, or after an award finally disposing of the matter has been rendered pursuant to Rule 12904 or 13904, as applicable, of the FINRA Code of Arbitration.

Rule 9.5. Failure to Act under Provisions of FINRA Code of Arbitration

(a) It may be deemed conduct inconsistent with just and equitable principles of trade and a violation of Rule 3.1 for a Member or a person associated with a Member to

(1) fail to submit a dispute for arbitration under the FINRA Code of Arbitration as required by the Code;

(2) fail to comply with any injunctive order issued pursuant to the FINRA Code of Arbitration;

(3) fail to appear or to produce any document in his or her or its possession or control as directed pursuant to provisions of the FINRA Code of Arbitration;

(4) fail to honor an award, or comply with a written and executed settlement agreement, obtained in connection with an arbitration submitted for disposition under the FINRA Code of Arbitration where timely motion has not been made to vacate or modify such award pursuant to applicable law; or

(5) fail to comply with a written and executed agreement obtained in connection with a mediation submitted for disposition pursuant to the FINRA Code of Mediation.

(b) Action by Members requiring associated persons to waive the arbitration of disputes contrary to the provisions of the FINRA Code of Arbitration shall constitute conduct that is inconsistent with just and equitable principles of trade and a violation of Rule 3.1.

[Adopted March 12, 2010; amended February 5, 2014 (SR-EDGX-2014-01)]

Rule 9.6. Non-Waiver of Exchange's Rights

The submission of any matter to arbitration or mediation under this Chapter IX shall in no way limit or preclude any right, action or determination by the Exchange which it would otherwise be authorized to adopt, administer or enforce.

[Adopted March 12, 2010; amended February 5, 2014 (SR-EDGX-2014-01)]

Rule 9.7. Mediation

Members and associated persons of a Member may voluntarily agree to submit matters for mediation in accordance with the requirements of the 14000 Series of FINRA's Manual, the Code of Mediation Procedure ("FINRA Code of Mediation"), as the same may be in effect from time to time ("Exchange mediations"). For purposes of Exchange mediations, defined terms used in this Chapter IX and not otherwise defined herein shall have the same meaning as those prescribed in the FINRA Code of Mediation, and procedures contained in the FINRA Code of Mediation shall

have the same application as toward Exchange mediations. Members shall comply with any FINRA rules and interpretations thereof incorporated by reference as if such rules and interpretations were part of the Exchange's Rules.

[Adopted February 5, 2014 (SR-EDGX-2014-01)]

Rule 9.8. Regulatory Services Agreement with FINRA

Pursuant to Rule 13.7, the Exchange and FINRA are parties to a regulatory services agreement pursuant to which FINRA has agreed to perform certain functions described in this Chapter on behalf of the Exchange. Therefore, FINRA staff will perform the functions described in the FINRA Code of Arbitration and the FINRA Code of Mediation with regard to Exchange arbitrations and Exchange mediations, respectively, in the same manner as if they were FINRA arbitrations and FINRA mediations, respectively.

[Adopted February 5, 2014 (SR-EDGX-2014-01)]

CHAPTER X. ADVERSE ACTION

Rule 10.1. Scope of Chapter

This Chapter provides the procedure for persons who are or are about to be aggrieved by adverse action, including, but not limited to, those persons who have been denied membership in the Exchange, barred from becoming associated with a Member, or prohibited or limited with respect to Exchange services pursuant to the By-Laws or the Rules of the Exchange (other than disciplinary action for which review is provided in Chapter VIII and other than an arbitration award, from which there is no Exchange review), to apply for an opportunity to be heard and to have the complained of action reviewed.

Rule 10.2. Submission and Time Limitation on Application to Exchange

A person who is or will be aggrieved by any action of the Exchange within the scope of this Chapter and who desires to have an opportunity to be heard with respect to such action shall file a written application with the Exchange within 15 business days after being notified of such action. The application shall state the action complained of and the specific reasons why the applicant takes exception to such action and the relief sought. In addition, if the applicant intends to submit any additional documents, statements, arguments or other material in support of the application, the same should be so stated and identified.

Rule 10.3. Procedure Following Applications for Hearing

(a) Appeals Committee

Applications for hearing and reviewing shall be referred promptly by the Exchange to the Appeals Committee. A record of the proceedings shall be kept.

(b) Documents

The Appeals Committee will set a hearing date and shall be furnished with all materials relevant to the proceedings at least 72 hours prior to the date of the hearing. Each party shall have the right to inspect and copy the other party's materials prior to the hearing. Hearings shall be held promptly, particularly in the case of a summary suspension pursuant to Chapter VII of these Rules.

Rule 10.4. Hearing and Decision

(a) Participants

The parties to the hearing shall consist of the applicant and a representative of the Exchange who shall present the reasons for the action taken by the Exchange which allegedly aggrieved the applicant.

(b) Counsel

The applicant is entitled to be accompanied, represented and advised by counsel at all stages of the proceedings.

(c) Conduct of Hearing

The Appeals Committee shall determine all questions concerning the admissibility of evidence and shall otherwise regulate the conduct of the hearing. Each of the parties shall be permitted to make an opening statement, present witnesses and documentary evidence, cross-examine opposing witnesses and present closing arguments orally or in writing as determined by the panel. The Appeals Committee also shall have the right to question all parties and witnesses to the proceeding and a record shall be kept. The formal rules of evidence shall not apply.

(d) Decision

The decision of the Appeals Committee shall be made in writing and shall be sent to the parties to the proceeding. Such decisions shall contain the reasons supporting the conclusions of the panel.

Rule 10.5. Review

(a) Petition

The decision of the Appeals Committee shall be subject to review by the Board either on its own motion within 20 business days after issuance of the decision or upon written request submitted by the applicant below, or by the CRO of the Exchange, within 15 business days after issuance of the decision. Such petition shall be in writing and shall specify the findings and conclusions to which exceptions are taken together with the reasons for such exceptions. Any objection to a decision not specified by written exception shall be considered to have been abandoned and may be disregarded. Parties may petition to submit a written argument to the Board and may request an opportunity to make an oral argument before the Board. The Board shall have sole discretion to grant or deny either request.

(b) Conduct of Review

The review shall be conducted by the Board. The review shall be made upon the record and shall be made after such further proceedings, if any, as the Board may order. Based upon such record, the Board may affirm, reverse or modify, in whole or in part, the decision below. The decision of the Board shall be in writing, shall be sent to the parties to the proceeding and shall be final.

Rule 10.6. Miscellaneous Provisions

(a) Service of Notice

Any notices or other documents may be served upon the applicant either personally or by leaving the same at his place of business or by deposit in the United States post office, postage prepaid, by registered or certified mail, addressed to the applicant at his last known business or residence address.

(b) Extension of Time Limits

Any time limits imposed under this Chapter for the submission of answers, petitions or other materials may be extended by permission of the Exchange. All papers and documents relating to review by the Appeals Committee or the Board must be submitted to the Exchange.

Rule 10.7. Agency Review

Actions taken by the Exchange under this Chapter shall be subject to the review and action of any appropriate regulatory agency under the Act.

CHAPTER XI. TRADING RULES

Rule 11.1. Hours of Trading and Trading Days

(a) Orders may be entered on the Exchange, executed on the Exchange or routed away from the Exchange during Regular Trading Hours, the Early Trading Session, the Pre-Opening Session, the Regular Session, and the Post-Closing Session.

(1) Trading Sessions. All orders are eligible for execution during the Regular Session. Orders may be entered into the System from 6:00 a.m. until 8:00 p.m. Eastern Time. Orders entered between 6:00 a.m. and 7:00 a.m. Eastern Time are not eligible for execution until the start of the Early Trading Session, Pre-Opening Session or Regular Trading Hours, depending on the Time-in-Force selected by the User. The Exchange will not accept the following orders prior to 7:00 a.m. Eastern Time: orders with a Post Only instruction, ISOs, Market Orders other than those with a TIF instruction of Regular Hours Only or a Stop Price, orders with a Minimum Execution Quantity instruction that also include a TIF instruction of Regular Hours Only, and all orders with a TIF instruction of IOC or FOK. At the commencement of the Early Trading Session, orders entered between 6:00 a.m. and 7:00 a.m. Eastern Time will be handled in time sequence, beginning with the order with the oldest time stamp, and will be placed on the EDGX Book, routed, cancelled, or executed in accordance with the terms of the order.

(b) The Exchange will be open for the transaction of business on business days. The Exchange will not be open for business on the following holidays: New Years Day, Dr. Martin Luther King Jr. Day, Presidents Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day or Christmas. When any holiday observed by the Exchange falls on a Saturday, the Exchange will not be open for business on the preceding Friday. When any holiday observed by the Exchange falls on a Sunday, the Exchange will not be open for business on the following Monday, unless otherwise indicated by the Exchange.

(c) The Chief Executive Officer of the Exchange shall have the power to halt, suspend trading in any and all securities traded on the Exchange, to close some or all Exchange facilities, and to determine the duration of any such halt, suspension, or closing, when he deems such action necessary for the maintenance of fair and orderly markets, the protection of investors, or otherwise in the public interest including special circumstances such as (1) actual or threatened physical danger, severe climatic conditions, civil unrest, terrorism, acts of war, or loss or interruption of facilities utilized by the Exchange, (2) a request by a governmental agency or official, or (3) a period of mourning or recognition for a person or event. No such action shall continue longer than a period of two days, or as soon thereafter as a quorum of Directors can be assembled, unless the Board approves the continuation of such suspension.

[Adopted March 12, 2010; amended October 29, 2014 (SR-EDGX-2014-18); amended January 12, 2015 (SR-EDGX-2015-03); amended April 6, 2016 (SR-EDGX-2016-06); amended December 19, 2019 (SR-CboeEDGX-2019-070)]

Rule 11.2. Securities Eligible for Trading

(a) The Exchange shall designate securities for trading. Any class of securities listed or admitted to unlisted trading privileges on the Exchange pursuant to Chapter XIV of these Rules shall be eligible to become designated for trading on the Exchange. All securities designated for trading are eligible for odd-lot, round-lot and mixed-lot executions, unless otherwise indicated by the Exchange or limited pursuant to these Rules.

(b) Notwithstanding paragraph (a) above, the Exchange may determine not to designate for trading any security admitted to unlisted trading privileges on the Exchange pursuant to Chapter XIV of these Rules when that security's consolidated average daily trading volume is equal to or less than 2,500 shares during the preceding 90 calendar days.

(c) Any security not designated for trading by the Exchange pursuant to subparagraph (b) of this Rule may be designated for trading by the Exchange if its consolidated average daily trading volume exceeds 5,000 shares over any 90 calendar day period since the security was not designated for trading pursuant to subparagraph (b) of this Rule. Nothing in this paragraph (c) shall limit the Exchange's ability to designate a security for trading pursuant to paragraph (a) of this Rule.

(d) The Exchange shall provide notice to Members at least one trading day in advance of any securities it is making unavailable for trading pursuant to subparagraph (b) of this Rule, and any securities it is making available for trading under subparagraph (c) of Rule 11.2.

[Adopted March 12, 2010; amended July 2, 2015 (SR-EDGX-2015-21 Amendment No. 1)]

Rule 11.3. Access

(a) General. The System shall be available for entry and execution of orders by Users with authorized access. To obtain authorized access to the System, each User must enter into a User Agreement with the Exchange in such form as the Exchange may provide ("User Agreement").

(b) Sponsored Participants. A Sponsored Participant may obtain authorized access to the System only if such access is authorized in advance by one or more Sponsoring Members as follows:

(1) Sponsored Participants must enter into and maintain customer agreements with one or more Sponsoring Members establishing proper relationship(s) and account(s) through which the Sponsored Participant may trade on the System. Such customer agreement(s) must incorporate the Sponsorship Provisions set forth in paragraph (2) below.

(2) For a Sponsored Participant to obtain and maintain authorized access to the System, a Sponsored Participant and its Sponsoring Member must agree in writing to the following Sponsorship Provisions:

(A) Sponsored Participant and its Sponsoring Member must have entered into and maintained a User Agreement with the Exchange.

(B) Sponsoring Member acknowledges and agrees that:

(1) All orders entered by the Sponsored Participants and any person acting on behalf of or in the name of such Sponsored Participant and any executions occurring as a result of such orders are binding in all respects on the Sponsoring Member, and

(2) Sponsoring Member is responsible for any and all actions taken by such Sponsored Participant and any person acting on behalf of or in the name of such Sponsored Participant.

(C) Sponsoring Member shall comply with the Exchange's Certificate of Incorporation, By-Laws, Rules and procedures, and Sponsored Participant shall comply with the Exchange's Certificate of Incorporation, By-Laws, Rules and procedures, as if Sponsored Participant were a Member.

(D) Sponsored Participant shall maintain, keep current and provide to the Sponsoring Member, and to the Exchange upon request, a list of Authorized Traders who may obtain access to the System on behalf of the Sponsored Participant. Sponsored Participant shall be subject to the obligations of Rule 11.4 with respect to such Authorized Traders.

(E) Sponsored Participant shall familiarize its Authorized Traders with all of the Sponsored Participant's obligations under this Rule and will assure that they receive appropriate training prior to any use or access to the System.

(F) Sponsored Participant may not permit anyone other than Authorized Traders to use or obtain access to the System.

(G) Sponsored Participant shall take reasonable security precautions to prevent unauthorized use or access to the System, including unauthorized entry of information into the System, or the information and data made available therein. Sponsored Participant understands and agrees that Sponsored Participant is responsible for any and all orders, trades and other messages and instructions entered, transmitted or received under identifiers, passwords and security codes of Authorized Traders, and for the trading and other consequences thereof.

(H) Sponsored Participant acknowledges its responsibility to establish adequate procedures and controls that permit it to effectively monitor its employees', agents' and customers' use and access to the System for compliance with the terms of this agreement.

(I) Sponsored Participant shall pay when due all amounts, if any, payable to Sponsoring Member, the Exchange or any other third parties that arise

from the Sponsored Participant's access to and use of the System. Such amounts include, but are not limited to applicable exchange and regulatory fees.

(3) The Sponsoring Member must provide the Exchange with a written statement in form and substance acceptable to the Exchange identifying each Sponsored Participant by name and acknowledging its responsibility for the orders, executions and actions of such Sponsored Participant.

[Adopted March 12, 2010; amended August 22, 2012 (SR-EDGX-2012-24); amended December 29, 2014 (SR-EDGX-2014-33)]

Rule 11.4. Authorized Traders

(a) A Member shall maintain a list of ATs who may obtain access to the System on behalf of the Member or the Member's Sponsored Participants. The Member shall update the list of ATs as necessary. Members must provide the list of ATs to the Exchange upon request.

(b) A Member must have reasonable procedures to ensure that all ATs comply with all Exchange Rules and all other procedures related to the System.

(c) A Member must suspend or withdraw a person's status as an AT if the Exchange has determined that the person has caused the Member to fail to comply with the Rules of the Exchange and the Exchange has directed the Member to suspend or withdraw the person's status as an AT.

(d) A Member must have reasonable procedures to ensure that the ATs maintain the physical security of the equipment for accessing the facilities of the Exchange to prevent the improper use or access to the systems, including unauthorized entry of information into the systems.

(e) To be eligible for registration as an AT of a Member a person must successfully complete the General Securities Representative Examination (Series 7), the Securities Traders Qualification Examination (Series 57) and any other training and/or certification programs as may be required by the Exchange. An individual required to register as either the General Securities Representative or a Securities Trader must also take and pass the Securities Industry Essentials Examination ("SIE").

[Adopted March 12, 2010; amended October 27, 2010 (SR-EDGX-2010-15); amended February 1, 2012 (SR-EDGX-2012-04); amended January 4, 2016 (SR-EDGX-2015-66); amended October 1, 2018 (SR-CboeEDGX-2018-040)]

Rule 11.5. Input of Accurate Information

Members of the Exchange shall input accurate information into the System, including, but not limited to, whether the Member is acting in a principal, agent, or riskless principal capacity for each order it enters. If such capacity is not inputted by the Member for each order it enters, the Member's order will be rejected back by the Exchange.

[Adopted March 12, 2010; amended October 20, 2010 (SR-EDGX-2010-14); amended December 13, 2010 (SR-EDGX-2010-24); amended February 25, 2011 (SR-EDGX-2011-04); amended March 18, 2011 (SR-EDGX-2011-06); amended August 24, 2012 (SR-EDGX-2012-25); amended July 26, 2012 (SR-EDGX-2012-32); amended September 25, 2012 (SR-EDGX-2012-44); amended December 27, 2012 (SR-EDGX-2012-49); amended April 8, 2013 (SR-EDGX-2013-08); amended June 24, 2013 (SR-EDGX-2013-23); amended March 31, 2014 (SR-EDGX-2011-05); amended April 21, 2014 (SR-EDGX-2014-14); amended October 29, 2014 (SR-EDGX-2014-18)]

Rule 11.6. Definitions

For purposes of this Chapter XI, the following definitions shall apply:

(a) **Attributable.** An instruction to designate an order for display (price and size) on the EDGX Book Feed that includes the Member's market participant identifier ("MPID").

(1) **Non-Attributable.** Unless the User elects otherwise, all orders will be automatically defaulted by the System to Non-Attributable, and displayed (price and size) on the EDGX Book Feed on an anonymous basis by the System.

(2) A User may elect an order be Attributable on an order-by-order basis or instruct the Exchange to default all its orders as Attributable on a port-by-port basis. A Member that instructs the Exchange to default all its orders as Attributable on a particular port will be able to override such setting and designate an individual order from that port as Non-Attributable.

(b) **Cancel Back.** An instruction the User may attach to an order instructing the System to immediately cancel the order when, if displayed by the System on the EDGX Book at the time of entry, or upon return to the System after being routed away, would create a violation of Rule 610(d) of Regulation NMS or Rule 201 of Regulation SHO, or the order cannot otherwise be executed or posted by the System to the EDGX Book at its limit price.

(c) **Crossing Quotation.** The display of a bid (offer) for an NMS stock at a price that is higher (lower) than the price of an offer (bid) for such NMS stock previously disseminated pursuant to an effective national market system plan in violation of Rule 610(d) of Regulation NMS.

(d) **Discretionary Range.** An instruction the User may attach to an order to buy (sell) a stated amount of a security at a specified, displayed or non-displayed ranked price with discretion to execute up (down) to another specified, non-displayed price. Resting orders with a Discretionary Range instruction will be executed at a price that uses the minimum amount of discretion necessary to execute the order against an incoming order. An order with a Discretionary Range instruction resting on the EDGX Book will execute at its least aggressive price when matched for execution against an incoming order that also contains a Discretionary Range instruction, as permitted by the terms of both the incoming and resting order. To the extent an order with a Discretionary Range instruction's displayed or non-displayed ranked price is equal to an incoming order with a Post Only instruction that does not remove liquidity on entry pursuant to Rule 11.6(n)(4), the order with a Discretionary Range instruction will remove liquidity against

such incoming order. Any contra-side order that executes against a resting order with a Discretionary Range instruction at its displayed or non-displayed ranked price or that contains a time-in-force of Immediate-or-Cancel or Fill-or-Kill and a price in the discretionary range will remove liquidity against the order with a Discretionary Range instruction. Any contra-side order with a time-in-force other than Immediate-or-Cancel or Fill-or-Kill and a price in the discretionary range but not at the displayed or non-displayed ranked price will be posted to the EDGX Book and then the Discretionary Order will remove liquidity against such posted order. An order with a Discretionary Range instruction that is eligible for routing away pursuant to Rule 11.11 will be routed away from the Exchange at its full discretionary price.

(e) Display Options

(1) Displayed. An instruction the User may attach to an order stating that the order is to be displayed by the System on the EDGX Book. Unless the User elects otherwise, all orders eligible to be displayed on the EDGX Book will be automatically defaulted by the System to Displayed.

(2) Non-Displayed. An instruction the User may attach to an order stating that the order is not to be displayed by the System on the EDGX Book. An order with a Non-Displayed instruction that is to be re-routed pursuant to the Post to Away routing option set forth in Rule 11.11(g)(12) will be identified as Non-Displayed when routed to an away Trading Center.

(f) Locking Price. The price at which an order to buy (sell), that if displayed by the System on the EDGX Book, either upon entry into the System, or upon return to the System after being routed away, would be a Locking Quotation.

(g) Locking Quotation. The display of a bid for an NMS stock at a price that equals the price of an offer for such NMS stock previously disseminated pursuant to an effective national market system plan, or the display of an offer for an NMS stock at a price that equals the price of a bid for such NMS stock previously disseminated pursuant to an effective national market system plan in violation of Rule 610(d) of Regulation NMS.

(h) Minimum Execution Quantity. An instruction a User may attach to an order with a Non-Displayed instruction or a Time-in-Force of Immediate-or-Cancel requiring the System to execute the order only to the extent that a minimum quantity can be satisfied. By default, an order with the Minimum Execution Quantity instruction will execute upon entry against a single order or multiple aggregated orders simultaneously. A User may alternatively specify the order not execute against multiple aggregated orders simultaneously and that the minimum quantity condition be satisfied by each individual order resting on the EDGX Book. If there are such orders, but there are also orders that do not satisfy the minimum quantity condition, the order with the Minimum Execution Quantity instruction will execute against orders resting on the EDGX Book in accordance with Rule 11.9, Order Priority, until it reaches an order that does not satisfy the minimum quantity condition, and then the remainder of the order will be posted to the EDGX Book or cancelled in accordance with the terms of the order. If, upon entry, there are no orders that satisfy the minimum quantity condition resting on the EDGX Book, the order will either be posted to the EDGX Book or cancelled in accordance with the terms of the order. Where there is

insufficient size to satisfy an incoming order's minimum quantity condition, that incoming order will not trade and will be posted on the EDGX Book at its limit price. However, an order with a Minimum Execution Quantity will be cancelled where, if posted, it would cross the displayed price of an order on the EDGX Book. An order to buy (sell) with a Minimum Execution Quantity instruction that is ranked in the EDGX Book will not be eligible to trade: (i) at a price equal to or above (below) any sell (buy) orders that are Displayed and that have a ranked price equal to or below (above) the price of such order with a Minimum Execution Quantity instruction; or (ii) at a price above (below) any sell (buy) order that is Non-Displayed and has a ranked price below (above) the price of such order with a Minimum Execution Quantity instruction. However, an order with a Minimum Execution Quantity instruction that crosses an order on the EDGX Book may execute at a price less aggressive than its ranked price against an incoming order so long as such execution is consistent with the above restrictions. An order with a Minimum Execution Quantity instruction may be partially executed so long as the execution size of the individual order or aggregate size of multiple orders, as applicable, is equal to or exceeds the quantity provided in the instruction. Any shares remaining after a partial execution will continue to be executed at a size that is equal to or exceeds the quantity provided in the instruction. If posted to the EDGX Book, the order may only execute against individual incoming orders with a size that satisfies the minimum quantity condition. An order with the Minimum Execution Quantity instruction cedes execution priority when it would lock or cross an order against which it would otherwise execute if it were not for the minimum execution size restriction. If a resting Non-Displayed sell (buy) order did not meet the minimum quantity condition of a same-priced resting order to buy (sell) with a Minimum Execution Quantity instruction, a subsequently arriving sell (buy) order that meets the minimum quantity condition will trade ahead of such resting Non-Displayed sell (buy) order at that price. Where the number of shares remaining after a partial execution are less than the quantity provided in the instruction, the Minimum Execution Quantity shall be equal to the number of shares remaining. An order that includes a Minimum Execution Quantity instruction is not eligible to be routed to another Trading Center in accordance with Rule 11.11.

(i) Minimum Price Variation. Bids, offers, or orders in securities traded on the Exchange shall not be made in an increment smaller than: (i) \$0.01 if those bids, offers, or orders are priced equal to or greater than \$1.00 per share; or (ii) \$0.0001 if those bids, offers, or orders are priced less than \$1.00 per share; or (iii) any other increment established by the Commission for any security which has been granted an exemption from the minimum price increments requirements of SEC Rule 612(a) or 612(b) of Regulation NMS.

(j) Pegged. An instruction to automatically re-price an order in response to changes in the NBBO. For purposes of the Pegged instruction, the System's calculation of the NBBO does not take into account any orders with Pegged instructions that are resting on the EDGX Book. A User selecting a Pegged instruction can specify that the order's price will peg to the NBB or NBO or a certain amount away from the NBB or NBO (offset). An order with a Pegged instruction will not be eligible for execution when the NBB or NBO that it is pegged to is no longer available. Orders with a Pegged instruction are not eligible for routing pursuant to Rule 11.11. A new time stamp is created for the order each time it is automatically re-priced, including when an order that has been ineligible for execution again becomes eligible for execution because the NBB or NBO it is pegged to becomes available.

(1) Market Peg. An order with instructions to peg to the NBB, for a sell order, or the NBO, for a buy order. A User may, but is not required to, select an offset for an order to buy (sell) that is equal to or greater than one Minimum Price Variation below (above) the NBO (NBB) that the order is pegged to. An order with a Market Peg instruction is not eligible for display on the EDGX Book.

(2) Primary Peg. An order with instructions to peg to the NBB, for a buy order, or the NBO, for a sell order. A User may, but is not required to, select an offset equal to or greater than one Minimum Price Variation above or below the NBB or NBO that the order is pegged to ("Primary Offset Amount"). The Primary Offset Amount for an order with Primary Peg instruction that is to be displayed on the EDGX Book must result in the price of such order being inferior to or equal to the inside quote on the same side of the market. When the EDGX Book is crossed by another market, an order with a Primary Peg instruction will be automatically adjusted to the current NBO (for bids) or the current NBB (for offers). If an order with a Primary Peg instruction would otherwise be a Locking Quotation or Crossing Quotation, the price of the order will be automatically adjusted by the System to one Minimum Price Variation below the current NBO (for bids) or to one Minimum Price Variation above the current NBB (for offers).

(k) Permitted Price. The price at which a sell order will be displayed at one Minimum Price Variation above the NBB.

(l) Re-Pricing.

(1) Re-Pricing Instructions to Comply with Rule 610(d) of Regulation NMS

(A) Price Adjust.

(i) An order instruction requiring that where an order would be a Locking Quotation of an external market or Crossing Quotation if displayed by the System on the EDGX Book at the time of entry, the order will be displayed and ranked at a price that is one Minimum Price Variation lower (higher) than the Locking Price for orders to buy (sell). The ranked and displayed prices of an order subject to the Price Adjust instruction will only be adjusted once, unless the User elects that the order be adjusted multiple times in response to changes to the prevailing NBBO.

(ii) The order will be displayed and ranked at the Locking Price if: the NBBO changes such that the order, if displayed at the Locking Price would not be a Locking Quotation or Crossing Quotation, including when an Intermarket Sweep Order ("ISO") with a time-in-force ("TIF") instruction of Day is entered into the System and displayed on the EDGX Book on the same side of the market as the order at a price that is equal to or more aggressive than the Locking Price. Unless a User has elected the multiple re-pricing option, the order would not be subject to further re-ranking and will be displayed on the EDGX Book at the Locking Price until executed or cancelled by the User. An order subject to the multiple

re-pricing option will be further re-ranked and re-displayed to the extent it can permissibly be ranked and displayed at a more aggressive price based on changes to the prevailing NBBO.

(iii) The order will receive a new time stamp at the time it is re-ranked. Pursuant to Rule 11.9, all orders that are re-ranked and re-displayed pursuant to the Price Adjust instruction will retain their priority as compared to each other based upon the time such orders were initially received by the System.

(iv) Any display-eligible order with a Price Adjust instruction and a Post Only instruction that would be a Locking Quotation or Crossing Quotation of the Exchange upon entry will be executed as set forth in Rule 11.6(n)(4) or cancelled.

(B) Display-Price Sliding.

(i) An order instruction requiring that where an order would be a Locking Quotation or Crossing Quotation of an external market if displayed by the System on the EDGX Book at the time of entry, will be ranked at the Locking Price in the EDGX Book and displayed by the System at one Minimum Price Variation lower (higher) than the Locking Price for orders to buy (sell). A User may elect to have the System only apply the Display-Price Sliding instruction to the extent a display-eligible order at the time of entry would be a Locking Quotation. For Users that select this portion of the Display-Price Sliding instruction, any order will be cancelled if, upon entry, such order would be a Crossing Quotation of an external market.

(ii) An order subject to the Display-Price Sliding instruction will retain its original limit price irrespective of the prices at which such order is ranked and displayed. In the event the NBBO changes such that an order subject to the Display-Price Sliding instruction would not be a Locking Quotation or Crossing Quotation, the order will receive a new timestamp, and will be displayed at the most aggressive permissible price. All orders that are re-ranked and re-displayed pursuant to the Display-Price Sliding instruction will retain their priority as compared to other orders subject to the Display-Price Sliding instruction based upon the time such orders were initially received by the Exchange. Following the initial ranking and display of an order subject to the Display-Price Sliding instruction, an order will only be re-ranked and re-displayed to the extent it achieves a more aggressive price, provided, however, that the Exchange will re-rank an order at the same price as the displayed price in the event such order's displayed price would be a Locking Quotation or Crossing Quotation. Such event will not result in a change in priority for the order at its displayed price.

(iii) The ranked and displayed prices of an order subject to the Display-Price Sliding instruction may be adjusted once or multiple times depending upon the instructions of a User and changes to the prevailing NBBO. The Exchange's default Display-Price Sliding instruction will only adjust the ranked and displayed prices of an order upon entry and then the displayed price one time following a change to the prevailing NBBO, provided however, that if such an order's displayed price becomes a Locking Quotation or Crossing Quotation then the Exchange will adjust the ranked price of such order and it will not be further re-ranked or re-displayed at any other price. Orders subject to the optional multiple price sliding process will be further re-ranked and re-displayed as permissible based on changes to the prevailing NBBO.

(iv) Any display-eligible order with a Post Only instruction that would be a Locking Quotation or Crossing Quotation of the Exchange upon entry will be executed as set forth in Rule 11.6(n)(4) or cancelled. In the event the NBBO changes such that an order with a Post Only instruction subject to Display-Price Sliding instruction would be ranked at a price at which it could remove displayed liquidity from the EDGX Book, the order will be executed as set forth in Rule 11.6(n)(4) or cancelled.

(v) An order with a Post Only instruction will be permitted to post and be displayed opposite the ranked price of orders subject to Display-Price Sliding instruction. In the event an order subject to the Display-Price Sliding instruction is ranked on the EDGX Book with a price equal to an opposite side order displayed by the Exchange, it will be subject to processing as set forth in Rule 11.10(a)(4).

(2) Re-Pricing Instructions to Comply with Rule 201 of Regulation SHO.

(A) An order to sell with a Short Sale instruction that, at the time of entry, could not be executed or displayed in compliance with Rule 201 of Regulation SHO will be re-priced by the System at the Permitted Price. The Exchange's default short sale re-pricing process will only re-price an order upon entry. Depending upon the instructions of a User, to reflect declines in the NBB the System will continue to re-price and re-display a short sale order at the Permitted Price down to the order's limit price. In the event the NBB changes such that the price of an order with a Non-Displayed instruction subject to Rule 201 of Regulation SHO would be a Locking Quotation or Crossing Quotation, the order will receive a new time stamp, and will be re-priced by the System to the Permitted Price.

(B) When a Short Sale Circuit Breaker is in effect, the System may execute a sell order with a Displayed and Short Sale instruction at the price of the NBB if, at the time of initial display of the sell order with a Short Sale instruction, the order was at a price above the then current NBB.

(C) Orders with a Short Exempt instruction will not be subject to re-pricing under this section.

(D) If an order is subject to either a Display-Price Sliding instruction or a Price Adjust instruction and also contains a Short Sale instruction when a Short Sale Circuit Breaker is in effect, the re-pricing instructions to comply with Rule 201 of Regulation SHO under this Rule will apply.

(3) Re-Pricing of Non-Displayed Orders

In order to avoid potentially trading through Protected Quotations of external markets, the Exchange offers price sliding for orders with a Non-Displayed instruction that upon entry would cross a Protected Quotation of an external market that is functionally equivalent to the handling of displayable orders pursuant to the Display-Price Sliding instruction except that such orders will not have a displayed price. Orders with a Non-Displayed instruction that are subject to the Display-Price Sliding or Price Adjust instruction are ranked at the Locking Price on entry. Similarly, in the event the NBBO changes such that an order with a Non-Displayed instruction subject to the Display-Price Sliding or Price Adjust instruction would cross a Protected Quotation of an external market, the order will receive a new timestamp, and will be ranked by the System at the Locking Price. In the event an order with a Non-Displayed instruction has been re-priced by the System pursuant to this sub-paragraph (3), such order with a Non-Displayed instruction is not re-priced by the System unless it again would cross a Protected Quotation of an external market.

(m) Reserve Quantity. The portion of an order that includes a Non-Displayed instruction in which a portion of that order is also displayed on the EDGX Book. Both the portion of the order with a Displayed instruction and the Reserve Quantity are available for execution against incoming orders. The Reserve Quantity of an order that is to be re-routed pursuant to the Post to Away routing option set forth in Rule 11.11(g)(12) will be identified as an order with a Reserve Quantity when routed to an away Trading Center.

(1) Replenishment Amounts. If the portion of the order with a Displayed instruction is reduced to less than a Round Lot, the System will, in accordance with the User's instruction, replenish the displayed quantity from the Reserve Quantity using one of the below replenishment instructions. A new time stamp is created for the displayed quantity and Reserve Quantity of the order each time it is replenished from the Reserve Quantity. If the remainder of an order is less than the replenishment amount, the Exchange will replenish and display the entire remainder of the order. A User must instruct the Exchange as to the quantity of the order to be initially displayed by the System ("Max Floor") when entering an order with a Reserve Quantity, which is also used to determine the replenishment amount, as set forth below.

(A) Random Replenishment. An instruction a User may attach to the Reserve Quantity of an order where replenishment quantities for the order are randomly determined by the System within a replenishment range established by

the User. In particular, the User entering an order into the System subject to the Random Replenishment instruction must select a replenishment value and Max Floor. The actual quantity that will be initially displayed will be the Max Floor. The displayed replenishment quantities will then be determined by the System by randomly selecting a number of shares within a replenishment range that is between: (i) the Max Floor minus the replenishment value; and (ii) the Max Floor plus the replenishment value.

(B) Fixed Replenishment. For an order for which the Random Replenishment instruction has not been selected, the System will replenish the displayed quantity of the order to the Max Floor designated by the User.

(n) Routing/Posting Instructions

(1) Aggressive. An order instruction that directs the System to route the order if an away Trading Center locks or crosses the limit price of the order resting on the EDGX Book. Any routable order with a Non-Displayed instruction that is resting on the EDGX Book and is locked or crossed by an away Trading Center will be automatically routed to the Trading Center displaying the Locking Quotation or Crossing Quotation.

(2) Super Aggressive. An order instruction that directs the System to route the order if an away Trading Center locks or crosses the limit price of the order resting on the EDGX Book. A User may instruct the Exchange to apply the Super Aggressive instruction to routable orders posted to the EDGX Book with remaining size of an Odd Lot. When any order with a Super Aggressive instruction is locked by an MDO with a Displayed instruction or an incoming order with a Post Only instruction and a Displayed instruction that does not remove liquidity pursuant to Rule 11.6(n)(4) below, the order with a Super Aggressive instruction is converted to an executable order and will remove liquidity against such incoming order. Notwithstanding the foregoing, if an order displayed on the EDGX Book does not contain a Super Aggressive instruction and maintains higher priority than one or more Super Aggressive eligible orders, the Super Aggressive eligible order(s) with lower priority will not be converted, as described above, and the incoming order with a Post Only instruction will be posted or cancelled in accordance with Rule 11.6(n)(4) below.

(3) Book Only. An order instruction stating that an order will be matched against an order on the EDGX Book or posted to the EDGX Book, but will not route to an away Trading Center.

(4) Post Only. An instruction that may be attached to an order that is to be ranked and executed on the Exchange pursuant to Rule 11.9 and Rule 11.10(a)(4) or cancelled, as appropriate, without routing away to another trading center except that the order will not remove liquidity from the EDGX Book, except as described below. An order with a Post Only instruction will remove contra-side liquidity from the EDGX Book if the order is an order to buy or sell a security priced below \$1.00 or if the value of such execution when removing liquidity equals or exceeds the value of such execution if the order instead posted to the EDGX Book and subsequently provided liquidity,

including the applicable fees charged or rebates provided. To determine at the time of a potential execution whether the value of such execution when removing liquidity equals or exceeds the value of such execution if the order instead posted to the EDGX Book and subsequently provided liquidity, the Exchange will use the highest possible rebate paid and highest possible fee charged for such executions on the Exchange.

(5) Destination Specified. A User may instruct the System to route the order to a specified away Trading Center or centers, after exposing the order to the EDGX Book. Such orders that are not executed in full after routing away are processed by the Exchange as described in Rule 11.10(a)(4), unless the User has provided instructions that the order reside on the book of the relevant away Trading Center.

(6) Destination-on-Open. A User may instruct the System to route the order to a specified away Trading Center to participate in said Trading Center's opening process, without being processed by the System as described below in Rule 11.10(a)(4), and which after participating in such opening process will be returned to the EDGX Book for cancellation, execution, display, or routing pursuant to Rule 11.11 to the extent unfilled.

(7) Non-Displayed Swap ("NDS"). An instruction that may be attached to an order with a Non-Displayed instruction that when such order is resting on the EDGX Book and is locked by an incoming order with a Post Only instruction that does not remove liquidity pursuant to paragraph (4) of this rule, the order with an NDS instruction is converted to an executable order and will remove liquidity against such incoming order. An order with an NDS instruction is not eligible for routing pursuant to Rule 11.11.

(o) Short Sale. An instruction on an order which shall have the same meaning as defined in Rule 200(a) of Regulation SHO.

(p) Short Exempt. An instruction on an order with a Short Sale instruction that satisfies the requirements set forth in Rule 201 of Regulation SHO.

(q) Time-in-Force ("TIF").

(1) Immediate-or-Cancel ("IOC"). An instruction the User may attach to an order stating the order is to be executed in whole or in part as soon as such order is received. The portion not executed immediately on the Exchange or another trading center is treated as cancelled and is not posted to the EDGX Book. An order with an IOC instruction that does not include a Book Only instruction and that cannot be executed in accordance with Rule 11.10(a)(4) on the System when reaching the Exchange will be eligible for routing away pursuant to Rule 11.11.

(2) Day. An instruction the User may attach to an order stating that an order to buy or sell which, if not executed, expires at the end of Regular Trading Hours. Any Day Order entered into the System before the opening for business on the Exchange as

determined pursuant to Rule 11.1, or after the closing of Regular Trading Hours, will be rejected.

(3) Fill-or-Kill (“FOK”). An instruction the User may attach to an order stating that the order is to be executed in its entirety as soon as it is received and, if not so executed, cancelled. An order with a FOK instruction is not eligible for routing away pursuant to Rule 11.11.

(4) Good-‘til Day (“GTD”). An instruction the User may attach to an order specifying the time of day at which the order expires. Any unexecuted portion of an order with a TIF instruction of GTD will be cancelled at the expiration of the User’s specified time, which can be no later than the close of the Post-Closing Session.

(5) Good ‘til Extended Day (“GTX”). An instruction the User may attach to an order to buy or sell which, if not executed, will be cancelled by the close of the Post-Closing Session.

(6) Regular Hours Only (“RHO”). An instruction a User may attach to an order designating it for execution only during Regular Trading Hours, which includes the Opening Process and Re-Opening Process following a halt suspension or pause.

(7) Pre-Opening Session Plus (“PRE”). A limit order that is designated for execution during the Pre-Opening Session and Regular Trading Hours. Any portion not executed expires at the end of Regular Trading Hours.

(8) Pre-Opening Session ‘til Extended Day (“PTX”). A limit order that is designated for execution during the Pre-Opening Session, Regular Trading Hours, and the Post-Closing Session. Any portion not executed expires at the end of the Post-Closing Session.

(9) Pre-Opening Session ‘til Day (“PTD”). A limit order that is designated for execution during the Pre-Opening Session, Regular Trading Hours, and the Post-Closing Session. Any portion not executed will be cancelled at the expiration time assigned to the order, which can be no later than the close of the Post-Closing Session.

(r) Trading Center. Other securities exchanges, facilities of securities exchanges, automated trading systems, electronic communications networks or other brokers or dealers.

(s) Units of Trading.

(1) Round Lot. One hundred (100) shares or any multiple thereof shall constitute a Round Lot, unless an alternative number of shares is established as a Round Lot by the listing exchange for the security. Orders that are a Round Lot are eligible to be Protected Quotations.

(2) Odd Lot. Any amount less than a Round Lot. Orders of Odd Lot size are only eligible to be Protected Quotations if aggregated to form a Round Lot.

(3) Mixed Lot. Any amount greater than a Round Lot that is not an integer multiple of a Round Lot shall constitute a Mixed Lot. Odd Lot portions of orders of Mixed Lot size are only eligible to be Protected Quotations if aggregated to form a Round Lot.

[Adopted March 12, 2010; amended October 29, 2014 (SR-EDGX-2014-18); amended January 12, 2015 (SR-EDGX-2015-03); amended July 8, 2015 (SR-EDGX-2015-33); amended December 16, 2015 (SR-EDGX-2015-64); amended March 11, 2016 (SR-EDGX-2016-08); amended April 6, 2016 (SR-EDGX-2016-06); amended June 26, 2017 (SR-BatsEDGX-2017-25); amended September 11, 2017 (SR-BatsEDGX-2017-34); amended April 13, 2018 (SR-CboeEDGX-2018-008); amended July 11, 2018 (SR-CboeEDGX-2018-025); amended October 1, 2018 (SR-CboeEDGX-2018-041); amended April 24, 2019 (SR-CboeEDGX-2019-014)]

Rule 11.7. Opening Process

(a) Order Entry and Cancellation before the Opening Process. Prior to the beginning of the Regular Session, Users who wish to participate in the Opening Process may enter orders to buy or sell that include a TIF instruction of RHO. Orders cancelled before the Opening Process will not participate in the Opening Process. Any order that does not include a TIF instruction of RHO will not be eligible for participation in the Opening Process.

(1) All orders without a TIF instruction of RHO and Intermarket Sweep Orders (“ISOs”) designated RHO may execute against eligible Pre-Opening Session contra-side interest resting in the EDGX Book in the time period between the start of 9:30 a.m. Eastern Time and the Exchange’s Opening Process or a Contingent Open, as described in paragraphs (b) and (d), below. Any unexecuted portion of an ISO that is designated RHO will be converted into a non-ISO and be queued for participation in the Opening Process.

(2) All orders that include a TIF instruction of RHO may participate in the Opening Process except: Limit Orders with a Post Only instruction, the Discretionary Range of Limit Orders, ISOs not modified by Rule 11.7(a)(1), and orders with a Minimum Execution Quantity instruction. Limit Orders with a Reserve Quantity may participate to the full extent of their displayed size and Reserve Quantity. Limit Orders with a Discretionary Range may participate up to their ranked limit price for buy orders or down to their ranked limit price for sell orders. All Limit Orders with a Pegged instruction, as defined in Rule 11.6(i), will be eligible for execution in the Opening Process based on their pegged prices.

(3) The Exchange will open by attempting to execute all orders eligible for the Opening Process.

(b) Performing the Opening Process. The Exchange will attempt to perform the Opening Process, in which the Exchange matches buy and sell orders that are executable at the midpoint of the NBBO as described in paragraph (c) below. Notwithstanding Rule 11.9(a)(2)(B), all orders eligible to trade at the midpoint will be processed in time sequence, beginning with the order with the oldest time stamp. Matches will occur until there is no remaining volume or there

is an imbalance of orders (the “Opening Match”). All ERSTP modifiers, as defined in Rule 11.10(d), will be ignored as it relates to executions occurring during the Opening Match. An imbalance of orders on the buy side or sell side may result in orders that are not executed in whole or in part. Such orders may, in whole or in part, be placed on the EDGX Book, cancelled, executed, or routed to other away Trading Centers in accordance with Rule 11.11. If no matches can be made, the Opening Process will conclude with all orders that participated in the Opening Process being placed in the EDGX Book, cancelled, executed, or routed to away Trading Centers in accordance with Rule 11.11.

(c) Determining the price of the Opening Process. The price of the Opening Process will be at the midpoint of the NBBO.

(1) When the listing exchange is either the NYSE or NYSE American, the Opening Process will be priced at the midpoint of the: (i) first NBBO subsequent to the first reported trade and first two-sided quotation on the listing exchange after 9:30:00 a.m. Eastern Time; or (ii) then prevailing NBBO when the first two-sided quotation published by the listing exchange after 9:30:00 a.m. Eastern Time, but before 9:45:00 a.m. Eastern Time if no first trade is reported by the listing exchange within one second of publication of the first two-sided quotation by the listing exchange.

(2) For any other listing market, the Opening Process will be priced at the midpoint of the first NBBO subsequent to the first two-sided quotation published by the listing exchange after 9:30:00 a.m. Eastern Time.

(d) Contingent Open. If the conditions to establish the price of the Opening Process set forth under proposed Rule 11.7(c) do not occur by 9:45:00 a.m. Eastern Time, orders will be handled in time sequence, beginning with the order with the oldest time stamp, and will be placed on the EDGX Book, routed, cancelled, or executed in accordance with the terms of the order.

(e) Re-openings After a Halt. While a security is subject to a halt, other than a halt initiated pursuant to Rule 11.16(b)(2) following a Level 3 Market Decline, suspension, or pause in trading, the Exchange will accept orders eligible pursuant to paragraph (a)(2) above for queuing prior to the resumption of trading in the security for participation in the Re-Opening Process.

(1) The Re-Opening Process will occur in the same manner described in paragraphs (a)(2) and (b) above, with the following exceptions: (1) orders without a TIF instruction of RHO will be eligible for participation in the Re-Opening Process, but orders that include a TIF instruction of IOC or FOK, a Post Only instruction or Minimum Execution Quantity instruction will be cancelled or rejected, as applicable, and any ISO that does not include a TIF instruction of IOC or FOK will be converted into a non-ISO and be queued for participation in the Re-Opening Process; and (2) the Re-opening Process will occur at the midpoint of the: (i) first NBBO subsequent to the first reported trade and first two-sided quotation on the listing exchange following the resumption of trading after a halt, suspension, or pause; or (ii) then prevailing NBBO when the first two-sided quotation published by the listing exchange following the resumption of trading after a halt, suspension, or pause if no first trade is reported by the listing

exchange within one second of publication of the first two-sided quotation by the listing exchange.

(2) Where neither of the conditions required to establish the price of the Re-Opening Process in paragraph (1) above have occurred, the security may be opened for trading at the discretion of the Exchange. Where the security is opened by the Exchange subject to this discretion, orders will be handled in the same manner described in paragraph (d) above.

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Rule 11.8. Order Types

Users may enter into the System the types of orders listed in this Rule 11.8, subject to the limitations set forth in this Rule or elsewhere in these Rules.

(a) **Market Order.** An order to buy or sell a stated amount of a security that is to be executed at the NBBO or better when the order reaches the Exchange.

(1) **Stop Price.** An order may include a Stop Price which will convert the order into a Market Order when the Stop Price is triggered. An order to buy converts to a Market Order when the consolidated last sale in the security occurs at, or above, the specified Stop Price. An order to sell converts into a Market Order when the consolidated last sale in the security occurs at, or below, the specified Stop Price.

(2) **Time-In-Force.** Unless otherwise instructed by the User, the System will automatically default a Market Order to a TIF instruction of Day. A User may instead select TIF instructions of IOC, RHO, or FOK for a Market Order. A Market Order that includes a TIF instruction of FOK will be cancelled if not executed in full immediately after entry into the System. If a Market Order includes a TIF instruction of IOC, any portion of the Market Order not executed upon return to the System after being routed to an away Trading Center will be cancelled. Unless eligible to be displayed on the EDGX Book pursuant to paragraph (4) below, any portion of a Market Order with a TIF instruction of RHO will be cancelled immediately following the Opening or Re-Opening Process in which it is not executed.

(3) **Size.** Market Orders may be an Odd Lot, Round Lot, or Mixed Lot. A User may attach a Minimum Execution Quantity instruction to a Market Order with a TIF instruction of IOC.

(4) **Display.** Under Rule 11.16(e)(5), where a non-routable buy (sell) Market Order is entered into the System and the NBO (NBB) is greater (less) than the Upper (Lower) Price Band, such order will be posted by the System to the EDGX Book and priced at the Upper (Lower) Price Band, unless (i) the order includes a TIF instruction of IOC or FOK, in which case it will be cancelled if not executed, or (ii) the User entered a

Cancel Back instruction. A Market Order to buy (sell) that is posted by the System to the EDGX Book and displayed at the Upper (Lower) Price Band will be re-priced and displayed at the Upper (Lower) Price Band if Price Bands move such that the price of the resting Market Order to buy (sell) would be above (below) the Upper (Lower) Price Band or if the Price Bands move such that the order is no longer posted and displayed at the most aggressive permissible price. The System shall re-price such displayed interest to the most aggressive permissible price until the order is executed in its entirety or cancelled. A Market Order that includes both a TIF instruction of Day or RHO and a Short Sale instruction that cannot be executed because of the existence of a Short Sale Circuit Breaker will be posted and displayed by the System to the EDGX Book and priced in accordance with the Short Sale Re-Price instruction described in Rule 11.6(l)(2).

(5) Session. A Market Order is only eligible for execution by the System during the Regular Session.

(6) Routing. A Market Order may include a Book Only instruction. A Market Order that does not include a Book Only instruction, or a TIF instruction of IOC or FOK and cannot be executed in accordance with Rule 11.10(a)(4) on the System when reaching the Exchange will be eligible for routing to a Trading Center pursuant to Rule 11.11.

(7) Execution. A Market Order shall not trade through a Protected Quotation. A Market Order with a Book Only instruction will be cancelled if, when reaching the Exchange, it cannot be executed on the System in accordance with Rule 11.10. Except with respect to a Market Order with a Destination-on-Open instruction, any portion of a Market Order that would execute at a price more than \$0.50 or 5 percent worse than the NBBO at the time the order initially reaches the Exchange, whichever is greater, will be cancelled.

(b) Limit Order. An order to buy or sell a stated amount of a security at a specified price or better. A marketable Limit Order is a Limit Order to buy (sell) at or above (below) the lowest (highest) Protected Offer (Protected Bid) for the security.

(1) Stop Limit Price. An order may contain a Stop Limit Price which will convert to a Limit Order once the Stop Limit Price is triggered. A Limit Order to buy with a Stop Limit Price becomes eligible for execution by the System when the consolidated last sale in the security occurs at, or above, the specified Stop Price. A Limit Order to sell with a Stop Limit Price becomes eligible for execution by the System when the consolidated last sale in the security occurs at, or below, the specified Stop Limit Price.

(2) Time-in-Force. A Limit Order must have one of the following TIF instructions: IOC, FOK, Day, RHO, GTX, GTD, PRE, PTX, or PTD. Unless otherwise instructed by the User or as provided in paragraph (9) below, the System will automatically default a Limit Order to a TIF instruction of Day. Limit Orders with a TIF instruction of IOC that do not include a Book Only instruction and that cannot be executed in accordance with Rule 11.10(a)(4) on the System when reaching the Exchange

will be eligible for routing away pursuant to Rule 11.11. A Limit Order with a TIF instruction of FOK is not eligible for routing away pursuant to Rule 11.11.

(3) Size. A Limit Order may be an Odd Lot, Round Lot or Mixed Lot. A User may include a Minimum Execution Quantity instruction for a Limit Order with a Non-Displayed instruction or TIF of IOC.

(4) Display. A Limit Order will default to a Displayed instruction unless the User includes a Non-Displayed instruction on the order, or a portion thereof. A Limit Order with a Displayed instruction will default to a Non-Attributable instruction, unless the User selects the Attributable instruction.

(5) Reserve. A Limit Order with a Displayed instruction may include a Reserve Quantity. A Limit Order with both a Displayed instruction and Reserve Quantity must include a replenishment amount. Unless the User selects the Random Replenishment instruction, the System will automatically default the order to the Fixed Replenishment instruction with a replenishment value equal to the displayed quantity of the order.

(6) Session. A Limit Order can be eligible for execution during the Early Trading Session, Pre-Opening Session, Regular Session and the Post-Closing Session.

(7) Routing/Posting. A Limit Order may include a Post Only or Book Only instruction. A Limit Order with a Non-Displayed instruction may also include a NDS instruction. Unless a Limit Order includes a Post Only, Book Only, or NDS instruction, a marketable Limit Order will be eligible to be routed to a Trading Center pursuant to Rule 11.11. A routable Limit Order may include a Destination Specified, or Destination-On-Open instruction. A Limit Order which is routable under Rule 11.11 may also include an Aggressive or Super Aggressive instruction.

(8) Discretionary Range. A Limit Order may include a Discretionary Range instruction. A Limit Order with a Discretionary Range instruction may also include a Book Only instruction. A Limit Order with a Discretionary Range instruction and a Post Only instruction will be rejected.

The following functionality described in paragraphs (9) – (11) below is available for Limit Orders that are posted to the EDGX Book.

(9) Pegged. A User may indicate that the order include a Pegged instruction (i.e., Market Peg or Primary Peg). A Limit Order that includes a Pegged instruction is not eligible to be routed to another Trading Center in accordance with Rule 11.11. Notwithstanding paragraph (2) above, a Limit Order that includes both a Displayed instruction and Primary Peg instruction with a Primary Offset Amount (as defined in Rule 11.6(j)(2)) shall only include a TIF instruction of RHO, or if entered during Regular Trading Hours, a TIF instruction of Day.

(10) Re-Pricing Instructions to Comply with Rule 610 of Regulation NMS. A Limit Order that, if displayed at its limit price at the time of entry into the System, would

become a Locking Quotation or Crossing Quotation will be automatically defaulted by the System to the Display-Price Sliding instruction, unless the User affirmatively elects to have the order immediately Cancel Back or affirmatively elects the Price Adjust instruction. A Limit Order to buy (sell) with a limit price that would be a Crossing Quotation at the time of entry into the System will not execute at a price that is higher (lower) than the Locking Price.

(11) Re-Pricing Instruction to Comply with Rule 201 of Regulation SHO. A Limit Order that includes a Short Sale instruction that is not marked Short Exempt, and that cannot be executed in the System or displayed by the System on the EDGX Book at its limit price because a Short Sale Circuit Breaker is in effect, will be subject to the Re-Pricing Instruction to comply with Rule 201 of Regulation SHO, unless the User affirmatively elects to have the order immediately Cancel Back.

(12) Re-Pricing of Non-Displayed Limit Orders. A Limit Order with a Non-Displayed instruction that would cross a Protected Quotation of an external market will be re-priced in accordance with the Re-Pricing of orders with a Non-Displayed instruction process under Rule 11.6(l)(3). Under Rule 11.6(l)(3), a User may affirmatively elect that a buy (sell) order with a Non-Displayed instruction Cancel Back when the order's limit price would cross a Protected Quotation of an external market.

(c) Intermarket Sweep Order ("ISO"). The System will accept ISOs (as such term is defined in Regulation NMS). To be eligible for treatment as an ISO, the order must be: (i) a Limit Order; (ii) marked "ISO"; and (iii) the User entering the order must simultaneously route one or more additional Limit Orders marked "ISO," if necessary, to away Trading Centers to execute against the full displayed size of any Protected Quotation for the security with a price that is superior to the limit price of the ISO entered in the System. Such orders, if they meet the requirements of the foregoing sentence, may be executed at one or multiple price levels in the System without regard to Protected Quotations at away Trading Centers consistent with Regulation NMS (i.e., may trade through such quotations).

The Exchange relies on the marking of an order as an ISO when handling such order, and thus, it is the entering Member's responsibility, not the Exchange's responsibility, to comply with the requirements of Regulation NMS relating to ISOs. ISOs are not eligible for routing pursuant to Rule 11.11.

(1) Time-in-Force. Incoming ISOs will have a TIF instruction of Day unless the User selects a TIF instruction of GTD, RHO, GTX, IOC, PRE, PTX, or PTD. Incoming ISOs cannot include a TIF instruction of FOK. An incoming ISO with a Post Only and TIF instruction of GTD, GTX, Day, PRE, PTX, or PTD will be cancelled without execution if, when entered, it is immediately marketable against an order with a Displayed instruction resting in the EDGX Book unless such order removes liquidity pursuant to Rule 11.6(n)(4).

A User entering an incoming ISO with TIF instruction of Day represents that such User has simultaneously routed one or more additional Limit Orders marked "ISO," if necessary, to away Trading Center to execute against the full displayed size of any

Protected Quotation for the security with a price that is superior or equal to the limit price of the ISO entered in the System.

(2) Size. Incoming ISOs may be an Odd Lot, Round Lot, or Mixed Lot. A User may include a Minimum Execution Quantity instruction for an incoming ISO with an IOC instruction.

(3) Display. Any unfilled portion of an incoming ISO with a GTD, GTX, or Day instruction will be posted by the System to the EDGX Book at the entered limit price.

(4) Session. Incoming ISOs may be submitted during the Early Trading Session, Pre-Opening Session, Regular Session and the Post-Closing Session.

(5) Re-Pricing Instructions. An incoming ISO that includes a Post Only and TIF instruction of GTD, GTX or Day may be displayed at prices equal to or more aggressive than the Locking Price. However, the System will immediately Cancel Back an ISO that includes a Post Only and TIF instruction of GTD, GTX or Day if the System is displaying orders on the EDGX Book at the Locking Price at the time of the ISO's entry in the System unless such order removes liquidity pursuant to Rule 11.6(n)(4).

(6) Re-Pricing Instructions to Comply with Rule 201 of Regulation SHO. The System will immediately Cancel Back an incoming ISO combined with a TIF instruction of GTD, GTX or Day and a Short Sale instruction that does not include a Short Exempt instruction and that cannot be executed or displayed at its limit price at the time of entry into the System because of the existence of a Short Sale Circuit Breaker.

(7) Routing/Directed ISO – Outbound ISOs. An ISO entered by a User that bypasses the System and is immediately routed by the Exchange to an away Trading Center specified by the User for execution. It is the entering Member's responsibility, not the Exchange's responsibility, to comply with the requirements of Regulation NMS relating to ISOs. Paragraphs (1) – (6) above do not apply to Outbound ISOs under this paragraph.

(d) MidPoint Peg Order. A non-displayed Market Order or Limit Order with an instruction to execute at the midpoint of the NBBO, or, alternatively, pegged to the less aggressive of the midpoint of the NBBO or one minimum price variation inside the same side of the NBBO as the order. A MidPoint Peg Order with a limit price that is more aggressive than the midpoint of the NBBO will execute at the midpoint of the NBBO or better subject to its limit price. A MidPoint Peg Order may execute at its limit price or better when its limit price is less aggressive than the midpoint of the NBBO. A MidPoint Peg Order will be ranked at the midpoint of the NBBO where its limit price is equal to or more aggressive than the midpoint of the NBBO. A MidPoint Peg Order will not be eligible for execution when an NBBO is not available. In such case, a MidPoint Peg Order would rest on the EDGX Book and would not be eligible for execution in the System until an NBBO is available. The MidPoint Peg Order will receive a new time stamp when an NBBO becomes available and a new midpoint of the NBBO is established. In such case, pursuant to Rule 11.9, all MidPoint Peg Orders that are ranked at the midpoint of the NBBO will

retain their priority as compared to each other based upon the time such orders were initially received by the System. A MidPoint Peg Order will be ranked at its limit price where its limit price is less aggressive than the midpoint of the NBBO. Notwithstanding that a MidPoint Peg Order may be a Market Order or a Limit Order, its operation and available modifiers are limited to this Rule 11.8(d).

(1) Time-in-Force. A MidPoint Peg Limit Order may contain the following TIF instructions: Day, FOK, IOC, RHO, GTX, GTD, PRE, PTX, or PTD. Any unexecuted portion of a MidPoint Peg Limit Order with a TIF instruction of Day, GTX, GTD, PRE, PTX, or PTD that is resting on the EDGX Book will receive a new time stamp each time it is re-priced in response to changes in the midpoint of the NBBO.

(2) Size. MidPoint Peg Orders may be entered as an Odd Lot, Round Lot or Mixed Lot. A User may include a Minimum Execution Quantity instruction.

(3) Display. MidPoint Peg Orders are defaulted by the System to a Non-Displayed instruction. MidPoint Peg Orders are not eligible to include a Displayed instruction.

(4) Session. MidPoint Peg Orders may be executed during the Early Trading Session Pre-Opening Session, Regular Trading Hours, and the Post-Closing Session. However, a Minimum Execution Quantity instruction on a MidPoint Peg Order will not be applied during the Opening Process.

(5) Routing/Posting. A MidPoint Peg Order may include a Book Only or Post Only instruction. MidPoint Peg Orders are not eligible for routing pursuant to Rule 11.11. A MidPoint Peg Order may include a NDS instruction.

(6) Locked or Crossed Market. Unless otherwise instructed by the User, a MidPoint Peg Order is not eligible for execution when a Locking Quotation exists. All Midpoint Peg Orders are not eligible for execution when a Crossing Quotation exists. In such cases, a MidPoint Peg Order would rest on the EDGX Book and would not be eligible for execution in the System until a Locking Quotation or Crossing Quotation no longer exists.

(e) Market Maker Peg Order. A Limit Order that, upon entry or at the beginning of Regular Trading Hours, as applicable, is automatically priced by the System at the Designated Percentage (as defined in paragraph (12) below) away from the then current NBB (in the case of an order to buy) or NBO (in the case of an order to sell), or if there is no NBB or NBO at such time, at the Designated Percentage away from the last reported sale from the responsible single plan processor. Notwithstanding that a Market Maker Peg Order is also considered a Limit Order, its operation and available modifiers are limited to this Rule 11.8(e).

(1) Price Adjustments. Upon reaching the Defined Limit (as defined in paragraph (13) below), the price of an Market Maker Peg Order bid or offer will be automatically adjusted by the System to the Designated Percentage away from the then current NBB or NBO, respectively, or if there is no NBB or NBO at such time, to the Designated Percentage away from the last reported sale from the responsible single plan

processor. If a Market Maker Peg Order bid or offer moves a specified number of percentage points away from the Designated Percentage toward the then current NBB or NBO, the price of such bid or offer will be automatically adjusted by the System to the Designated Percentage away from the then current NBB and NBO. If there is no NBB or NBO at such time, the order will be automatically adjusted by the System to the Designated Percentage away from the last reported sale from the responsible single plan processor. In the event that pricing a Market Maker Peg Order at the Designated Percentage away from the then current NBB or NBO, or, if there is no NBB or NBO, to the Designated Percentage away from the last reported sale from the responsible single plan processor, would result in the order exceeding its limit price, the order will be cancelled or rejected.

(2) No NBB, NBO, and Last Reported Sale. In the absence of an NBB or NBO and last reported sale, the order will be cancelled or rejected.

(3) Market Maker Peg Order Becomes NBBO. If, after entry or at the beginning of Regular Trading Hours, as applicable, the Market Maker Peg Order is priced based on the consolidated last sale and such Market Maker Peg Order is established as the NBB or NBO, the Market Maker Peg Order will not be subsequently adjusted in accordance with this rule until either there is a new consolidated last sale, or a new NBB or new NBO is established by a national securities exchange.

(4) Time-in-Force. Market Maker Peg Orders may only include a TIF instruction of Day, RHO, or GTD.

(5) Size. Market Maker Peg Orders may only be entered as an Odd Lot, Round Lot or Mixed Lot.

(6) Display. Market Maker Peg Orders are defaulted by the System to a Displayed instruction. Market Maker Peg Orders are not eligible to include a Non-Displayed instruction.

(7) Session. Users may submit Market Maker Peg Orders to the Exchange starting at the beginning of the Early Trading Session, but such orders are not executable or automatically priced until after the first regular way transaction on the listing exchange in the security, as reported by the responsible single plan processor. The order expires at the end of Regular Trading Hours.

(8) Routing/Posting. Market Maker Peg Orders are not eligible for routing pursuant to Rule 11.11.

(9) Locked or Crossed Market. When a Crossing Quotation exists, a Market Maker Peg Order will be automatically priced by the System at the Designated Percentage away from the last reported sale.

(10) Notwithstanding the availability of the Market Maker Peg Order functionality, a User acting as a Market Maker remains responsible for entering,

monitoring, and re-submitting, as applicable, quotations that meet the requirements of Rule 11.20(d).

(11) A Market Maker Peg Order will receive a new time stamp each time it is re-priced in response to changes in the NBB, NBO, or last reported sale.

(12) For purposes of Market Maker Peg Order pricing, the Designated Percentage shall be the same as set forth in Rules 11.20(d)(2)(D) and 11.20(d)(2)(E), except that the Designated Percentage for securities priced below \$1 as set forth in Rule 11.20(d)(2)(E) shall be 28%.

(13) For purposes of Market Maker Peg Order pricing, the Defined Limit shall be the same as set forth in Rules 11.20(d)(2)(F) and 11.20(d)(2)(G), except that the Defined Limit for securities priced below \$1 as set forth in Rule 11.20(d)(2)(G) shall be 29.5%.

(f) Supplemental Peg Order. A non-displayed Limit Order that is eligible for execution at the NBB for a buy order and NBO for a sell order against an order that is in the process of being routed to an away Trading Center if such order that is in the process of being routed away is equal to or less than the aggregate size of the Supplemental Peg Order interest available at that price. Supplemental Peg Orders are passive, resting orders on the EDGX Book and do not take liquidity. A Supplemental Peg Order does not execute at a price that is inferior to a Protected Quotation. A Supplemental Peg Order to buy (sell) will not be eligible for execution when an NBB (NBO) is not available. In such case, a Supplemental Peg Order to buy (sell) would rest on the EDGX Book and would not be eligible for execution in the System until an NBB (NBO) exists. Notwithstanding that a Supplemental Peg Order is also a Limit Order, its operation and available modifiers are limited to this Rule 11.8(f).

(1) Time-in-Force. A Supplemental Peg Order may only include a TIF instruction of GTD, GTX, RHO, Day, PRE, PTX, or PTD. Supplemental Peg Orders are not eligible to include a TIF instruction of IOC or FOK.

(2) Size. Supplemental Peg Orders may only be entered as Odd Lots, Round Lots or Mixed Lots. A User may specify a Minimum Execution Quantity for a Supplemental Peg Order.

(3) Display. Supplemental Peg Orders are defaulted by the System to a Non-Displayed instruction. Supplemental Peg Orders are not eligible to include a Displayed instruction.

(4) Session. Supplemental Peg Orders are eligible for execution during the Early Trading Session, Pre-Opening Session, Regular Session, and Post-Closing Session. Supplemental Peg Orders are not eligible for execution in the Opening Process.

(5) Routing/Posting. Supplemental Peg Orders are not eligible for routing pursuant to Rule 11.11.

(6) Locked or Crossed Market. A Supplemental Peg Order is not eligible for execution when a Locking Quotation or Crossing Quotation exists. In such case, a Supplemental Peg Order would rest on the EDGX Book and would not be eligible for execution in the System until a Locking Quotation or Crossing Quotation no longer exists.

(g) MidPoint Discretionary Order (“MDO”). An MDO is a Limit Order that when resting on the EDGX Book is pegged to the NBB for an order to buy or the NBO for an order to sell, with or without an offset, with discretion to execute at prices to and including the midpoint of the NBBO. Upon entry, an MDO will only execute against resting orders that include a Super Aggressive instruction priced at the MDO’s pegged price if the MDO also contains a Displayed instruction and against orders with an NDS instruction priced at the MDO’s pegged price or within its discretionary range. Should a resting contra-side order within the MDO’s discretionary range not include an NDS instruction, the incoming MDO will be placed on the EDGX Book and its discretionary range shortened to equal the limit price of the contra-side resting order. Likewise, where an incoming order with a Post Only instruction does not remove liquidity on entry pursuant to Rule 11.6(n)(4) against a resting MDO, the discretionary range of the resting MDO will be shortened to equal the limit price of the incoming contra-side order with a Post Only instruction. Once resting on the EDGX Book, an MDO will only act as a liquidity provider against all incoming orders that are executable at the resting MDO’s pegged price or at any price within the resting MDO’s discretionary range. An MDO’s pegged price and discretionary range are bound by its limit price. An MDO to buy (sell) with a limit price that is less (higher) than its pegged price, including any offset, is posted to the EDGX Book at its limit price. The pegged prices of an MDO are derived from the NBB or NBO, and cannot independently establish or maintain the NBB or NBO. An MDO will exercise the least amount of price discretion necessary from its pegged price to its discretionary price. An MDO in a stock priced at \$1.00 or more can only be executed in sub-penny increments when it executes at the midpoint of the NBBO. Notwithstanding that an MDO may be a Limit Order and include a discretionary range, its operation and available modifiers are limited to this Rule 11.8(g).

(1) Time-in-Force. An MDO may only contain the following time-in-force terms: Day, RHO, GTX, GTD, PRE, PTX, or PTD.

(2) Size. MDOs may be entered as a Round Lot or Mixed Lot only. A User may include a Minimum Execution Quantity instruction on a MDO with a Non-Displayed instruction.

(3) Session. MDOs may be executed during the Early Trading Session, Pre-Opening Session, Regular Session, and Post-Closing Session.

(4) Display. An MDO will default to a Displayed instruction unless the User includes a Non-Displayed instruction or QDP instruction on the order, and will be Displayed or Non-Displayed on the EDGX Book at its pegged or limit price in accordance with paragraph (g) above. An MDO with a Displayed instruction

will default to a Non-Attributable instruction, unless the User selects the Attributable instruction.

(5) Routing/Posting. MDOs are not eligible for routing pursuant to Rule 11.11.

(6) Limit-Up/Limit Down. Pursuant to Rule 11.10(a)(3), an MDO to buy will be re-priced to the Upper Price Band where the price of the Upper Price Band moves below the order's pegged price. An MDO to sell will be re-priced to the Lower Price Band where the price of the Lower Price Band moves above the order's pegged price. MDOs will only execute at their pegged prices and not within their Discretionary Ranges when: (i) the price of the Upper Price Band equals or moves below the order's pegged price; or (ii) the price of the Lower Price Band equals or moves above [an existing Protected Offer] the order's pegged price. When the conditions in (i) or (ii) of the preceding sentence no longer exist, MDOs will resume trading against other orders in their Discretionary Range and being pegged to the NBBO.

(7) Any unexecuted portion of an MDO that is resting on the EDGX Book will receive a new time stamp each time its pegged price is automatically adjusted in response to changes in the NBBO.

(8) Locked or Crossed Market. With respect to an MDO with either a Displayed instruction or a Non-Displayed instruction, when an MDO posted on the EDGX Book is crossed by another market, the MDO's pegged price will be automatically adjusted to the current NBO (for bids) or the current NBB (for offers) with no discretion to the midpoint of the NBBO. If an MDO displayed on the Exchange would be a Locking Quotation or Crossing Quotation, the displayed price of the order will be automatically adjusted by the System to one Minimum Price Variation below the current NBO (for bids) or to one Minimum Price Variation above the current NBB (for offers) with no discretion to execute to the midpoint of the NBBO.

(9) Offset. A User may select an offset equal to or greater than one Minimum Price Variation above or below the NBB or NBO that the order is pegged to ("Offset Amount"). The Offset Amount for an MDO that is to be displayed on the EDGX Book must result in the price of such order being inferior to or equal to the inside quote on the same side of the market.

(10) Quote Depletion Protection ("QDP"). QDP is an optional instruction that a User may include on an MDO to limit the order's ability to exercise discretion in certain circumstances. A "QDP Active Period" will be enabled or refreshed for buy (sell) MDOs if the best bid (offer) displayed on the EDGX Book is executed below one round lot. During the QDP Active Period, an MDO entered with a QDP instruction will not exercise discretion, and is executable only at its ranked price. When a QDP Active Period is initially enabled, or refreshed by a subsequent execution of the best bid (offer) then displayed on the EDGX Book, it will remain enabled for two milliseconds. Unless the

User chooses otherwise, an MDO to buy (sell) entered with a QDP instruction will default to a Non-Displayed instruction and will include an Offset Amount equal to one Minimum Price Variation below (above) the NBB (NBO).

[Adopted March 12, 2010; amended October 20, 2010 (SR-EDGX-2010-14); amended December 13, 2010 (SR-EDGX-2010-24); amended February 25, 2011 (SR-EDGX-2011-04); amended March 18, 2011 (SR-EDGX-2011-06); amended August 24, 2012 (SR-EDGX-2012-25); amended July 26, 2012 (SR-EDGX-2012-32); amended September 25, 2012 (SR-EDGX-2012-44); amended December 27, 2012 (SR-EDGX-2012-49); amended April 8, 2013 (SR-EDGX-2013-08); amended June 24, 2013 (SR-EDGX-2013-23); amended March 31, 2014 (SR-EDGX-2014-05); amended April 21, 2014 (SR-EDGX-2014-14); amended October 29, 2014 (SR-EDGX-2014-18); amended January 12, 2015 (SR-EDGX-2015-03); amended April 27, 2015 (SR-EDGX-2015-15); amended July 8, 2015 (SR-EDGX-2015-33); amended April 6, 2016 (SR-EDGX-2016-06); amended December 16, 2016 (SR-BatsEDGX-2016-65); amended June 26, 2017 (SR-BatsEDGX-2017-25); amended September 11, 2017 (SR-BatsEDGX-2017-34); amended November 29, 2017 (SR-CboeEDGX-2017-002); amended October 1, 2018 (SR-CboeEDGX-2018-041); amended June 4, 2020 (SR-CboeEDGX-2020-010); amended June 4, 2020 (SR-CboeEDGX-2020-010)]

Rule 11.9. Priority of Orders

(a) Ranking. Orders of Users shall be ranked and maintained in the EDGX Book based on the following priority:

(1) Price. The highest-priced order to buy (lowest-priced order to sell) shall have priority over all other orders to buy (sell) in all cases.

(2) Time. Subject to the execution process described in Rule 11.10(a), the following priority rules shall apply:

(A) Where orders to buy (sell) are entered into the System at the same price, the order clearly established as the first entered into the System at such particular price shall have precedence at that price, up to the number of shares of stock specified in the order. Except as provided in paragraphs (B) and (C) below, the System shall rank equally priced trading interest within the System in time priority in the following order:

- (i) The portion of a Retail Priority Order with a Displayed instruction;
- (ii) The portion of a Limit Order with a Displayed instruction;
- (iii) Limit Orders with a Non-Displayed instruction;
- (iv) Orders with a Pegged and Non-Displayed instruction;
- (v) Reserve Quantity of Retail Priority Orders;

- (vi) Reserve Quantity of Limit Orders;
- (vii) MidPoint Discretionary Orders executed within their Discretionary Range and Limit Orders executed within their Discretionary Range; and
- (viii) Supplemental Peg Orders.

(B) At the Midpoint of the NBBO. Where orders to buy (sell) are priced at the midpoint of the NBBO, the order clearly established as the first priced at the midpoint of the NBBO within each sub-paragraph below shall have precedence at the mid-point of the NBBO, up to the number of shares of stock specified in the order. The System shall rank trading interest priced at the midpoint of the NBBO within the System in time priority in the following order:

- (i) Retail Priority Orders to which the Display-Price Sliding instruction has been applied;
- (ii) Limit Orders to which the Display-Price Sliding instruction has been applied;
- (iii) Limit Orders with a Non-Displayed instruction;
- (iv) Orders with a Pegged instruction;
- (v) MidPoint Peg Orders;
- (vi) Reserve Quantity of Retail Priority Orders;
- (vii) Reserve Quantity of Limit Orders; and
- (viii) MidPoint Discretionary Orders executed within their Discretionary Range and Limit Orders executed within their Discretionary Range.

(C) Where buy (sell) orders are utilizing instructions that cause them to be re-ranked by the System upon clearance of a Locking Quotation, the System shall re-rank and display such orders at the Locking Price in time priority in the following order:

- (i) ISO with a TIF instruction of Day that establishes a new NBBO at the Locked Price;
- (ii) Limit Orders to which the Display-Price Sliding instruction has been applied;
- (iii) Limit Orders to which the Price Adjust instruction has been applied; and

(iv) Orders with a Pegged instruction.

(D) For purposes of paragraphs (A) and (B) above:

(i) ISOs, as defined in Rule 11.8(c), the pegged price of a MidPoint Discretionary Order, as defined in Rule 11.8(g), and Market Maker Peg Orders, as defined in Rule 11.8(f), are to be treated as Limit Orders, as defined in Rule 11.8(b); and

(ii) orders re-ranked subject to the Re-Pricing instruction to comply with Rule 201 of Regulation SHO under Rule 11.6(l)(2), including Market Orders that are displayed on the EDGX Book pursuant to Rule 11.8(a)(4), maintain the same priority as Limit Orders at that price.

(3) ERSTP Modifiers. Pursuant to Rule 11.10(d), users may direct that orders entered into the System not execute against orders entered under the same Unique Identifier. In such a case, the System will not permit such orders to execute against one another, regardless of priority ranking.

(4) Cancel/Replace. In the event an order has been cancelled or replaced in accordance with Rule 11.10(e) below, such order only retains time priority if such modification involves a decrease in the size of the order, a change to Max Floor of an order with a Reserve Quantity, a change to the stop price of an order, the sell long indicator, or Short Sale instruction. Any other modification to an order, including an increase in the size of the order and/or price change, will result in such order losing time priority as compared to other orders in the EDGX Book and the time stamp for such order being revised to reflect the time of the modification.

(5) Except as provided in subparagraph (a)(7) hereof, in the event that an order is executed against an incoming order in accordance with Rule 11.10 for less than its full size, the unexecuted size of the order shall retain its original time priority and be ranked in accordance with paragraphs (1) and (2) above.

(6) Replenishment from Reserve Quantity. The displayed quantity of a Limit Order shall have time priority as of the time of display. If the displayed quantity of the Limit Order is decremented such that less than a Round Lot would be displayed, the portion of the Limit Order with a Displayed instruction shall be replenished from the Reserve Quantity, if any, in accordance with Rule 11.6(m)(1)(A) or (B). A new time stamp is created for the displayed portion and Reserve Quantity of the order each time it is replenished from the Reserve Quantity.

(7) Supplemental Peg Order. If a Supplemental Peg Order is executed in part, the remaining portion of the order shall continue to be eligible for execution and shall be assigned a new time stamp, until either the remaining size is exhausted or the Supplemental Peg Order is cancelled by the Member.

(b) Dissemination. The best-ranked order(s) to buy and the best-ranked order(s) to sell that are displayable in the EDGX Book and the aggregate displayed size of such orders associated

with such prices shall be collected and made available to quotation vendors for dissemination pursuant to the requirements of Rule 602 of Regulation NMS.

Interpretations and Policies:

.01 Retail Priority Orders. A “Retail Priority Order” is a Retail Order, as defined in Rule 11.21(a)(2), that is entered on behalf of a person that does not place more than 390 equity orders per day on average during a calendar month for its own beneficial account(s). For purposes of counting orders to determine whether the 390 equity order per day threshold has been reached:

(a) “Parent”/”Child” Orders. A “parent” order that is broken into multiple “child” orders by a broker or dealer, or by an algorithm housed at a broker or dealer or by an algorithm licensed from a broker or dealer, but which is housed with the customer, counts as one order even if the “child” orders are routed across multiple exchanges.

(b) Cancel/Replace. Any order that cancels and replaces an existing order counts as a separate order; except that an order that cancels and replaces any “child” order resulting from a “parent” order that is broken into multiple “child” orders, does not count as a new order.

.02 Retail Member Organizations (“RMOs”) that enter Retail Priority Orders must have reasonable policies and procedures in place to ensure that such orders are appropriately represented on the Exchange. Such policies and procedures should provide for a review of retail customers’ activity on at least a quarterly basis.

(a) Retail Orders for any retail customer that had an average of more than 390 orders per day during any month of a calendar quarter are not eligible to be entered as Retail Priority Orders for the next calendar quarter. RMOs must conduct a quarterly review and make any appropriate changes to the way in which they are representing orders within five business days after the end of each calendar quarter.

(b) If during a quarter the Exchange identifies a retail customer for which orders are being represented as Retail Priority Orders but that has averaged more than 390 orders per day during a month, the Exchange would notify the RMO, and the RMO would be required to change the manner in which it is representing the retail customer’s orders within five business days.

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Rule 11.10. Order Execution

(a) Execution. Subject to the restrictions under these Exchange Rules or the Act and the rules and regulations thereunder, orders shall be matched for execution in accordance with this Rule 11.10. For purposes of this Rule 11.10, any order falling within the parameters of this paragraph shall be referred to as “executable.” An order will be cancelled back to the User, if

based on market conditions, User instructions, applicable Exchange Rules and /or the Act and the rules and regulations thereunder, such order is not executable, cannot be routed to another Trading Center pursuant to Rule 11.11 or cannot be posted to the EDGX Book.

(1) Compliance with Regulation SHO. For any execution of an order that includes a Short Sale instruction to occur on the Exchange when a short sale price test restriction under Rule 201 of Regulation SHO is in effect for the covered security, the price must be above the current NBB, unless the sell order was initially displayed by the System at a price above the then current NBB or is marked “short exempt” pursuant to Regulation SHO.

(2) Compliance with Regulation NMS. For any execution to occur during Regular Trading Hours, the price must be equal to or better than the Protected NBBO, unless the order is marked ISO or unless the execution falls within another exception set forth in Rule 611(b) of Regulation NMS. For any execution to occur during the Early Trading Session, Pre-Opening Session or the Post-Closing Session, the price must be equal to or better than the highest bid or lowest offer in the EDGX Book or disseminated by the responsible single plan processor, unless the order is marked ISO or a Protected Bid is crossing a Protected Offer. Notwithstanding the foregoing, in the event that a Protected Bid is crossing a Protected Offer, whether during or outside of Regular Trading Hours, unless an order is marked ISO, the Exchange will not execute any portion of a bid at a price more than the greater of 5 cents or 0.5 percent higher than the lowest Protected Offer or any portion of an offer that would execute at a price more than the greater of 5 cents or 0.5 percent lower than the highest Protected Bid. Upon instruction from a User, the Exchange will cancel any incoming order from such User in the event a Protected Bid is crossing a Protected Offer.

(3) Compliance with the requirements of the Plan. Except as provided in Section VI of the Plan, for any executions to occur during Regular Trading Hours, such executions must occur at a price that is greater than or equal to the Lower Price Band and less than or equal to the Upper Price Band, when such Price Bands are disseminated. The Exchange’s procedures for handling executing, re-pricing and displaying orders in connection with the Plan are further described in Rule 11.16(e).

(4) Execution against EDGX Book. An incoming order shall first attempt to be matched for execution against orders in the EDGX Book as described below, unless the User instructs the System to bypass the EDGX Book and route the order to an away Trading Center, in accordance with Exchange Rules.

(A) Buy Orders. An incoming order to buy will be automatically executed to the extent that it is priced at an amount that equals or exceeds any order to sell in the EDGX Book and is executable, as defined above. Such order to buy shall be executed at the price(s) of the lowest order(s) to sell having priority in the EDGX Book.

(B) Sell Orders. An incoming order to sell will be automatically executed to the extent that it is priced at an amount that equals or is less than any

other order to buy in the EDGX Book and is executable, as defined above. Such order to sell shall be executed at the price(s) of the highest order(s) to buy having priority in the EDGX Book.

(C) Consistent with Rules 11.6 and 11.8, based on User instructions, certain orders are permitted to post and rest on the EDGX Book at prices that lock contra-side liquidity, provided, however, that the System will never display a locked market. Subject to sub-paragraph (D) below, if an incoming order, pursuant to paragraph (A) or (B) above, is on the same side of the market as an order displayed on the EDGX Book and upon entry would execute against contra-side interest at the same price as such displayed order, such incoming order will be cancelled or posted to the EDGX Book and ranked in accordance with Rule 11.9.

(D) For bids or offers equal to or greater than \$1.00 per share, in the event that an incoming order described in sub-paragraphs (A) and (B) above is a Market Order or is a Limit Order priced more aggressively than an order displayed on the EDGX Book, the Exchange will execute the incoming order at, in the case of an incoming sell order, one-half minimum price variation less than the price of the displayed order, and, in the case of an incoming buy order, at one-half minimum price variation more than the price of the displayed order. For bids or offers under \$1.00 per share, this sub-paragraph is inapplicable.

(5) Short Sales. All orders to sell short shall include a Short Sale instruction, and if applicable, a Short Exempt instruction when entered into the System. If an order includes a Short Exempt instruction, the Exchange shall execute, display and/or route an order without regard to any short sale price test restriction in effect under Regulation SHO. The Exchange relies on the inclusion of a Short Exempt instruction when handling such order, and thus, it is the entering Member's responsibility, not the Exchange's responsibility, to comply with the requirements of Regulation SHO relating to including a Short Exempt instruction on an order.

(b) Display of Automated Quotations. The System will be operated as an "automated market center" within the meaning of Regulation NMS, and in furtherance thereof, will display "automated quotations" within the meaning of Regulation NMS at all times except in the event that a systems malfunction renders the System incapable of displaying automated quotations, in which case the System will be disabled and will be unable to accept any orders. The Exchange shall promptly communicate to Users the unavailability of the System

(c) Self-Help. The Exchange intends to take advantage of the self-help provisions of Regulation NMS. Pursuant to the self-help provisions, the System may execute a transaction that would constitute a trade-through of a Protected Quotation displayed on another trading center if such trading center is experiencing a failure, material delay, or malfunction of its systems or equipment. If another trading center publishing a Protected Quotation repeatedly fails to respond within one second to orders sent by the System to access the trading center's Protected Quotation, the System may disregard those Protected Quotations when routing, displaying, canceling or executing orders on the Exchange. When invoking self-help, the Exchange will:

(1) Notify the non-responding trading center immediately after (or at the same time as) electing self-help; and

(2) Assess whether the cause of the problem lies with the System and, if so, taking immediate steps to resolve the problem instead of invoking self-help.

(d) EdgeRisk Self Trade Protection (“ERSTP”) Modifiers. Any incoming order designated with an ERSTP modifier will be prevented from executing against a resting opposite side order also designated with an ERSTP modifier and originating from the same market participant identifier (“MPID”), Exchange Member identifier or ERSTP Group identifier (any such identifier, a “Unique Identifier”). The ERSTP modifier on the incoming order controls the interaction between two orders marked with ERSTP modifiers.

(1) ERSTP Cancel Newest (“CN”). An incoming order marked with the “CN” modifier will not execute against opposite side resting interest marked with any ERSTP modifier originating from the same Unique Identifier. The incoming order marked with the CN modifier will be cancelled back to the originating User(s). The resting order marked with an ERSTP modifier will remain on the book.

(2) ERSTP Cancel Oldest (“CO”). An incoming order marked with the “CO” modifier will not execute against opposite side resting interest marked with any ERSTP modifier originating from the same Unique Identifier. The resting order marked with the ERSTP modifier will be cancelled back to the originating User(s). The incoming order marked with the CO modifier will remain on the book.

(3) ERSTP Decrement and Cancel (“DC”). An incoming order marked with the “DC” modifier will not execute against opposite side resting interest marked with any ERSTP modifier originating from the same Unique Identifier. If both orders are equivalent in size, both orders will be cancelled back to the originating User(s). If the orders are not equivalent in size, the smaller order will be cancelled back to the originating User(s) and the larger order will be decremented by the size of the smaller order, with the balance remaining on the book.

(4) ERSTP Cancel Both (“CB”). An incoming order marked with the “CB” modifier will not execute against opposite side resting interest marked with any ERSTP modifier originating from the same Unique Identifier. The entire size of both orders will be cancelled back to the originating User(s).

(5) ERSTP Cancel Smallest (“CS”). An incoming order marked with the CS modifier will not execute against opposite side resting interest marked with any ERSTP modifier originating from the same Unique Identifier. If both orders are equivalent in size, both orders will be cancelled back to the originating User(s). If the orders are not equivalent in size, the smaller of the two orders will be cancelled back to the originating User and the larger order will remain on the book.

(e) Cancel/Replace Messages. A User may cancel or replace an existing order entered by the User, subject to the following limitations.

(1) Orders may only be cancelled or replaced if the order has a TIF instruction other than IOC and FOK and if the order has not yet been executed in its entirety.

(2) If an order has been routed to another Trading Center, the order will be placed in a “Pending” state until the order is returned from the destination(s) to which it was routed. Executions that are completed when the order is in the “Pending” state will be processed in accordance with Rule 11.10(a)(4).

(3) Other than changing a Limit Order to a Market Order, only the price, Stop Price, the sell long indicator, Short Sale instruction, Max Floor of an order with a Reserve Quantity, and size of the order may be changed by a Replace Message. If a User desires to change any other terms of an existing order the existing order must be cancelled and a new order must be entered.

(4) Notwithstanding anything to the contrary in these Exchange Rules, no cancellation or replacement of an order will be effective until such message has been received and processed by the System.

(f) Locking Quotation or Crossing Quotations in NMS Stocks.

(1) Prohibition. Except for quotations that fall within the provisions of paragraph (f)(3) of this Rule, the System shall not make available for dissemination, and Users shall reasonably avoid displaying, and shall not engage in a pattern or practice of displaying, any quotations that lock or cross a Protected Quotation, and any manual quotations that lock or cross a quotation previously disseminated pursuant to an effective national market system plan during Regular Trading Hours.

(2) Manual quotations. If a User displays a manual quotation that locks or crosses a quotation previously disseminated pursuant to an effective national market system plan, such User shall promptly either withdraw the manual quotation or route an ISO to execute against the full displayed size of the locked or crossed quotation.

(3) Exceptions.

(1) The Locking Quotation or Crossing Quotation was displayed at a time when the trading center displaying the Locked or Crossed Quotation was experiencing a failure, material delay, or malfunction of its systems or equipment.

(2) The Locking Quotation or Crossing Quotation was displayed at a time when a protected bid was higher than a protected offer in the NMS stock.

(3) The Locking Quotation or Crossing Quotation was an automated quotation, and the User displaying such automated quotation simultaneously routed an ISO to execute against the full displayed size of any Protected Quotation that is a Locking Quotation or Crossing Quotation.

(4) The Locking Quotation or Crossing Quotation was a manual quotation that locked or crossed another manual quotation, and the User displaying the locking or crossing manual quotation simultaneously routed an ISO to execute against the full displayed size of the locked or crossed manual quotation.

Interpretations and Policies:

.01 The Exchange offers certain risk settings applicable to a User's activities on the Exchange. The risk settings currently offered by the Exchange include:

- (a) controls related to the size of an order (including restrictions on the maximum notional value per order and maximum shares per order);
- (b) controls related to the price of an order (including percentage-based and dollar-based controls);
- (c) controls related to the order types or modifiers that can be utilized (including pre-market, post-market, short sales, ISOs and Directed ISOs);
- (d) controls to restrict the types of securities transacted (including restricted securities and easy to borrow securities as well as restricting activity to test symbols only);
- (e) controls to prohibit duplicative orders;
- (f) controls to restrict the overall rate of orders; and
- (g) controls related to the size of an order as compared to the average daily volume of the security (including the ability to specify the minimum average daily volume of the securities for which such controls will be activated); and
- (h) credit controls measuring both gross and net exposure that warn when approached and, when breached, prevent submission of either all new orders or Market Orders only.

.02 (a) The Exchange also offers risk functionality that permits Users to block new orders submitted, to cancel all open orders, or to both block new orders and cancel all open orders. Furthermore, the Exchange offers risk functionality that automatically cancels a User's orders to the extent the User loses its connection to the Exchange.

(b) A "Purge Port" is a dedicated port that permits a User to simultaneously cancel all or a subset of its orders in one or more symbols across multiple logical ports by requesting the Exchange to effect such cancellation. A User initiating such a request may also request that the Exchange block all or a subset of its new inbound orders in one or more symbols across multiple logical ports. The block will remain in effect until the User requests the Exchange remove the block.

.03 (a) The Exchange offers certain risk settings applicable to a Member's activities on the Exchange that are available to either the Member or to its Clearing Member, as defined in Rule 11.13, as set forth below:

(1) The "Gross Credit Risk Limit" which refers to a pre-established maximum daily dollar amount for purchases and sales across all symbols, where both purchases and sales are counted as positive values. For purposes of calculating the Gross Credit Risk Limit, only executed orders are included; and

(2) The "Net Credit Risk Limit" which refers to a pre-established maximum daily dollar amount for purchases and sales across all symbols, where purchases are counted as positive values and sales are counted as negative values. For purposes of calculating the Net Credit Risk Limit, only executed orders are included.

(b) *Establishing and Adjusting Limits.* Either a Member or its Clearing Member, if allocated such responsibility pursuant to paragraph (c) of this Interpretation and Policy .03, may set limits for the risk settings provided in paragraph (a) of this Interpretation and Policy .03.

(1) Limits may be set at the MPID level or to a subset of orders identified within that MPID (the "risk group identifier" level). Risk group identifier setting functionality is available only on Purge Ports, as defined in paragraph (b) of Interpretation and Policy .02. For every Purge Port a Member obtains, the Member or its Clearing Member will receive the ability to set risk profiles for up to 10 risk group identifiers. Members can use MPID and risk group identifier risk settings in conjunction.

(2) Limits may be established or adjusted before the beginning of a trading day or during the trading day.

(c) A Member that does not self-clear may allocate the responsibility for establishing and adjusting the risk settings identified in paragraph (a) of this Interpretation and Policy .03 to a Clearing Member that clears transactions on behalf of the Member, if designated in a manner prescribed by the Exchange. A Member that chooses to allocate responsibility to its Clearing Member may view any risk settings established by the Clearing Member pursuant to this Interpretation and Policy .03, and may be notified of any action taken by the Exchange with respect to its trading activity. By allocating responsibility to its Clearing Member, the Member consents to the Exchange taking action with respect to the Member's trading activity as provided in paragraph (e) of this Interpretation and Policy .03. A Member may revoke responsibility allocated to its Clearing Member pursuant to this paragraph at any time, if designated in a manner prescribed by the Exchange.

(d) *Alerts.* Both the Member and the Clearing Member may enable alerts to signal when the Member is approaching designated limits.

(e) *Breach.* If a risk setting is breached, the Exchange will automatically block new orders submitted and cancel open orders until such time that the applicable risk control is adjusted to a higher limit by the Member or Clearing Member with the responsibility of establishing and adjusting the risk settings.

[Adopted March 12, 2010; amended November 30, 2010 (SR-EDGX-2010-18); amended January 21, 2011 (SR-EDGX-2011-01); amended February 25, 2011 (SR-EDGX-2011-04); amended March 18, 2011 (SR-EDGX-2011-06); amended April 1, 2011 (SR-EDGX-2011-08); amended May 5, 2011 (SR-EDGX-2011-15) amended July 13, 2011 (SR-EDGX-2011-20) amended December 19, 2011 (SR-EDGX-2011-35); amended June 21, 2012 (SR-EDGX-2012-22); amended April 8, 2013 (SR-EDGX-2013-08); amended February 21, 2014 (SR-EDGX-2011-37); amended April 14, 2014 (SR-EDGX-2014-11); amended October 29, 2014 (SR-EDGX-2014-18); amended January 15, 2015 (SR-EDGX-2015-03); amended April 27, 2015 (SR-EDGX-2015-15); amended July 8, 2015 (SR-EDGX-2015-33); amended April 6, 2016 (SR-EDGX-2016-06); amended May 24, 2017 (SR-BatsEDGX-2017-16); amended September 11, 2017 (SR-BatsEDGX-2017-34); amended November 9, 2017 (SR-BatsEDGX-2017-38); amended September 28, 2018 (SR-CboeEDGX-2018-042); amended April 23, 2020 (SR-CboeEDGX-2020-017); amended June 3, 2020 (SR-CboeEDGX-2020-023)]

Rule 11.11. Routing to Away Trading Centers

Unless the terms of the order direct the Exchange not to route such order away, if a Market Order or marketable Limit Order has not been executed in its entirety pursuant to 11.10(a)(4) above, the order shall be eligible for routing away pursuant to one or more of the routing options listed under paragraph (g) below.

(a) Regulation SHO. Unless a User selects the Post to Away, RDOT, RDOX, INET, or ROOC routing options set forth under paragraph (g) of this Rule, an order that includes a Short Sale instruction when a Short Sale Circuit Breaker pursuant to Rule 201 of Regulation SHO is in effect is not eligible for routing by the Exchange. If an order is ineligible for routing due to a Short Sale Circuit Breaker being in effect and such order contains a Time-in-Force of IOC, then the order will be cancelled. For any other order ineligible for routing due to a Short Sale Circuit Breaker being in effect, the Exchange will post the unfilled balance of the order to the EDGX Book, treat the order as if it included a Book Only or Post Only instruction, and subject it to the Re-Pricing Instructions to Comply with Rule 201 of Regulation SHO, as described in Rule 11.6(l)(2), unless the User has elected the order Cancel Back as described in Rule 11.6(b).

(b) The Plan. The Exchange will handle routable orders in connection with the Plan as described in Rule 11.16(e).

(c) (Reserved.)

(d) (Reserved.)

(e) Routing of Market Orders. With respect to an order that is eligible for routing, the System will designate Market Orders as IOC or ISO and will cause such orders to be routed for execution to one or more Trading Centers for potential execution, per the entering User's instructions, in compliance with Rule 611 under Regulation NMS, Regulation SHO, and the Plan. After the System receives responses to orders that were routed away, to the extent an order is not executed in full through the routing process, the System will cancel any unexecuted portion back to the User.

(f) Routing of Marketable Limit Orders. With respect to an order that is eligible for routing, the System will designate marketable Limit Orders as IOC or ISO and will cause such orders to be routed for execution to one or more Trading Centers (as defined in Rule 2.11) for potential execution, per the entering User's instructions, in compliance with Rule 611 under Regulation NMS, Regulation SHO, and the Plan. After the System receives responses to orders that were routed away, to the extent an order is not executed in full through the routing process, the System will process the balance of such order as follows. Depending on parameters set by the User when the incoming order was originally entered, the System will either: (i) process the unfilled balance of an order as an order with a Book Only instruction subject to a Re-Pricing Option described in Rule 11.6(l), or (ii) repeat the process described in paragraph (a)(4) above and this paragraph (f) by executing against the EDGX Book and/or routing orders to other Trading Centers until the original, incoming order is executed in its entirety or its limit price is reached. If the order's limit price is reached, the order will be posted in the EDGX Book.

(g) Routing Options. The System provides a variety of routing options. Routing options may be combined with all available order types and Times-in-Force instruction, with the exception of order types and Times-in-Force instruction whose terms are inconsistent with the terms of a particular routing option. The System will consider the quotations only of accessible Trading Centers. The term "System routing table" refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them. The Exchange reserves the right to route orders simultaneously or sequentially, maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. The System routing options are:

(1) ROUC. ROUC is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table, Nasdaq OMX BX, and NYSE. If shares remain unexecuted after routing, they are posted on the EDGX Book, unless otherwise instructed by the User.

(2) DRT. DRT is a routing option in which the entering firm instructs the System to route to alternative trading systems included in the System routing table. Unless otherwise specified, DRT can be combined with and function consistent with all other routing options.

(3) The following routing strategies check the System for available shares and then are sent to destinations on the System routing table. If shares remain unexecuted after routing, they are posted on the EDGX Book, unless otherwise instructed by the User.

(A) ROUT

(B) ROUX

(C) ROUZ

(4) INET. INET is a routing option under which an order checks the System for available shares and then is sent to Nasdaq. If shares remain unexecuted after routing, they are posted on the Nasdaq book, unless otherwise instructed by the User.

(5) **RDOT.** RDOT is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table. If shares remain unexecuted after routing, they are sent to the NYSE and can be re-routed by the NYSE. Any remainder will be posted to the NYSE, unless otherwise instructed by the User.

(6) **RDOX.** RDOX is a routing option under which an order checks the System for available shares, is then sent to the NYSE and can be re-routed by the NYSE. If shares remain unexecuted after routing, they are posted on the NYSE book, unless otherwise instructed by the User.

(7) **ALLB.** ALLB is a routing option under which an order checks the System for available shares and is then sent to Cboe BZX Exchange, Inc., Cboe BYX Exchange, Inc., and/or Cboe EDGA Exchange, Inc. in accordance with the System routing table. If shares remain unexecuted after routing, they are posted on the EDGX Book, unless otherwise instructed by the User.

(8) **ROOC.** ROOC is a routing option for orders that the entering firm wishes to designate for participation in the opening, re-opening (following a halt, suspension, or pause), or closing process of a primary listing market (Cboe BZX, NYSE, Nasdaq, NYSE American, or NYSE Arca) if received before the opening/re-opening/closing time of such market. If shares remain unexecuted after attempting to execute in the opening, re-opening, or closing process, they are either posted to the EDGX Book, executed, or routed to destinations on the System routing table.

(9) **SWPA.** SWPA is a routing option under which an order checks the System for available shares and then is sent to only Protected Quotations and only for displayed size. To the extent that any portion of the routed order is unexecuted, the remainder is posted to the EDGX Book at the order's limit price, unless otherwise instructed by the User. The entire SWPA order will not be cancelled back to the User immediately if at the time of entry there is an insufficient share quantity in the SWPA order to fulfill the displayed size of all Protected Quotations.

(10) **Destination Specific.** Destination Specific is a routing option under which an order checks the System for available shares and then is sent to an away trading center or centers specified by the User.

(11) **Post to Away.** In addition to instructions to cancel an order back to a User or post to the EDGX Book following the routing process, as set forth above, a User may elect the Post to Away routing option. Post to Away is a routing option that routes the remainder of a routed order to and posts such order on the order book of a destination on the System routing table as specified by the User. Post to Away can be combined with the following routing strategies: ROUT and ROUX.

(12) A User may select either Route To Improve ("RTI") or Route To Fill ("RTF") for the following routing strategies: ROOC, ROUT, and ROUX. RTI may route

to multiple destinations at a single price level simultaneously while RTF may route to multiple destinations and at multiple price levels simultaneously.

(13) A User may designate their order for participation in the re-opening (following a halt, suspension, or pause) of a primary listing market (Cboe BZX, NYSE, Nasdaq, NYSE MKT, or NYSE Arca) if received before the re-opening time of such market. If shares remain unexecuted after attempting to execute in the re-opening process, they are either posted to the EDGX Book, executed, or routed to destinations on the System routing table.

(h) **Priority of Routed Orders.** Orders that have been routed by the System to other Trading Centers are not ranked and maintained in the EDGX Book pursuant to Rule 11.9(a), and therefore are not available to execute against incoming orders pursuant to Rule 11.10 above. Once routed by the System, an order becomes subject to the rules and procedures of the destination market including, but not limited to, short-sale regulation and order cancellation. Requests from Users to cancel their orders while the order is routed away to another trading center and remains outside the System shall be processed, subject to the applicable trading rules of the relevant trading center. If a routed order is subsequently returned, in whole or in part, that order, or its remainder, shall receive a new time stamp reflecting the time of its return to the System. Following the routing process described above, unless the terms of the order direct otherwise, any unfilled portion of the order originally entered into the System shall be ranked in the EDGX Book in accordance with the terms of such order under Rule 11.9 and such order shall be eligible for execution under Rule 11.10.

(i) **Market Access.** In addition to the Exchange Rules regarding routing to away trading centers, Cboe Trading, as defined in Rule 2.11, has, pursuant to Rule 15c3-5 under the Act, implemented certain tests designed to mitigate the financial and regulatory risks associated with providing the Exchange's Members with access to such away trading centers. Pursuant to the policies and procedures developed by Cboe Trading to comply with Rule 15c3-5, if an order or series of orders are deemed to be erroneous or duplicative, would cause the entering Member's credit exposure to exceed a preset credit threshold, or are non-compliant with applicable pre-trade regulatory requirements (as defined in Rule 15c3-5), Cboe Trading will reject such orders prior to routing and/or seek to cancel any orders that have been routed.

[Adopted March 12, 2010; amended October 29, 2014 (SR-EDGX-2014-18); amended January 12, 2015 (SR-EDGX-2014-35); amended January 12, 2015 (SR-EDGX-2015-03); amended February 23, 2015 (SR-EDGX-2015-11); amended April 27, 2015 (SR-EDGX-2015-15); amended July 8, 2015 (SR-EDGX-2015-33); amended October 13, 2015 (SR-EDGX-2015-46); amended November 9, 2015 (SR-EDGX-2015-53) ; amended November 11, 2016 (SR-BatsEDGX-2016-54); amended October 6, 2017 (SR-BatsEDGX-2017-37); amended May 1, 2019 (SR-CboeEDGX-2019-026); amended February 3, 2020 (SR-CboeEDGX-2020-006)]

Rule 11.12. Trade Reporting

(a) Executions occurring as a result of orders matched against the EDGX Book shall be reported by the Exchange to an appropriate consolidated transaction reporting system to the extent required by the Act and the rules and regulations thereunder. Executions occurring as a

result of orders routed away from the System shall be reported to an appropriate consolidated transaction reporting system by the relevant reporting trading center. The Exchange shall promptly notify Users of all executions of their orders as soon as such executions take place.

(b) The Exchange shall identify all trades executed pursuant to an exception or exemption from Rule 611 of Regulation NMS in accordance with specifications approved by the operating committee of the relevant national market system plan for an NMS stock. If a trade is executed pursuant to both the intermarket sweep order exception of Rule 611(b)(5) of Regulation NMS and the self-help exception of Rule 611(b)(1) of Regulation NMS, such trade shall be identified as executed pursuant to the intermarket sweep order exception.

[Adopted March 12, 2010; amended October 29, 2014 (SR-EDGX-2014-18)]

Rule 11.13. Clearance and Settlement; Anonymity

(a) All transactions through the facilities of the Exchange shall be cleared and settled through a registered clearing agency using a continuous net settlement system. This requirement may be satisfied by direct participation, use of direct clearing services, or by entry into a correspondent clearing arrangement with another member that clears trades through a Qualified Clearing Agency. If a Member clears transactions through another Member that is a member of a Qualified Clearing Agency ("Clearing Member"), such Clearing Member shall affirm to the Exchange in writing, through letter of authorization, letter of guarantee or other agreement acceptable to the Exchange, its agreement to assume responsibility for clearing and settling any and all trades executed by the Member designating it as its clearing firm. The rules of any such clearing agency shall govern with respect to the clearance and settlement of any transactions executed by the Member on the Exchange.

(b) Notwithstanding paragraph (a), transactions may be settled "ex clearing" provided that both parties to the transaction agree.

(c) Each transaction executed within the System is executed on a locked-in basis and shall be automatically processed for clearance and settlement.

(d) The transaction reports produced by the System will indicate the details of transactions executed in the System but shall not reveal contra party identities. Except as set forth in paragraph (e) below, transactions executed in the System will also be cleared and settled anonymously.

(e) Except as required by any registered clearing agency, the Exchange will reveal the identity of a Member or Member's clearing firm in the following circumstances:

- (1) for regulatory purposes or to comply with an order of a court or arbitrator;
or
- (2) when a registered clearing agency ceases to act for a Member or the Member's clearing firm, and determines not to guarantee the settlement of the Member's trades.

(f) The Exchange may share any of a User's risk settings specified in Interpretation and Policy .01 and .03 to Rule 11.10 with the Clearing Member that clears transactions on behalf of the User.

[Adopted March 12, 2010; amended October 29, 2014 (SR-EDGX-2014-18); amended May 24, 2017 (SR-BatsEDGX-2017-16); amended April 23, 2020 (SR-CboeEDGX-2020-017)]

Rule 11.14. LIMITATION OF LIABILITY

(a) NEITHER THE EXCHANGE NOR ITS AGENTS, EMPLOYEES, CONTRACTORS, OFFICERS, DIRECTORS, SHAREHOLDERS, COMMITTEE MEMBERS OR AFFILIATES ("EXCHANGE RELATED PERSONS") SHALL BE LIABLE TO ANY USER OR MEMBER, OR SUCCESSORS, REPRESENTATIVES OR CUSTOMERS THEREOF, OR ANY PERSONS ASSOCIATED THEREWITH, FOR ANY LOSS, DAMAGES, CLAIM OR EXPENSE:

(1) GROWING OUT OF THE USE OR ENJOYMENT OF ANY FACILITY OF THE EXCHANGE, INCLUDING, WITHOUT LIMITATION, THE SYSTEM; OR

(2) ARISING FROM OR OCCASIONED BY ANY INACCURACY, ERROR OR DELAY IN, OR OMISSION OF OR FROM THE COLLECTION, CALCULATION, COMPILATION, MAINTENANCE, REPORTING OR DISSEMINATION OF ANY INFORMATION DERIVED FROM THE SYSTEM OR ANY OTHER FACILITY OF THE EXCHANGE, RESULTING EITHER FROM ANY ACT OR OMISSION BY THE EXCHANGE OR ANY EXCHANGE RELATED PERSON, OR FROM ANY ACT CONDITION OR CAUSE BEYOND THE REASONABLE CONTROL OF THE EXCHANGE OR ANY EXCHANGE RELATED PERSON, INCLUDING, BUT NOT LIMITED TO, FLOOD, EXTRAORDINARY WEATHER CONDITIONS, EARTHQUAKE OR OTHER ACTS OF GOD, FIRE, WAR, TERRORISM, INSURRECTION, RIOT, LABOR DISPUTE, ACCIDENT, ACTION OF GOVERNMENT, COMMUNICATIONS OR POWER FAILURE, OR EQUIPMENT OR SOFTWARE MALFUNCTION.

(b) EACH MEMBER EXPRESSLY AGREES, IN CONSIDERATION OF THE ISSUANCE OF ITS MEMBERSHIP IN THE EXCHANGE, TO RELEASE AND DISCHARGE THE EXCHANGE AND ALL EXCHANGE RELATED PERSONS OF AND FROM ALL CLAIMS AND DAMAGES ARISING FROM THEIR ACCEPTANCE AND USE OF THE FACILITIES OF THE EXCHANGE (INCLUDING, WITHOUT LIMITATION, THE SYSTEM).

(c) NEITHER THE EXCHANGE NOR ANY EXCHANGE RELATED PERSON MAKES ANY EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS TO USERS AS TO RESULTS THAT ANY PERSON OR PARTY MAY OBTAIN FROM THE SYSTEM FOR TRADING OR FOR ANY OTHER PURPOSE, AND ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, TITLE, AND NON-INFRINGEMENT WITH RESPECT TO THE SYSTEM ARE HEREBY DISCLAIMED.

(d) NOTWITHSTANDING PARAGRAPH (a) ABOVE, AND SUBJECT TO THE EXPRESS LIMITS SET FORTH BELOW, THE EXCHANGE MAY COMPENSATE

MEMBERS FOR LOSSES RESULTING DIRECTLY FROM THE MALFUNCTION OF THE EXCHANGE'S PHYSICAL EQUIPMENT, DEVICES AND/OR PROGRAMMING OR THE NEGLIGENT ACTS OR OMISSIONS OF ITS EMPLOYEES.

(1) AS TO ANY ONE OR MORE CLAIMS MADE BY A SINGLE MEMBER UNDER THIS RULE ON A SINGLE TRADING DAY, THE EXCHANGE SHALL NOT BE LIABLE IN EXCESS OF THE LARGER OF \$100,000, OR THE AMOUNT OF ANY RECOVERY OBTAINED BY THE EXCHANGE UNDER ANY APPLICABLE INSURANCE MAINTAINED BY THE EXCHANGE.

(2) AS TO THE AGGREGATE OF ALL CLAIMS MADE BY ALL MEMBERS UNDER THIS RULE ON A SINGLE TRADING DAY, THE EXCHANGE SHALL NOT BE LIABLE IN EXCESS OF THE LARGER OF \$250,000 OR THE AMOUNT OF ANY RECOVERY OBTAINED BY THE EXCHANGE UNDER ANY APPLICABLE INSURANCE MAINTAINED BY THE EXCHANGE.

(3) AS TO THE AGGREGATE OF ALL CLAIMS MADE BY ALL MEMBERS UNDER THIS RULE DURING A SINGLE CALENDAR MONTH, THE EXCHANGE SHALL NOT BE LIABLE IN EXCESS OF THE LARGER OF \$500,000, OR THE AMOUNT OF ANY RECOVERY OBTAINED BY THE EXCHANGE UNDER ANY APPLICABLE INSURANCE MAINTAINED BY THE EXCHANGE.

(e) IN THE EVENT THAT ALL OF THE CLAIMS MADE UNDER THIS RULE CANNOT BE FULLY SATISFIED BECAUSE IN THE AGGREGATE THEY EXCEED THE APPLICABLE MAXIMUM LIMITATIONS PROVIDED IN THIS RULE, THEN THE MAXIMUM PERMITTED AMOUNT WILL BE PROPORTIONALLY ALLOCATED AMONG ALL SUCH CLAIMS ARISING ON A SINGLE TRADING DAY OR DURING A SINGLE CALENDAR MONTH, AS APPLICABLE, BASED ON THE PROPORTION THAT EACH SUCH CLAIM BEARS TO THE SUM OF ALL SUCH CLAIMS.

(f) ALL CLAIMS FOR COMPENSATION PURSUANT TO THIS RULE SHALL BE IN WRITING AND MUST BE SUBMITTED NO LATER THAN 4:00 P.M. EASTERN TIME ON THE SECOND BUSINESS DAY FOLLOWING THE DAY ON WHICH THE USE OF THE EXCHANGE GAVE RISE TO SUCH CLAIMS, OR NO LATER THAN 1:00 P.M. EASTERN TIME IN THE EVENT OF AN EARLY MARKET CLOSE ON THE SECOND BUSINESS DAY FOLLOWING THE DAY ON WHICH THE USE OF THE EXCHANGE GAVE RISE TO SUCH CLAIMS.

ONCE IN RECEIPT OF A CLAIM, THE EXCHANGE WILL VERIFY THAT: (i) A VALID ORDER WAS ACCEPTED INTO THE EXCHANGE'S SYSTEMS; AND (ii) AN EXCHANGE SYSTEM FAILURE OR A NEGLIGENT ACT OR OMISSION OF AN EXCHANGE EMPLOYEE OCCURRED DURING THE EXECUTION OR HANDLING OF THAT ORDER.

(g) NOTWITHSTANDING PARAGRAPH (a) ABOVE, AND SUBJECT TO THE EXPRESS LIMITATIONS SET FORTH BELOW, THE EXCHANGE MAY COMPENSATE MEMBERS FOR LOSSES RELATED TO ORDERS OF MEMBERS ROUTED BY THE

EXCHANGE THROUGH CBOE TRADING TO A TRADING CENTER AND RESULTING DIRECTLY FROM THE MALFUNCTION OF THE PHYSICAL EQUIPMENT, DEVICES AND/OR PROGRAMMING, OR THE NEGLIGENT ACTS OR OMISSIONS OF THE EMPLOYEES, OF SUCH TRADING CENTER.

(1) ALL CLAIMS FOR COMPENSATION PURSUANT TO THIS RULE SHALL BE IN WRITING. ONCE IN RECEIPT OF A CLAIM, THE EXCHANGE WILL VERIFY THAT: (i) A VALID ORDER FROM THE MEMBER WAS ACCEPTED AND ACKNOWLEDGED BY THE EXCHANGE; (ii) THE MEMBER'S ORDER, OR A PORTION THEREOF, WAS ROUTED BY THE EXCHANGE VIA CBOE TRADING TO THE TRADING CENTER; AND (iii) THE MEMBER CLAIMS A LOSS AS A RESULT OF THE MALFUNCTION OF THE PHYSICAL EQUIPMENT, DEVICES AND/OR PROGRAMMING, OR THE NEGLIGENT ACTS OR OMISSIONS OF THE EMPLOYEES, OF SUCH TRADING CENTER. UPON VERIFICATION OF THE FOREGOING, THE EXCHANGE SHALL FORWARD THE CLAIM VIA CBOE TRADING TO SUCH TRADING CENTER AS SOON AS REASONABLY PRACTICABLE.

(2) IF AND TO THE EXTENT THAT THE EXCHANGE, VIA CBOE TRADING, RECEIVES COMPENSATION, IN WHOLE OR IN PART, FROM A TRADING CENTER AS A RESULT OF A CLAIM SUBMITTED ON BEHALF OF A MEMBER, THE EXCHANGE SHALL PASS THE FULL AMOUNT OF SUCH COMPENSATION DIRECTLY TO THE MEMBER. ANY COMPENSATION TO MEMBERS FOR SUCH CLAIMS WILL BE PAID SOLELY FROM COMPENSATION, IF ANY, RECOVERED BY THE EXCHANGE VIA CBOE TRADING FROM THE TRADING CENTER.

(3) IN THE EVENT THAT ALL OF THE CLAIMS MADE UNDER THIS SUBPARAGRAPH (g) AND DIRECTLY ATTRIBUTABLE TO THE SAME MALFUNCTION OR NEGLIGENT ACT OR OMISSION ARE NOT FULLY SATISFIED BY THE TRADING CENTER, THEN ANY AMOUNT OF COMPENSATION RECEIVED FROM THE TRADING CENTER WILL BE PROPORTIONALLY ALLOCATED AMONG ALL SUCH CLAIMS BASED ON THE PROPORTION THAT EACH SUCH CLAIM BEARS TO THE SUM OF ALL SUCH CLAIMS.

(4) THE PASS-THROUGH OF ANY COMPENSATION TO A MEMBER IN ACCORDANCE WITH THIS SUBPARAGRAPH (g) IS UNRELATED TO ANY OTHER CLAIMS FOR COMPENSATION THAT ARE MADE IN ACCORDANCE WITH, AND SUBJECT TO THE LIMITS OF, SUBPARAGRAPH (d)(3) OF THIS RULE. ACCORDINGLY, ANY SUCH COMPENSATION MADE PURSUANT TO THIS PARAGRAPH (g) SHALL NOT REDUCE OR OTHERWISE AFFECT THE EXCHANGE'S LIABILITY LIMITS PURSUANT TO SUBPARAGRAPH (d)(1)-(3), OR ANY OTHER APPLICABLE INSURANCE MAINTAINED BY THE EXCHANGE.

(5) THE EXCHANGE SHALL NOT BE LIABLE IN THE EVENT THAT THE TRADING CENTER IDENTIFIED IN A CLAIM FOR COMPENSATION MADE PURSUANT TO THIS PARAGRAPH (g) WERE TO DENY SUCH CLAIM, IN WHOLE OR IN PART, FOR ANY REASON. UNDER NO CIRCUMSTANCES WILL THE EXCHANGES' INABILITY TO PROCURE COMPENSATION FROM A TRADING CENTER, IN WHOLE OR IN PART, AND FOR WHATEVER REASON, GIVE RISE TO A CLAIM FOR COMPENSATION FROM THE EXCHANGE PURSUANT TO PARAGRAPH (d) OF THIS RULE AS A NEGLIGENT ACT OR OMISSION OF AN EXCHANGE EMPLOYEE.

[Adopted March 12, 2010; amended July 22, 2010 (SR-EDGX-2010-08); amended January 8, 2014 (SR-EDGX-2013-45); amended October 29, 2014 (SR-EDGX-2014-18); amended October 27, 2014 (SR-EDGX-2014-24); amended January 12, 2015 (SR-EDGX-2014-35); amended December 16, 2016 (SR-BatsEDGX-2016-16)]

Rule 11.15. Clearly Erroneous Executions

The provisions of paragraphs (c), (e)(2), (f), and (g) of this Rule, as amended on September 10, 2010, and the provisions of paragraphs (i) through (k), shall be in effect during a pilot period that expires at the close of business on October 20, 2020. If the pilot period is not either extended, replaced, or approved as permanent, the prior versions of paragraphs (c), (e)(2), (f), and (g) shall be in effect, and the provisions of paragraphs (i) through (k) shall be null and void.

(a) Definition. For purposes of this Rule, the terms of a transaction executed on the Exchange are "clearly erroneous" when there is an obvious error in any term, such as price, number of shares or other unit of trading, or identification of the security. A transaction made in clearly erroneous error and cancelled by both parties or determined by the Exchange to be clearly erroneous will be removed from the Consolidated Tape.

(b) Request and Timing of Review. A Member that receives an execution on an order that was submitted erroneously to the Exchange for its own or customer account may request that the Exchange review the transaction under this Rule. An Officer of the Exchange or such other employee designee of the Exchange ("Official") shall review the transaction under dispute and determine whether it is clearly erroneous, with a view toward maintaining a fair and orderly market and the protection of investors and the public interest. Such request for review shall be made in writing via e-mail or other electronic means specified from time to time by the Exchange in a circular distributed to Members.

(1) Requests for Review. Requests for review must be received by the Exchange within thirty (30) minutes of execution time and shall include information concerning the time of the transaction(s), security symbol(s), number of shares, price(s), side (bought or sold), and factual basis for believing that the trade is clearly erroneous. Upon receipt of a timely filed request that satisfies the numerical guidelines set forth in paragraph (c)(1) of this Rule, the counterparty to the trade shall be notified by the Exchange as soon as practicable, but generally within thirty (30) minutes. An Official may request additional supporting written information to aid in the resolution of the matter. If requested, each party to the transaction shall provide any supporting written

information as may be reasonably requested by the Official to aid resolution of the matter within thirty (30) minutes of the Official's request. Either party to the disputed trade may request the supporting written information provided by the other party on the matter.

(2) Routed Executions. Other market centers will generally have an additional thirty (30) minutes from receipt of their participant's timely filing, but no longer than sixty (60) minutes from the time of the execution at issue, to file with the Exchange for review of transactions routed to the Exchange from that market center and executed on the Exchange.

(c) Thresholds. Determinations of whether an execution is clearly erroneous will be made as follows:

(1) Numerical Guidelines. Subject to the provisions of paragraph (c)(3) below, a transaction executed during Regular Trading Hours or during the Early Trading, Pre-Opening and Post-Closing Session shall be found to be clearly erroneous if the price of the transaction to buy (sell) that is the subject of the complaint is greater than (less than) the Reference Price by an amount that equals or exceeds the Numerical Guidelines set forth below. The execution time of the transaction under review determines whether the threshold is Regular Trading Hours or Early Trading, Pre-Opening or Post-Closing Session (which occur before and after the Regular Trading Hours). The Reference Price will be equal to the consolidated last sale immediately prior to the execution(s) under review except for: (A) Multi-Stock Events involving twenty or more securities, as described in paragraph (c)(2) below; and (B) in other circumstances, such as, for example, relevant news impacting a security or securities, periods of extreme market volatility, sustained illiquidity, or widespread system issues, where use of a different Reference Price is necessary for the maintenance of a fair and orderly market and the protection of investors and the public interest.

Reference Price, Circumstance or Product	Regular Trading Hours Numerical Guidelines (Subject transaction's % difference from the Reference Price):	Early Trading, Pre-Opening and Post-Closing Session Numerical Guidelines (Subject transaction's % difference from the Reference Price):
Greater than \$0.00 up to and including \$25.00	10%	20%
Greater than \$25.00 up to and including \$50.00	5%	10%
Greater than \$50.00	3%	6%
Multi-Stock Event – Filings involving five or more, , but less than twenty, securities whose executions occurred	10%	10%

within a period of five minutes or less		
Multi-Stock Event – Filings involving twenty or more securities whose executions occurred within a period of five minutes or less	30%, subject to the terms of paragraph (c)(2) below	30%, subject to the terms of paragraph (c)(2) below
Leveraged ETF/ETN securities	Regular Trading Hours Numerical Guidelines multiplied by the leverage multiplier (ie. 2x)	Regular Trading Hours Numerical Guidelines multiplied by the leverage multiplier (ie. 2x)

(2) Multi-Stock Events Involving Twenty or More Securities. During Multi-Stock Events involving twenty or more securities the number of affected transactions may be such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest. In such circumstances, the Exchange may use a Reference Price other than consolidated last sale. To ensure consistent application across market centers when this paragraph is invoked, the Exchange will promptly coordinate with the other market centers to determine the appropriate review period, which may be greater than the period of five minutes or less that triggered application of this paragraph, as well as select one or more specific points in time prior to the transactions in question and use transaction prices at or immediately prior to the one or more specific points in time selected as the Reference Price. The Exchange will nullify as clearly erroneous all transactions that are at prices equal to or greater than 30% away from the Reference Price in each affected security during the review period selected by the Exchange and other markets consistent with this paragraph.

(3) Additional Factors. Except in the context of a Multi-Stock Event involving five or more securities, an Official may also consider additional factors to determine whether an execution is clearly erroneous, including but not limited to, system malfunctions or disruptions, volume and volatility for the security, derivative securities products that correspond to greater than 100% in the direction of a tracking index, news released for the security, whether trading in the security was recently halted/resumed, whether the security is an initial public offering, whether the security was subject to a stock-split, reorganization, or other corporate action, overall market conditions, Early Trading, Pre-Opening and Post-Closing Session executions, validity of the consolidated tape trades and quotes, consideration of primary market indications, and executions inconsistent with the trading pattern in the stock. Each additional factor shall be considered with a view toward maintaining a fair and orderly market and the protection of investors and the public interest.

(d) Outlier Transactions. In the case of an Outlier Transaction, an Official may in his or her sole discretion, and on a case-by-case basis, consider requests received pursuant to paragraph (b) of this Rule after thirty (30) minutes, but not longer than sixty (60) minutes after the transaction in question, depending on the facts and circumstances surrounding such request.

(1) “Outlier Transaction” means a transaction where the execution price of the security is greater than three times the current Numerical Guidelines set forth in paragraph (c)(1) of this Rule.

(2) If the execution price of the security in question is not within the Outlier Transaction parameters set forth in paragraph (d)(1) of this Rule but breaches the 52-week high or 52-week low, the Exchange may consider Additional Factors as outlined in paragraph(c)(3), in determining if the transaction qualifies for further review or if the Exchange shall decline to act.

(e) Review Procedures.

(1) Determination by Official. Unless both parties to the disputed transaction agree to withdraw the initial request for review, the transaction under dispute shall be reviewed, and a determination shall be rendered by the Official. If the Official determines that the transaction is not clearly erroneous, the Official shall decline to take any action in connection with the completed trade. In the event that the Official determines that the transaction in dispute is clearly erroneous, the Official shall declare the transaction null and void. A determination shall be made generally within thirty (30) minutes of receipt of the complaint, but in no case later than the start of the Regular Trading Hours on the following trading day. The parties shall be promptly notified of the determination.

(2) Appeals. If a Member affected by a determination made under this Rule so requests within the time permitted below, the Clearly Erroneous Execution Panel (“CEE Panel”) will review decisions made by the Official under this Rule, including whether a clearly erroneous execution occurred and whether the correct determination was made; provided however that the CEE Panel will not review decisions made by an Officer under paragraph (f) of this Rule if such Officer also determines under paragraph (f) of this Rule that the number of the affected transactions is such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest, and further provided that with respect to rulings made by the Exchange in conjunction with one or more additional market centers, the number of affected transactions is similarly such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest and, hence, are also non-appealable.

(A) The CEE Panel will consist of the Exchange’s Chief Regulatory Officer (“CRO”), or a designee of the CRO, and representatives from two (2) Members.

(B) The Exchange shall designate at least ten (10) representatives of Members to be called upon to serve on the CEE Panel as needed. In no case shall a CEE Panel include a person affiliated with a party to the trade in question. To the extent reasonably possible, the Exchange shall call upon the designated representatives to participate on a CEE Panel on an equally frequent basis.

(C) A request for review on appeal must be made in writing via e-mail or other electronic means specified from time to time by the Exchange in a circular distributed to Members within thirty (30) minutes after the party making the appeal is given notification of the initial determination being appealed. The CEE Panel shall review the facts and render a decision as soon as practicable, but generally on the same trading day as the execution(s) under review. On requests for appeal received between 3:00 p.m. Eastern Time and the close of trading in the Post-Closing Session, a decision will be rendered as soon as practicable, but in no case later than the trading day following the date of the execution under review.

(D) The CEE Panel may overturn or modify an action taken by the Official under this Rule. All determinations by the CEE Panel shall constitute final action by the Exchange on the matter at issue.

(E) If the CEE Panel votes to uphold the decision made pursuant to paragraph (e)(1) above, the Exchange will assess a \$500.00 fee against the Member(s) who initiated the request for appeal. In addition, in instances where the Exchange, on behalf of a Member, requests a determination by another market center that a transaction is clearly erroneous, the Exchange will pass any resulting charges through to the relevant Member.

(F) Any determination by an Official or by the CEE Panel shall be rendered without prejudice as to the rights of the parties to the transaction to submit their dispute to arbitration.

(f) System Disruption or Malfunctions. In the event of any disruption or a malfunction in the operation of any electronic communications and trading facilities of the Exchange in which the nullification of transactions may be necessary for the maintenance of a fair and orderly market or the protection of investors and the public interest exist, an Officer of the Exchange or other senior level employee designee, on his or her own motion, may review such transactions and declare such transactions arising out of the operation of such facilities during such period null and void. In such events, the Officer of the Exchange or such other senior level employee designee will rely on the provisions of paragraph (c)(1)–(3) of this Rule, but in extraordinary circumstances may also use a lower Numerical Guideline if necessary to maintain a fair and orderly market, protect investors and the public interest. Absent extraordinary circumstances, any such action of the Officer of the Exchange or other senior level employee designee pursuant to this paragraph (f) shall be taken within thirty (30) minutes of detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Officer of the Exchange or senior level employee designee must be taken by no later than the start of Regular Trading Hours on the trading day following the date of execution(s) under review. Each Member involved in the transaction shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2).

(g) Officer Acting On Own Motion. An Officer of the Exchange or senior level employee designee, acting on his or her own motion, may review potentially erroneous executions and declare trades null and void or shall decline to take any action in connection with the completed trade(s). In such events, the Officer of the Exchange or other senior level employee designee will

rely on the provisions of paragraph (c)(1)–(3) of this Rule. Absent extraordinary circumstances, any such action of the Officer of the Exchange or such other senior level employee designee shall be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Officer of the Exchange or other senior level employee designee must be taken by no later than the start of Regular Trading Hours on the trading day following the date of execution(s) under review. When such action is taken independently, each party involved in the transaction shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2) above.

(h) Trade Nullification for UTP Securities that are Subject of Initial Public Offerings (“IPOs”). Pursuant to SEC Rule 12f-2, as amended, the Exchange may extend unlisted trading privileges to a security that is the subject of an IPO when at least one transaction in the subject security has been effected on the national securities exchange or association upon which the security is listed and the transaction has been reported pursuant to an effective transaction reporting plan. A clearly erroneous error may be deemed to have occurred in the opening transaction of the subject security if the execution price of the opening transaction on the Exchange is the lesser of \$1.00 or 10% away from the opening price on the listing exchange or association. In such circumstances, the Officer of the Exchange or other senior level employee designee shall declare the opening transaction null and void or shall decline to take action in connection with the completed trade(s). Clearly erroneous executions of subsequent transactions of the subject security will be reviewed in the same manner as the procedure set forth in (e)(1). Absent extraordinary circumstances, any such action of the Officer of the Exchange or other senior level employee designee pursuant to this subsection (h) shall be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Officer of the Exchange or other senior level employee designee must be taken by no later than the start of Regular Trading Hours on the trading day following the date of execution(s) under review. Each party involved in the transaction shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2) above.

(i) Securities Subject to Limit Up-Limit Down Plan. For purposes of this paragraph, the phrase “Limit Up-Limit Down Plan” or “Plan” shall mean the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act. The provisions of paragraphs (a) through (h) above and (j) through (k) below shall govern all Exchange transactions, including transactions in securities subject to the Plan, other than as set forth in this paragraph (i). If as a result of an Exchange technology or systems issue any transaction occurs outside of the applicable price bands disseminated pursuant to the Plan, an Officer of the Exchange or senior level employee designee, acting on his or her own motion or at the request of a third party, shall review and declare any such trades null and void. Absent extraordinary circumstances, any such action of the Officer of the Exchange or other senior level employee designee shall be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Officer of the Exchange or other senior level employee designee must be taken by no later than the start of Regular Trading Hours on the trading day following the date on which the execution(s) under review occurred. Each Member involved in the transaction shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of

paragraph (e)(2) above. In the event that a single plan processor experiences a technology or systems issue that prevents the dissemination of price bands, the Exchange will make the determination of whether to nullify transactions based on paragraphs (a) through (h) above and (j) through (k) below.

(j) **Multi-Day Event.** A series of transactions in a particular security on one or more trading days may be viewed as one event if all such transactions were effected based on the same fundamentally incorrect or grossly misinterpreted issuance information resulting in a severe valuation error for all such transactions (the “Event”). An Officer of the Exchange or senior level employee designee, acting on his or her own motion, shall take action to declare all transactions that occurred during the Event null and void not later than the start of trading on the day following the last transaction in the Event. If trading in the security is halted before the valuation error is corrected, an Officer of the Exchange or senior level employee designee shall take action to declare all transactions that occurred during the Event null and void prior to the resumption of trading. Notwithstanding the foregoing, no action can be taken pursuant to this paragraph with respect to any transactions that have reached settlement date or that result from an initial public offering of a security. To the extent transactions related to an Event occur on one or more other market centers, the Exchange will promptly coordinate with such other market center(s) to ensure consistent treatment of the transactions related to the Event, if practicable. Any action taken in connection with this paragraph will be taken without regard to the Numerical Guidelines set forth in this Rule. Each Member involved in a transaction subject to this paragraph shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2) above.

(k) **Trading Halts.** In the event of any disruption or malfunction in the operation of the electronic communications and trading facilities of the Exchange, another market center or responsible single plan processor in connection with the transmittal or receipt of a regulatory trading halt, suspension or pause, an Officer of the Exchange or senior level employee designee, acting on his or her own motion, shall nullify any transaction in a security that occurs after the primary listing market for such security declares a regulatory trading halt, suspension or pause with respect to such security and before such regulatory trading halt, suspension or pause with respect to such security has officially ended according to the primary listing market. In addition, in the event a regulatory trading halt, suspension or pause is declared, then prematurely lifted in error and is then re-instituted, an Officer of the Exchange or senior level employee designee shall nullify transactions that occur before the official, final end of the halt, suspension or pause according to the primary listing market. Any action taken in connection with this paragraph shall be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction and in no circumstances later than the start of Regular Trading Hours on the trading day following the date of execution(s) under review. Any action taken in connection with this paragraph will be taken without regard to the Numerical Guidelines set forth in this Rule. Each Member involved in a transaction subject to this paragraph shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2) above.

[Adopted March 12, 2010; amended September 10, 2010 (SR-EDGX-2010-03); amended December 9, 2010 (SR-EDGX-2010-23); amended April 5, 2011 (SR-EDGX-2011-11); amended May 4, 2011 (SR-EDGX-2011-14); amended August 5, 2011 (SR-EDGX-2011-24); amended

August 8, 2011 (SR-EDGX-2011-25); amended January 11, 2012 (SR-EDGX-2012-02); amended July 18, 2012 (SR-EDGX-2012-27); amended January 31, 2013 (SR-EDGX-2013-06); amended April 8, 2013 (SR-EDGX-2011-30), (SR-EDGX-2011-30, Amendment No. 1) and (SR-EDGX-2013-05); amended September 25, 2013 (SR-EDGX-2013-35); amended March 31, 2014 (SR-EDGX-2010-03); amended March 18, 2014 (SR-EDGX-2014-007); amended June 19, 2014 (SR-EDGX-2014-12); amended October 29, 2014 (SR-EDGX-2014-18); amended October 21, 2015 (SR-EDGX-2015-42); amended April 6, 2016 (SR-EDGX-2016-06); amended April 2, 2019 (SR-CboeEDGX-2019-016); amended October 18, 2019 (SR-CboeEDGX-2019-062); amended April 17, 2020 (SR-CboeEDGX-2020-013)]

Rule 11.16. Trading Halts Due to Extraordinary Market Volatility

The provisions of paragraphs (a) through (d), (f) and (g) of this Rule shall be in effect during a pilot period that expires at the close of business on October 18, 2020. If the pilot is not either extended or approved permanently at the end of the pilot period, the prior version of paragraphs (a) through (d), (f) and (g) shall be in effect.

(a) Trading in all stocks will halt on the Exchange and will not re-open for the time periods described in this Rule if there is a Level 1, 2, or 3 Market Decline.

(1) For purposes of this Rule, a Market Decline means a decline in price of the S&P 500® Index between 9:30 a.m. and 4:00 p.m. on a trading day as compared to the closing price of the S&P 500® Index for the immediately preceding trading day. The Level 1, Level 2 and Level 3 Market Declines that will be applicable for the trading day will be publicly disseminated by the primary listing market before 9:30 a.m.

(2) A “Level 1 Market Decline” means a Market Decline of 7%.

(3) A “Level 2 Market Decline” means a Market Decline of 13%.

(4) A “Level 3 Market Decline” means a Market Decline of 20%.

(b) Halts in Trading.

(1) If a Level 1 Market Decline or a Level 2 Market Decline occurs after 9:30 a.m. and up to and including 3:25 p.m. or in the case of an early scheduled close, 12:25 p.m., trading in all stocks will halt on the Exchange for 15 minutes after a Level 1 or Level 2 Market Decline. Trading in all stocks will halt on the Exchange based on a Level 1 or Level 2 Market Decline only once per trading day. Trading in all stocks will not halt on the Exchange if a Level 1 Market Decline or a Level 2 Market Decline occurs after 3:25 p.m. or in the case of an early scheduled close, 12:25 p.m.

(2) If a Level 3 Market Decline occurs at any time during the trading day, trading in all stocks will halt on the Exchange for the remainder of the trading day.

(c) If the primary listing market halts trading in all stocks, trading will halt on the Exchange in those stocks until trading has resumed on the primary listing market or notice has been received from the primary listing market that trading may resume. If the primary listing

market does not re-open a security within 15 minutes following the end of the 15-minute halt period, the Exchange may resume trading in that security.

(d) Nothing in this Rule 11.16 should be construed to limit the ability of the Exchange to otherwise halt, suspend, or pause the trading in any stock or stocks traded on the Exchange pursuant to any other Exchange rule or policy.

(e) Limit Up-Limit Down Mechanism

(1) Definitions. All capitalized terms not otherwise defined in this paragraph (e) shall have the meanings set forth in the Plan or Exchange Rules, as applicable.

(2) Exchange Participation in the Plan. The Exchange is a Participant in, and subject to the applicable requirements of, the Plan, which establishes procedures to address extraordinary volatility in NMS Stocks.

(3) Member Compliance. Members shall comply with the applicable provisions of the Plan.

(4) Exchange Compliance with the Plan. The System shall not display or execute buy (sell) interest above (below) the Upper (Lower) Price Bands, unless such interest is specifically exempted under the Plan.

(5) Re-pricing and Cancellation of Interest. Depending on a User's instructions, the System shall re-price and/or cancel buy (sell) interest that is priced or could be executed above (below) the Upper (Lower) Price Band. When re-pricing resting orders because such orders are above (below) the Upper (Lower) Price Band, the Exchange will provide new timestamps to such orders. The Exchange will also provide new timestamps to resting orders at the less aggressive price to which such orders are re-priced. Any resting interest that is re-priced pursuant to this Rule shall maintain priority ahead of interest that was originally less aggressively priced, regardless of the original timestamps for such orders.

(A) Market Orders and Orders with TIF of IOC or FOK. The System will only execute Market Orders or orders with a TIF of IOC or FOK at or within the Price Bands. Market Orders will be handled in accordance with Rule 11.8(a)(4).

(B) Limit-priced Interest. Limit-priced interest will be cancelled if a User has entered instructions not to use the re-pricing process and such interest to buy (sell) is priced above (below) the Upper (Lower) Price Band. If re-pricing is permitted based on a User's instructions, both displayable and non-displayable incoming limit-priced interest to buy (sell) that is priced above (below) the Upper (Lower) Price Band shall be re-priced to the Upper (Lower) Price Band. The System shall re-price resting limit-priced interest to buy (sell) to the Upper (Lower) Price Band if Price Bands move such that the price of resting limit-priced interest to buy (sell) would be above (below) the Upper (Lower) Price Band. If the Price Bands move again and the original limit price of displayed and repriced interest is at or within the Price Bands and a User has opted into the Exchange's optional

multiple re-pricing process, as described in Rule 11.6(l), the System shall reprice such displayed limit interest to the most aggressive permissible price up to the order's limit price. All other displayed and non-displayed limit interest re-priced pursuant to this paragraph (e) will remain at its new price unless the Price Bands move such that the price of resting limit-priced interest to buy (sell) would again be above (below) the Upper (Lower) Price Band.

(C) Pegged Interest. Orders with a Pegged instruction to buy (sell) shall peg to the specified pegging price or the Upper (Lower) Price Band, whichever is lower (higher).

(D) Routable Orders. If routing is permitted based on a User's instructions, orders shall be routed away from the Exchange pursuant to Rule 11.11, provided that the System shall not route buy (sell) interest at a price above (below) the Upper (Lower) Price Band.

(1) Re-routing. When the Upper (Lower) Price Band adjusts such that the NBO (NBB) becomes executable, a routable buy (sell) Market or marketable Limit Order will be eligible to be re-routed by the Exchange if such order contains an Aggressive or Super Aggressive instruction.

(2) Routing strategy SWPA, as described in Rule 11.11(g), is eligible for routing in accordance with the Plan as follows: the System will immediately cancel orders utilizing an SWPA routing strategy when an order to buy utilizing an SWPA routing strategy has a limit price that is greater than the Upper Price Band or if a sell order utilizing an SWPA routing strategy has a limit price that is less than the Lower Price Band.

(E) Sell Short Orders. During a short sale price test restriction pursuant to Rule 201 of Regulation SHO, orders with a Short Sale instruction priced below the Lower Price Band shall be re-priced to the higher of the Lower Price Band or the Permitted Price, as defined in Rule 11.6(k).

(6) Re-opening of Trading following a Trading Pause. At the end of the Trading Pause, the Exchange shall re-open the security as set forth in Rule 11.7(e).

(f) On the occurrence of any trading halt pursuant to this Rule, except where a User has designated that its orders be cancelled, all outstanding orders in the System will remain on the EDGX Book.

(g) All times referenced in this Rule 11.16 shall be Eastern Time.

[Adopted March 12, 2010; amended June 10, 2010 (SR-EDGX-2010-01); amended July 13, 2010 (SR-EDGX-2010-07); amended September 10, 2010 (SR-EDGX-2010-05); amended December 8, 2010 (SR-EDGX-2010-22); amended April 5, 2011 (SR-EDGX-2011-10); amended May 4, 2011 (SR-EDGX-2011-14); amended August 5, 2011 (SR-EDGX-2011-23); amended January 11, 2012 (SR-EDGX-2012-01); amended July 18, 2012 (SR-EDGX-2012-28); amended January 30, 2013 (SR-EDGX-2013-04); amended April 8, 2013 (SR-EDGX-2011-30), (SR-EDGX-2011-30,

Amendment No. 1), (SR-EDGX 2013-05) and (SR-EDGX-2013-08); amended March 27, 2014 (SR-EDGX-2011-36) and (SR-EDGX-2011-30); amended October 29, 2014 (SR-EDGX-2014-18); amended April 27, 2015 (SR-EDGX-2015-15); amended April 12, 2019 (SR-CboeEDGX-2019-023); amended May 1, 2019 (SR-CboeEDGX-2019-026); amended October 15, 2019 (SR-CboeEDGX-2019-061); amended March 17, 2020 (SR-CboeEDGX-2020-012)]

Rule 11.17. Registration of Market Makers

(a) An applicant for registration as a Market Maker shall file an application in writing on such form as the Exchange may prescribe. Applications shall be reviewed by the Exchange, which shall consider such factors including, but not limited to, capital, operations, personnel, technical resources and disciplinary history. Each Market Maker must have and maintain minimum net capital of at least the amount required under Rule 15c3-1 of the Exchange Act.

(b) An applicant's registration as a Market Maker shall become effective upon receipt by the Member of notice of an approval of registration by the Exchange.

(c) The registration of a Market Maker may be suspended or terminated by the Exchange if the Exchange determines that:

(1) The Market Maker has substantially or continually failed to engage in dealings in accordance with Rule 11.21 or elsewhere in these Rules;

(2) The Market Maker has failed to meet the minimum net capital conditions set forth under paragraph (a) above;

(3) The Market Maker has failed to maintain fair and orderly markets; or

(4) The Market Maker does not have at least one registered Market Maker Authorized Trader ("MMAT") qualified to perform market making activities as set forth in Rule 11.18(b)(5). A MMAT whose registration is suspended pursuant to this paragraph (c) shall not be deemed qualified within the meaning of this subsection.

(d) Any registered Market Maker may withdraw its registration by giving written notice to the Exchange. The Exchange may require a certain minimum prior notice period for withdrawal, and may place such other conditions on withdrawal and re-registration following withdrawal, as it deems appropriate in the interest of maintaining fair and orderly markets.

(e) Any person aggrieved by any determination under this Rule 11.17 or Rules 11.18 or 11.19 below may seek review under Chapter X of Exchange Rules governing adverse action.

(f) Registered Market Makers are designated as dealers on the Exchange for all purposes under the Exchange Act and the rules and regulations thereunder.

[Adopted December 15, 2011 (SR-EDGX-2011-28); amended October 29, 2014 (SR-EDGX-2014-18); amended January 28, 2016 (SR-EDGX-2015-68)]

Rule 11.18. Obligations of Market Maker Authorized Traders

(a) General. MMATs are permitted to enter orders only for the account of the Market Maker for which they are registered.

(b) Registration of Market Maker Authorized Traders. The Exchange may, upon receiving an application in writing from a Market Maker on a form prescribed by the Exchange, register a person as a MMAT.

(1) MMATs may be officers, partners, employees or other associated persons of Members that are registered with the Exchange as Market Makers.

(2) To be eligible for registration as a MMAT, a person must successfully complete proficiency examinations and continuing education requirements applicable to Authorized Traders, as set forth in Interpretation and Policies .01 and .02 to Rule 2.5, and any other training and/or certification programs as may be required by the Exchange.

(3) The Exchange may require a Market Maker to provide any and all additional information the Exchange deems necessary to establish whether registration should be granted.

(4) The Exchange may grant a person conditional registration as a MMAT subject to any conditions it considers appropriate in the interest of maintaining a fair and orderly market.

(5) A Market Maker must ensure that a MMAT is properly qualified to perform market making activities, including, but not limited to, ensuring the MMAT has met the requirements set forth in paragraph (b)(2) of this Rule.

(c) Suspension or Withdrawal of Registration.

(1) The Exchange may suspend or withdraw the registration previously given to a person to be a MMAT if the Exchange determines that:

(A) the person has caused the Market Maker to fail to comply with the securities laws, rules and regulations or the By-Laws, Rules and procedures of the Exchange;

(B) the person is not properly performing the responsibilities of a MMAT;

(C) the person has failed to meet the conditions set forth under Paragraph (b) above; or

(D) the MMAT has failed to maintain fair and orderly markets.

(2) If the Exchange suspends the registration of a person as a MMAT, the Market Maker must not allow the person to submit orders into the System.

(3) The registration of a MMAT will be withdrawn upon the written request of the Member for which the MMAT is registered. Such written request shall be submitted on a form prescribed by the Exchange.

[Adopted December 15, 2011 (SR-EDGX-2011-28); amended October 29, 2014, (SR-EDGX-2014-18); amended January 4, 2016 (SR-EDGX-2015-66)]

Rule 11.19. Registration of Market Makers in a Security

(a) A Market Maker may become registered in a newly authorized security or in a security already admitted to dealings on the Exchange by filing a security registration form with the Exchange. Registration in the security shall become effective on the same day as the Exchange's approval of the registration, unless otherwise provided by the Exchange. In considering the approval of the registration of the Market Maker in a security, the Exchange may consider:

- (1) the financial resources available to the Market Maker;
- (2) the Market Maker's experience, expertise and past performance in making markets, including the Market Maker's performance in other securities;
- (3) the Market Maker's operational capability;
- (4) the maintenance and enhancement of competition among Market Makers in each security in which the Market Maker is registered;
- (5) the existence of satisfactory arrangements for clearing the Market Maker's transactions; and
- (6) the character of the market for the security, e.g., price, volatility and relative liquidity.

(b) Voluntary Termination of Security Registration. A Market Maker may voluntarily terminate its registration in a security by providing the Exchange with a written notice of such termination. The Exchange may require a certain minimum, prior notice period for such termination, and may place such other conditions on withdrawal and re-registration following withdrawal, as it deems appropriate in the interest of maintaining fair and orderly markets. A Market Maker that fails to give advanced written notice of termination to the Exchange may be subject to formal disciplinary action pursuant to Chapter VIII of these Rules.

(c) The Exchange may suspend or terminate any registration of a Market Maker in a security or securities under this Rule 11.19 whenever the Exchange determines that:

- (1) The Market Maker has not met any of its obligations as set forth in these Rules; or

(2) The Market Maker has failed to maintain fair and orderly markets. A Market Maker whose registration is suspended or terminated pursuant to this Rule 11.19(c) may seek review under Chapter X of Exchange Rules governing adverse action.

(d) Nothing in this Rule 11.19 will limit any other power of the Exchange under the By-Laws, Rules or procedures of the Exchange with respect to the registration of a Market Maker or in respect of any violation by a Market Maker of the provisions of this Rule 11.19.

[Adopted December 15, 2011 (SR-EDGX-2011-28); amended October 29, 2014, (SR-EDGX-2014-18)]

Rule 11.20. Obligations of Market Makers

(a) General. Members who are registered as Market Makers in one or more securities traded on the Exchange must engage in a course of dealings for their own account to assist in the maintenance, insofar as reasonably practicable, of fair and orderly markets on the Exchange in accordance with these Rules. The responsibilities and duties of a Market Maker specifically include, but are not limited to, the following:

(1) Maintain continuous, two-sided quotations consistent with the requirements of paragraph (d) below;

(2) Remain in good standing with the Exchange and in compliance with all Exchange Rules applicable to it;

(3) Inform the Exchange of any material change in financial or operational condition or in personnel;

(4) Maintain a current list of MMATs who are permitted to enter orders on behalf of the Market Maker and provide an updated version of this list to the Exchange upon any change in MMATs; and

(5) Clear and settle transactions through the facilities of a registered clearing agency. This requirement may be satisfied by direct participation, use of direct clearing services or by entry into a correspondent clearing arrangement with another Member that clears trades through such agency.

(b) A Market Maker shall be responsible for the acts and omissions of its MMATs.

(c) If the Exchange finds any substantial or continued failure by a Market Maker to engage in a course of dealings as specified in paragraph (a) of this Rule, such Market Maker will be subject to disciplinary action, including, without limitation, suspension or revocation of its registration by the Exchange in one or more of the securities in which the Market Maker is registered. Nothing in this Rule 11.20 will limit any powers of the Exchange under the By-Laws, Rules or procedures of the Exchange with respect to the registration of a Market Maker or in respect of any violation by a Market Maker of the provisions of this Rule 11.20. Any Member aggrieved by any determination under this Rule 11.20 may seek review under Chapter X of the Exchange Rules governing adverse action.

(d) Quotation Requirements and Obligations

(1) Continuous, Two-Sided Quote Obligation. For each security in which a Member is registered as a Market Maker, the Member shall be willing to buy and sell such security for its own account on a continuous basis during Regular Trading Hours and shall enter and maintain a two-sided trading interest (“Two-Sided Obligation”) that is identified to the Exchange as the interest meeting the obligation and is displayed in the Exchange’s System at all times. Interest eligible to be considered as part of a Market Maker’s Two-Sided Obligation shall have a displayed quotation size of at least one normal unit of trading (or a larger multiple thereof); provided, however, that a Market Maker may augment its Two-Sided Obligation size to display limit orders priced at the same price as the Two-Sided Obligation. Unless otherwise designated, a “normal unit of trading” shall be 100 shares. After an execution against its Two-Sided Obligation, a Market Maker must ensure that additional trading interest exists in the System to satisfy its Two-Sided Obligation either by immediately entering new interest to comply with this obligation to maintain continuous, two-sided quotations or by identifying existing interest on the EDGX Book that will satisfy this obligation.

(A) If a technical failure or limitation of a system of the Exchange prevents the Market Maker from maintaining or communicating to the Exchange timely and accurate quotes in each security in which a Member is registered as a Market Maker, the duration of such failure shall not be considered in determining whether the Market Maker has satisfied the quoting standard with respect to that security.

(B) The continuous quoting obligations set forth above: (i) shall be suspended during a trading halt, suspension, or pause in the security, and shall not re-commence until after the first regular way transaction on the primary listing market following such halt, suspension, or pause in the security, as reported by the responsible single plan processor, and (ii) shall be suspended for the duration that an NMS stock is in a Limit State or a Straddle State.

(C) The Exchange may consider other exceptions to the Two-Sided Obligation based on demonstrated legal or regulatory requirements or other mitigating circumstances.

(2) Pricing Obligations. For NMS stocks (as defined in Rule 600 of Regulation NMS), a Market Maker shall adhere to the pricing obligations established by this Rule during Regular Trading Hours; provided, however, that such pricing obligations (i) shall not commence during any trading day until after the first regular way transaction on the primary listing market in the security as reported by the responsible single plan processor, and (ii) shall be suspended during a trading halt, suspension or pause, and shall not re-commence until after the first regular way transaction on the primary listing market in the security following such halt, suspension or pause, as reported by the responsible single plan processor.

(A) Bid Quotations. At the time of entry of bid interest satisfying the Two-Sided Obligation, the price of the bid interest shall be not more than the Designated Percentage away from the then current NBB, or if no NBB, not more than the Designated Percentage away from the last reported sale as reported by the responsible single plan processor. In the event that the NBB (or if no NBB, the last reported sale) increases to a level that would cause the bid interest of the Two-Sided Obligation to be more than the Defined Limit away from the NBB (or if no NBB, the last reported sale), or if the bid is executed or cancelled, the Market Maker shall enter new bid interest at a price not more than the Designated Percentage away from the then current NBB (or if no NBB, the last reported sale), or must be able to identify to the Exchange current resting interest that satisfies the Two-Sided Obligation.

(B) Offer Quotations. At the time of entry of offer interest satisfying the Two-Sided Obligation, the price of the offer interest shall be not more than the Designated Percentage away from the then current NBO, or if no NBO, not more than the Designated Percentage away from the last reported sale reported by the responsible single plan processor. In the event that the NBO (or if no NBO, the last reported sale) decreases to a level that would cause the offer interest of the Two-Sided Obligation to be more than the Defined Limit away from the NBO (or if no NBO, the last reported sale), or if the offer is executed or cancelled, the Market Maker shall enter new offer interest at a price not more than the Designated Percentage away from the then current NBO (or if no NBO, the last reported sale), or must be able to identify to the Exchange current resting interest that satisfies the Two-Sided Obligation.

(C) The NBB and NBO, as defined in Rule 1.5, shall be determined by the Exchange in accordance with its procedures for determining Protected Quotations under Rule 600 of Regulation NMS.

(D) For purposes of this Rule, the “Designated Percentage” shall be 8% for Tier 1 NMS Stocks under the Limit Up-Limit Down Plan, 28% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan with a price equal to or greater than \$1.00, and 30% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan with a price less than \$1.00, except that between 9:30 a.m. and 9:45 a.m. and between 3:35 p.m. and the close of trading, when Exchange Rule 11.16(e) is not in effect, the Designated Percentage shall be 20% for Tier 1 NMS Stocks under the Limit Up-Limit Down Plan, 28% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan with a price equal to or greater than \$1.00, and 30% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan with a price less than \$1.00.

(E) For purposes of this Rule, the term “Defined Limit” shall be 9.5% for Tier 1 NMS Stocks under the Limit Up-Limit Down Plan, 29.5% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan with a price equal to or greater than \$1.00, and 31.5% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan with a price less than \$1.00, except that between 9:30 a.m. and 9:45 a.m. and between 3:35 p.m. and the close of trading, when Exchange Rule 11.16(e) is not in

effect, the Defined Limit shall be 21.5% for Tier 1 NMS Stocks under the Limit Up-Limit Down Plan, 29.5% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan with a price equal to or greater than \$1.00, and 31.5% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan with a price less than \$1.00.

(F) Nothing in this Rule shall preclude a Market Maker from quoting at price levels that are closer to the NBBO than the levels required by this Rule.

(G) The minimum quotation increment for quotations of \$1.00 or above shall be \$0.01. The minimum quotation increment in the System for quotations below \$1.00 shall be \$0.0001.

[Adopted December 15, 2011 (SR-EDGX-2011-28); amended October 29, 2014, (SR-EDGX-2014-18); amended January 28, 2016 (SR-EDGX-2015-68)]

Rule 11.21. Retail Orders.

(a) Definitions.

(1) Retail Member Organization. A “Retail Member Organization” or “RMO” is a Member (or a division thereof) that has been approved by the Exchange under this Rule to submit Retail Orders.

(2) Retail Order. A “Retail Order” is an agency or riskless principal order that meets the criteria of FINRA Rule 5320.03 that originates from a natural person and is submitted to the Exchange by a Retail Member Organization, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology.

(b) Retail Member Organization Qualifications and Application.

(1) To qualify as a Retail Member Organization, a Member must conduct a retail business or route retail orders on behalf of another broker-dealer. For purposes of this Rule, conducting a retail business shall include carrying retail customer accounts on a fully disclosed basis.

(2) To become a Retail Member Organization, a Member must submit:

(A) an application form;

(B) supporting documentation, which may include sample marketing literature, website screenshots, other publicly disclosed materials describing the Member’s retail order flow, and any other documentation and information requested by the Exchange in order to confirm that the applicant’s order flow would meet the requirements of the Retail Order definition; and

(C) an attestation, in a form prescribed by the Exchange, that substantially all orders submitted as Retail Orders will qualify as such under this Rule.

(3) After an applicant submits the application form, supporting documentation, and attestation, the Exchange shall notify the applicant of its decision in writing.

(4) A disapproved applicant may: (A) request an appeal of such disapproval by the Exchange as provided in paragraph (d) below; and/or (B) reapply for Retail Member Organization status 90 days after the disapproval notice is issued by the Exchange.

(5) A Retail Member Organization may voluntarily withdraw from such status at any time by giving written notice to the Exchange.

(6) A Retail Member Organization must have written policies and procedures reasonably designed to assure that it will only designate orders as Retail Orders if all requirements of a Retail Order are met. Such written policies and procedures must require the Member to: (i) exercise due diligence before entering a Retail Order to assure that entry as a Retail Order is in compliance with the requirements of this Rule, and (ii) monitor whether orders entered as Retail Orders meet the applicable requirements. If a Retail Member Organization does not itself conduct a retail business but routes Retail Orders on behalf of another broker-dealer, the Retail Member Organization's supervisory procedures must be reasonably designed to assure that the orders it receives from such other broker-dealer that are designated as Retail Orders meet the definition of a Retail Order. The Retail Member Organization must: (i) obtain an annual written representation, in a form acceptable to the Exchange, from each other broker-dealer that sends the Retail Member Organization orders to be designated as Retail Orders that entry of such orders as Retail Orders will be in compliance with the requirements of this Rule; and (ii) monitor whether Retail Order flow routed on behalf of such other broker-dealers meets the applicable requirements.

(c) Failure of RMO to Abide by Retail Order Requirements.

(1) If a Retail Member Organization designates orders submitted to the Exchange as Retail Orders and the Exchange determines, in its sole discretion, that such orders fail to meet any of the requirements set forth in paragraph (a) of this Rule, the Exchange may disqualify a Member from its status as a Retail Member Organization.

(2) Disqualification Determinations. The Exchange shall determine if and when a Member is disqualified from its status as a Retail Member Organization. When disqualification determinations are made, the Exchange shall provide a written disqualification notice to the Member.

(3) Appeal and/or Reapplication for Retail Member Organization Status. A Retail Member Organization that is disqualified under this paragraph (c) may: (A) appeal such disqualification as provided in paragraph (d) below; and/or (B) reapply for Retail

Member Organization status 90 days after the date of the disqualification notice from the Exchange.

(d) Appeal of Disapproval or Disqualification.

(1) If a Member disputes the Exchange's decision to disapprove it under paragraph (b) above or disqualify it under paragraph (c) above, the Member ("appellant") may request, within five business days after notice of the decision is issued by the Exchange, that the Retail Attribution Panel (the "Panel") review the decision to determine if it was correct.

(2) The Panel shall consist of the Exchange's Chief Regulatory Officer ("CRO"), or a designee of the CRO, and two officers of the Exchange designated by the Chief Information Officer ("CIO").

(3) The Panel shall review the facts and render a decision within the time frame prescribed by the Exchange.

(4) The Panel may overturn or modify an action taken by the Exchange under this Rule. A determination by the RPI Panel shall constitute final action by the Exchange.

(e) Order Designation. Retail Member Organizations will only be able to designate their orders as Retail Orders on either an order-by-order basis using FIX ports or by designating certain of their FIX ports at the Exchange as "Retail Order Ports." Unless otherwise instructed by the Retail Member Organization, a Retail Order will be identified as Retail when routed to an away Trading Center.

(f) Attribution. A Retail Member Organization may designate a Retail Order to be identified as Retail on the EDGX Book Feed on an order-by-order basis. A Retail Member Organization may also instruct the Exchange to identify all its Retail Orders as Retail on a port-by-port basis where that port is also designated as a Retail Order Port. A Retail Member Organization that instructs the Exchange to identify all its Retail Orders as Retail on a Retail Order Port will be able to override such setting and designate any individual Retail Order from that port as Attributable or as Non-Attributable, as set forth in Rule 11.6(a). Notwithstanding the foregoing, all Retail Priority Orders, as defined in Interpretations and Policies .01 to Rule 11.9, will be identified as such on the EDGX Book Feed.

[Adopted May 2, 2012 (SR-EDGX-2012-13); amended October 29, 2014 (SR-EDGX-2014-18); amended January 12, 2015 (SR-EDGX-2015-03); amended August 31, 2015 (SR-EDGX-2015-40); amended August 22, 2016 (SR-BatsEDGX-2016-35); amended October 2, 2019 (SR-CboeEDGX-2019-012)]

Rule 11.22. Compliance with Regulation NMS Plan to Implement a Tick Size Pilot Program

Paragraphs (a) and (b) of this Rule shall be in effect during a pilot period to coincide with the pilot period for the Plan (including any extensions to the pilot period for the Plan).

(a) Compliance with Quoting and Trading Restrictions

(1) Member Compliance

Members shall establish, maintain and enforce written policies and procedures that are reasonably designed to comply with the applicable quoting and trading requirements of the Plan.

(2) Exchange Compliance

The System will not display, quote or trade in violation of the applicable quoting and trading requirements for a Pilot Security specified in the Plan and this Rule, unless such quotation or transaction is specifically exempted under the Plan.

(3) Pilot Securities That Drop Below \$1.00 during the Pilot Period

If the price of a Pilot Security drops below \$1.00 during regular trading hours on any trading day, such Pilot Security will continue to be subject to the Plan and the requirements enumerated in subparagraphs (4) through (6) below and will continue to trade in accordance with such Rules. However, if the Closing Price of a Pilot Security on any given trading day is below \$1.00, such Pilot Security will be moved out of its Pilot Test Group into the Control Group, and may then be quoted and traded at any price increment that is currently permitted for the remainder of the Pilot Period. Notwithstanding anything contained herein to the contrary, at all times during the Pilot Period, Pilot Securities (whether in the Control Group or any Pilot Test Group) will continue to be subject to the requirements contained in Paragraph (b).

(4) Pilot Securities in Test Group One

No Member may display, rank, or accept from any person any displayable or non-displayable bids or offers, orders, or indications of interest in any Pilot Security in Test Group One in increments other than \$0.05. However, orders priced to execute at the midpoint of the national best bid and national best offer ("NBBO") or best protected bid and best protected offer ("PBBO") and orders entered in a Participant-operated retail liquidity program may be ranked and accepted in increments of less than \$0.05. Pilot Securities in Test Group One may continue to trade at any price increment that is currently permitted by Rule 11.6(i), Minimum Price Variation.

(5) Pilot Securities in Test Group Two

(A) No Member may display, rank, or accept from any person any displayable or non-displayable bids or offers, orders, or indications of interest in any Pilot Security in Test Group Two in increments other than \$0.05. However, orders priced to execute at the midpoint of the NBBO or PBBO and orders entered in a Participant-operated retail liquidity program may be ranked and accepted in increments of less than \$0.05.

(B) Absent any of the exceptions listed in subparagraph (5)(C) below, no member may execute orders in any Pilot Security in Test Group Two in price increments other than \$0.05. The \$0.05 trading increment will apply to all trades, including Brokered Cross Trades.

(C) Pilot Securities in Test Group Two may trade in increments less than \$0.05 under the following circumstances:

(1) Trading may occur at the midpoint between the NBBO or the PBBO;

(2) Retail Investor Orders may be provided with price improvement that is at least \$0.005 better than the PBBO;

(3) Negotiated Trades may trade in increments less than \$0.05; and

(4) Executions of a customer order to comply with Exchange Rule 12.6 following the execution of a proprietary trade by the member at an increment other than \$0.05, where such proprietary trade was permissible pursuant to an exception under the Plan.

(6) Pilot Securities in Test Group Three

(A) No Member may display, rank, or accept from any person any displayable or non-displayable bids or offers, orders, or indications of interest in any Pilot Security in Test Group Three in increments other than \$0.05. However, orders priced to execute at the midpoint of the NBBO or PBBO and orders entered in a Participant-operated retail liquidity program may be ranked and accepted in increments of less than \$0.05.

(B) Absent any of the exceptions listed in subparagraph (6)(C) below, no Member may execute orders in any Pilot Security in Test Group Three in price increments other than \$0.05. The \$0.05 trading increment will apply to all trades, including Brokered Cross Trades.

(C) Pilot Securities in Test Group Three may trade in increments less than \$0.05 under the following circumstances:

(1) Trading may occur at the midpoint between the NBBO or PBBO;

(2) Retail Investor Orders may be provided with price improvement that is at least \$0.005 better than the PBBO;

(3) Negotiated Trades may trade in increments less than \$0.05; and

(4) Executions of a customer order to comply with Exchange Rule 12.6 following the execution of a proprietary trade by the member at an increment other than \$0.05, where such proprietary trade was permissible pursuant to an exception under the Plan.

(D) Pilot Securities in Test Group Three will be subject to the following Trade-at Prohibition:

(1) Absent any of the exceptions listed in subparagraph (D)(ii) below, no Member that operates a Trading Center may execute a sell order for a Pilot Security in Test Group Three at the price of a Protected Bid or execute a buy order for a Pilot Security in Test Group Three at the price of a Protected Offer during regular trading hours (“Trade-at Prohibition”). Under the Trade-at Prohibition, a Member that operates a Trading Center that is displaying a quotation, via either a processor or an SRO quotation feed, that is at a price equal to the traded-at Protected Bid or Protected Offer is permitted to execute orders at that level, but only up to the amount of its displayed size. A Member that operates a Trading Center that was not displaying a quotation at a price equal to the traded-at Protected Quotation, via either a processor or an SRO quotation feed, is prohibited from price-matching protected quotations unless an exception applies.

(2) A Member that operates a Trading Center may execute a sell order for a Pilot Security in Test Group Three at the price of a Protected Bid or execute a buy order for a Pilot Security in Test Group Three at the price of a Protected Offer under the following circumstances:

a. The order is executed within the same independent aggregation unit of the Member that operates the Trading Center that displayed the quotation via either a processor or an SRO Quotation Feed, to the extent such member uses independent aggregation units, at a price equal to the traded-at Protected Quotation that was displayed before the order was received, but only up to the full displayed size of that independent aggregation unit’s previously displayed quote. A Trading Center that is displaying a quotation as agent or riskless principal may only execute as agent or riskless principal and a Trading Center displaying a quotation as principal (excluding riskless principal) may execute as principal, agent or riskless principal. “Independent aggregation unit” has the same meaning as provided under Rule 200(f) of SEC Regulation SHO;

b. The order is of Block Size at the time of origin and may not be:

1. an aggregation of non-block orders;

2. broken into orders smaller than Block Size prior to submitting the order to a Trading Center for execution; or
 3. executed on multiple Trading Centers;
- c. The order is a Retail Investor Order executed with at least \$0.005 price improvement;
 - d. The order is executed when the Trading Center displaying the Protected Quotation that was traded at was experiencing a failure, material delay, or malfunction of its systems or equipment;
 - e. The order is executed as part of a transaction that was not a “regular way” contract;
 - f. The order is executed as part of a single-priced opening, reopening, or closing transaction by the Trading Center;
 - g. The order is executed when a Protected Bid was priced higher than a Protected Offer in the Pilot Security;
 - h. The order is identified as a Trade-at Intermarket Sweep Order;
 - i. The order is executed by a Trading Center that simultaneously routed Trade-at Intermarket Sweep Orders to execute against the full displayed size of a Protected Quotation with a price that is better than or equal to the limit price of the limit order identified as a Trade-at Intermarket Sweep Order;
 - j. The order is executed as part of a Negotiated Trade;
 - k. The order is executed when the Trading Center displaying the Protected Quotation that was traded at had displayed, within one second prior to execution of the transaction that constituted the Trade-at, a Best Protected Bid or Best Protected Offer, as applicable, for the Pilot Security with a price that was inferior to the price of the Trade-at transaction;
 - l. The order is executed by a Trading Center which, at the time of order receipt, the Trading Center had guaranteed an execution at no worse than a specified price (a “stopped order”), where:
 1. The stopped order was for the account of a customer;

2. The customer agreed to the specified price on an order-by-order basis; and

3. The price of the Trade-at transaction was, for a stopped buy order, equal to or less than the National Best Bid in the Pilot Security at the time of execution or, for a stopped sell order, equal to or greater than the National Best Offer in the Pilot Security at the time of execution, as long as such order is priced at an acceptable increment;

m. The order is for a fractional share of a Pilot Security, provided that such fractional share order was not the result of breaking an order for one or more whole shares of a Pilot Security into orders for fractional shares or was not otherwise effected to evade the requirements of the Trade-at Prohibition or any other provisions of the Plan; or

n. The order is to correct a bona fide error, which is recorded by the Trading Center in its error account. A bona fide error is defined as:

1. The inaccurate conveyance or execution of any term of an order including, but not limited to, price, number of shares or other unit of trading; identification of the security; identification of the account for which securities are purchased or sold; lost or otherwise misplaced order tickets; short sales that were instead sold long or vice versa; or the execution of an order on the wrong side of a market;

2. The unauthorized or unintended purchase, sale, or allocation of securities, or the failure to follow specific client instructions;

3. The incorrect entry of data into relevant systems, including reliance on incorrect cash positions, withdrawals, or securities positions reflected in an account; or

4. A delay, outage, or failure of a communication system used to transmit market data prices or to facilitate the delivery or execution of an order.

(7) Operation of Certain Exceptions to Tick Size Pilot Program

(A) Trade-at Requirement

(i) “Trade-at Intermarket Sweep Order” means a limit order for a Pilot Security that meets the following requirements:

1. When routed to a Trading Center, the limit order is identified as a Trade-at Intermarket Sweep Order; and

2. Simultaneously with the routing of the limit order identified as a Trade-at Intermarket Sweep Order, one or more additional limit orders, as necessary, are routed to execute against the full size of any protected bid, in the case of a limit order to sell, or the full displayed size of any protected offer, in the case of a limit order to buy, for the Pilot Security with a price that is better than or equal to the limit price of the limit order identified as a Trade-at Intermarket Sweep Order. These additional routed orders also must be marked as Trade-at Intermarket Sweep Orders.

Interpretations and Policies

.01 The terms used in this Rule 11.22 shall have the same meaning as provided in the Plan, unless otherwise specified.

.02 No Member shall break an order into smaller orders or otherwise effect or execute an order to evade the requirements of the Trade-at Prohibition of this Rule or any other provisions of the Plan.

(b) Compliance with Data Collection Requirements

(1) Policies and Procedures Requirement. A Member that operates a Trading Center shall establish, maintain and enforce written policies and procedures that are reasonably designed to comply with the data collection and transmission requirements of Items I and II of Appendix B of the Plan, and a Member that is a Market Maker shall establish, maintain and enforce written policies and procedures that are reasonably designed to comply with the data collection and transmission requirements of Item IV of Appendix B of the Plan and Item I of Appendix C of the Plan.

(2) The Exchange shall collect and transmit to the SEC the data described in Items I and II of Appendix B of the Plan relating to trading activity in Pre-Pilot Securities and Pilot Securities on a Trading Center operated by the Exchange. The Exchange shall transmit such data to the SEC in a pipe delimited format, on a disaggregated basis by Trading Center, within 30 calendar days following month end for:

(A) Each Pre-Pilot Data Collection Security for the period beginning six months prior to the Pilot Period through thirty-one days prior to the first day of the Pilot Period; and

(B) Each Pilot Security for the period beginning thirty days prior to the first day of the Pilot Period through six months after the end of the Pilot Period.

The Exchange also shall make such data publicly available on the Exchange web site within 120 calendar days following month end at no charge and shall not identify the Member that generated the data.

(3) Daily Market Maker Participation Statistics Requirement

(A) A Member that is a Market Maker shall collect and transmit to their DEA data relating to Item IV of Appendix B of the Plan, with respect to activity conducted on any Trading Center in Pre-Pilot Securities and Pilot Securities in furtherance of its status as a Market Maker, including a Trading Center that executes trades otherwise than on a national securities exchange, for transactions that have settled or reached settlement date. Market Makers shall transmit such data in a format required by their DEA by 12:00 p.m. EST on T+4:

(i) For transactions in each Pre-Pilot Data Collection Security for the period beginning six months prior to the Pilot Period through thirty-one days prior to the first day of the Pilot Period; and

(ii) For transactions in each Pilot Security for the period beginning thirty days prior to the first day of the Pilot Period through six months after the end of the Pilot Period.

(B) A Member that is a Market Maker whose DEA is not a Participant to the Plan shall transmit the data collected pursuant to paragraph (3)(A) above to the Financial Industry Regulatory Authority, Inc. ("FINRA"). Market Makers shall transmit such data in a format required by FINRA by 12:00 p.m. EST on T+4 in accordance with paragraphs (3)(A)(i) and (ii) above.

(C) The Exchange shall transmit the data collected by the DEA or FINRA pursuant to paragraphs (3)(A) and (B) above relating to Market Maker activity on a Trading Center operated by the Exchange to the SEC in a pipe delimited format within 30 calendar days following month end. The Exchange shall also make such data publicly available on the Exchange web site within 120 calendar days following month end at no charge and shall not identify the Trading Center that generated the data.

(4) Market Maker Profitability

(A) A Member that is a Market Maker shall collect and transmit to their DEA the data described in Item I of Appendix C of the Plan with respect to executions on any Trading Center that have settled or reached settlement date. Market Makers shall transmit such data in a format required their DEA by 12:00 p.m. EST on T+4 for executions during and outside of Regular Trading Hours in each:

(i) Pre-Pilot Data Collection Security for the period beginning six months prior to the Pilot Period through thirty-one days prior to the first day of the Pilot Period; and

(ii) Pilot Security for the period beginning thirty days prior to the first day of the Pilot Period through six months after the end of the Pilot Period.

(B) A Member that is a Market Maker whose DEA is not a Participant to the Plan shall transmit the data collected pursuant to paragraph (4)(A) above to FINRA. Market Makers shall transmit such data in a format required by FINRA by 12:00 p.m. EST on T+4 for executions during and outside of Regular Trading Hours in accordance with paragraphs (4)(A)(i) and (ii) above.

(5) Market Maker Registration Statistics. The Exchange shall collect and transmit to the SEC the data described in Item III of Appendix B of the Plan relating to daily Market Maker registration statistics in a pipe delimited format within 30 calendar days following month end for:

(A) For transactions in each Pre-Pilot Data Collection Security for the period beginning six months prior to the Pilot Period through the trading day immediately preceding the Pilot Period; and

(B) For transactions in each Pilot Security for the period beginning on the first day of the Pilot Period through six months after the end of the Pilot Period.

The Exchange also shall make such data publicly available on the Exchange web site within 120 calendar days following month end at no charge.

Interpretations and Policies

.01 The terms used in this Rule 11.27 shall have the same meaning as provided in the Plan, unless otherwise specified.

.02 For purposes of the reporting requirement in Appendix B.II.(n), a Trading Center shall report “Y” to their DEA where it is relying upon the Retail Investor Order exception to Test Groups Two and Three, and “N” in all other instances.

.03 For purposes of Appendix B.I, the field “Affected by Limit-Up Limit-Down bands” shall be included. A Trading Center shall report a value of “Y” to their DEA when the ability of an order to execute has been affected by the Limit-Up Limit-Down (LULD) bands in effect at the time of order receipt. A Trading Center shall report a value of “N” to their DEA when the ability of an order to execute has not been affected by the LULD bands in effect at the time of order receipt. For purposes of Appendix B.I, the Participants shall classify all orders in Pilot and Pre-Pilot Securities that may trade in a foreign market as: (1) fully executed domestically or (2) fully or partially executed on a foreign market. For purposes of Appendix B.II, the Participants shall classify all orders in Pilot and Pre-Pilot Securities that may trade in a foreign market as: (1) directed to a domestic venue for execution; (2) may only be directed to a foreign venue for execution; or (3) fully or partially directed to a foreign venue at the discretion of the Member.

.04 (a) For purposes of Appendix B.I.a(14), B.I.a(15), B.I.a(21) and B.I.a(22), the time ranges shall be changed as follows:

(1) Appendix B.I.a(14A): The cumulative number of shares of orders executed from 100 microseconds to less than 1 millisecond after the time of order receipt;

(2) Appendix B.I.a(15): The cumulative number of shares of orders executed from 1 millisecond to less than 100 milliseconds after the time of order receipt;

(3) Appendix B.I.a(21A): The cumulative number of shares of orders canceled from 100 microseconds to less than 1 millisecond after the time of order receipt; and

(4) Appendix B.I.a(22): The cumulative number of shares of orders canceled from 1 millisecond to less than 100 milliseconds after the time of order receipt.

(b) For purposes of Appendix B.I.a(21) through B.I.a(27), unexecuted Immediate or Cancel orders shall be categorized separately irrespective of the duration of time after order receipt.

.05 For purposes of Appendix B.I.a(31)-(33), the relevant measurement is the time of order receipt.

.06 For purposes of Appendix B, the following order types and numbers shall be included and assigned the following numbers: “not held” orders (18); clean cross orders (19); auction orders (20); and orders that cannot otherwise be classified, including orders received when the NBBO is crossed (21); and limit orders priced more than \$0.10 away from the NBBO (22). For purposes of order types 12-14 in Appendix B, such order types shall include all orders and not solely “resting” orders.

.07 A Member shall not be deemed a Trading Center for purposes of Appendix B of the Plan where that Member only executes orders otherwise than on a national securities exchange for the purpose of: (i) correcting a bona fide error related to the execution of a customer order; (ii) purchases a security from a customer at a nominal price solely for purposes of liquidating the customer’s position; or (iii) completing the fractional share portion of an order.

.08 A Trading Center shall begin the data collection required pursuant to Appendix B.I.a(1) through B.II.(y) of the Plan and Item I of Appendix C of the Plan on April 4, 2016. The requirement that the Exchange or their DEA provide information to the SEC within 30 days following month end pursuant to Appendix B and C of the Plan shall commence at the beginning of the Pilot Period. Notwithstanding the provisions of paragraphs (b)(2), (b)(3) and (b)(5) of this Rule, with respect to data for the Pre-Pilot Period and Pilot Period, the requirement that the Exchange or DEA make Appendix B data publicly available on their website shall commence on August 31, 2017. Notwithstanding the provisions of paragraph (b)(4) of this Rule, the Exchange or DEA shall make Appendix C data for the Pre-Pilot Period through January 2017 publicly available on their website by February 28, 2017.

.09 For purposes of Appendix B.IV, the count of the number of Market Makers used in the calculation of share (trade) participation shall be added to each category. For purposes of Appendix B.IV(b) and (c), share participation and trade participation shall be calculated by using a total count instead of a share-weighted average or a trade-weighted average. For purposes of Appendix B, B.IV(d) (cross-quote share (trade) participation), (e) (inside-the-quote share (trade) participation), (f) (at-the-quote share (trade) participation), and (g) (outside-the-quote share (trade)

participation), shall be calculated by reference to the National Best Bid or National Best Offer in effect immediately prior to the trade.

.10 For purposes of Item I of Appendix C, the Participants shall calculate daily Market Maker realized profitability statistics for each trading day on a daily last in, first out (LIFO) basis using reported trade price and shall include only trades executed on the subject trading day. The daily LIFO calculation shall not include any positions carried over from previous trading days. For purposes of Item I.c of Appendix C, the Participants shall calculate daily Market Maker unrealized profitability statistics for each trading day on an average price basis. Specifically, the Participants must calculate the volume weighted average price of the excess (deficit) of buy volume over sell volume for the current trading day using reported trade price. The gain (loss) of the excess (deficit) of buy volume over sell volume shall be determined by using the volume weighted average price compared to the closing price of the security as reported by the primary listing exchange. In calculating unrealized trading profits, the Participant also shall report the number of excess (deficit) shares held by the Market Maker, the volume weighted average price of that excess (deficit), and the closing price of the security as reported by the primary listing exchange used in reporting unrealized profit.

.11 “Pre-Pilot Data Collection Securities” are the securities designated by the Participants for purposes of the data collection requirements described in Items I, II and IV of Appendix B and Item I of Appendix C of the Plan for the period beginning six months prior to the Pilot Period through thirty-one days prior to the Pilot Period. The Participants shall compile the list of Pre-Pilot Data Collection Securities by selecting all NMS stocks with a market capitalization of \$5 billion or less, a Consolidated Average Daily Volume (CADV) of 2 million shares or less and a closing price of \$1 per share or more. The market capitalization and the closing price thresholds shall be applied to the last day of the Pre-Pilot measurement period, and the CADV threshold shall be applied to the duration of the Pre-Pilot measurement period. The Pre-Pilot measurement period shall be the three calendar months ending on the day when the Pre-Pilot Data Collection Securities are selected. The Pre-Pilot Data Collection Securities shall be selected thirty days prior to the commencement of the six-month Pre-Pilot Period.

(c) Operation of Order Types and Order Type Instructions for Pilot Securities

This section sets forth the Exchange’s specific procedures for handling, executing, re-pricing and displaying of certain order types and order type instructions applicable to Pilot Securities in the Control Group and Test Groups One, Two, and Three.

(1) Market Orders. For purposes of determining whether a Market Order’s execution price is more than 5 percent worse than the NBBO under Rule 11.8(a)(7), the execution price for a buy (sell) order will be rounded down (up) to the nearest permissible increment.

(2) Market Peg. The System will not accept orders with a Market Peg instruction, regardless of price.

(3) MidPoint Peg Orders. MidPoint Peg Orders may not be alternatively pegged to one minimum price variation inside the same side of the NBBO as the order.

(4) Discretionary Range. The System will not accept orders with a Discretionary Range, regardless of price.

(5) Market Maker Peg Orders. Pursuant to Rule 11.8(f), a Market Maker Peg Order is automatically priced by the System at the Designated Percentage (as defined in Rule 11.20(d)(2)(D)) away from the then current NBB and NBO, or if no NBB or NBO, at the Designated Percentage away from the last reported sale from the responsible single plan processor in order to comply with the quotation requirements for Market Makers set forth in Rule 11.20(d). Should the above pricing result in a Market Maker Peg Order being priced at an increment other than \$0.05, the System will round an order to buy (sell) up (down) to the nearest permissible increment.

(6) Supplemental Peg Orders. The System will not accept Supplemental Peg Orders, regardless of price.

(7) Display-Price Sliding. Orders subject to Display-Price Sliding that are unexecutable at the Locking Price will be ranked at the midpoint of the NBBO in the EDGX Book and displayed by the System one minimum price variation below the current NBO (for bids) or one minimum price variation above the current NBB (for offers). Orders subject to Display-Price Sliding that are only to be adjusted once and not multiple times will be cancelled in the event the NBBO widens and a contra-side order with a Non-Displayed instruction is resting on the EDGX Book at the price to which the order subject to Display-Price Sliding would be adjusted.

[Adopted March 15, 2016 (SR-BatsEDGX-2016-01); amended April 7, 2016 (SR-BatsEDGX-2016-07); amended June 1, 2016 (SR-BatsEDGX-2016-14); amended August 26, 2016 (SR-BatsEDGX-2016-51); amended September 1, 2016 (SR-BatsEDGX-2016-26); amended November 30, 2016 (SR-BatsEDGX-2016-70); amended December 16, 2016 (SR-BatsEDGX-2016-65); amended February 28, 2017 (SR-BatsEDGX-2017-13); amended April 28, 2017 (SR-BatsEDGX-2017-17)]

CHAPTER XII. TRADING PRACTICE RULES

Rule 12.1. Market Manipulation

No Member shall execute or cause to be executed or participate in an account for which there are executed purchases of any security at successively higher prices, or sales of any security at successively lower prices, for the purpose of creating or inducing a false, misleading or artificial appearance of activity in such security on the Exchange or for the purpose of unduly or improperly influencing the market price for such security or for the purpose of establishing a price which does not reflect the true state of the market in such security.

Rule 12.2. Fictitious Transactions

No Member, for the purpose of creating or inducing a false or misleading appearance of activity in a security traded on the Exchange or creating or inducing a false or misleading appearance with respect to the market in such security shall:

- (a) execute any transaction in such security which involves no change in the beneficial ownership thereof, or
- (b) enter any order or orders for the purchase of such security with the knowledge that an order or orders of substantially the same size, and at substantially the same price, for the sale of such security, has been or will be entered by or for the same or different parties, or
- (c) enter any order or orders for the sale of any such security with the knowledge that an order or orders of substantially the same size, and at substantially the same price, for the purchase of such security, has been or will be entered by or for the same or different parties.

Rule 12.3. Excessive Sales by a Member

No Member shall execute purchases or sales in any security traded on the Exchange for any account in which such Member is directly or indirectly interested, which purchases or sales are excessive in view of the Member's financial resources or in view of the market for such security.

Rule 12.4. Manipulative Transactions

- (a) No Member shall participate or have any interest, directly or indirectly, in the profits of a manipulative operation or knowingly manage or finance a manipulative operation.
- (b) Any pool, syndicate or joint account organized or used intentionally for the purpose of unfairly influencing the market price of a security shall be deemed to be a manipulative operation.
- (c) The solicitation of subscriptions to or the acceptance of discretionary orders from any such pool, syndicate or joint account shall be deemed to be managing a manipulative operation.

(d) The carrying on margin of a position in such security or the advancing of credit through loans to any such pool, syndicate or joint account shall be deemed to be financing a manipulative operation.

Rule 12.5. Dissemination of False Information

No Member shall make any statement or circulate and disseminate any information concerning any security traded on the Exchange which such Member knows or has reasonable grounds for believing is false or misleading or would improperly influence the market price of such security.

Rule 12.6. Prohibition Against Trading Ahead of Customer Orders

(a) Except as provided herein, a Member that accepts and holds an order in an equity security from its own customer or a customer of another broker-dealer without immediately executing the order is prohibited from trading that security on the same side of the market for its own account at a price that would satisfy the customer order, unless it immediately thereafter executes the customer order up to the size and at the same or better price at which it traded for its own account.

(b) A Member must have a written methodology in place governing the execution and priority of all pending orders that is consistent with the requirements of this Rule. A Member also must ensure that this methodology is consistently applied.

Interpretations and Policies.

.01 Large Orders and Institutional Account Exceptions. With respect to orders for customer accounts that meet the definition of an “institutional account” or for orders of 10,000 shares or more (unless such orders are less than \$100,000 in value), a Member is permitted to trade a security on the same side of the market for its own account at a price that would satisfy such customer order, provided that the Member has provided clear and comprehensive written disclosure to such customer at account opening and annually thereafter that:

(a) discloses that the Member may trade proprietarily at prices that would satisfy the customer order, and

(b) provides the customer with a meaningful opportunity to opt in to the Rule 12.6 protections with respect to all or any portion of its order.

If the customer does not opt in to the Rule 12.6 protections with respect to all or any portion of its order, the Member may reasonably conclude that such customer has consented to the Member trading a security on the same side of the market for its own account at a price that would satisfy the customer’s order.

In lieu of providing written disclosure to customers at account opening and annually thereafter, a Member may provide clear and comprehensive oral disclosure to and obtain consent from the customer on an order-by-order basis, provided that the Member documents who provided such consent and such consent evidences the customer’s understanding of the terms and conditions of the order.

For purposes of this Rule, “institutional account” shall mean the account of:

- (1) a bank, savings and loan association, insurance company or registered investment company;
- (2) an investment adviser registered either with the SEC under Section 203 of the Investment Advisers Act or with a state securities commission (or any agency or office performing like functions); or
- (3) any other person (whether a natural person, corporation, partnership, trust or otherwise) with total assets of at least \$50 million.

.02 No Knowledge Exception.

(a) With respect to NMS stocks (as defined in Rule 600 of Regulation NMS), if a Member implements and utilizes an effective system of internal controls, such as appropriate information barriers, that operate to prevent one trading unit from obtaining knowledge of customer orders held by a separate trading unit, those other trading units trading in a proprietary capacity may continue to trade at prices that would satisfy the customer orders held by the separate trading unit. A Member that structures its order handling practices in NMS stocks to permit its proprietary and/or market-making desk to trade at prices that would satisfy customer orders held by a separate trading unit must disclose in writing to its customers, at account opening and annually thereafter, a description of the manner in which customer orders are handled by the Member and the circumstances under which the Member may trade proprietarily at its proprietary and/or market-making desk at prices that would satisfy the customer order.

(b) If a Member implements and utilizes appropriate information barriers in reliance on this exception, the Member must uniquely identify such information barriers in place at the department within the Member where the order was received or originated. Appropriate information barriers must, at minimum, comply with the requirements set forth in Rule 5.5.

(c) Members must maintain records that indicate which orders rely on the No-Knowledge Exception and submit these records to the Exchange upon request.

.03 Riskless Principal Exception. The obligations under this Rule shall not apply to a Member’s proprietary trade if such proprietary trade is for the purposes of facilitating the execution, on a riskless principal basis, of an order from a customer (whether its own customer or the customer of another broker-dealer) (the “facilitated order”), provided that the Member:

(a) submits a report, contemporaneously with the execution of the facilitated order, identifying the trade as riskless principal to the Exchange (or another self-regulatory organization if not required under Exchange rules); and

(b) has written policies and procedures to ensure that riskless principal transactions for which the Member is relying upon this exception comply with applicable Exchange rules. At a minimum these policies and procedures must require that the customer order was received prior to the offsetting principal transaction, and that the offsetting principal transaction is at the same price as the customer order exclusive of any markup or markdown, commission equivalent or other fee

and is allocated to a riskless principal or customer account in a consistent manner and within 60 seconds of execution.

A Member must have supervisory systems in place that produce records that enable the Member and the Exchange to reconstruct accurately, readily, and in a time-sequenced manner all facilitated orders for which the Member relies on this exception.

.04 ISO Exception. A Member shall be exempt from the obligation to execute a customer order in a manner consistent with this Rule with regard to trading for its own account that is the result of an intermarket sweep order (“ISO”) routed in compliance with Rule 600(b)(30)(ii) of Regulation NMS where the customer order is received after the Member routed the ISO. Where a Member routes an ISO to facilitate a customer order and that customer has consented to not receiving the better prices obtained by the ISO, the Member also shall be exempt with respect to any trading for its own account that is the result of the ISO with respect to the consenting customer’s order.

.05 Odd Lot and Bona Fide Error Transaction Exceptions. The obligations under this Rule shall not apply to a Member’s proprietary trade that is: (1) to offset a customer order that is an amount less than a normal unit of trading; or (2) to correct a bona fide error. Members are required to demonstrate and document the basis upon which a transaction meets the bona fide error exception.

For purposes of this Rule, a bona fide error is:

(a) the inaccurate conveyance or execution of any term of an order, including, but not limited to, price, number of shares or other unit of trading; identification of the security; identification of the account for which securities are purchased or sold; lost or otherwise misplaced order tickets; short sales that were instead sold long or vice versa; or the execution of an order on the wrong side of the market;

(b) the unauthorized or unintended purchase, sale, or allocation of securities or the failure to follow specific client instructions;

(c) the incorrect entry of data into relevant systems, including reliance on incorrect cash positions, withdrawals, or securities positions reflected in an account; or

(d) a delay, outage, or failure of a communication system used to transmit market data prices or to facilitate the delivery or execution of an order.

.06 Minimum Price Improvement Standards. The minimum amount of price improvement necessary for a Member to execute an order on a proprietary basis when holding an unexecuted limit order in that same security, and not be required to execute the held limit order is as follows:

(a) For customer limit orders priced greater than or equal to \$1.00, the minimum amount of price improvement required is \$0.01 for NMS stocks;

(b) For customer limit orders priced greater than or equal to \$0.01 and less than \$1.00, the minimum amount of price improvement required is the lesser of \$0.01 or one-half (1/2) of the current inside spread;

(c) For customer limit orders priced less than \$0.01 but greater than or equal to \$0.001, the minimum amount of price improvement required is the lesser of \$0.001 or one-half (1/2) of the current inside spread;

(d) For customer limit orders priced less than \$0.001 but greater than or equal to \$0.0001, the minimum amount of price improvement required is the lesser of \$0.0001 or one-half (1/2) of the current inside spread;

(e) For customer limit orders priced less than \$0.0001 but greater than or equal to \$0.00001, the minimum amount of price improvement required is the lesser of \$0.00001 or one-half (1/2) of the current inside spread;

(f) For customer limit orders priced less than \$0.00001, the minimum amount of price improvement required is the lesser of \$0.000001 or one-half (1/2) of the current inside spread; and

(g) For customer limit orders priced outside the best inside market, the minimum amount of price improvement required must either meet the requirements set forth above or the Member must trade at a price at or inside the best inside market for the security.

In addition, if the minimum price improvement standards above would trigger the protection of a pending customer limit order, any better-priced customer limit order(s) must also be protected under this Rule, even if those better-priced limit orders would not be directly triggered under the minimum price improvement standards above.

.07 Order Handling Procedures. A Member must make every effort to execute a marketable customer order that it receives fully and promptly. A Member that is holding a customer order that is marketable and has not been immediately executed must make every effort to cross such order with any other order received by the Member on the other side of the market up to the size of such order at a price that is no less than the best bid and no greater than the best offer at the time that the subsequent order is received by the Member and that is consistent with the terms of the orders. In the event that a Member is holding multiple orders on both sides of the market that have not been executed, the Member must make every effort to cross or otherwise execute such orders in a manner that is reasonable and consistent with the objectives of this Rule and with the terms of the orders. A Member can satisfy the crossing requirement by contemporaneously buying from the seller and selling to the buyer at the same price.

.08 Trading Outside Normal Market Hours. Members generally may limit the life of a customer order to the period of normal market hours of 9:30 a.m. to 4:00 p.m. Eastern Time. However, if the customer and Member agree to the processing of the customer's order outside normal market hours, the protections of this Rule shall apply to that customer's order at all times the customer order is executable by the Member.

[Adopted March 12, 2010; amended April 23, 2014 (SR-EDGX-2014-008)]

Rule 12.7. Joint Activity

No Member, directly or indirectly, shall hold any interest or participation in any joint account for buying or selling in a security traded on the Exchange, unless such joint account is promptly reported to the Exchange. The report should contain the following information for each account:

- (a) the name of the account, with names of all participants and their respective interests in profits and losses;
- (b) a statement regarding the purpose of the account;
- (c) the name of the Member carrying and clearing the account; and
- (d) a copy of any written agreement or instrument relating to the account.

Rule 12.8. Influencing the Consolidated Tape

No Member shall attempt to execute a transaction or transactions to buy or sell a security for the purpose of influencing any report appearing on the Consolidated Tape.

Rule 12.9. Trade Shredding

No Member or associated person of a Member may engage in “trade shredding”. Trade shredding is conduct that has the intent or effect of splitting any order into multiple smaller orders for execution or any execution into multiple smaller executions for the primary purpose of maximizing a monetary or in-kind amount to be received by the Member or associated person of a Member as a result of the execution of such orders or the transaction reporting of such executions. For purposes of this Rule 12.9, “monetary or in-kind amount” shall be defined to include, but not be limited to, any credits, commissions, gratuities, payments for or rebates of fees, or any other payments of value to the Member or associated person of a Member.

Rule 12.10. Options

(a) No Member shall initiate the purchase or sale on the Exchange for its own account, or for any account in which it is directly or indirectly interested, of any stock of any issuer in which it holds or has granted any put, call, straddle or option; provided, however, that this prohibition shall not be applicable in respect of any option issued by The Options Clearing Corporation.

(b) No Member acting as an odd-lot dealer shall become interested directly or indirectly, in a pool dealing or trading in the stock of any issuer in which it is an odd-lot dealer, nor shall it acquire or grant directly or indirectly, any option to buy or sell, receive or deliver shares of stock of any issuer in which such Member is an odd-lot dealer, unless such option is issued by The Options Clearing Corporation.

Rule 12.11. Best Execution

In executing customer orders, a Member is not a guarantor of “best execution” but must use the care of a reasonably prudent person in the light of all circumstances deemed relevant by the Member and having regard for the Member’s brokerage judgment and experience.

Interpretations and Policies

.01 As part of a Member’s fiduciary obligation to provide best execution for its customer limit orders, the Member shall refer to, and comply with, Rule 604 promulgated under the Act.

Rule 12.12. Publication of Transactions and Changes

(a) The Exchange shall cause to be disseminated for publication on the Consolidated Tape all last sale price reports of transactions executed through the facilities of the Exchange pursuant to the requirements of an effective transaction reporting plan approved by the Commission.

(b) To facilitate the dissemination of such last sale price reports, each Member shall cause to be reported to the Exchange, as promptly as possible after execution, all information concerning each transaction required by the effective transaction reporting plan.

(c) An official of the Exchange shall approve any corrections to reports transmitted over the consolidated tape. Any such corrections shall be made within one day after detection of the error.

Rule 12.13. Trading Ahead of Research Reports

(a) No Member shall use any facility of the Exchange to establish, increase, decrease or liquidate an inventory position in a security based on non-public advance knowledge of the content or timing of a research report in that security.

(b) Members must establish, maintain and enforce policies and procedures reasonably designed to restrict or limit the information flow between research department personnel, or other persons with knowledge of the content or timing of a research report, and trading department personnel, so as to prevent trading department personnel from utilizing non-public advance knowledge of the issuance or content of a research report for the benefit of the Member or any other person.

Rule 12.14. Front Running of Block Transactions

(a) Members and persons associated with a Member shall comply with FINRA Rule 5270 as if such Rule were part of the Exchange’s rules.

(b) Front Running of Non-Block Transactions. Although the prohibitions in FINRA Rule 5270 are limited to imminent block transactions, the front running of other types of orders that place the financial interests of the Member or persons associated with a Member ahead of

those of its customer or the misuse of knowledge of an imminent customer order may violate other Exchange rules, including Rule 3.1 and Rule 12.6, or provisions of the federal securities laws.

[Adopted October 9, 2013 (SR-EDGX-2013-36)]

Rule 12.15. Disruptive Quoting and Trading Activity Prohibited

No Member shall engage in or facilitate disruptive quoting and trading activity on the Exchange, as described in Interpretation and Policies .01 and .02 of this Rule, including acting in concert with other persons to effect such activity.

Interpretations and Policies

.01 For purposes of this Rule, disruptive quoting and trading activity shall include a frequent pattern in which the following facts are present:

(a) Disruptive Quoting and Trading Activity Type 1:

- (1) a party enters multiple limit orders on one side of the market at various price levels (the “Displayed Orders”); and
- (2) following the entry of the Displayed Orders, the level of supply and demand for the security changes; and
- (3) the party enters one or more orders on the opposite side of the market of the Displayed Orders (the “Contra-Side Orders”) that are subsequently executed; and
- (4) following the execution of the Contra-Side Orders, the party cancels the Displayed Orders.

(b) Disruptive Quoting and Trading Activity Type 2:

- (1) a party narrows the spread for a security by placing an order inside the NBBO; and
- (2) the party then submits an order on the opposite side of the market that executes against another market participant that joined the new inside market established by the order described in paragraph (b)(1).

.02 Applicability. For purposes of this Rule, disruptive quoting and trading activity shall include a frequent pattern in which the facts listed above are present. Unless otherwise indicated, the order of the events indicating the pattern does not modify the applicability of the Rule. Further, disruptive quoting and trading activity includes a pattern or practice in which all of the quoting and trading activity is conducted on the Exchange as well as a pattern or practice in which some portion of the quoting or trading activity is conducted on the Exchange and the other portions of the quoting or trading activity is conducted on one or more other exchanges.

[Adopted March 30, 2016 (SR-BatsEDGX-2016-04)]

CHAPTER XIII. MISCELLANEOUS PROVISIONS

Rule 13.1. Comparison and Settlement Requirements

(a) Every Member who is a Member of a qualified clearing agency shall implement comparison and settlement procedures under the rules of such entity and every Member who is not such a Member shall implement comparison and settlement procedures which conform to the comparison and settlement requirements of the National Association of Securities Dealers Uniform Practice Code.

(b) For purposes of this Rule, a qualified clearing agency shall mean a clearing agency (as defined in the Act) which has agreed to supply the Exchange with data reasonably requested in order to permit the Exchange to enforce compliance by its Members and Member organizations with the provisions of the Act, the rules and regulations thereunder, and the rules of the Exchange.

(c) Anything contained in paragraph (a) to the contrary notwithstanding, the Board may extend or postpone the time of the delivery of an Exchange transaction whenever, in its opinion, such action is called for by the public interest, by just and equitable principles of trade or by the need to meet unusual conditions. In such case, delivery shall be effected at such time, place and manner as directed by the Board.

Rule 13.2. Short Sale Borrowing and Delivery Requirements

Borrowing and deliveries shall be effected in accordance with Rule 203 of Regulation SHO, under the Exchange Act. The Exchange incorporates by reference Rules 200 (17 CFR 242.200) and 203 (17 CFR 242.203) of Regulation SHO, to this Rule 13.2, as if they were fully set forth herein.

Rule 13.3. Forwarding of Proxy and Other Issuer-Related Materials

(a) A Member when so requested by an issuer and upon being furnished with: (1) sufficient copies of proxy materials, annual reports, information statements or other material required by law to be sent to security holders periodically, and (2) satisfactory assurance that it will be reimbursed by such issuer for all out-of-pocket expenses, including reasonable clerical expenses, shall transmit promptly to each beneficial owner of securities (or the beneficial owner's designated investment adviser as defined in Interpretation and Policy .01 to this Rule) of such issuer which are in its possession and control and registered in a name other than the name of the beneficial owner all such material furnished. In the event of a proxy solicitation, such material shall include a signed proxy indicating the number of shares held for such beneficial owner and bearing a symbol identifying the proxy with proxy records maintained by the Member, and a letter informing the beneficial owner (or the beneficial owner's designated investment adviser) of the time limit and necessity for completing the proxy form and forwarding it to the person soliciting proxies prior to the expiration of the time limit in order for the shares to be represented at the meeting. A Member shall furnish a copy of the symbols to the person soliciting the proxies and shall also retain a copy thereof pursuant to the provisions of Exchange Act Rule 17a-4. This paragraph shall not apply to beneficial owners residing outside of the United States of America though Members may voluntarily comply with the provisions hereof in respect of such persons if they so desire.

(b) No Member shall give a proxy to vote stock that is registered in its name, unless: (i) such Member is the beneficial owner of such stock; (ii) such proxy is given pursuant to the written instructions of the beneficial owner; or (iii) such proxy is given pursuant to the rules of any national securities exchange or association of which it is a member provided that the records of the Member clearly indicate the procedure it is following.

(c) Notwithstanding the foregoing, a Member that is not the beneficial owner of a security registered under Section 12 of the Exchange Act is prohibited from granting a proxy to vote the security in connection with a shareholder vote on the election of a member of the board of directors of an issuer (except for a vote with respect to uncontested election of a member of the board of directors of any investment company registered under the Investment Company Act of 1940), executive compensation, or any other significant matter, as determined by the Commission, by rule, unless the beneficial owner of the security has instructed the Member to vote the proxy in accordance with the voting instructions of the beneficial owner.

(d) Notwithstanding the foregoing, a Member may give a proxy to vote any stock registered in its name if such Member holds such stock as executor, administrator, guardian, trustee, or in a similar representative or fiduciary capacity with authority to vote. A Member that has in its possession or within its control stock registered in the name of another Member and that desires to transmit signed proxies pursuant to the provisions of paragraph (a) of this Rule, shall obtain the requisite number of signed proxies from such holder of record. Notwithstanding the foregoing: (1) any Member designated by a named Employee Retirement Income Security Act of 1974 (as amended) (“ERISA”) Plan fiduciary as the investment manager of stock held as assets of the ERISA Plan may vote the proxies in accordance with the ERISA Plan fiduciary responsibilities if the ERISA Plan expressly grants discretion to the investment manager to manage, acquire, or dispose of any plan asset and has not expressly reserved the proxy voting right for the named ERISA Plan fiduciary; and (2) any designated investment adviser may vote such proxies.

Interpretations and Policies

.01 For purposes of this Rule, the term “designated investment adviser” is a person registered under the Investment Advisers Act of 1940, or registered as an investment adviser under the laws of a state, who exercises investment discretion pursuant to an advisory contract for the beneficial owner and is designated in writing by the beneficial owner to receive proxy and related materials and vote the proxy, and to receive annual reports and other material sent to security holders.

(a) For purposes of this Rule, the term “state” shall have the meaning given to such term in Section 202(a)(19) of the Investment Advisers Act (as the same may be amended from time to time).

(b) The written designation must be signed by the beneficial owner; be addressed to the Member; and include the name of the designated investment adviser.

(c) Members that receive such a written designation from a beneficial owner must ensure that the designated investment adviser is registered with the SEC pursuant to the Investment Advisers Act, or with a state as an investment adviser under the laws of such state, and that the investment adviser is exercising investment discretion over the customer's account pursuant to an

advisory contract to vote proxies and/or to receive proxy soliciting material, annual reports and other material. Members must keep records substantiating this information.

(d) Beneficial owners have an unqualified right at any time to rescind designation of the investment adviser to receive materials and to vote proxies. The rescission must be in writing and submitted to the Member.

[Adopted March 12, 2010; amended October 9, 2013 (SR-EDGX-2013-36); amended November 22, 2015 (SR-EDGX-2015-51)]

Rule 13.4. Usage of Data Feeds

(a) The Exchange utilizes the following data feeds for the handling, execution and routing of orders, as well as for surveillance necessary to monitor compliance with applicable securities laws and Exchange rules:

Market Center	Primary Source	Secondary Source
BZX	Direct Feed	CQS/UQDF
BYX	Direct Feed	CQS/UQDF
EDGA	Direct Feed	CQS/UQDF
FINRA ADF	CQS/UQDF	n/a
IEX	CQS/UQDF	n/a
LTSE	CQS/UQDF	n/a
Nasdaq	Direct Feed	CQS/UQDF
Nasdaq BX	Direct Feed	CQS/UQDF
Nasdaq PSX	Direct Feed	CQS/UQDF
NYSE	Direct Feed	CQS/UQDF
NYSE ARCA	Direct Feed	CQS/UQDF
NYSE American	CQS/UQDF	n/a
NYSE Chicago	CQS/UQDF	n/a
NYSE National	CQS/UQDF	n/a

(b) The Exchange may adjust its calculation of the NBBO based on information about orders sent to other venues with protected quotations, execution reports received from those venues, and certain orders received by the Exchange.

[Adopted September 6, 2013 (SR-EDGX-2013-32); amended January 12, 2015 (SR-EDGX-2015-02); amended August 18, 2015 (SR-EDGX-2015-39); amended August 4, 2016 (SR-BatsEDGX-2016-30); amended October 6, 2017 (SR-BatsEDGX-2017-37); amended April 6, 2020 (SR-CboeEDGX-2020-016)]

Rule 13.5. Commissions

Nothing in the Exchange Rules, the By-Laws or the Exchange practices shall be construed to require, authorize or permit any Member, or any person associated with a Member, to agree or

arrange, directly or indirectly, for the charging of fixed rates of commission for transactions effected on, or effected by the use of the facilities of, the Exchange.

Rule 13.6. Off-Exchange Transactions

No rule, stated policy or practice of this Exchange shall prohibit or condition, or be construed to prohibit or condition or otherwise limit, directly or indirectly, the ability of any Member to effect any transaction otherwise than on this Exchange with another person in any security listed on this Exchange or to which unlisted trading privileges on this Exchange have been extended.

Rule 13.7. Regulatory Services Agreements

The Exchange may enter into one or more agreements with another self-regulatory organization to provide regulatory services to the Exchange to assist the Exchange in discharging its obligations under Section 6 and Section 19(g) of the Securities Exchange Act of 1934. Any action taken by another self-regulatory organization, or its employees or authorized agents, acting on behalf of the Exchange pursuant to a regulatory services agreement shall be deemed to be an action taken by the Exchange; provided, however, that nothing in this provision shall affect the oversight of such other self-regulatory organization by the Securities and Exchange Commission. Notwithstanding the fact that the Exchange may enter into one or more regulatory services agreements, the Exchange shall retain ultimate legal responsibility for, and control of, its self-regulatory responsibilities, and any such regulatory services agreement shall so provide.

Rule 13.8. EDGX Book Feeds

(a) **EDGX Depth.** The EDGX Depth is a data feed that contains all displayed orders for listed securities trading on the Exchange, order executions, order cancellations, order modifications, order identification numbers, and administrative messages.

(i) The Exchange will obfuscate the unique order identification number on EDGX Depth for each replenishment of an order with a Reserve Quantity, unless otherwise instructed by the Member. In order to opt out of the Exchange's obfuscation functionality, the Member must contact the Exchange's Trade Desk.

(b) **Bats Aggregated Market ("Cboe One") Feed.** The Cboe One Feed is a data feed that contains the aggregate best bid and offer of all displayed orders for securities traded on the Exchange and its affiliated exchanges. The Cboe One Feed also contains the individual last sale information for the Exchange and each of its affiliated exchanges and consolidated volume for all listed equity securities. The Cboe One Feed also consists of Symbol Summary, Market Status, Retail Liquidity Identifier (on behalf of Cboe BYX Exchange, Inc., an affiliated exchange of the Exchange), Trading Status, and Trade Break messages. The Cboe One Feed will also disseminate the Cboe One Opening and Closing Price. For securities listed on Cboe BZX Exchange, Inc. ("BZX"), the Cboe One Opening Price shall be the BZX Official Opening Price as defined in BZX Rule 11.23(a)(5) and the Cboe One Closing Price shall be the BZX Official Closing Price as defined in BZX Rule 11.23(a)(3). For securities not listed on BZX, the Cboe One Opening Price shall be the first last sale eligible trade that occurred on the Exchange or any of its affiliates after 9:30 a.m. Eastern Time, and the Cboe One Closing Price shall be the final last sale eligible trade to occur on the Exchange or any of its affiliates prior to 4:00 p.m. Eastern Time.

(i) Depth of Book. Cboe One Feed recipients may also elect to receive aggregated two-sided quotations from EDGX and each of its affiliated exchanges for five (5) price levels.

(c) EDGX TOP. EDGX TOP is an uncompressed data feed that offers top of book quotations and execution information based on orders entered into the System.

(d) EDGX Last Sale. EDGX Last Sale is an uncompressed data feed that offers only execution information based on orders entered into the System.

(e) EDGX Book Viewer. EDGX Book Viewer is a data feed that offers aggregated two-sided quotations for all displayed orders entered into the System for up to five (5) price levels as well as the last ten (10) trades including time of trade, price and share quantity.

(f) EDGX Summary Depth. EDGX Summary Depth is a data feed that offers aggregated two-sided quotations for all displayed orders entered into the System for up to five (5) price levels. EDGX Summary Depth also contains the individual last sale information, Market Status, Trading Status, and Trade Break messages.

[Adopted March 12, 2010; amended June 29, 2011 (SR-EDGX-2011-18); amended December 23, 2014 (SR-EDGX-2014-25); amended January 12, 2015 (SR-EDGX-2014-36); amended April 1, 2015 (SR-EDGX-2015-17); amended September 8, 2015 (SR-EDGX-2015-36); amended July 17, 2016 (SR-BatsEDGX-2016-25); amended September 12, 2016 (SR-BatsEDGX-2016-45)]

Rule 13.9. Cboe Connect.

Cboe Connect is a communication service that provides Members an additional means to receive market data from and route orders to any destination connected to the Exchange's network.

[Adopted October 1, 2012 (SR-EDGX-2012-37/SR-EDGX-2012-42); amended January 22, 2013 (SR-EDGX-2013-02); amended July 18, 2014 (SR-EDGX-2014-21); amended December 9, 2014 (SR-EDGX-2014-28); amended May 1, 2015 (SR-EDGX-2015-19)]

Rule 13.10. Reserved.

[Adopted June 14, 2012 (SR-EDGX-2013-21); amended December 29, 2014 (SR-EDGX-2014-29)]

CHAPTER XIV. SECURITIES TRADED

Rule 14.1. Unlisted Trading Privileges

(a) Notwithstanding the requirements for listing set forth in these Rules, the Exchange may extend unlisted trading privileges (“UTP”) to any Equity Security (as defined below) that is listed on another national securities exchange or with respect to which unlisted trading privileges may otherwise be extended in accordance with Section 12(f) of the Exchange Act. Any such security will be subject to all Exchange trading rules applicable to equity securities, unless otherwise noted. The Exchange will not list any Equity Securities. Therefore, the provisions of Rules 14.2 through 14.13 that permit the listing of Equity Securities other than common stock, secondary classes of common stock, preferred stock and similar issues, shares or certificates of beneficial interest of trusts, notes, limited partnership interests, warrants, certificates of deposit for common stock, convertible debt securities, American Depositary Receipts (“ADRs”), and contingent value rights (“CVRs”) will not be effective until the Exchange files a proposed rule change under Section 19(b)(2) under the Exchange Act to amend its rules to comply with Rules 10A-3 and 10C-1 under the Exchange Act and to incorporate qualitative listing criteria, and such proposed rule change is approved by the Commission. For purposes of this Chapter XIV, the term “Equity Security” means, but is not limited to, common stock, secondary classes of common stock, preferred stock and similar issues, shares or certificates of beneficial interest of trusts, notes, limited partnership interests, warrants, certificates of deposit for common stock, convertible debt securities, ADRs, CVRs, Investment Company Units, Trust Issued Receipts (including those based on Investment Shares), Commodity-Based Trust Shares, Currency Trust Shares, Partnership Units, Equity-Linked Securities, Commodity-Linked Securities, Currency-Linked Securities, Portfolio Depositary Receipts, Equity-Linked Debt Securities, Managed Portfolio Shares, Exchange-Traded Fund Shares, and Tracking Fund Shares.

(b)

(c) Prior to the commencement of trading of CVRs on the Exchange, the Exchange will distribute a circular to its Members providing guidance regarding Member compliance responsibilities (including suitability recommendations and account approval) when handling transactions in CVRs.

(d) UTP Derivative Securities. Any UTP Security that is a “new derivative securities product” as defined in Rule 19b-4(e) under the Exchange Act (a “UTP Derivative Security”) and traded pursuant to Rule 19b-4(e) under the Exchange Act shall be subject to the additional following rules:

(1) Form 19b-4(e). The Exchange shall file with the Securities and Exchange Commission a Form 19b-4(e) with respect to each UTP Derivative Security.

(2) Information Circular. The Exchange shall distribute an information circular prior to the commencement of trading in each such UTP Derivative Security that generally includes the same information as contained in the information circular provided by the listing exchange, including: (a) the special risks of trading new derivative securities product; (b) the Exchange Rules that will apply to the new derivative securities

product, including Rule 3.7; (c) information about the dissemination of value of the underlying assets or indexes; and (d) the risk of trading during the Early Trading Session (7:00 a.m. - 8:00 a.m.), Pre-Opening Session (8:00 a.m. – 9:30 a.m. Eastern Time) and the Post-Closing Session (4:00p.m. – 8:00p.m. Eastern Time) due to the lack of calculation or dissemination of the intra-day indicative value or a similar value.

(3) Product Description.

(A) Scope of Product Description Requirements. The provisions of this subparagraph (3) apply only to UTP Derivative Securities that are the subject of an order by the Commission exempting such series from certain prospectus delivery requirements under Section 24(d) of the Investment Company Act of 1940 and are not otherwise subject to prospectus delivery requirements under the Securities Act of 1933.

(B) Written Description of Terms and Conditions. The Exchange shall inform Members of the application of the provisions of this subparagraph to UTP Derivative Securities by means of an information circular. The Exchange requires that Members provide all purchasers of UTP Derivative Securities a written description of the terms and characteristics of those securities, in a form approved by the Exchange or prepared by the open-ended management company issuing such securities, not later than the time a confirmation of the first transaction in such series is delivered to such purchaser. In addition, Members shall include a written description with any sales material relating to UTP Derivative Securities that is provided to customers or the public. Any other written materials provided by a Member to customers or the public making specific reference to the UTP Derivative Securities as an investment vehicle must include a statement substantially in the following form:

“A circular describing the terms and characteristics of [the UTP Derivative Securities] has been prepared by the [open-ended management investment company name] and is available from your broker. It is recommended that you obtain and review such circular before purchasing [the UTP Derivative Securities].”

A Member carrying an omnibus account for a non-Member is required to inform such non-Member that execution of an order to purchase UTP Derivative Securities for such omnibus account will be deemed to constitute an agreement by the non-Member to make such written description available to its customers on the same terms as are directly applicable to the Member under this Rule.

(C) Customer Requests for a Prospectus. Upon request of a customer, a Member shall also provide a prospectus for the particular UTP Derivative Securities.

(4) Trading Halts.

(A) If a temporary interruption occurs in the calculation or wide dissemination of the intraday indicative value (or similar value) or the value of the underlying index or instrument and the listing market halts trading in the product, the Exchange, upon notification by the listing market of such halt due to such temporary interruption, also shall immediately halt trading in that product on the Exchange. If the intraday indicative value (or similar value) or the value of the underlying index or instrument continues not to be calculated or widely available as of the commencement of trading on the Exchange on the next business day, the Exchange shall not commence trading of the product that day. If an interruption in the calculation or wide dissemination of the intraday indicative value (or similar value) or the value of the underlying index or instrument continues, the Exchange may resume trading in the product only if calculation and wide dissemination of the intraday indicative value (or similar value) or the value of the underlying index or instrument resumes or trading in such series resumes in the listing market. Nothing in this rule shall limit the power of the Exchange under the By-Laws, Rules (including without limitation Rule 11.1) or procedures of the Exchange with respect to the Exchange's ability to suspend trading in any securities if such suspension is necessary for the protection of investors or in the public interest.

(B) For a UTP Derivative Security where a net asset value (and, in the case of managed fund shares or actively managed exchange-traded funds, a "disclosed portfolio") is disseminated, the Exchange will immediately halt trading in such security upon notification by the listing market that the net asset value and, if applicable, such disclosed portfolio, is not being disseminated to all market participants at the same time. The Exchange may resume trading in the UTP Derivative Security only when trading in the UTP Derivative Security resumes on the listing market.

(5) Market Maker Restrictions. The following restrictions shall apply to each Member registered as a Market Maker on the Exchange in a UTP Derivative Security that derives its value from one or more currencies, commodities, or derivatives based on one or more currencies or commodities, or is based on a basket or index comprised of currencies or commodities (collectively, "Reference Assets"):

(A) A Member acting as a registered Market Maker in a UTP Derivative Security must file with the Exchange, in a manner prescribed by the Exchange, and keep a current list identifying all accounts for trading the underlying physical asset or commodity, related futures or options on futures, or any other related derivatives (collectively, with Reference Assets, "Related Instruments"), which the Member acting as registered Market Maker may have or over which it may exercise investment discretion. No Member acting as registered Market Maker in the UTP Derivative Security shall trade in the underlying physical asset or commodity, related futures or options on futures, or any other related derivatives, in an account in which a Member acting as a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to the Exchange as required by this Rule.

(B) A Market Maker shall, in a manner prescribed by the Exchange, file with the Exchange and keep current a list identifying any accounts (“Related Instrument Trading Accounts”) for which Related Instruments are traded:

- (1) in which the Market Maker holds an interest;
- (2) over which it has investment discretion; or
- (3) in which it shares in the profits and/or losses.

A Market Maker may not have an interest in, exercise investment discretion over, or share in the profits and/or losses of a Related Instrument Trading Account which has not been reported to the Exchange as required by this Rule.

(C) In addition to the existing obligations under Exchange rules regarding the production of books and records, a Market Maker shall, upon request by the Exchange, make available to the Exchange any books, records or other information pertaining to any Related Instrument Trading Account or to the account of any registered or non-registered employee affiliated with the Market Maker for which Related Instruments are traded.

(D) A Market Maker shall not use any material, non-public information in connection with trading a Related Instrument.

(6) Surveillance. The Exchange shall enter into a comprehensive surveillance sharing agreement with other markets that offer trading in Related Instruments to the same extent as the listing exchange’s rules require the listing exchange to enter into a comprehensive surveillance sharing agreement with such markets.

Interpretations and Policies

.01 The Exchange will halt trading during Regular Trading Hours when required by, and in accordance with, Rule 14.1(c)(4)(A) and (B). The Exchange will halt trading during extended hours trading sessions as follows:

(a) Early Trading Session and Pre-Opening Sessions. If a UTP Derivative Security begins trading on the Exchange in the Early Trading Session or Pre-Opening Session and subsequently a temporary interruption occurs in the calculation or wide dissemination of the Intraday Indicative Value (“IIV”) or the value of the underlying index, as applicable, to such UTP Derivative Security, by a major market data vendor, the Exchange may continue to trade the UTP Derivative Security for the remainder of the Early Trading Session and Pre-Opening Session.

(b) Post- Closing Session and Next Business Day’s Early Trading Session and Pre-Opening Session.

(1) If the IIV or the value of the underlying index continues not to be calculated or widely available after the close of Regular Trading Hours, the Exchange

may trade the UTP Derivative Security in the Post-Closing Session only if the listing market traded such securities until the close of its regular trading session without a halt.

(2) If the IIV or the value of the underlying index continues not to be calculated or widely available as of the commencement of the Early Session or Pre-Opening Session on the next business day, the Exchange shall not commence trading of the UTP Derivative Security in the Early Session or Pre-Opening Session that day. If an interruption in the calculation or wide dissemination of the IIV or the value of the underlying index continues, the Exchange may resume trading in the UTP Derivative Security only if calculation and wide dissemination of the IIV or the value of the underlying index resumes or trading in the UTP Derivative Security resumes in the listing market.

[Adopted March 12, 2010; amended December 15, 2011 (SR-EDGX-2011-28); amended December 29, 2011 (SR-EDGX-2011-38); amended March 12, 2014 (SR-EDGX-2014-06); amended November 21, 2014 (SR-EDGX-2014-27); amended April 6, 2016 (SR-EDGX-2016-06); amended September 3, 2019 (SR-CboeEDGX-2019-025); amended January 21, 2020 (SR-CboeEDGX-2020-003); amended May 7, 2020 (SR-CboeEDGX-2020-021); amended June 4, 2020 (SR-CboeEDGX-2020-026)]

Rule 14.2. Investment Company Units

The Exchange will consider for listing and/or trading, whether pursuant to Rule 19b-4(e) under the Exchange Act or otherwise, units of trading (“Units”) that meet the criteria of this Rule 14.2. A Unit is a security that represents an interest in a registered investment company (“Investment Company”) that could be organized as a unit investment trust, an open-end management investment company, or a similar entity.

(a) Original Unit Listing Standards.

(1) The Investment Company must:

(A) hold securities (including fixed income securities) comprising, or otherwise based on or representing an interest in, an index or portfolio of securities; or

(B) hold securities in another registered investment company that holds securities as described in (A) above.

An index or portfolio may be revised as necessary or appropriate to maintain the quality and character of the index or portfolio.

(2) The Investment Company must issue Units in a specified aggregate number in return for a deposit (the “Deposit”) consisting of either:

(A) a specified number of shares of securities (or, if applicable, a specified portfolio of fixed income securities) that comprise the index or portfolio,

or are otherwise based on or represent an investment in securities comprising such index or portfolio, and/or a cash amount; or

(B) shares of a registered investment company, as described in clause (a)(1)(B) above, and/or a cash amount.

(3) Units must be redeemable, directly or indirectly, from the Investment Company for securities (including fixed income securities) and/or cash then comprising the Deposit. Units must pay holders periodic cash payments corresponding to the regular cash dividends or distributions declared with respect to the securities held by the Investment Company, less applicable expenses and charges.

(4) For each series of Investment Company Units, the Exchange will establish a minimum number of Units required to be outstanding at the time of commencement of trading on the Exchange. Notwithstanding the foregoing, for the initial listing of a series of Investment Company Units in reliance upon Rule 19b-4(e) under the Exchange Act, there must be at least 100,000 Units outstanding prior to the commencement of trading of a series of Units on the Exchange.

(5) Voting rights shall be as set forth in the applicable Investment Company prospectus.

(b) Underlying Indices and Portfolios.

(1) The Exchange may list and/or trade, whether by listing or pursuant to unlisted trading privileges, specified series of Units, with each series based on a specified index or portfolio of securities.

(2) Upon the initial listing of a series of Investment Company Units on the Exchange in reliance upon Rule 19b-4(e) under the Exchange Act, the component stocks of an index or portfolio underlying such series shall meet the following criteria as of the date of the initial deposit of securities in connection with the initial issuance of such Investment Company Units:

(A) component stocks that in the aggregate account for at least 90 percent of the weight of the index or portfolio must have a minimum market value of at least \$75 million;

(B) the component stocks representing at least 90 percent of the weight of the index or portfolio must have a minimum monthly trading volume during each of the last six months of at least 250,000 shares;

(C) the most heavily weighted component stock may not exceed 30 percent of the weight of the index or portfolio, and the five most heavily weighted component stocks may not exceed 65 percent of the weight of the index or portfolio;

(D) the underlying index or portfolio must include a minimum of 13 stocks; and

(E) all securities in the underlying index or portfolio must be listed on a national securities exchange.

(3) The value of the index or portfolio must be calculated and disseminated to the public at least once per business day; provided that, if the securities representing at least half the value of the index or portfolio are securities of a single country other than the United States, then the value of the index or portfolio may be calculated and disseminated to the public at least once per day that is a business day in that country. If a series of Investment Company Units is listed for trading on the Exchange in reliance upon Rule 19b-4(e) under the Exchange Act, the current value of the underlying index must be widely disseminated by one or more major market data vendors or disseminated over the consolidated tape at least every 15 seconds during trading hours on the Exchange. In addition, there must be similarly disseminated for that series an estimate, updated every 15 seconds, of the value of a share of each series. This may be based, for example, upon current information regarding the required deposit of securities plus any cash amount to permit creation of new shares of the series or upon the index value. If the Exchange is trading Investment Company Units pursuant to unlisted trading privileges, it will cease trading the Investment Company Unit if the primary listing exchange ceases trading the Investment Company Unit for any of the above reasons.

(4) If a series of Investment Company Units is listed for trading on the Exchange in reliance upon Rule 19b-4(e) under the Exchange Act:

(A) the index underlying the series must be calculated based on either the market capitalization, modified market capitalization, price equal-dollar or modified equal-dollar weighting methodology;

(B) if the index is maintained by a broker or dealer, (i) the broker or dealer must erect a “fire wall” around the personnel who have access to information concerning changes and adjustments to the index and (ii) the index must be calculated by a third party who is not a broker-dealer; and

(C) if a series of Investment Company Units is listed for trading or traded pursuant to unlisted trading privileges on the Exchange in reliance upon Rule 19b-4(e) under the Exchange Act, the Exchange will implement written surveillance procedures applicable to such series. In addition, the Exchange will comply with the record-keeping requirements of Rule 19b-4(e) under the Exchange Act, and will file Form 19b-4(e) for each series of Investment Company Units within five business days of the commencement of trading.

(c) Continued Listing Criteria.

If the Exchange lists the Units, the Exchange will consider the suspension of trading and delisting of a series of Units in any of the following circumstances:

(1) Following the initial twelve (12) month period beginning upon the commencement of trading of a series of Units, there are fewer than 50 record and/or beneficial holders of Units for 30 or more consecutive trading days;

(2) The value of the index or portfolio of securities on which the series is based is no longer calculated or available; or

(3) Such other event shall occur or condition exist that, in the opinion of the Exchange, makes further dealings on the Exchange inadvisable.

(4) In addition, the Exchange will remove Units from trading and listing upon termination of the issuing Investment Company. If the Exchange is trading Units pursuant to unlisted trading privileges, it will cease trading the Units if the primary listing exchange ceases trading the Units for any of the above reasons.

(d) Provision of Prospectus and Written Description.

(1) The provisions of this paragraph apply only to series of Investment Company Units that are the subject of an order by the Commission exempting such series from certain prospectus delivery requirements under Section 24(d) of the Investment Company Act of 1940 and are not otherwise subject to prospectus delivery requirements under the Securities Act of 1933. The Exchange will inform its members regarding application of this paragraph to a particular series of Investment Company Units by means of an information circular prior to commencement of trading in such series. In connection with any such series of Investment Company Units listed on the Exchange, Members must provide to all purchasers of such series of Investment Company Units a written description of the terms and characteristics of such securities, in a form prepared or approved by the Exchange, not later than the time a confirmation of the first transaction in such security is delivered to such purchaser. In addition, Members must include such a written description with any sales material relating to such series of Investment Company Units that is provided to customers or the public. Any other written materials provided by a Member to customers or the public making specific reference to such series of Investment Company Units as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of [the series of Investment Company Units] has been prepared by [Trust name] and is available from your broker or the Cboe EDGX Exchange, Inc. It is recommended that you obtain and review such circular before purchasing [the series of Investment Company Units]. In addition, upon request, you may obtain from your broker a prospectus for [the series of Investment Company Units]."

(2) A Member carrying an omnibus account for a non-Member broker-dealer is required to inform such non-Member that execution of an order to purchase a series of Investment Company Units for such omnibus account will be deemed to constitute agreement by the non-Member to make such written description available to its customers on the same terms as are directly applicable to Members under this rule.

(3) Upon request of a customer, a Member shall also provide a prospectus for the particular series of Investment Company Units.

(e) Limitation on Liability. Neither the Exchange, any affiliate, nor any Index Licensor or Administrator guarantees the timeliness, sequence, accuracy or completeness of index and

Investment Company Unit information. Neither the Exchange, any affiliate, nor any Index Licensor or Administrator shall have any liability for any loss, damages, claim or expense arising from or occasioned by any inaccuracy, error or delay in, or omission of or from, (i) any index and Investment Company Unit information or (ii) the collection, calculation, compilation, maintenance, reporting or dissemination of any index, any portfolio or any index and Investment Company Unit information, resulting either from any negligent act or omission by the Exchange, any affiliate or any Index Licensor or Administrator or from any act, condition or cause beyond the reasonable control of the Exchange, any affiliate or any Index Licensor or Administrator, including, but not limited to, flood, extraordinary weather conditions, earthquake or other act of God, fire, war, insurrection, riot, labor dispute, accident, action of government, communications or power failure, or equipment or software malfunction. Without limiting any of the foregoing, in no event shall the Exchange, any affiliate, or any index Licensor or Administrator have any liability for any lost profits or special, punitive, incidental, indirect or consequential damages, even if notified of the possibility of such damages.

(f) No Warranties. Neither the Exchange, any affiliate, nor any Index Licensor or Administrator makes any express or implied warranty as to results that any person or party may obtain from using (i) any Investment Company Unit, (ii) the index or portfolio that is the basis for determining the component stocks of an Investment Company Unit, or (iii) any index or Investment Company Unit information, for trading or any other purpose. The Exchange, its affiliates and each Index Licensor or Administrator makes no express or implied warranties, and disclaims all warranties of merchantability or fitness for a particular purpose or use, with respect to any such Investment Company Unit, index, portfolio or information.

(g) Hours of Trading. Any series of Investment Company Units so designated by the Exchange may be traded on the Exchange during Regular Trading Hours and Early Trading, Pre-Opening and Post-Closing Sessions.

[Adopted March 12, 2010; amended April 6, 2016 (SR-EDGX-2016-06); amended September 3, 2019 (SR-CboeEDGX-2019-025)]

Rule 14.3. Trust Issued Receipts

(a) The Exchange will consider for trading, whether by listing or pursuant to unlisted trading privileges, Trust Issued Receipts that meet the criteria of this Rule 14.3.

(b) Applicability. This rule is applicable only to Trust Issued Receipts.

(c) Prospectus Delivery. Members must provide to all purchasers of newly issued Trust Issued Receipts a prospectus for the series of Trust Issued Receipts.

(d) Trading Hours. Transactions in Trust Issued Receipts may be effected during Regular Trading Hours and Early Trading, Pre-Opening and Post-Closing Sessions for each series.

(e) Definitions. A “Trust Issued Receipt” means a security (i) that is issued by a trust (“Trust”) that holds specified securities deposited with the Trust; (ii) that, when aggregated in some specified minimum number, may be surrendered to the Trust by the beneficial owner to receive the securities; and (iii) that pays beneficial owners dividends and other distributions on the

deposited securities, if any are declared and paid to the trustee (“Trustee”) by an issuer of the deposited securities.

(f) Designation. The Exchange may trade, whether by listing or pursuant to unlisted trading privileges, Trust Issued Receipts based on one or more securities. The Trust Issued Receipts based on particular securities shall be designated as a separate series and shall be identified by a unique symbol. The securities that are included in a series of Trust Issued Receipts shall be selected by the Exchange or by such other person as shall have a proprietary interest in such Trust Issued Receipts.

(g) Initial and Continued Listing and/or Trading. Trust Issued Receipts will be listed and/or traded on the Exchange subject to application of the following criteria:

(1) Commencement of Trading. For each Trust, the Exchange will establish a minimum number of Trust Issued Receipts required to be outstanding at the time of commencement of trading on the Exchange.

(2) Continued Trading. Following the initial twelve (12) month period following formation of a Trust and commencement of trading on the Exchange, the Exchange will consider the suspension of trading in or removal from listing of or termination of unlisted trading privileges for a Trust upon which a series of Trust Issued Receipts is based under any of the following circumstances:

(A) if the Trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Trust Issued Receipts for 30 or more consecutive trading days;

(B) if the Trust has fewer than 50,000 receipts issued and outstanding;

(C) if the market value of all receipts issued and outstanding is less than \$1,000,000; or

(D) if any other event shall occur or condition exists which, in the opinion of the Exchange, makes further dealings on the Exchange inadvisable.

If the Exchange is trading the Trust Issued Receipts pursuant to unlisted trading privileges, it will cease trading the Trust Issued Receipts if the primary listing exchange ceases trading the Trust Issued Receipts for any of the above reasons.

Upon termination of a Trust, the Exchange requires that Trust Issued Receipts issued in connection with such Trust be removed from Exchange listing or have their unlisted trading privileges terminated. A Trust may terminate in accordance with the provisions of the Trust prospectus, which may provide for termination if the value of securities in the Trust falls below a specified amount.

(h) Term. The stated term of the Trust shall be as stated in the Trust prospectus; however, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(i) Trustee. The trustee must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee.

(j) Voting Rights. Voting rights shall be as set forth in the Trust prospectus.

Interpretation and Policies

.01 The Exchange may approve Trust Issued Receipts for trading, whether by listing or pursuant to unlisted trading privileges, pursuant to Rule 19b-4(e) under the Act, provided that the following criteria are satisfied:

(a) Each security underlying the Trust Issued Receipt must be registered under Section 12 of the Act;

(b) Each security underlying the Trust Issued Receipt must have a minimum public float of at least \$150 million;

(c) Each security underlying the Trust Issued Receipt must be listed on a national securities exchange or traded through the facilities of Nasdaq as a reported national market system security;

(d) Each security underlying the Trust Issued Receipt must have an average daily trading volume of at least 100,000 shares during the preceding sixty-day trading period;

(e) Each security underlying the Trust Issued Receipt must have an average daily dollar value of shares traded during the preceding sixty-day trading period of at least \$1 million; and

(f) The most heavily weighted security in the Trust Issued Receipt cannot initially represent more than 20% of the overall value of the Trust Issued Receipt.

.02 (a) Provisions of this Commentary apply only to Trust Issued Receipts that invest in “Investment Shares” as defined below. Rules that reference Trust Issued Receipts shall also apply to Trust Issued Receipts investing in Investment Shares.

(b) Definitions. The following terms as used in this Commentary shall, unless the context otherwise requires, have the meanings herein specified:

(1) Investment Shares. The term “Investment Shares” means a security (a) that is issued by a trust, partnership, commodity pool or other similar entity that invests in any combination of futures contracts, options on futures contracts, forward contracts, commodities, swaps or high credit quality short-term fixed income securities or other securities; and (b) issued and redeemed daily at net asset value in amounts correlating to the number of receipts created and redeemed in a specified aggregate minimum number.

(2) Futures Contract. The term “futures contract” is commonly known as a “contract of sale of a commodity for future delivery” set forth in Section 2(a) of the Commodity Exchange Act.

(3) Forward Contract. A forward contract is a contract between two parties to purchase and sell a specific quantity of a commodity at a specified price with delivery and settlement at a future date. Forwards are traded over-the counter (“OTC”) and not listed on a futures exchange.

(c) Designation. The Exchange may list and trade Trust Issued Receipts investing in Investment Shares. Each issue of a Trust Issued Receipt based on a particular Investment Share shall be designated as a separate series and shall be identified by a unique symbol.

(d) Initial and Continued Listing. Trust Issued Receipts based on Investment Shares will be listed and/or traded on the Exchange subject to application of the following criteria:

(1) Initial Listing. The Exchange will establish a minimum number of receipts required to be outstanding at the time of commencement of trading on the Exchange.

(2) Continued Listing. The Exchange will consider removing from listing Trust Issued Receipts based on an Investment Share under any of the following circumstances:

(A) if following the initial twelve (12) month period following the commencement of trading of the shares, (i) the Issuer has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Trust Issued Receipts for 30 or more consecutive trading days; (ii) if the Issuer has fewer than 50,000 securities or shares issued and outstanding; or (iii) if the market value of all securities or shares issued and outstanding is less than \$1,000,000;

(B) if the value of an underlying index or portfolio is no longer calculated or available on at least a 15-second delayed basis or the Exchange stops providing a hyperlink on its website to any such asset or investment value;

(C) if the Indicative Value is no longer made available on at least a 15-second delayed basis; or

(D) if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

If the Exchange is trading the Trust Issued Receipts based on Investment Shares pursuant to unlisted trading privileges, it will cease trading such Trust Issued Receipts if the primary listing exchange ceases trading the Trust Issued Receipts for any of the above reasons.

Upon termination of the Trust, the Exchange requires that Trust Issued Receipts based on Investment Shares issued in connection with such Trust be removed from Exchange listing. A

Trust may terminate in accordance with the provisions of the Trust prospectus, which may provide for termination if the value of the Trust falls below a specified amount.

(e) Term. The stated term of the Trust shall be as stated in the prospectus; however, such entity may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(f) Trustee. The following requirements apply:

(1) The trustee of a Trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee;

(2) No change is to be made in the trustee of a listed issue without prior notice to and approval of the primary listing exchange.

(g) Voting Rights. Voting rights shall be as set forth in the applicable Trust prospectus.

(h) The Exchange will file separate proposals under Section 19(b) of the Exchange Act before trading, either by listing or trading pursuant to unlisted trading privileges Trust Issued Receipts based on separate Investment Shares.

(i) Limitation on Liability. Neither the Exchange nor any agent of the Exchange shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any underlying asset or commodity value, the current value of the underlying asset or commodity if required to be deposited to the Trust in connection with issuance of Trust Issued Receipts, net asset value, or other information relating to the purchase, redemption or trading of Trust Issued Receipts, resulting from any negligent act or omission by the Exchange or any agent of the Exchange, or any act, condition or cause beyond the reasonable control of the Exchange or its agent, including, but not limited to, an act of God, fire, flood, extraordinary weather conditions, war, insurrection, riot, strike, accident, action of government, communications or power failure, equipment or software malfunction, or any error, omission or delay in the reports of transactions in an underlying asset or commodity.

[Adopted March 12, 2010; amended April 6, 2016 (SR-EDGX-2016-06)]

Rule 14.4. Commodity-Based Trust Shares

(a) The Exchange will consider for trading, whether by listing or pursuant to unlisted trading privileges, Commodity-Based Trust Shares that meet the criteria of this Rule 14.4.

(b) Applicability. This rule is applicable only to Commodity-Based Trust Shares.

(c) Prospectus Delivery. Members must provide to all purchasers of newly issued Commodity-Based Receipts a prospectus for the series of Commodity-Based Trust Shares

(d) Trading Hours. Transactions in Commodity-Based Trust Shares will occur during Regular Trading Hours for each series.

(e) Definition. “Commodity-Based Trust Shares” mean securities (i) that are issued by a trust (“Trust”) that holds a specified commodity deposited with the Trust; (ii) that are issued by such Trust in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity; and (iii) that, when aggregated in the same specified minimum number, may be redeemed at a holder’s request by such Trust that will deliver to the redeeming holder the quantity of the underlying commodity. “Commodity” is defined in Section 1(a)(4) of the Commodity Exchange Act. Commodity-Based Trust Shares are included within the definition of “security” or “securities” as such terms are used in the Rules of the Exchange.

(f) Designation. The Exchange may trade, pursuant to unlisted trading privileges, Commodity-Based Trust Shares based on an underlying commodity. Each issue of a Commodity-Based Trust Share shall be designated as a separate series and shall be identified by a unique symbol.

(g) Initial and Continued Listing. Commodity-Based Trust Shares will be listed and traded on the Exchange subject to application of the following criteria:

(1) Initial Listing. The Exchange will establish a minimum number of Commodity-Based Trust Shares required to be outstanding at the time of commencement of trading on the Exchange.

(2) Continued Listing. Following the initial twelve (12) month period following commencement of trading on the Exchange of Commodity-Based Trust Shares, the Exchange will consider the suspension of trading in or removal from listing of such series under any of the following circumstances:

(A) if the Trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Commodity-Based Trust Shares for 30 or more consecutive trading days; or

(B) if the Trust has fewer than 50,000 receipts issued and outstanding;
or

(C) if the market value of all receipts issued and outstanding is less than \$1,000,000; or

(D) if the value of the underlying commodity is no longer calculated or available on at least a 15-second delayed basis from a source unaffiliated with the sponsor, Trust, custodian or the Exchange or the Exchange stops providing a hyperlink on its Web site to any such unaffiliated commodity value;

(E) if the Indicative Trust Value is no longer made available on at least a 15-second delayed basis; or

(F) if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

If the Exchange is trading Commodity-Based Trust Shares pursuant to unlisted trading privileges, it will cease trading the Commodity-Based Trust Shares if the primary listing exchange ceases trading such Shares for any of the above reasons.

Upon termination of a Trust, the Exchange requires that Commodity-Based Trust Shares issued in connection with such entity Trust be removed from Exchange listing. A Trust may terminate in accordance with the provisions of the Trust prospectus, which may provide for termination if the value of the Trust falls below a specified amount.

(h) Term. The stated term of the Trust shall be as stated in the Trust prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(i) Trustee. The following requirements apply:

(1) The trustee of a Trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee.

(2) No change is to be made in the trustee of a listed issue without prior notice to and approval of the primary listing exchange.

(j) Voting. Voting rights shall be as set forth in the applicable Trust prospectus

(k) Limitation on Liability. Neither the Exchange nor any agent of the Exchange shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any underlying commodity value, the current value of the underlying commodity required to be deposited to the Trust in connection with issuance of Commodity-Based Trust Shares, resulting from any negligent act or omission by the Exchange, or any agent of the Exchange, or any act, condition or cause beyond the reasonable control of the Exchange, its agent, including, but not limited to, an act of God, fire, flood, extraordinary weather conditions, war, insurrection, riot, strike, accident, action of government, communications or power failure, equipment or software malfunction or any error, omission or delay in the reports of transactions in an underlying commodity.

Interpretations and Policies

.01 A Commodity-Based Trust Share is a Trust Issued Receipt that holds a specified commodity deposited with the Trust.

.02 The Exchange will file separate proposals under Section 19(b) of the Exchange Act before trading, either by listing or pursuant to unlisted trading privileges, Commodity-Based Trust Shares.

Rule 14.5. Currency Trust Shares

(a) The Exchange will consider for trading, whether by listing or pursuant to unlisted trading privileges, Currency Trust Shares that meet the criteria of this Rule 14.5.

(b) Applicability. This rule is applicable only to Currency Trust Shares.

(c) Prospectus Delivery. Members must provide to all purchasers of newly issued Currency Trust Receipts a prospectus for the series of Currency Trust Shares.

(d) Trading Hours. Transactions in Currency Trust Shares will occur during Regular Trading Hours for each series.

(e) Definition. "Currency Trust Shares" mean a security that (i) that is issued by a trust that holds a specified non-U.S. currency deposited with the trust; (ii) when aggregated in some specified minimum number may be surrendered to the trust by the beneficial owner to receive the specified non U.S. currency; and (iii) pays beneficial owners interest and other distributions on the deposited non-U.S. currency, if any, declared and paid by the trust. Currency Trust Shares are included within the definition of "security" or "securities" as such terms are used in the Rules of the Exchange.

(f) Designation of Non-U.S. Currency. The Exchange may trade, pursuant to unlisted trading privileges, Currency Trust Shares that hold a specified non-U.S. currency or currencies. Each issue of a Currency Trust Share shall be designated as a separate series and shall be identified by a unique symbol.

(g) Initial and Continued Listing. Currency Trust Shares will be listed and traded on the Exchange subject to application of the following criteria:

(1) Initial Listing. The Exchange will establish a minimum number of Currency Trust Shares required to be outstanding at the time of commencement of trading on the Exchange.

(2) Continued Listing. Following the initial twelve (12) month period following commencement of trading on the Exchange of Currency Trust Shares, the Exchange will consider the suspension of trading in or removal from listing of such series under any of the following circumstances:

(A) if the Trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Currency Trust Shares for 30 or more consecutive trading days;

(B) if the Trust has fewer than 50,000 Currency Trust Shares issued and outstanding;

(C) if the market value of all Currency Trust Shares issued and outstanding is less than \$1,000,000;

(D) if the value of the applicable non-U.S. currency is no longer calculated or available on at least a 15-second delayed basis from a source unaffiliated with the sponsor, Trust, custodian or the Exchange or the Exchange stops providing a hyperlink on its Web site to any such unaffiliated applicable non-U.S. currency value;

(E) if the Indicative Trust Value is no longer made available on at least a 15-second delayed basis; or

(F) if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

If the Exchange is trading Currency Trust Shares pursuant to unlisted trading privileges, it will cease trading the Currency Trust Shares if the primary listing exchange ceases trading such Shares for any of the above reasons.

Upon termination of a Trust, the Exchange requires that Currency Trust Shares issued in connection with such entity Trust be removed from Exchange listing. A Trust may terminate in accordance with the provisions of the Trust prospectus, which may provide for termination if the value of the Trust falls below a specified amount.

(h) Term. The stated term of the Trust shall be as stated in the Trust prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(i) Trustee. The following requirements apply:

(1) The trustee of a Trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee.

(2) No change is to be made in the trustee of a listed issue without prior notice to and approval of the primary listing exchange.

(j) Voting. Voting rights shall be as set forth in the applicable Trust prospectus.

(k) Limitation on Liability. Neither the Exchange nor any agent of the Exchange shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any applicable non-U.S. currency value, the current value of the applicable non-U.S. currency required to be deposited to the Trust in connection with issuance of Currency Trust Shares, net asset value, or any other information relating to the purchase, redemption, or trading of the Currency Trust Shares, resulting from any negligent act or omission by the Exchange, or any agent of the Exchange, or any act, condition or cause beyond the reasonable control of the Exchange, its agent, including, but not limited to, an act of God, fire, flood, extraordinary weather conditions, war, insurrection, riot, strike, accident, action of government, communications or power failure, equipment or software malfunction, or any error, omission or delay in the reports of transactions in an applicable non-U.S. currency.

Interpretations and Policies

.01 A Currency Trust Share is a Trust Issued Receipt that holds a specified non-U.S. currency deposited with the Trust.

.02 The Exchange will file separate proposals under Section 19(b) of the Exchange Act before trading, either by listing or pursuant to unlisted trading privileges, Currency Trust Shares.

Rule 14.6. Partnership Units

(a) The Exchange will consider for trading, whether by listing or pursuant to unlisted trading privileges, Partnership Units that meet the criteria of this Rule 14.6.

(b) Definitions. The following terms as used in the Rule shall, unless the context otherwise requires, have the meanings herein specified:

(1) Commodity. The term “commodity” is defined in Section 1(a)(4) of the Commodity Exchange Act.

(2) Partnership Units. The term “Partnership Units” for purposes of this Rule means a security (a) that is issued by a partnership that invests in any combination of futures contracts, options on futures contracts, forward contracts, commodities and/or securities; and (b) that is issued and redeemed daily in specified aggregate amounts at net asset value.

(c) Designation. The Exchange may list and trade Partnership Units based on an underlying asset, commodity or security. Each issue of a Partnership Unit shall be designated as a separate series and shall be identified by a unique symbol.

(d) Trading Hours. Transactions in Partnership Units will occur during Regular Trading Hours for each series.

(e) Initial and Continued Listing. Partnership Units will be listed and/or traded on the Exchange subject to application of the following criteria:

(1) Initial Listing. The Exchange will establish a minimum number of Partnership Units required to be outstanding at the time of commencement of trading on the Exchange.

(2) Continued Listing. The Exchange will consider removing from listing Partnership Units under any of the following circumstances:

(A) if following the initial twelve (12) month period following the commencement of trading of Partnership Units, (i) the partnership has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Partnership Units for 30 or more consecutive trading days; (ii) if the partnership has fewer than 50,000 Partnership Units issued and outstanding;

or (iii) if the market value of all Partnership Units issued and outstanding is less than \$1,000,000;

(B) if the value of the underlying benchmark investment, commodity or asset is no longer calculated or available on at least a 15-second delayed basis or the Exchange stops providing a hyperlink on its website to any such investment, commodity, or asset value;

(C) if the Indicative Partnership Value is no longer made available on at least a 15-second delayed basis; or

(D) if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

If the Exchange is trading Partnership Units pursuant to unlisted trading privileges, it will cease trading the Partnership Units if the primary listing exchange ceases trading such Units for any of the above reasons.

Upon termination of a partnership, the Exchange requires that Partnership Units issued in connection with such partnership be removed from Exchange listing. A partnership will terminate in accordance with the provisions of the partnership prospectus.

(f) Term. The stated term of the partnership shall be as stated in the prospectus. However, such entity may be terminated under such earlier circumstances as may be specified in the Partnership prospectus.

(g) General Partner. The following requirements apply:

(1) The general partner of a partnership must be an entity having substantial capital and surplus and the experience and facilities for handling partnership business. In cases where, for any reason, an individual has been appointed as general partner, a qualified entity must also be appointed as general partner.

(2) No change is to be made in the general partner of a listed issue without prior notice to and approval of the primary listing exchange.

(h) Voting. Voting rights shall be as set forth in the applicable partnership prospectus.

(i) Limitation of Liability. Neither the Exchange nor any agent of the Exchange shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any underlying asset or commodity value, the current value of the underlying asset or commodity if required to be deposited to the partnership in connection with issuance of Partnership Units, net asset value, or other information relating to the purchase, redemption or trading of Partnership Units, resulting from any negligent act or omission by the Exchange or any agent of the Exchange, or any act, condition or cause beyond the reasonable control of the Exchange or its agent, including, but not limited to, an act of God, fire, flood, extraordinary weather conditions, war, insurrection, riot, strike, accident, action of government,

communications or power failure, equipment or software malfunction, or any error, omission or delay in the reports of transactions in an underlying asset or commodity.

(j) The Exchange will file separate proposals under Section 19(b) of the Exchange Act before listing and trading separate and distinct Partnership Units designated on different underlying investments, commodities and/or assets.

Interpretations and Policies

.01 The Exchange requires Members to provide to all purchasers of newly issued Partnership Units a prospectus for the series of Partnership Units.

Rule 14.7. Equity Index-Linked Securities, Commodity-Linked Securities and Currency-Linked Securities

The Exchange will consider listing and/or trading equity index-linked securities (“Equity Index-Linked Securities”), commodity-linked securities (“Commodity-Linked Securities”) and currency-linked securities (“Currency-Linked Securities” and, together with Equity Index-Linked Securities and Commodity-Linked Securities, “Index-Linked Securities”) that in each case meet the applicable criteria of this Rule 14.7. Equity Index-Linked Securities are securities that provide for the payment at maturity of a cash amount based on the performance of an underlying index or indexes of equity securities. The payment at maturity with respect to Commodity-Linked Securities and Currency-Linked Securities is based on (i) in the case of Commodity-Linked Securities, one or more physical commodities or commodity futures, options or other commodity derivatives or Commodity-Based Trust Shares (as defined in Rule 14.4) or a basket or index of any of the foregoing (the “Commodity Reference Asset”), or (ii) in the case of Currency-Linked Securities, one or more currencies, or options or currency futures or other currency derivatives or Currency Trust Shares (as defined in Rule 14.5) or a basket or index of any of the foregoing (the “Currency Reference Asset”). Index-Linked Securities may or may not provide for the repayment of the original principal investment amount. The Exchange may submit a rule filing pursuant to Section 19(b)(2) of the Exchange Act to permit the listing and/or trading of Index-Linked Securities that do not otherwise meet the standards set forth below in paragraphs (a) through (i).

The Exchange will consider for listing and/or trading pursuant to Rule 19b-4(e) under the Exchange Act, securities under this Rule 14.7 provided the following criteria are met.

(a) Issuer Listing Standards. The issuer must be an entity that:

(1) If the issuer is a company listed on the New York Stock Exchange, NYSE Arca, American Stock Exchange, or NASDAQ Stock Market, the entity must be a company in good standing (i.e., meets the continued listing criteria of such exchange).

(2) If not listed, the issuer must meet the following criteria:

(A) The issuer shall have assets in excess of \$100 million and stockholders’ equity of at least \$10 million. In the case of an issuer which is unable to satisfy the earnings criteria set forth in (ii) below, the Exchange generally will require the issuer to have the following: (x) assets in excess of \$200 million and

stockholders' equity of at least \$10 million; or (y) assets in excess of \$100 million and stockholders' equity of at least \$20 million.

(B) The issuer's pre-tax income from continuing operations shall substantially exceed \$750,000 in its last fiscal year, or in two of its last three fiscal years. (Sovereign issuers will be evaluated on a case-by-case basis.)

(3) Either:

(A) Has a minimum tangible net worth of \$250 million (if the Index-Linked Securities are fully and unconditionally guaranteed by an affiliate of the issuer, the Exchange will rely on such affiliate's tangible net worth for purposes of this requirement); or

(B) Has a minimum tangible net worth of \$150 million and the original issue price of the Index-Linked Securities, combined with all of the issuer's other Index-Linked Securities listed on a national securities exchange or otherwise publicly traded in the United States, is not greater than 25 percent of the issuer's tangible net worth at the time of issuance (if the Index-Linked Securities are fully and unconditionally guaranteed by an affiliate of the issuer, the Exchange will apply the provisions of this paragraph to such affiliate instead of the issuer and will include in its calculation all Index-Linked Securities that are fully and unconditionally guaranteed by such affiliate).

(4) Is in compliance with Rule 10A-3 under the Exchange Act.

(b) Issue Listing Standards. The issue must:

(1) Have a minimum public distribution of at least 1 million units, except if the Index-Linked Security is traded in thousand dollar denominations.

(2) Have at least 400 holders, except if the Index-Linked Securities are redeemable at the option of the holders thereof on at least a weekly basis or the Index-Linked Security is traded in thousand dollar denominations.

(3) Have a principal amount/aggregate market value of not less than \$4 million.

(4) Have a minimum term of one (1) year but not greater than thirty (30) years.

(5) Be the non-convertible debt of the issuer.

(6) Not base its payment at maturity on a multiple of the negative performance of an underlying index or indexes, Commodity Reference Asset or Currency Reference Asset, as the case may be, although the payment at maturity may or may not provide for a multiple of the positive performance of an underlying index or indexes,

Commodity Reference Asset or Currency Reference Asset, as the case may be. In addition, the issue must meet one of the criteria set forth in (c), (d) or (e) below.

(c) Equity Index-Linked Securities Listing Standards.

(1) Initial Listing. The Exchange will consider listing Equity Index-Linked Securities that meet the requirements of this subparagraph (c), where the payment at maturity is based on an index or indexes of equity securities. The issue must meet the following initial listing criteria:

(A) Each underlying index is required to have at least ten (10) component securities of different issuers.

(B) The index or indexes to which the security is linked shall either (i) have been reviewed and approved for the trading of investment company units or options or other derivatives by the Commission under Section 19(b)(2) of the Exchange Act and rules thereunder and the conditions set forth in the Commission's approval order, including comprehensive surveillance sharing agreements for non-U.S. stocks, continue to be satisfied, or (ii) the index or indexes meet the following criteria:

(i) Each component security has a minimum market value of at least \$75 million, except that for each of the lowest dollar weighted component securities in the index that in the aggregate account for no more than 10% of the dollar weight of the index, the market value can be at least \$50 million;

(ii) Each component security shall have trading volume in each of the last six months of not less than 1,000,000 shares per month, except that for each of the lowest dollar weighted component securities in the index that in the aggregate account for no more than 10% of the dollar weight of the index, the trading volume shall be at least 500,000 shares per month in each of the last six months;

(iii) Indexes based upon the equal-dollar or modified equal dollar weighting methodology will be rebalanced at least quarterly;

(iv) In the case of a capitalization weighted index or modified capitalization weighted index, the lesser of the five highest dollar weighted component securities in the index or the highest dollar weighted component securities in the index that in the aggregate represent at least 30% of the total number of component securities in the index, each have an average monthly trading volume of at least 2,000,000 shares over the previous six months;

(v) No underlying component security will represent more than 25% of the dollar weight of the index, and the five highest dollar weighted component securities in the index will not in the aggregate account for more

than 50% of the weight of the index (60% for an index consisting of fewer than 25 component securities);

(vi) 90% of the index's dollar weight and at least 80% of the total number of component securities will meet the then current criteria for standardized options trading on a national securities exchange; and

(vii) All component securities shall be either (A) securities (other than foreign country securities and American Depositary Receipts ("ADRs")) that are (i) issued by a Exchange Act reporting company which is listed on a national securities exchange and (ii) an "NMS stock" (as defined in Rule 600 of SEC Regulation NMS) or (B) be foreign country securities or ADRs, provided that foreign country securities or foreign country securities underlying ADRs having their primary trading market outside the United States on foreign trading markets that are not members of the Intermarket Surveillance Group or parties to comprehensive surveillance sharing agreements with the Exchange will not in the aggregate represent more than 20% of the dollar weight of the index.

(2) Continued Listing. The issue must meet the following continued listing criteria:

(A) The Exchange will commence delisting or removal proceedings if any of the initial listing criteria described in (c)(1) above are not continuously maintained, except that:

(i) the criteria that no single component represent more than 25% of the dollar weight of the index and the five highest dollar weighted components in the index cannot represent more than 50% (or 60% for indexes with less than 25 components) of the dollar weight of the index, need only be satisfied for capitalization weighted, modified capitalization weighted and price weighted indexes as of the first day of January and July in each year;

(ii) the total number of components in the index may not increase or decrease by more than 33-1/3% from the number of components in the index at the time of its initial listing, and in no event may be less than ten (10) components;

(iii) the trading volume of each component security in the index must be at least 500,000 shares for each of the last six months, except that for each of the lowest dollar weighted components in the index that in the aggregate account for no more than 10% of the dollar weight of the index, trading volume must be at least 400,000 shares for each of the last six months; and

(iv) in a capitalization weighted index or modified capitalization weighted index, the lesser of the five highest weighted component securities

in the index or the highest weighted component securities in the index that in the aggregate represent at least 30% of the total number of stocks in the index have had an average monthly trading volume of at least 1,000,000 shares over the previous six months.

(B) In connection with an Equity Index-Linked Security that is listed pursuant to Rule 14.7, the Exchange will commence delisting or removal proceedings if an underlying index or indexes fails to satisfy the maintenance standards or conditions for such index or indexes as set forth by the Commission in its order under Section 19(b)(2) of the Exchange Act approving the index or indexes for the trading of options or other derivatives.

(C) The Exchange will also commence delisting or removal proceedings under any of the following circumstances:

(i) if the aggregate market value or the principal amount of the Equity Index-Linked Securities publicly held is less than \$400,000;

(ii) if the value of the index or composite value of the indexes, if applicable, is no longer calculated or widely disseminated on at least a 15-second basis during the time the Equity Index-Linked Securities trade on the Exchange; or

(iii) if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

(d) Commodity-Linked Securities Listing Standards.

(1) Initial Listing. The issue must meet the initial listing standard set forth in either (A) or (B) below, and both initial listing standards set forth in (C) and (D) below:

(A) The Commodity Reference Asset to which the security is linked shall have been reviewed and approved for the trading of Commodity Trust Shares or options or other derivatives by the Commission under Section 19(b)(2) of the Exchange Act and rules thereunder and the conditions set forth in the Commission's approval order, including with respect to comprehensive surveillance sharing agreements, continue to be satisfied.

(B) The pricing information for each component of a Commodity Reference Asset must be derived from a market which is an Intermarket Surveillance Group ("ISG") member or affiliate or with which the Exchange has a comprehensive surveillance sharing agreement. Notwithstanding the previous sentence, pricing information for gold and silver may be derived from the London Bullion Market Association.

(C) the value of the Commodity Reference Asset must be calculated and widely disseminated on at least a 15-second basis during the time the Commodity-Linked Securities trade on the Exchange; and

(D) in the case of Commodity-Linked Securities that are periodically redeemable, the indicative value of the subject Commodity-Linked Securities must be calculated and widely disseminated by one or more major market data vendors on at least a 15-second basis during the time the Commodity-Linked Securities trade on the Exchange.

(2) Continued Listing. The issue must meet the following continued listing criteria:

(A) The Exchange will commence delisting or removal proceedings if any of the initial listing criteria described above are not continuously maintained. Notwithstanding the foregoing, an issue will not be delisted for a failure to have comprehensive surveillance sharing agreements, if the Commodity Reference Asset has at least 10 components and the Exchange has comprehensive surveillance sharing agreements with respect to at least 90% of the dollar weight of the Commodity Reference Asset.

(B) The Exchange will also commence delisting or removal proceedings:

(i) If the aggregate market value or the principal amount of the Commodity-Linked Securities publicly held is less than \$400,000;

(ii) The value of the Commodity Reference Asset is no longer calculated or available and a new Commodity Reference Asset is substituted, unless the new Commodity Reference Asset meets the requirements of this Rule 14.7; or

(iii) if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

(e) Currency-Linked Securities Listing Standards.

(1) Initial Listing. The issue must meet the initial listing standard set forth in either (A) or (B) below, and both initial listing standards set forth in (C) and (D) below:

(A) The Currency Reference Asset to which the security is linked shall have been reviewed and approved for the trading of Currency Trust Shares or options or other derivatives by the Commission under Section 19(b)(2) of the Exchange Act and rules thereunder and the conditions set forth in the Commission's approval order, including with respect to comprehensive surveillance sharing agreements, continue to be satisfied.

(B) The pricing information for each component of a Currency Reference Asset must be (i) the generally accepted spot price for the currency exchange rate in question or (ii) derived from a market which (a) is an ISG member or affiliate or with which the Exchange has a comprehensive surveillance sharing agreement and (b) is the pricing source for components of a Currency Reference Asset that has previously been approved by the Commission.

(C) the value of the Currency Reference Asset must be calculated and widely disseminated on at least a 15-second basis during the time the Currency-Linked Securities trade on the Exchange; and

(D) in the case of Currency-Linked Securities that are periodically redeemable, the indicative value of the subject Currency-Linked Securities must be calculated and widely disseminated by one or more major market data vendors on at least a 15-second basis during the time the Currency-Linked Securities trade on the Exchange.

(2) Continued Listing. The issue must meet the following continued listing criteria:

(A) The Exchange will commence delisting or removal proceedings if any of the initial listing criteria described above is not continuously maintained. Notwithstanding the foregoing, an issue will not be delisted for a failure to have comprehensive surveillance sharing agreements, if the Currency Reference Asset has at least ten (10) components and the Exchange has comprehensive surveillance sharing agreements with respect to at least 90% of the dollar weight of the Currency Reference Asset.

(B) The Exchange will also commence delisting or removal proceedings under any of the following circumstances:

(i) If the aggregate market value or the principal amount of the Currency-Linked Securities publicly held is less than \$400,000;

(ii) If the value of the Currency Reference Asset is no longer calculated or available and a new Currency Reference Asset is substituted, unless the new Currency Reference Asset meets the requirements of this Rule 14.7; or

(iii) If such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

(f) Firewalls. If the value of an Index-Linked Security listed under Rule 14.7 is based in whole or in part on an index that is maintained by a broker or dealer, the broker or dealer shall erect a “firewall” around the personnel responsible for the maintenance of such index or who have access to information concerning changes and adjustments to the index, and the index shall be calculated by a third party who is not a broker or dealer. Any advisory committee, supervisory

board or similar entity that advises an index licensor or administrator or that makes decisions regarding the index or portfolio composition, methodology and related matters must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material, non-public information regarding the applicable index or portfolio.

(g) Index-Linked Securities will be subject to the Exchange's equity trading rules.

(h) Trading Halts.

(1) In the case of Commodity- or Currency-Linked Securities, if the indicative value or the Commodity Reference Asset value or Currency Reference Asset value, as the case may be, applicable to a series of securities is not being disseminated as required, or, in the case of Equity Index-Linked Securities, if the value of the index is not being disseminated as required, the Exchange may halt trading during the day on which such interruption first occurs. If such interruption persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption.

(2) With respect to Index-Linked Securities admitted to dealings by the Exchange on an unlisted trading privileges basis, the Exchange will halt trading, in accordance with Rule 14.1(a), if such Index-Linked Security is no longer listed or trading on the primary market.

(A) Surveillance Procedures. The Exchange will implement written surveillance procedures for Index-Linked Securities, including adequate comprehensive surveillance sharing agreements with markets trading in the underlying components, as applicable.

Rule 14.8. Portfolio Depositary Receipts

(a) The Exchange will consider for trading, whether by listing or pursuant to unlisted trading privileges, Portfolio Depositary Receipts that meet the criteria of this Rule 14.8.

(b) Applicability. This Rule is applicable only to Portfolio Depositary Receipts.

(c) Trading Hours. Transactions in Portfolio Depositary Receipts will occur during Regular Trading Hours for each series.

(d) Definitions.

(1) Portfolio Depositary Receipt. The term "Portfolio Depositary Receipt" means a security:

(A) that is based on a unit investment trust ("Trust") which holds the securities which comprise an index or portfolio underlying a series of Portfolio Depositary Receipts;

(B) that is issued by the Trust in a specified aggregate minimum number in return for a “Portfolio Deposit” consisting of specified numbers of shares of stock plus a cash amount;

(C) that, when aggregated in the same specified minimum number, may be redeemed from the Trust which will pay to the redeeming holder the stock and cash then comprising the “Portfolio Deposit”; and

(D) that pays holders a periodic cash payment corresponding to the regular cash dividends or distributions declared with respect to the component securities of the stock index or portfolio of securities underlying the Portfolio Depositary Receipts, less certain expenses and other charges as set forth in the Trust prospectus.

(2) Reporting Authority. The term “Reporting Authority” in respect of a particular series of Portfolio Depositary Receipts means the Exchange, an institution (including the Trustee for a series of Portfolio Depositary Receipts), or a reporting service designated by the Exchange or by the exchange that lists a particular series of Portfolio Depositary Receipts (if the Exchange is trading such series pursuant to unlisted trading privileges) as the official source for calculating and reporting information relating to such series, including, but not limited to, any current index or portfolio value; the current value of the portfolio of securities required to be deposited to the Trust in connection with issuance of Portfolio Depositary Receipts; the amount of any dividend equivalent payment or cash distribution to holders of Portfolio Depositary Receipts, net asset value, or other information relating to the creation, redemption or trading of Portfolio Depositary Receipts.

(e) Designation of an Index or Portfolio. The trading of Portfolio Depositary Receipts based on one or more stock indexes or securities portfolios, whether by listing or pursuant to unlisted trading privileges, shall be considered on a case-by-case basis. The Portfolio Depositary Receipts based on each particular stock index or portfolio shall be designated as a separate series and shall be identified by a unique symbol. The stocks that are included in an index or portfolio on which Portfolio Depositary Receipts are based shall be selected by the Exchange or by such other person as shall have a proprietary interest in and authorized use of such index or portfolio, and may be revised from time to time as may be deemed necessary or appropriate to maintain the quality and character of the index or portfolio.

(f) Initial and Continued Listing and/or Trading. A Trust upon which a series of Portfolio Depositary Receipts is based will be traded on the Exchange, whether by listing or pursuant to unlisted trading privileges, subject to application of the following criteria:

(1) Commencement of Trading. For each Trust, the Exchange will establish a minimum number of Portfolio Depositary Receipts required to be outstanding at the time of commencement of trading on the Exchange.

(2) Continued Trading. Following the initial twelve (12) month period following formation of a Trust and commencement of trading on the Exchange, the

Exchange will consider the suspension of trading in or removal from listing of or termination of unlisted trading privileges for a Trust upon which a series of Portfolio Depositary Receipts is based under any of the following circumstances:

(A) if the Trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Portfolio Depositary Receipts for 30 or more consecutive trading days; or

(B) if the value of the index or portfolio of securities on which the Trust is based is no longer calculated or available; or

(C) if such other event shall occur or condition exists which is the opinion of the Exchange, makes further dealings on the Exchange inadvisable.

If the Exchange is trading the Portfolio Depositary Receipts pursuant to unlisted trading privileges, it will cease trading the Portfolio Depositary Receipts if the primary listing exchange ceases trading the Portfolio Depositary Receipts for any of the above reasons.

Upon termination of a Trust, the Exchange requires that Portfolio Depositary Receipts issued in connection with such Trust be removed from Exchange listing or have their unlisted trading privileges terminated. A Trust may terminate in accordance with the provisions of the Trust prospectus, which may provide for termination if the value of securities in the Trust falls below a specified amount.

(g) Term. The stated term of the Trust shall be as stated in the Trust prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(h) Trustee. The trustee must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must be appointed co-trustee.

(i) Voting Rights. Voting rights shall be as set forth in the Trust prospectus. The Trustee of a Trust may have the right to vote all of the voting securities of such Trust.

(j) Provision of Prospectus and Written Description.

(1) The provisions of this paragraph apply only to series of Portfolio Depositary Receipts that are the subject of an order by the Commission exempting such series from certain prospectus delivery requirements under Section 24(d) of the Investment Company Act of 1940 and are not otherwise subject to prospectus delivery requirements under the Securities Act of 1933. The Exchange will inform its members regarding application of this paragraph to a particular series of Portfolio Depositary Receipts by means of an information circular prior to commencement of trading in such series. In connection with any series of Portfolio Depositary Receipts listed or traded on the Exchange, Members must provide to all purchasers of such series of Portfolio Depositary Receipts a written description of the terms and characteristics of such

securities, in a form prepared or approved by the Exchange, not later than the time a confirmation of the first transaction in such security is delivered to such purchaser. In addition, Members must include such a written description with any sales material relating to such series of Portfolio Depositary Receipts that is provided to customers or the public. Any other written materials provided by a Member to customers or the public making specific reference to such series of Portfolio Depositary Receipts as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of [the series of Portfolio Depositary Receipts] has been prepared by [Trust name] and is available from your broker or the Cboe EDGX Exchange, Inc. It is recommended that you obtain and review such circular before purchasing [the series of Portfolio Depositary Receipts]. In addition, upon request you may obtain from your broker a prospectus for [the series of Portfolio Depositary Receipts]."

(2) A Member carrying an omnibus account for a non-Member broker-dealer is required to inform such non-Member that execution of an order to purchase a series of Portfolio Depositary Receipts for such omnibus account will be deemed to constitute agreement by the non-Member to make such written description available to its customers on the same terms as are directly applicable to Members under this rule.

(3) Upon request of a customer, a Member shall also provide a prospectus for the particular series of Portfolio Depositary Receipts.

(k) Limitation of Exchange Liability.

(1) Neither the Exchange, the Reporting Authority nor any agent of the Exchange shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any current index or portfolio value; the current value of the portfolio of securities required to be deposited to the Trust; the amount of any dividend equivalent payment or cash distribution to holders of Portfolio Depositary Receipts; net asset value; or other information relating to the creation, redemption or trading of Portfolio Depositary Receipts, resulting from any negligent act or omission by the Exchange, or the Reporting Authority, or any agent of the Exchange, or any act, condition or cause beyond the reasonable control of the Exchange or its agent, or the Reporting Authority, including, but not limited to, an act of God, fire, flood, extraordinary weather conditions, war, insurrection, riot, strike, accident, action of government, communications or power failure, equipment or software malfunction, or any error, omission or delay in the reports of transactions in one or more underlying securities.

(l) No Warranties. Neither the Exchange, any affiliate, nor the Reporting Authority makes any express or implied warranty as to results that any person or party may obtain by using (1) any Portfolio Depositary Receipt, or (2) any underlying index or data included therein. The Exchange, its affiliates and Reporting Authority makes no express or implied warranties, and disclaims all warranties of merchantability or fitness for a particular purpose or use, with respect to Portfolio Depositary Receipts or any underlying index or data included therein.

Interpretations and Policies

.01 The Exchange may approve a series of Portfolio Depositary Receipts for trading, whether by listing or pursuant to unlisted trading privileges, pursuant to Rule 19b-4(e) under the Exchange Act, provided each of the following criteria is satisfied:

(a) Eligibility Criteria for Index Components.

(1) Upon the initial listing of a series of Portfolio Depositary Receipts on the Exchange, or if the Exchange is trading the Portfolio Depositary Receipts pursuant to unlisted trading privileges, upon the initial listing on the primary exchange, the component stocks of an index or portfolio underlying such series of Portfolio Depositary Receipts shall meet the following criteria:

(A) Component stocks that in the aggregate account for at least 90% of the weight of the index or portfolio shall have a minimum market value of at least \$75 million;

(B) The component stocks shall have a minimum monthly trading volume during each of the last six months of at least 250,000 shares for stocks representing at least 90% of the weight of the index or portfolio;

(C) The most heavily weighted component stock cannot exceed 25% of the weight of the index or portfolio, and the five most heavily weighted component stocks cannot exceed 65% of the weight of the index or portfolio;

(D) The underlying index or portfolio must include a minimum of 13 stocks; and

(E) All securities in an underlying index or portfolio must be listed on a national securities exchange.

(b) Index Methodology and Calculation.

(1) The index underlying a series of Portfolio Depositary Receipts will be calculated based on either the market capitalization, modified market capitalization, price, equal-dollar or modified equal-dollar weighting methodology;

(2) If the index is maintained by a broker-dealer, the broker-dealer shall erect a “fire wall” around the personnel who have access to information concerning changes and adjustments to the index and the index shall be calculated by a third party who is not a broker-dealer; and

(3) The current index value will be disseminated every 15 seconds over the Consolidated Tape Association’s Network B.

(c) Disseminated Information.

(1) The Reporting Authority will disseminate for each series of Portfolio Depositary Receipts an estimate, updated every 15 seconds, of the value of a share of each series. This may be based, for example, upon current information regarding the required deposit of securities and cash amount to permit creation of new shares of the series or upon the index value.

(d) Initial Shares Outstanding.

(1) A minimum of 100,000 shares of a series of Portfolio Depositary Receipts is required to be outstanding at the time of commencement of trading on the Exchange.

(e) Trading Increment.

(1) The minimum trading increment for a series of Portfolio Depositary Receipts shall be \$.01.

(f) Surveillance Procedures.

The Exchange will implement written surveillance procedures for Portfolio Depositary Receipts.

[Amended September 3, 2019 (SR-CboeEDGX-2019-025)]

Rule 14.9. Equity-Linked Debt Securities

Equity-Linked Debt Securities (“ELDS”) are limited term non-convertible debt obligations of an issuer where the value of the debt is based, at least in part, on the value of another issuer’s common stock or non-convertible preferred stock. The Exchange may approve ELDS for listing and/or trading pursuant to Rule 19b-4(e) under the Exchange Act provided that the criteria set out below are satisfied:

(a) ELDS Issuer Listing Standards.

(1) If the issuer is a company listed on the New York Stock Exchange, NYSE Arca, American Stock Exchange, or NASDAQ Stock Market, the entity must be a company in good standing (i.e., meets the continued listing criteria of such exchange).

(2) The ELDS issuer must, in all cases, have either

(A) A minimum tangible net worth of \$250 million; or

(B) A minimum tangible net worth of \$150 million and the original issue price of the ELDS, combined with all of the issuer’s other ELDS listed on a national securities exchange or otherwise publicly traded in the United States, may not be greater than 25 percent of the issuer’s net worth at the time of issuance.

(b) ELDS Listing Standards. The issue must have:

(1) At least 1 million ELDS outstanding.

- (2) At least 400 holders.
 - (3) An aggregate market value of at least \$4 million.
 - (4) A minimum life of one year.
- (c) Linked Equity Listing Standards.
- (1) An equity security on which the value of the debt is based must:
 - (A) Have either:
 - (i) a market capitalization of at least \$3 billion and a trading volume of at least 2.5 million shares in the one-year period preceding the listing of the ELDS;
 - (ii) a market capitalization of at least \$1.5 billion and a trading volume of at least 10 million shares in the one-year period preceding the listing of the ELDS; or
 - (iii) a market capitalization of at least \$500 million and trading volume of at least 15 million shares in the one-year preceding the listing of the ELDS.
 - (B) Be issued by a company that has a continuous reporting obligation under the Act, as amended, and be listed on a national securities exchange and be subject to last sale reporting.
 - (C) Be issued either by:
 - (i) a U.S. company; or
 - (ii) a non-U.S. company (including a company that is traded in the United States through American Depositary Receipts (“ADRs”)) if there are at least 2000 holders of the security, and either
 - (D) the Exchange, or, if the ELDS is to be traded pursuant to unlisted trading privileges, any other national securities exchange that is the primary U.S. market for such security, has in place with the primary exchange in the country where the security is primarily traded (or, in the case of a sponsored ADR, the primary exchange in the home country where the security underlying the ADR is primarily traded) an effective comprehensive surveillance information sharing agreement,
 - (E) The “Relative U.S. Volume” is at least 50 percent (for purposes of this subsection, the term “Relative U.S. Volume” shall mean the ratio of (i) the combined trading volume, on a share-equivalent basis, of the security and related securities (including ADRs overlying such security) in the United States and in any

other market with which the Exchange (for ELDS that are listed on the Exchange) or with which any other national securities exchange that is the primary U.S. market for such ELDS (if the ELDS is to be traded on the Exchange pursuant to unlisted trading privileges) has in place an effective, comprehensive surveillance information sharing agreement to (ii) the world-wide trading volume in such securities, or

(F) During the six months preceding the listing of the ELDS on the Exchange (or for ELDS traded on the Exchange pursuant to unlisted trading privileges, preceding the listing of the ELDS on the primary U.S. market for such security), the following trading volume standards were met:

(i) the combined trading volume of the security (including the security itself, any ADR overlying the security (adjusted on a share equivalent basis) and any other classes of stock related to the underlying security) in the United States is at least 20 percent of the combined world-wide trading volume in the security and in related securities,

(ii) the average daily trading volume for the security (or, if traded in the form of an ADR, the ADR overlying such security) in the U.S. market is 100,000 or more shares, and

(iii) the trading volume for the security (or, if traded in the form of an ADR, the ADR overlying such security) is at least 60,000 per day in the U.S. market on a majority of the trading days during the six-month period.

(d) Limits on Number of ELDS.

(1) The issuance of ELDS relating to any underlying U.S. security may not exceed five percent of the total outstanding shares of such underlying security. The issuance of ELDS relating to any underlying non-U.S. security or sponsored ADR may not exceed:

(A) two percent of the total worldwide outstanding shares of such security if at least 20 percent of the worldwide trading volume in the security and related securities during the six-month period preceding the date of listing occurs in the U.S. market;

(B) three percent of the total worldwide outstanding shares of such security if at least 50 percent of the worldwide trading volume in the security and related securities during the six-month period preceding the date of listing occurs in the U.S. market; or

(C) five percent of the total worldwide outstanding shares of such security if at least 70 percent of the worldwide trading volume in the security and related securities during the six-month period preceding the date of listing on the Exchange (for ELDS that are listed on the Exchange) or listing on the national

securities exchange that is the primary U.S. market for such ELDS (if the ELDS is to be traded on the Exchange pursuant to unlisted trading privileges) occurs in the U.S. market.

If an issuer proposes to issue ELDS that relate to more than the allowable percentages of the underlying security specified in this subsection (d), then the Exchange, in consultation with the Commission, will evaluate the maximum percentage of ELDS that may be issued on a case-by-case basis.

(e) Prior to the commencement of trading of a particular ELDS designated pursuant to this Rule, the Exchange will distribute a circular to its Members providing guidance regarding Member compliance responsibilities (including suitability recommendations and account approval) when handling transactions in ELDSs.

Rule 14.10. Requirements for Securities Issued by the Exchange or its Affiliates

(a) (For purposes of this Rule, the terms below are defined as follows:

(1) “EDGX Affiliate” means the Exchange and any entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the Exchange, where “control” means that one entity possesses, directly or indirectly, voting control of the other entity either through ownership of capital stock or other equity securities or through majority representation on the board of directors or other management body of such entity.

(2) “Affiliate Security” means any security issued by an EDGX Affiliate or any Exchange-listed option on any such security, with the exception of Portfolio Depository Receipts as defined in Rule 14.8(d) and Investment Company Units as defined in Rule 14.2.

(b) Affiliate Securities Listed on the Exchange

(1) Prior to the initial listing of an Affiliate Security on the Exchange, Exchange personnel shall determine that such security satisfies the Exchange’s rules for listing, and such finding must be approved by the Regulatory Oversight Committee of the Exchange’s Board of Directors.

(2) Throughout the continued listing of an Affiliate Security on the Exchange, the Exchange shall prepare a quarterly report on the Affiliate Security for the Regulatory Oversight Committee of the Exchange’s Board of Directors that describes the Exchange’s monitoring of the Affiliate Security’s compliance with the Exchange’s listing standards, including:

(A) the Affiliate Security’s compliance with the Exchange’s minimum share price requirement; and

(B) the Affiliate Security’s compliance with each of the quantitative continued listing requirements.

(3) Once a year, an independent accounting firm shall review the listing standards for the Affiliate Security to ensure that the issuer is in compliance with the listing requirements and a copy of the report shall be forwarded promptly to the Regulatory Oversight Committee of the Exchange's Board of Directors.

(4) In the event that the Exchange determines that the EDGX Affiliate is not in compliance with any of the Exchange's listing standards, the Exchange shall notify the issuer of such non-compliance promptly and request a plan of compliance. The Exchange shall file a report with the Commission within five business days of providing such notice to the issuer of its non-compliance. The report shall identify the date of the non-compliance, type of non-compliance, and any other material information conveyed to the issuer in the notice of noncompliance. Within five business days of receipt of a plan of compliance from the issuer, the Exchange shall notify the Commission of such receipt, whether the plan of compliance was accepted by the Exchange or what other action was taken with respect to the plan and the time period provided to regain compliance with the Exchange's listing standards, if any.

(c) Affiliate Securities Traded on the Exchange. Throughout the trading of an Affiliate Security on the Exchange, the Exchange shall prepare a quarterly report on the Affiliate Security for the Regulatory Oversight Committee of the Exchange's Board of Directors that describes the Exchange's monitoring of the trading of the Affiliate Security, including summaries of all related surveillance alerts, complaints, regulatory referrals, trades cancelled or adjusted pursuant to Exchange Rules, investigations, examinations, formal and informal disciplinary actions, exception reports and trading data used to ensure the Affiliate Security's compliance with the Exchange's listing and trading rules.

(d) A copy of the reports required by sub-paragraphs (b) and (c) will be forwarded promptly to the Commission.

[Adopted April 13, 2016 (SR-BatsEDGX-2016-12)]

Rule 14.11. Managed Portfolio Shares

(a) The Exchange will consider for trading, whether by listing or pursuant to unlisted trading privileges, Managed Portfolio Shares that meet the criteria of this Rule.

(b) Applicability. This Rule is applicable only to Managed Portfolio Shares. Except to the extent inconsistent with this Rule, or unless the context otherwise requires, the rules and procedures of the Board of Directors shall be applicable to the trading on the Exchange of such securities. Managed Portfolio Shares are included within the definition of "security" or "securities" as such terms are used in the Rules of the Exchange.

(1) The Exchange will file separate proposals under Section 19(b) of the Securities Exchange Act of 1934 before the listing and trading of a series of Managed Portfolio Shares.

(2) Trading Hours. Transactions in Managed Portfolio Shares will occur throughout the Exchange's trading hours.

(3) Surveillance Procedures. The Exchange will implement and maintain written surveillance procedures for Managed Portfolio Shares. As part of these surveillance procedures, the Investment Company's investment adviser will upon request by the Exchange or FINRA, on behalf of the Exchange, make available to the Exchange or FINRA the daily portfolio holdings of each series of Managed Portfolio Shares.

(4) If the investment adviser to the Investment Company issuing Managed Portfolio Shares is registered as a broker-dealer or is affiliated with a broker-dealer, such investment adviser will erect and maintain a "fire wall" between the investment adviser and personnel of the broker-dealer or broker-dealer affiliate, as applicable, with respect to access to information concerning the composition of and/or changes to such Investment Company portfolio and/or the Creation Basket. Any person related to the investment adviser or Investment Company who makes decisions pertaining to the Investment Company's portfolio composition or has access to information regarding the Investment Company's portfolio composition or changes thereto or the Creation Basket must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the applicable Investment Company portfolio or changes thereto or the Creation Basket.

(5) Any person or entity, including an AP Representative, custodian, Reporting Authority, distributor, or administrator, who has access to information regarding the Investment Company's portfolio composition or changes thereto or the Creation Basket, must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the applicable Investment Company portfolio or changes thereto or the Creation Basket. Moreover, if any such person or entity is registered as a broker-dealer or affiliated with a broker-dealer, such person or entity will erect and maintain a "fire wall" between the person or entity and the broker-dealer with respect to access to information concerning the composition and/or changes to such Investment Company portfolio or Creation Basket.

(c) Definitions. The following terms as used in the Rules shall, unless the context otherwise requires, have the meanings herein specified:

(1) Managed Portfolio Share. The term "Managed Portfolio Share" means a security that (a) represents an interest in an investment company registered under the Investment Company Act of 1940 ("Investment Company") organized as an open-end management investment company, that invests in a portfolio of securities selected by the Investment Company's investment adviser consistent with the Investment Company's investment objectives and policies; (b) is issued in a Creation Unit, or multiples thereof, in return for a designated portfolio of instruments (and/or an amount of cash) with a value equal to the next determined net asset value and delivered to the Authorized Participant (as defined in the Investment Company's Form N-1A filed with the Commission) through a Confidential Account; (c) when aggregated into a Redemption Unit, or multiples thereof, may be redeemed for a designated portfolio of instruments (and/or an amount of cash) with a value equal to the next determined net asset value delivered to the Confidential Account for the benefit of the Authorized Participant; and (d) the portfolio

holdings for which are disclosed within at least 60 days following the end of every fiscal quarter.

(2) **Verified Intraday Indicative Value.** The term "Verified Intraday Indicative Value" is the indicative value of a Managed Portfolio Share based on all of the holdings of a series of Managed Portfolio Shares as of the close of business on the prior business day and, for corporate actions, based on the applicable holdings as of the opening of business on the current business day, priced and disseminated in one second intervals during Regular Trading Hours by the Reporting Authority.

(3) **AP Representative.** The term "AP Representative" means an unaffiliated broker-dealer, with which an Authorized Participant has signed an agreement to establish a Confidential Account for the benefit of such Authorized Participant, that will deliver or receive, on behalf of the Authorized Participant, all consideration to or from the Investment Company in a creation or redemption. An AP Representative will not be permitted to disclose the Creation Basket to any person, including the Authorized Participants.

(4) **Confidential Account.** The term "Confidential Account" means an account owned by an Authorized Participant and held with an AP Representative on behalf of the Authorized Participant. The account will be established and governed by contractual agreement between the AP Representative and the Authorized Participant solely for the purposes of creation and redemption, while keeping confidential the Creation Basket constituents of each series of Managed Portfolio Shares, including from the Authorized Participant. The books and records of the Confidential Account will be maintained by the AP Representative on behalf of the Authorized Participant.

(5) **Creation Basket.** The term "Creation Basket" means on any given business day the names and quantities of the specified instruments (and/or an amount of cash) that are required for an AP Representative to deposit in-kind on behalf of an Authorized Participant in exchange for a Creation Unit and the names and quantities of the specified instruments (and/or an amount of cash) that will be transferred in-kind to an AP Representative on behalf of an Authorized Participant in exchange for a Redemption Unit, which will be identical and will be transmitted to each AP Representative before the commencement of trading.

(6) **Creation Unit.** The term "Creation Unit" means a specified minimum number of Managed Portfolio Shares issued by an Investment Company at the request of an Authorized Participant in return for a designated portfolio of instruments and/or cash.

(7) **Redemption Unit.** The term "Redemption Unit" means a specified minimum number of Managed Portfolio Shares that may be redeemed to an Investment Company at the request of an Authorized Participant in return for a portfolio of instruments and/or cash.

(8) **Reporting Authority.** The term "Reporting Authority" in respect of a particular series of Managed Portfolio Shares means the Exchange, the exchange that

lists a particular series of Managed Portfolio Shares (if the Exchange is trading such series pursuant to unlisted trading privileges), an institution, or a reporting service designated by the Investment Company as the official source for calculating and reporting information relating to such series, including, the net asset value, the Verified Intraday Indicative Value, or other information relating to the issuance, redemption or trading of Managed Portfolio Shares. A series of Managed Portfolio Shares may have more than one Reporting Authority, each having different functions.

(9) Normal Market Conditions. The term "Normal Market Conditions" includes, but is not limited to, the absence of trading halts in the applicable financial markets generally; operational issues (e.g., systems failure) causing dissemination of inaccurate market information; or force majeure type events such as natural or manmade disaster, act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance.

(d) Initial and Continued Listing. Managed Portfolio Shares will be listed and traded on the Exchange subject to application of the following criteria:

(1) Initial Listing. Each series of Managed Portfolio Shares will be listed and traded on the Exchange subject to application of the following initial listing criteria:

(A) For each series, the Exchange will establish a minimum number of Managed Portfolio Shares required to be outstanding at the time of commencement of trading on the Exchange.

(B) The Exchange will obtain a representation from the Investment Company that issues each series of Managed Portfolio Shares that the net asset value per share for the series will be calculated daily and that the net asset value will be made available to all market participants at the same time.

(C) All Managed Portfolio Shares shall have a stated investment objective, which shall be adhered to under Normal Market Conditions.

(2) Continued Listing. Each series of Managed Portfolio Shares will be listed and traded on the Exchange subject to application of the following continued listing criteria:

(A) Verified Intraday Indicative Value. The Verified Intraday Indicative Value for Managed Portfolio Shares will be widely disseminated by the Reporting Authority and/or by one or more major market data vendors in one second intervals during Regular Trading Hours, and will be disseminated to all market participants at the same time.

(B) Suspension of trading or removal. The Exchange will consider the suspension of trading in or removal from listing of or termination of unlisted trading privileges for a series of Managed Portfolio Shares under any of the following circumstances:

(i) if, following the initial twelve-month period after commencement of trading on the Exchange of a series of Managed Portfolio Shares, there are fewer than 50 beneficial holders of the series of Managed Portfolio Shares for 30 or more consecutive trading days;

(ii) if the Exchange has halted trading in a series of Managed Portfolio Shares because the Verified Intraday Indicative Value is interrupted pursuant to Rule 14.11(d)(2)(C)(ii) and such interruption persists past the trading day in which it occurred or is no longer available;

(iii) if the Exchange has halted trading in a series of Managed Portfolio Shares because the net asset value with respect to such series of Managed Portfolio Shares is not disseminated to all market participants at the same time, the holdings of such series of Managed Portfolio Shares are not made available on at least a quarterly basis as required under the 1940 Act, or such holdings are not made available to all market participants at the same time pursuant to Rule 14.11(d)(2)(C)(ii) and such issue persists past the trading day in which it occurred;

(iv) if the Exchange has halted trading in a series of Managed Portfolio Shares pursuant to Rule 14.11(d)(2)(C)(i), such issue persists past the trading day in which it occurred;

(v) if the Investment Company issuing the Managed Portfolio Shares has failed to file any filings required by the Commission or if the Exchange is aware that the Investment Company is not in compliance with the conditions of any currently applicable exemptive order or no-action relief granted by the Commission or Commission staff to the Investment Company with respect to the series of Managed Portfolio Shares;

(vi) if any of the continued listing requirements set forth in Rule 14.11 are not continuously maintained; or

(vii) if such other event shall occur or condition exists which, in the opinion of the Exchange, makes further dealings on the Exchange inadvisable.

(C) Trading Halt.

(i) The Exchange may consider all relevant factors in exercising its discretion to halt trading in a series of Managed Portfolio Shares. Trading may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the series of Managed Portfolio Shares inadvisable. These

may include: (a) the extent to which trading is not occurring in the securities and/or the financial instruments composing the portfolio; or (b) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present.

(ii) If the Exchange becomes aware that: (a) the Verified Intraday Indicative Value of a series of Managed Portfolio Shares is not being calculated or disseminated in one second intervals, as required; (b) the net asset value with respect to a series of Managed Portfolio Shares is not disseminated to all market participants at the same time; (c) the holdings of a series of Managed Portfolio Shares are not made available on at least a quarterly basis as required under the 1940 Act; or (d) such holdings are not made available to all market participants at the same time (except as otherwise permitted under the currently applicable exemptive order or no-action relief granted by the Commission or Commission staff to the Investment Company with respect to the series of Managed Portfolio Shares), it will halt trading in such series until such time as the Verified Intraday Indicative Value, the net asset value, or the holdings are available, as required.

(D) Termination. Upon termination of an Investment Company, the Exchange requires that Managed Portfolio Shares issued in connection with such entity be removed from Exchange listing.

(E) Voting. Voting rights shall be as set forth in the applicable Investment Company prospectus and/or statement of additional information.

(e) Limitation of Exchange Liability. Neither the Exchange, the Reporting Authority, when the Exchange is acting in the capacity of a Reporting Authority, nor any agent of the Exchange shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any current portfolio value; the current value of the portfolio of securities required to be deposited to the open-end management investment company in connection with issuance of Managed Portfolio Shares; the Verified Intraday Indicative Value; the amount of any dividend equivalent payment or cash distribution to holders of Managed Portfolio Shares; net asset value; or other information relating to the purchase, redemption, or trading of Managed Portfolio Shares, resulting from any negligent act or omission by the Exchange, the Reporting Authority when the Exchange is acting in the capacity of a Reporting Authority, or any agent of the Exchange, or any act, condition, or cause beyond the reasonable control of the Exchange, its agent, or the Reporting Authority, when the Exchange is acting in the capacity of a Reporting Authority, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission, or delay in the reports of transactions in one or more underlying securities.

(f) Disclosures. The provisions of this subparagraph apply only to series of Managed Portfolio Shares that are the subject of an order by the Commission exempting such series from certain prospectus delivery requirements under Section 24(d) of the Investment Company Act of 1940 and are not otherwise subject to prospectus delivery requirements under the Securities Act of 1933. The Exchange will inform its Members regarding application of this subparagraph to a particular series of Managed Portfolio Shares by means of an information circular prior to commencement of trading in such series.

The Exchange requires that members provide to all purchasers of a series of Managed Portfolio Shares a written description of the terms and characteristics of those securities, in a form prepared by the open-end management investment company issuing such securities, not later than the time a confirmation of the first transaction in such series is delivered to such purchaser. In addition, members shall include such a written description with any sales material relating to a series of Managed Portfolio Shares that is provided to customers or the public. Any other written materials provided by a member to customers or the public making specific reference to a series of Managed Portfolio Shares as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of (the series of Managed Portfolio Shares) has been prepared by the (open-end management investment company name) and is available from your broker. It is recommended that you obtain and review such circular before purchasing (the series of Managed Portfolio Shares)."

A member carrying an omnibus account for a non-member broker-dealer is required to inform such non-member that execution of an order to purchase a series of Managed Portfolio Shares for such omnibus account will be deemed to constitute agreement by the non-member to make such written description available to its customers on the same terms as are directly applicable to members under this rule.

Upon request of a customer, a member shall also provide a prospectus for the particular series of Managed Portfolio Shares.

[Adopted January 21, 2020 (SR-CboeEDGX-2020-003); Amended March 31, 2020 (SR-CboeEDGX-2020-014)]

Rule 14.12. Exchange-Traded Fund Shares

(a) The Exchange will consider for trading, whether by listing or pursuant to unlisted trading privileges, the shares of Exchange-Traded Funds ("ETF Shares") that meet the criteria of this Rule 14.12.

(b) Applicability. This Rule 14.12 is applicable only to ETF Shares. Except to the extent inconsistent with this Rule 14.12, or unless the context otherwise requires, the rules and procedures of the Board of Directors shall be applicable to the trading on the Exchange of such securities. ETF Shares are included within the definition of "security" or "securities" as such terms are used in the Rules of the Exchange.

(1) Transactions in ETF Shares will occur throughout the Exchange's trading hours.

(2) Minimum Price Variance. The minimum price variation for quoting and entry of orders in ETF Shares is \$0.01.

(3) Surveillance Procedures. The Exchange will implement and maintain written surveillance procedures for ETF Shares.

(c) Definitions. The following terms as used in the Rules shall, unless the context otherwise requires, have the meanings herein specified:

(1) ETF Shares. The term "ETF Shares" means shares of stock issued by an Exchange-Traded Fund.

(2) Exchange-Traded Fund. The term "Exchange-Traded Fund" has the same meaning as the term "exchange-traded fund" as defined in Rule 6c-11 under the Investment Company Act of 1940.

(3) Reporting Authority. The term "Reporting Authority" in respect of a particular series of ETF Shares means the Exchange, an institution, or a reporting service designated by the Exchange or by the exchange that lists a particular series of ETF Shares (if the Exchange is trading such series pursuant to unlisted trading privileges) as the official source for calculating and reporting information relating to such series, including, but not limited to, the amount of any dividend equivalent payment or cash distribution to holders of ETF Shares, net asset value, index or portfolio value, the current value of the portfolio of securities required to be deposited in connection with issuance of ETF Shares, or other information relating to the issuance, redemption or trading of ETF Shares. A series of ETF Shares may have more than one Reporting Authority, each having different functions.

(d) Initial and Continued Listing; Unlisted Trading Privileges. The Exchange may approve a series of ETF Shares for listing and/or trading (including pursuant to unlisted trading privileges) on the Exchange pursuant to Rule 19b-4(e) under the Act, provided such series of ETF Shares is eligible to operate in reliance on Rule 6c-11 under the Investment Company Act of 1940 and must satisfy the requirements of this Rule 14.12 on an initial and continued listing basis.

(1) The requirements of Rule 6c-11 must be satisfied by a series of ETF Shares on an initial and continued listing basis. Such securities must also satisfy the following criteria on an initial and, except for paragraph (A) below, continued, listing basis:

(A) For each series, the Exchange will establish a minimum number of ETF Shares required to be outstanding at the time of commencement of trading on the Exchange;

(B) If an index underlying a series of ETF Shares is maintained by a broker-dealer or fund adviser, the broker-dealer or fund adviser shall erect and maintain a "fire wall" around the personnel who have access to information concerning changes and adjustments to the index and the index shall be calculated by a third party who is not a broker-dealer or fund adviser. If the investment adviser

to the investment company issuing an actively managed series of ETF Shares is affiliated with a broker-dealer, such investment adviser shall erect and maintain a “fire wall” between the investment adviser and the broker-dealer with respect to access to information concerning the composition and/or changes to such Exchange-Traded Fund’s portfolio; and

(C) Any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on the composition, methodology, and related matters of an index underlying a series of ETF Shares, must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the applicable index. For actively managed Exchange-Traded Funds, personnel who make decisions on the portfolio composition must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the applicable portfolio.

(2) Continued Listing and Trading or Trading Pursuant to Unlisted Trading Privileges. Each series of ETF Shares will be listed and traded or traded pursuant to unlisted trading privileges on the Exchange subject to application of the following continued listing criteria:

(A) Suspension of trading or removal; termination of unlisted trading privileges. The Exchange will consider the suspension of trading in or removal from listing of or termination of unlisted trading privileges for a series of ETF Shares under any of the following circumstances:

(i) if the Exchange becomes aware that the issuer of the ETF Shares is no longer eligible to operate in reliance on Rule 6c-11 under the Investment Company Act of 1940;

(ii) if any of the other listing requirements set forth in this Rule 14.12 are not continuously maintained;

(iii) if, following the initial twelve month period after commencement of trading on the Exchange of a series of ETF Shares, there are fewer than 50 beneficial holders of the series of ETF Shares for 30 or more consecutive trading days; or

(iv) if such other event shall occur or condition exists which, in the opinion of the Exchange, makes further dealings on the Exchange inadvisable.

(B) Termination. Upon termination of an investment company, the Exchange requires that ETF Shares issued in connection with such entity be removed from Exchange listing.

(e) Limitation of Exchange Liability. Neither the Exchange, the Reporting Authority, nor any agent of the Exchange shall have any liability for damages, claims, losses or expenses

caused by any errors, omissions, or delays in calculating or disseminating any current index or portfolio value; the current value of the portfolio of securities required to be deposited to the open-end management investment company in connection with issuance of ETF Shares; the amount of any dividend equivalent payment or cash distribution to holders of ETF Shares; net asset value; or other information relating to the purchase, redemption, or trading of ETF Shares, resulting from any negligent act or omission by the Exchange, the Reporting Authority, or any agent of the Exchange, or any act, condition, or cause beyond the reasonable control of the Exchange, its agent, or the Reporting Authority, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission, or delay in the reports of transactions in one or more underlying securities.

[Adopted May 7, 2020 (SR-CboeEDGX-2020-021)]

Rule 14.13. Tracking Fund Shares

(a) The Exchange will consider for trading, whether by listing or pursuant to unlisted trading privileges, Tracking Fund Shares that meet the criteria of this Rule 14.13.

(b) Applicability. This Rule 14.13 is applicable only to Tracking Fund Shares. Except to the extent inconsistent with this Rule 14.13, or unless the context otherwise requires, the rules and procedures of the Board of Directors shall be applicable to the trading on the Exchange of such securities. Tracking Fund Shares are included within the definition of “security” or “securities” as such terms are used in the Rules of the Exchange.

(1) The Exchange will file separate proposals under Section 19(b) of the Act before the listing and trading of a series of Tracking Fund Shares.

(2) Transactions in Tracking Fund Shares will occur throughout the Exchange’s trading hours.

(3) Minimum Price Variance. The minimum price variation for quoting and entry of orders in Tracking Fund Shares is \$0.01.

(4) Surveillance Procedures. The Exchange will implement and maintain written surveillance procedures for Tracking Fund Shares. As part of these surveillance procedures, the Investment Company’s investment adviser will upon request by the Exchange or FINRA, on behalf of the Exchange, make available to the Exchange or FINRA the daily Fund Portfolio of each series of Tracking Fund Shares.

(5) If the investment adviser to the Investment Company issuing Tracking Fund Shares is registered as a broker-dealer or is affiliated with a broker-dealer, such investment adviser will erect and maintain a “fire wall” between the investment adviser and personnel of the broker-dealer or broker-dealer affiliate, as applicable, with respect to access to information concerning the composition of and/or changes to the Fund Portfolio and/or the Tracking Basket. Any person related to the investment adviser or Investment Company who makes decisions pertaining to the Investment Company’s Fund Portfolio and/or the Tracking Basket or has access to nonpublic information regarding

the Fund Portfolio and/or the Tracking Basket or changes thereto must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the Fund Portfolio and/or the Tracking Basket or changes thereto.

(6) Any person or entity, including a custodian, Reporting Authority, distributor, or administrator, who has access to nonpublic information regarding the Fund Portfolio or the Tracking Basket or changes thereto, must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the applicable Fund Portfolio or the Tracking Basket or changes thereto. Moreover, if any such person or entity is registered as a broker-dealer or affiliated with a broker-dealer, such person or entity will erect and maintain a “fire wall” between the person or entity and the broker-dealer with respect to access to information concerning the composition and/or changes to such Fund Portfolio or Tracking Basket.

(c) Definitions. The following terms as used in the Rules shall, unless the context otherwise requires, have the meanings herein specified:

(1) Tracking Fund Share. The term “Tracking Fund Share” means a security that: (i) represents an interest in an investment company registered under the Investment Company Act of 1940 (“Investment Company”) organized as an open-end management investment company, that invests in a portfolio of securities selected by the Investment Company’s investment adviser consistent with the Investment Company’s investment objectives and policies; (ii) is issued in a specified aggregate minimum number in return for a deposit of a specified Tracking Basket and/or a cash amount with a value equal to the next determined net asset value; (iii) when aggregated in the same specified minimum number, may be redeemed at a holder’s request, which holder will be paid a specified Tracking Basket and/or a cash amount with a value equal to the next determined net asset value; and (iv) the portfolio holdings for which are disclosed within at least 60 days following the end of every fiscal quarter.

(2) Fund Portfolio. The term “Fund Portfolio” means the identities and quantities of the securities and other assets held by the Investment Company that will form the basis for the Investment Company’s calculation of net asset value at the end of the business day.

(3) Reporting Authority. The term “Reporting Authority” in respect of a particular series of Tracking Fund Shares means the Exchange, an institution, or a reporting service designated by the Exchange or by the exchange that lists a particular series of Tracking Fund Shares (if the Exchange is trading such series pursuant to unlisted trading privileges) as the official source for calculating and reporting information relating to such series, including, but not limited to, the Tracking Basket; the Fund Portfolio; the amount of any cash distribution to holders of Tracking Fund Shares, net asset value, or other information relating to the issuance, redemption or trading of Tracking Fund Shares. A series of Tracking Fund Shares may have more than one Reporting Authority, each having different functions.

(4) Normal Market Conditions. The term "Normal Market Conditions" includes, but is not limited to, the absence of trading halts in the applicable financial markets generally; operational issues (e.g., systems failure) causing dissemination of inaccurate market information; or force majeure type events such as natural or manmade disaster, act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance.

(5) Tracking Basket. The term "Tracking Basket" means the identities and quantities of the securities and other assets included in a basket that is designed to closely track the daily performance of the Fund Portfolio, as provided in the exemptive relief under the Investment Company Act of 1940 applicable to a series of Tracking Fund Shares. The website for each series of Tracking Fund Shares shall disclose the following information regarding the Tracking Basket as required under this Rule 14.13, to the extent applicable:

- (A) Ticker symbol;
- (B) CUSIP or other identifier;
- (C) Description of holding;
- (D) Quantity of each security or other asset held; and
- (E) Percentage weight of the holding in the portfolio.

(d) Initial and Continued Listing; Unlisted Trading Privileges. The Exchange may approve a series of Tracking Fund Shares for listing and/or trading (including pursuant to unlisted trading privileges) on the Exchange subject to application of the following criteria:

(1) Initial Listing. Each series of Tracking Fund Shares will be listed and traded on the Exchange subject to application of the following initial listing criteria:

(A) For each series, the Exchange will establish a minimum number of Tracking Fund Shares required to be outstanding at the time of commencement of trading on the Exchange.

(B) The Exchange will obtain a representation from the issuer of each series of Tracking Fund Shares that the net asset value per share for the series will be calculated daily and that each of the following will be made available to all market participants at the same time when disclosed: the net asset value, the Tracking Basket, and the Fund Portfolio.

(C) All Tracking Fund Shares shall have a stated investment objective, which shall be adhered to under Normal Market Conditions.

(2) Continued Listing and Trading or Trading Pursuant to Unlisted Trading Privileges. Each series of Tracking Fund Shares will be listed and traded or traded

pursuant to unlisted traded privileges on the Exchange subject to application of the following continued listing criteria:

(A) Tracking Basket. The Tracking Basket will be publicly disseminated at least once daily and will be made available to all market participants at the same time.

(B) Fund Portfolio. The Fund Portfolio will at a minimum be publicly disclosed within at least 60 days following the end of every fiscal quarter and will be made available to all market participants at the same time.

(C) Suspension of trading or removal; termination of unlisted trading privileges. The Exchange will consider the suspension of trading in or removal from listing of or termination of unlisted trading privileges for a series of Tracking Fund Shares under any of the following circumstances:

(i) if, following the initial twelve-month period after commencement of trading on the Exchange of a series of Tracking Fund Shares, there are fewer than 50 beneficial holders of the series of Tracking Fund Shares for 30 or more consecutive trading days;

(ii) if either the Tracking Basket or Fund Portfolio is not made available to all market participants at the same time;

(iii) if the Investment Company issuing the Tracking Fund Shares has failed to file any filings required by the Commission or if the Exchange is aware that the Investment Company is not in compliance with the conditions of any exemptive order or no-action relief granted by the Commission or the Commission staff under the Investment Company Act of 1940 to the Investment Company with respect to the series of Tracking Fund Shares;

(iv) if any of the requirements set forth in this rule are not continuously maintained;

(v) if any of the applicable Continued Listing Representations for the issue of Tracking Fund Shares are not continuously met; or

(vi) if such other event shall occur or condition exists which, in the opinion of the Exchange, makes further dealings on the Exchange inadvisable.

(D) Trading Halt.

(i) The Exchange may consider all relevant factors in exercising its discretion to halt trading in a series of Tracking Fund Shares. Trading may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the series of Tracking Fund Shares inadvisable. These may include: (i) the extent to which trading is not occurring in the securities and/or the financial instruments composing the Tracking Basket or Fund Portfolio; or (ii) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present.

(ii) If the Exchange becomes aware that one of the following is not being made available to all market participants at the same time: the net asset value, the Tracking Basket, or the Fund Portfolio with respect to a series of Tracking Fund Shares, then the Exchange will halt trading in such series until such time as the net asset value, the Tracking Basket, or the Fund Portfolio is available to all market participants, as applicable.

(E) Termination. Upon termination of an Investment Company, the Exchange requires that Tracking Fund Shares issued in connection with such entity be removed from listing on the Exchange.

(F) Voting. Voting rights shall be as set forth in the applicable Investment Company prospectus and/or statement of additional information.

(e) Limitation of Liability. Neither the Exchange, the Reporting Authority, when the Exchange is acting in the capacity of a Reporting Authority, nor any agent of the Exchange shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating any current portfolio value; the current value of the portfolio of securities required to be deposited to the open-end management investment company in connection with issuance of Tracking Fund Shares; the amount of any dividend equivalent payment or cash distribution to holders of Tracking Fund Shares; net asset value; or other information relating to the purchase, redemption, or trading of Tracking Fund Shares, resulting from any negligent act or omission by the Exchange, the Reporting Authority when the Exchange is acting in the capacity of a Reporting Authority, or any agent of the Exchange, or any act, condition, or cause beyond the reasonable control of the Exchange, its agent, or the Reporting Authority when the Exchange is acting in the capacity of a Reporting Authority, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission, or delay in the reports of transactions in one or more underlying securities.

[Adopted June 4, 2020 (SR-CboeEDGX-2020-026)]

CHAPTER XV. DUES, FEES, ASSESSMENTS AND OTHER CHARGES; EFFECTIVE DATE

Rule 15.1. Authority to Prescribe Dues, Fees, Assessments and Other Charges

(a) Generally. The Exchange may prescribe such reasonable dues, fees, assessments or other charges as it may, in its discretion, deem appropriate. Such dues, fees, assessments and charges may include membership dues, transaction fees, communication and technology fees, regulatory charges, listing fees, and other fees and charges as the Exchange may determine. All such dues, fees and charges shall be equitably allocated among Members, issuers and other persons using the Exchange's facilities.

(b) Regulatory Transaction Fee. Under Section 31 of the Act, the Exchange must pay certain fees to the Commission. To help fund the Exchange's obligations to the Commission under Section 31, this Regulatory Transaction Fee is assessed to Members. To the extent there may be any excess monies collected under this Rule, the Exchange may retain those monies to help fund its general operating expense. Each Member engaged in executing transactions on the Exchange shall pay, in such manner and at such times as the Exchange shall direct, a Regulatory Transaction Fee equal to (i) the rate determined by the Commission to be applicable to covered sales occurring on the Exchange in accordance with Section 31 of the Act multiplied by (ii) the Member's aggregate dollar amount of covered sales occurring on the Exchange during any computational period.

(c) Schedule of Fees. The Exchange will provide Members with notice of all relevant dues, fees, assessments and charges of the Exchange. Such notice may be made available to Members on the Exchange's website or by any other method deemed reasonable by the Exchange.

Rule 15.2. Regulatory Revenues

Any revenues received by the Exchange from fees derived from its regulatory function or regulatory fines will not be used for non-regulatory purposes or distributed to the stockholder, but rather, shall be applied to fund the legal and regulatory operations of the Exchange (including surveillance and enforcement activities), or, as the case may be, shall be used to pay restitution and disgorgement of funds intended for customers (except in the event of liquidation of the Exchange, which case Direct Edge LLC will be entitled to the distribution of the remaining assets of the Exchange).

[Adopted October 11, 2017 (SR-BatsEDGX-2017-35)]

CHAPTER XVI. GENERAL PROVISIONS – EDGX OPTIONS

Rule 16.1. Definitions

With respect to the Rules contained in Chapters XVI to XXIX below, relating to the trading of options contracts on the Exchange, the following terms shall have the meanings specified in this Rule. A term defined elsewhere in the Exchange Rules shall have the same meaning with respect to this Chapter XVI, unless otherwise defined below.

Aggregate Exercise Price

The term “aggregate exercise price” means the exercise price of an options contract multiplied by the number of units of the underlying security covered by the options contract.

All Sessions Classes

The term “All Sessions classes” mean the options classes the Exchange lists for trading during both GTH and RTH.

American-Style Option

The term “American-style option” means an options contract that, subject to the provisions of Rule 23.1 (relating to the cutoff time for exercise instructions) and to the Rules of the Clearing Corporation, may be exercised at any time from its commencement time until its expiration.

Associated Person and Person Associated with an Options Member

The terms “associated person” and “person associated with an Options Member” mean any partner, officer, director, or branch manager of an Options Member (or any person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under common control with an Options Member or any employee of an Options Member.

Bulk Message

The term “bulk message” means a bid or offer included in a single electronic message a User submits with an M Capacity to the Exchange in which the User may enter, modify, or cancel up to an Exchange-specified number of bids and offers (which number the Exchange announces via Exchange notice or publicly available technical specifications). A User may submit a bulk message through a bulk port as set forth in Rule 21.1(j)(3). The System handles a bulk message in the same manner as it handles an order or quote, unless the Rules specify otherwise.

Bid

The term “bid” means a limit order to buy one or more options contracts.

Board

The term “Board” means the Board of Directors of the Cboe EDGX Exchange, Inc.

Business Day and Trading Day

The terms “business day” and “trading day” mean a day on which the Exchange is open for trading during Regular Trading Hours. A business day or trading day includes both trading sessions on that day. If the Exchange is not open for Regular Trading Hours on a day, then it will not be open for Global Trading Hours on that day.

Call

The term “call” means an options contract under which the holder of the option has the right, in accordance with the terms of the option, to purchase from the Clearing Corporation the number of shares of the underlying security covered by the options contract.

Capacity

The term “Capacity” means the capacity in which a User submits an order, which the User specifies by applying the corresponding code to the order, and includes:

Code	Capacity Type
B	For the account of a broker or dealer, including a foreign broker dealer
C	For the account of a Priority Customer
F	For an OCC clearing member firm proprietary account
J	For a joint back office account
M	For the account of a registered Market Maker
N	For the account of a market maker on another options exchange (i.e. an Away Market Maker)
U	For the account of a Professional

Class of Options

The terms “class” or “class of options” mean all options contracts with the same unit of trading covering the same underlying security or index.

Clearing Corporation and OCC

The terms “Clearing Corporation” and “OCC” mean The Options Clearing Corporation.

Clearing Member

The term “Clearing Member” means an Options Member that is self-clearing or an Options Member that clears EDGX Options Transactions for other Members of EDGX Options.

Closing Purchase Transaction

The term “closing purchase transaction” means an EDGX Options Transaction that reduces or eliminates a short position in an options contract.

Closing Writing Transaction

The term “closing writing transaction” means an EDGX Options Transaction that reduces or eliminates a long position in an options contract.

Covered Short Position

The term “covered short position” means (A) an options position where the obligation of the writer of a call option is secured by a “specific deposit” or an “escrow deposit” meeting the conditions of Rules 610(f) or 610(g), respectively, of the Rules of the Clearing Corporation, or the writer holds in the same account as the short position, on a share-for-share basis, a long position either in the underlying security or in an options contract of the same class of options where the exercise price of the options contract in such long position is equal to or less than the exercise price of the options contract in such short position; and (B) an options position where the writer of a put option holds in the same account as the short position, on a share-for-share basis, a long position in an options contract of the same class of options where the exercise price of the options contract in such long position is equal to or greater than the exercise price of the options contract in such short position.

Customer

The term “Customer” means a Public Customer or a broker-dealer.

Customer Order

The term “Customer Order” means an agency order for the account of a Customer.

Discretion

The term “discretion” means the authority of a broker or dealer to determine for a Customer the type of option, the class or series of options, the number of contracts, or whether options are to be bought or sold.

EDGX Exchange and Exchange

The terms “EDGX Exchange” and “Exchange” mean the Cboe EDGX Exchange, Inc.

EDGX Exchange Rules and Exchange Rules

The terms “EDGX Exchange Rules” and “Exchange Rules” mean the rules of the Exchange, including those for equities and options.

EDGX Options

The term “EDGX Options” means the EDGX Exchange Options Market, an options trading facility of the Exchange under Section 3(a)(2) of the Exchange Act.

EDGX Options Book and Simple Book

The terms “EDGX Options Book” and “Simple Book” mean the electronic book of options orders and quotes maintained by the Trading System on which orders and quotes may execute during the applicable trading session. The Book during GTH may be referred to as the “GTH Book,” and the Book during RTH may be referred to as the “RTH Book.”

EDGX Options Transaction

The term “EDGX Options Transaction” means a transaction involving an options contract that is effected on or through EDGX Options or its facilities or systems.

European-Style Option

The term “European-style option” means an options contract that, subject to the provisions of Rule 23.1 (relating to the cutoff time for exercise instructions) and to the Rules of the Clearing Corporation, can be exercised only on its expiration date.

Exchange Act

The term “Exchange Act” means the Securities Exchange Act of 1934, as amended, or Rules thereunder.

Exercise Price

The term “exercise price” means the specified price per unit at which the underlying security may be purchased or sold upon the exercise of an options contract.

Global Trading Hours and GTH

The terms “Global Trading Hours” and “GTH” mean the trading session consisting of the hours outside of Regular Trading Hours during which transactions in options may be effected on the Exchange and are set forth in Rule 21.2.

He, Him, and His

The terms “he,” “him,” and “his” are deemed to refer to persons of female as well as male gender, and to include organizations, as well as individuals, when the context so requires.

Index Option

The term “index option” means an options contract that is an option on a broad-based, narrow-based or micro narrow-based index of equity securities prices.

Individual Equity Option

The term “individual equity option” means an options contract which is an option on an equity security.

Long Position

The term “long position” means a person’s interest as the holder of one or more options contracts.

NBB, NBO, and NBBO

The term “NBB” means the national best bid, the term “NBO” means the national best offer, and the term “NBBO” means the national best bid or offer as calculated by EDGX Options based on market information received by EDGX Options from OPRA.

Offer

The term “offer” means a limit order to sell one or more options contracts.

Opening Purchase Transaction

The term “opening purchase transaction” means an EDGX Options Transaction that creates or increases a long position in an options contract.

Opening Writing Transaction

The term “opening writing transaction” means an EDGX Options Transaction that creates or increases a short position in an options contract.

OPRA

The term “OPRA” means the Options Price Reporting Authority.

Options Contract

The term “options contract” mean a put or a call issued, or subject to issuance by the Clearing Corporation pursuant to the Rules of the Clearing Corporation.

Options Market Close and Market Close

The terms “options market close” and “market close” mean the time the Exchange specifies for the end of a trading session on the Exchange on that trading day.

Options Market Maker and Market Maker

The terms “Options Market Maker” or “Market Maker” mean an Options Member registered with the Exchange for the purpose of making markets in options contracts traded on the Exchange and that is vested with the rights and responsibilities specified in Chapter XXII of these Rules.

Options Market Open and Market Open

The terms “options market open” and “market open” mean the time the Exchange specifies for the end of a trading session on the Exchange on that trading day.

Options Member

The term “Options Member” means a firm, or organization that is registered with the Exchange pursuant to Chapter XVII of these Rules for purposes of participating in options trading on EDGX Options as an “Options Order Entry Firm” or “Options Market Maker.”

Options Member Agreement

The term “Options Member Agreement” means the agreement to be executed by Options Members to qualify to participate on EDGX Options.

Options Order Entry Firm, Order Entry Firm, and OEF

The terms “Options Order Entry Firm” and “Order Entry Firm” or “OEF” mean those Options Members representing as agent Customer Orders on EDGX Options and those non-Market Maker Members conducting proprietary trading.

Options Principal

The term “Options Principal” means a person engaged in the management and supervision of the Options Member’s business pertaining to options contracts that has responsibility for the overall oversight of the Options Member’s options related activities on the Exchange.

Order

The term “order” means a firm commitment to buy or sell options contracts as defined in Rule 21.1(c).

Outstanding

The term “outstanding” means an options contract which has been issued by the Clearing Corporation and has neither been the subject of a closing writing transaction nor has reached its expiration date.

Primary Market

The term “primary market” means, in the case of securities listed on Nasdaq Stock Market, LLC (“Nasdaq”), the market that is identified as the listing market pursuant to Section X(d) of the approved national market system plan governing the trading of Nasdaq-listed securities, and, in the case of securities listed on another national securities exchange, the market that is identified as the listing market pursuant to Section XI of the Consolidated Tape Association Plan.

Priority Customer

The term “Priority Customer” means any person or entity that is not: (A) a broker or dealer in securities; or (B) a Professional. The term “Priority Customer Order” means an order for the account of a Priority Customer.

Professional

The term “Professional” means any person or entity that: (A) is not a broker or dealer in securities; and (B) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). All Professional orders shall be appropriately marked by Options Members.

Protected Quotation

The term “Protected Quotation” has the meaning provided in Rule 27.1.

Public Customer

The term “Public Customer” means a person that is not a broker or dealer in securities.

Put

The term “put” means an options contract under which the holder of the option has the right, in accordance with the terms and provisions of the option and the Rules of the OCC, to sell to the Clearing Corporation the number of units of the underlying security covered by the options contract, at a price per unit equal to the exercise price, upon the timely exercise of such option.

Quarterly Options Series

The term “Quarterly Options Series” means a series in an options class that is approved for listing and trading on the Exchange in which the series is opened for trading on any business day and expires at the close of business on the last business day of a calendar quarter.

Quote and Quotation

The terms “quote” and “quotation” mean a bid or offer entered by a Market Maker as a firm order that updates the Market Maker’s previous bid or offer, if any.

Regular Trading Hours and RTH

The terms “Regular Trading Hours” and “RTH” mean the trading session consisting of the regular hours during which transactions in options may be effected on the Exchange and are set forth in Rule 21.2.

Responsible Person

The term “Responsible Person” means a U.S.-based officer, director, or management-level employee of an Options Member, who is registered with the Exchange as an Options Principal, responsible for the direct supervision and control of associated persons of that Options Member.

RTH Classes

The term “RTH classes” means the options classes the Exchange lists for trading during RTH only.

Rules of the Clearing Corporation and Rules of the OCC

The terms “Rules of the Clearing Corporation” and “Rules of the OCC” mean the Certificate of Incorporation, the By-Laws, and the Rules of the Clearing Corporation, and all written interpretations thereof, as may be in effect from time to time.

Rules of EDGX Options

The term “rules of EDGX Options” mean the rules contained in Chapters XVI to XXIX of the EDGX Exchange Rules governing the trading of options on the Exchange.

SEC and Commission

The terms “SEC” and “Commission” mean the U.S. Securities and Exchange Commission. The terms “series” or “series of options” mean all options contracts of the same class that are the same type of options and have the same exercise price and expiration date.

Short Position

The term “short position” means a person’s interest as the writer of one or more options contracts.

Short Term Option Series

The term “Short Term Option Series” means a series in an option class that is approved for listing and trading on the Exchange in which the series is opened for trading on any Monday, Tuesday, Wednesday, Thursday or Friday that is a business day and that expires on the Monday, Wednesday or Friday of the next business week, or, in the case of a series that is listed on a Friday and expires on a Monday, is listed one business week and one business day prior to that expiration. If a Tuesday, Wednesday, Thursday or Friday is not a business day, the series may be opened (or shall expire) on the first business day immediately prior to that Tuesday, Wednesday, Thursday or Friday, respectively. For a series listed pursuant to this section for Monday expiration, if a Monday is not a business day, the series shall expire on the first business day immediately following that Monday.

SRO

The term “SRO” means a self-regulatory organization as defined in Section 3(a)(26) of the Exchange Act.

Trading Session

The term “trading session” means the hours during which the Exchange is open for trading for Regular Trading Hours or Global Trading Hours (each of which may referred to as a trading session), each as set forth in Rule 21.2. Unless otherwise specified in the rules or the context otherwise indicates, all Rules apply in the same manner during each trading session.

Trading System and System

The terms “Trading System” and “System” mean the automated trading system used by EDGX Options for the trading of options contracts.

Type of Option

The term “type of option” means the classification of an options contract as either a put or a call.

Uncovered

The term “uncovered” means a short position in an options contract that is not covered.

Underlying Security

The term “underlying security” means the security that the Clearing Corporation shall be obligated to sell (in the case of a call option) or purchase (in the case of a put option) upon the valid exercise of an options contract.

User

The term “User” means any Options Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3 (Access).

Interpretations and Policies

.01 Calculation of Professional Orders. Except as noted below, each order of any order type counts as one order for Professional order counting purposes.

(a) Complex Orders:

(1) A complex order comprised of eight (8) option legs or fewer counts as a single order;

(2) A complex order comprised of nine (9) option legs or more counts as multiple orders with each option leg counting as its own separate order;

(b) “Parent”/“Child” Orders:

(1) Same Side and Same Series: A “parent” order that is placed for the beneficial account(s) of a person or entity that is not a broker or dealer in securities that is broken into multiple “child” orders on the same side (buy/sell) and series as the “parent” order by a broker or dealer, or by an algorithm housed at a broker or dealer or

by an algorithm licensed from a broker or dealer, but which is housed with the customer, counts as one order even if the “child” orders are routed across multiple exchanges.

(2) Both Sides and/or Multiple Series: A “parent” order (including a strategy order) that is broken into multiple “child” orders on both sides (buy/sell) of a series and/or multiple series counts as multiple orders, with each “child” order counting as a new and separate order.

(c) Cancel/Replace:

(1) Except as provided in paragraph (c)(2) below, any order that cancels and replaces an existing order counts as a separate order (or multiple new orders in the case of a complex order comprised of nine (9) option legs or more).

(2) Same Side and Same Series: An order that cancels and replaces any “child” order resulting from a “parent” order that is placed for the beneficial account(s) of a person or entity that is not a broker, or dealer in securities that is broken into multiple “child” orders on the same side (buy/sell) and series as the “parent” order by a broker or dealer, by an algorithm housed at a broker or dealer, or by an algorithm licensed from a broker or dealer, but which is housed with the customer, does not count as a new order.

(3) Both Sides and/or Multiple Series: An order that cancels and replaces any “child” order resulting from a “parent” order (including a strategy order) that generates “child” orders on both sides (buy/sell) of a series and/or in multiple series counts as a new order.

(4) Pegged Orders: Notwithstanding the provisions of paragraph (c)(2) above, an order that cancels and replaces any “child” order resulting from a “parent” order being “pegged” to the BBO or NBBO or that cancels and replaces any “child” order pursuant to an algorithm that uses BBO or NBBO in the calculation of “child” orders and attempts to move with or follow the BBO or NBBO of a series counts as a new order each time the order cancels and replaces in order to attempt to move with or follow the BBO or NBBO.

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended March 24, 2016 (SR-BatsEDGX-2016-03); amended July 1, 2016 (SR-BatsEDGX-2016-28); amended August 25, 2016 (SR-BatsEDGX-2016-50); amended February 15, 2018 (SR-CboeEDGX-2018-007); amended December 21, 2018 (SR-CboeEDGX-2018-060); amended May 8, 2019 (SR-CboeEDGX-2019-021); amended May 26, 2019 (SR-CboeEDGX-2019-027); amended September 3, 2019 (SR-CboeEDGX-2019-046); amended April 24, 2020 (SR-CboeEDGX-2020-018)]

Rule 16.2. Applicability

(a) The Rules contained in Chapters XVI to XXIX herein are the Exchange Rules applicable to the trading of options contracts issued by The Options Clearing Corporation through EDGX Options, the terms and conditions of such contracts, the exercise and settlement thereof, the handling of orders, and the conduct of accounts and other matters relating to options trading on EDGX Options.

(b) Except to the extent that specific Rules relating to options trading govern or unless the context otherwise requires, the provisions of the Exchange Rules shall be applicable to Options Members and to the trading of option contracts on EDGX Options and, for purposes of their application with respect to Options Members and options trading shall be interpreted in light of the nature of options trading and the EDGX Options market, and the fact that options on EDGX Options shall be traded electronically through the Trading System. To the extent that the provisions of the Rules relating to options trading contained in Chapters XVI to XXIX are inconsistent with any other provisions of the Exchange Rules, the Rules relating to options trading shall control.

(c) For marketing and other purposes, the Exchange's options market facility may be referred to as the "EDGX Options Exchange" or "EDGX Options."

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 16.3. Exchange Determinations.

(a) The Exchange announces to Options Members all determinations it makes pursuant to the Rules via:

(1) specifications, Notices, or Regulatory Circulars with appropriate advanced notice, which will be posted on the Exchange's website, or as otherwise provided in the Rules;

(2) electronic message; or

(3) other communication method as provided in the Rules.

(b) To the extent the Rules allow the Exchange to make a determination, including on a class-by-class or series-by-series basis, the Exchange may make a determination for GTH that differs from the determination it makes for RTH.

[Adopted May 26, 2019 (SR-CboeEDGX-2019-027)]

CHAPTER XVII. PARTICIPATION ON EDGX OPTIONS

Rule 17.1. Options Participation

(a) These Rules establish a new category of EDGX Exchange member participation called “Options Member.” Only Options Members may transact business on EDGX Options via the Trading System. Options Members may trade options for their own proprietary accounts or, if authorized to do so under applicable law, and consistent with these Rules and with applicable law and SEC rules and regulations, may conduct business on behalf of Customers.

(b) A prospective Options Member must:

(1) complete an Options Member Application in the form prescribed by the Exchange;

(2) provide such other information as required by the Exchange;

(3) be an existing member or become a Member of the Exchange, pursuant to Chapter II (Members of the Exchange), and continue to abide by the requirements of the Chapter II Exchange Rules with respect to participation in EDGX Options; and

(4) enter into an Options Member Agreement in the form specified by the Exchange, agree to abide by the same as it has been or shall be from time to time amended, and pledge to abide by the Exchange Rules as amended from time to time, and by all circulars, notices, directives or decisions adopted pursuant to or made in accordance with the Exchange Rules; and

(5) be under the supervision and control of a Responsible Person who is registered with the Exchange as an Options Principal.

(c) Upon completion of the application, the Exchange, or person(s) designated by the Exchange (“designee”) shall consider whether to approve the application, unless there is just cause for delay. In its consideration process, the Exchange may conduct such investigation as it deems appropriate and may take such steps as it deems necessary to confirm the information provided by the applicant. Within thirty (30) days after the Exchange or its designee has completed its consideration of an application, it shall provide written notice of the action of the Exchange, specifying in the case of disapproval of an application the grounds therefore.

(d) These Rules place no limit on the number of qualifying entities that may become Options Members. However, based on system constraints or capacity restrictions, approval of qualifying applications for Options Members may, in limited circumstances, be temporarily deferred. To the extent that the Board places limitations on otherwise qualified applicants to act as Options Members, such limits shall be objectively determined and submitted to the Commission for approval pursuant to a rule change filing under Section 19(b) of the Exchange Act.

(e) Member status cannot be leased or transferred except in the event of a change in control or corporate reorganization involving an Options Member. In such a case, Options Member

status may be transferred to a qualified affiliate or successor upon written notice to the Exchange or its designee.

(f) Every Options Member shall file with the Exchange and keep current an address where notices may be served, including current addresses of each Responsible Person, as specified in paragraph (b)(5) of this Rule.

Rule 17.2. Requirements for Options Participation

(a) Options Members may be corporations, partnerships, limited liability companies or sole proprietorships organized under the laws of a jurisdiction of the United States, or such other jurisdictions as the Exchange may approve.

(b) Options Members must be Clearing Members or establish a clearing arrangement with a Clearing Member.

(c) Options Members must have demonstrated ability to adhere to all applicable Exchange, SEC, Clearing Corporation and Federal Reserve Board policies, rules and regulations related to the trading of options, including those concerning record-keeping, reporting, finance and trading procedures and be able to satisfactorily demonstrate reasonably adequate systems capability and capacity.

(d) All associated persons of Options Members who are not themselves Responsible Persons must be under the supervision of a U.S.-based Responsible Person who is registered with the Exchange as an Options Principal.

(e) Every Options Member shall have as the principal purpose of being an Options Member the conduct of a securities business. Such a purpose shall be deemed to exist if and so long as:

(1) the Options Member has qualified and acts in respect of its business on EDGX Options as either an OEF or an Options Market Maker, or both; and

(2) all transactions effected by the Options Member are in compliance with Section 11(a) of the Exchange Act and the rules and regulations adopted thereunder.

(f) Every Options Member shall at all times maintain membership in another registered options exchange that is not registered solely under Section 6(g) of the Securities Exchange Act of 1934, or in FINRA. Options Members that transact business with Public Customers shall at all times be members of FINRA.

(g) Options Principal.

(1) Every Options Member shall have at least one Options Principal who shall have satisfied the requirements of this subparagraph. Persons engaged in the management and supervision of the Options Member's business pertaining to options contracts shall be designated as Options Principals and shall have responsibility for the overall oversight of the Options Member's options related activities on the Exchange.

(2) Each person required by subparagraph (g)(1) to be an Options Principal shall pass the appropriate Registered Options Principal Qualification Examination (“Series 4”), or an equivalent examination acceptable to the Exchange, for the purpose of demonstrating an adequate knowledge of options trading generally, the Rules of the Exchange applicable to trading of option contracts and the rules of registered clearing agencies for options, and be registered as such before engaging in the duties or accepting the responsibilities of an Options Principal.

(3) Each person required to register and qualify as an Options Principal must, prior to or concurrent with such registration, be or become qualified as a General Securities Representative.

(4) Options Principals must comply with Exchange Rule 2.5, Interpretation and Policy .02, which requires completion of certain continuing education requirements.

(5) A person registered solely as an Options Principal shall not be qualified to function in a principal capacity with responsibility over any area of business activity not prescribed in subparagraph (1).

(6) In connection with their registration, Options Principals shall electronically file a Uniform Application for Securities Industry Registration or Transfer (“Form U4”) with the Central Registration Depository (“CRD”) System, shall successfully complete an examination prescribed by the Exchange for the purpose of demonstrating an adequate knowledge of the options business, and shall further agree in the Form U4 filing to abide by the Rules of the Exchange and the Rules of the Clearing Corporation; provided, however, that Options Principals of Members that are members of another national securities exchange or association that has standards of approval acceptable to the Exchange may be deemed to be approved by and registered with the Exchange, so long as such Options Principals are approved by and registered with such other exchange or association.

(7) Termination of employment or affiliation of any Options Principal in such capacity shall be promptly reported to the CRD System together with a brief statement of the reason for such termination on Uniform Termination Notice for Securities Industry Registration (“Form U-5”).

(8) Change in Options Principal

(A) Options Members having a single Options Principal are required promptly to notify the Exchange in the event such person is terminated, resigns, becomes incapacitated or is otherwise unable to perform the duties of an Options Principal.

(B) Following receipt of such notification, the Exchange will require an Options Member to agree, in writing, to refrain from engaging in any options-related activities that would necessitate the prior or subsequent approval of an Options Principal including, among other things, the opening of new options

accounts or the execution of discretionary orders for option contracts until such time as a new Options Principal has been qualified.

(C) Options Members failing to qualify a new Options Principal within two weeks following the loss of their sole Options Principal, or by the earliest available date for administration of the Options Principal examination, whichever is longer, shall be required to cease doing an options business; provided, however, that an Options Member may effect closing transactions in options to reduce or eliminate existing open options positions in their own account as well as the accounts of their customers.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 17.3. Persons Associated with Options Members

Persons associated with Options Members shall be bound by the Exchange Rules and the Rules of the Clearing Corporation. The Exchange may discipline, suspend or terminate the registration with the Exchange of any person associated with an Options Member for violation of the Rules of the Exchange or the Rules of the Clearing Corporation.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 17.4. Good Standing for Options Members

(a) To remain in good standing, all Options Members must:

- (1) continue to satisfy the qualification requirements specified by the Exchange, as amended from time to time by the Exchange;
- (2) comply with the Exchange Rules; and
- (3) pay on a timely basis such participation, transaction and other fees as the Exchange and/or EDGX Options shall prescribe.

(b) The good standing of an Options Member may be suspended, terminated or otherwise withdrawn, as provided in Chapter VII (Suspension by Chief Regulatory Officer), if any of the conditions of Rules 17.2 or 17.3 are not met or the Options Member violates any of its agreements with the Exchange and/or EDGX Options or any of the provisions of the Exchange Rules.

(c) Unless an Options Member is in good standing, the Options Member shall have no rights or privileges of options participation except as otherwise provided by law or Rules, shall not hold himself or itself out for any purpose as an Options Member, and shall not deal with the Exchange and/or EDGX Options on any basis except as a non-Member.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 17.5. GTH Customer Disclosure

No Options Member may accept an order from a customer for execution during Global Trading Hours without disclosing to that customer that trading during Global Trading Hours involves material trading risks, including the possibility of lower liquidity, high volatility, changing prices, an exaggerated effect from news announcements, wider spreads, the absence of an updated underlying index or portfolio value or intraday indicative value and lack of regular trading in the securities underlying the index or portfolio and any other relevant risk. The disclosures required pursuant to this Rule may take the following form or such other form as provides substantially similar information:

(a) **Risk of Lower Liquidity.** Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders and quotes that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity during Global Trading Hours as compared to Regular Trading Hours, including fewer Market Makers quoting during Global Trading Hours. As a result, your order may only be partially executed, or not at all.

(b) **Risk of Higher Volatility.** Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility during Global Trading Hours as compared to Regular Trading Hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price during Global Trading Hours as compared to Regular Trading Hours.

(c) **Risk of Changing Prices.** The prices of securities traded during Global Trading Hours may not reflect the prices either at the end of Regular Trading Hours, or upon the opening of Regular Trading Hours the next business day. As a result, you may receive an inferior price during Global Trading Hours as compared to Regular Trading Hours.

(d) **Risk of News Announcements.** Normally, issuers make news announcements that may affect the price of their securities after Regular Trading Hours. Similarly, important financial information is frequently announced outside of Regular Trading Hours. These announcements may occur during Global Trading Hours, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

(e) **Risk of Wider Spreads.** The spread refers to the difference between the price for which you can buy a security and the price for which you can sell it. Lower liquidity and higher volatility during Global Trading Hours may result in wider than normal spreads for a particular security.

(f) **Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value (“IIV”) and Lack of Regular Trading in Securities Underlying Indexes.** For certain products, an updated underlying index or portfolio value or IIV will not be calculated or publicly disseminated during Global Trading Hours. Since the underlying index or portfolio value and IIV are not calculated or widely disseminated during Global Trading Hours, an investor who is unable to calculate implied values for certain products during Global Trading Hours may

be at a disadvantage to market professionals. Additionally, securities underlying the indexes or portfolios will not be regularly trading as they are during Regular Trading Hours, or may not be trading at all. This may cause prices during Global Trading Hours to not reflect the prices of those securities when they open for trading.

[Adopted May 26, 2019 (SR-CboeEDGX-2019-027)]

CHAPTER XVIII. BUSINESS CONDUCT

Rule 18.1. Adherence to Law

No Options Member shall engage in conduct in violation of the Exchange Act or Rules thereunder, the Exchange Rules or the Rules of the Clearing Corporation insofar as they relate to the reporting or clearance of any Exchange transaction, or any written interpretation thereof. Every Options Member shall supervise persons associated with the Member to assure compliance therewith.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 18.2. Conduct and Compliance with the Rules

(a) Each Options Member shall be responsible for ensuring that all arrangements made and systems used in connection with business conducted on EDGX Options, and the transaction of such business itself, comply with the Options Member's and associated persons' obligations under the Exchange Rules, the Rules of the Clearing Corporation and any other relevant laws, rules, interpretations and obligations. In accordance with the Rules and in connection with business conducted on EDGX Options, each Options Member shall:

- (1) have adequate arrangements to ensure that all staff involved in the conduct of business on EDGX Options are suitable, adequately trained and properly supervised;
- (2) be responsible for the acts and conduct of each associated person;
- (3) establish its trading arrangements such that each Options Member is able to meet the requirements set out in Rule 18.1 and that all other relevant obligations contained in the Rules are complied with;
- (4) implement suitable security measures such that only those individuals explicitly authorized by the Options Member to trade may gain access to passwords and security keys;
- (5) ensure that any trading access granted to individuals (whether employees of the Options Member or otherwise), for example by way of order routing systems, is adequately controlled and supervised, including appropriate checks before any orders are submitted to the Trading System; and
- (6) ensure that accurate information is input into the System, including, but not limited to, the Options Member's capacity.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 18.3. Rumors

No Options Member or person associated with an Options Member shall circulate, in any manner, rumors of a character which might affect market conditions in any security; provided, however,

that this Rule shall not prohibit discussion of unsubstantiated information, so long as its source and unverified nature are disclosed.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 18.4. Prevention of the Misuse of Material Nonpublic Information

(a) Every Options Member shall establish, maintain and enforce written policies and procedures reasonably designed, taking into consideration the nature of the Options Member's business, to prevent the misuse of material nonpublic information by such Options Member or persons associated with such Options Member in violation of the federal securities laws or the Rules thereunder, and the Exchange Rules.

(b) Misuse of material nonpublic information includes, but is not limited to:

(1) trading in any securities issued by a corporation, or in any related securities or related options or other derivative securities, while in possession of material nonpublic information concerning that corporation;

(2) trading in an underlying security or related options or other derivative securities, while in possession of material nonpublic information concerning imminent transactions in the underlying security or related securities; and

(3) disclosing to another person any material nonpublic information involving a corporation whose shares are publicly traded or disclosing an imminent transaction in an underlying security or related securities for the purpose of facilitating the possible misuse of such material nonpublic information.

(c) Each Options Member shall establish, maintain and enforce the following policies and procedures as appropriate for the nature of each Options Member's business:

(1) All associated persons must be advised in writing of the prohibition against the misuse of material nonpublic information.

(2) Signed attestations from the Options Member and all associated persons affirming their awareness of, and agreement to abide by, the aforementioned prohibitions must be maintained for at least three (3) years, the first two (2) years in an easily accessible place.

(3) Records of all brokerage accounts maintained by the Options Member and all associated persons must be acquired and maintained for at least three (3) years, the first two (2) years in an easily accessible place, and such brokerage accounts must be reviewed periodically by the Options Member for the purpose of detecting the possible misuse of material nonpublic information.

(4) Any business dealings the Options Member may have with any corporation whose securities are publicly traded, or any other circumstances that may result in the Options Member receiving, in the ordinary course of business, material

nonpublic information concerning any such corporation, must be identified and documented.

(d) Options Members that are required to file Form X-17A-5 under the Exchange Act or Rules thereunder, with the Exchange on an annual basis only, shall, contemporaneously with those submissions, file attestations signed by such Options Members stating that the procedures mandated by this Rule have been established, enforced and maintained.

(e) Any Options Member or associated person who becomes aware of any possible misuse of material nonpublic information must promptly notify the Exchange.

(f) It may be considered conduct inconsistent with just and equitable principles of trade for any Options Member or person associated with an Options Member who has knowledge of all material terms and conditions of:

- (1) an order and a solicited order;
- (2) an order being facilitated or submitted to EDGX Options for price improvement; or
- (3) orders being crossed;

the execution of which are imminent, to enter, based on such knowledge, an order to buy or sell an option for the same underlying security as any option that is the subject of the order, or an order to buy or sell the security underlying such class, or an order to buy or sell any related instrument until (a) the terms and conditions of the order and any changes in the terms and conditions of the order of which the Member or person associated with the Member has knowledge are disclosed, or (b) the trade can no longer reasonably be considered imminent in view of the passage of time since the order was received. The terms of an order are “disclosed” to Option Members when the order is entered into the EDGX Options Book. For purposes of this paragraph, an order to buy or sell a “related instrument” means, in reference to an index option, an order to buy or sell securities comprising 10% or more of the component securities in the index or an order to buy or sell a futures contract on an economically equivalent index.

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended July 11, 2016 (SR-BatsEDGX-2016-29)]

Rule 18.5. Disciplinary Action by Other Organizations

Every Options Member shall promptly notify the Exchange in writing of any disciplinary action, including the basis therefore, taken by any national securities exchange or registered securities association, clearing corporation, commodity futures market or government regulatory body against the Options Member or its associated persons who are directly involved in derivatives trading, and shall similarly notify the Exchange of any disciplinary action taken by the Options Member itself against any of its associated persons who are directly involved in derivatives trading involving suspension, termination, the withholding of commissions or imposition of fines in excess of \$2,500, or any other significant limitation on activities.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 18.6. Other Restrictions on Members

Whenever the Exchange shall find that an Options Member has failed to perform on its contracts or is insolvent or is in such financial or operational condition or is otherwise conducting business in such a manner that it cannot safely conduct business with Customers, creditors or the Exchange, the Exchange may summarily suspend the Options Member in accordance with Chapter XXV (Discipline and Summary Suspensions) or may impose such conditions and restrictions upon the Options Member as the Exchange considers reasonably necessary for the protection of the Exchange, EDGX Options, and the Customers of such Options Member.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 18.7. Position Limits

(a) No Options Member shall make, for any account in which it has an interest or for the account of any Customer, an opening transaction on any exchange if the Options Member has reason to believe that as a result of such transaction the Options Member or its Customer would, acting alone or in concert with others, directly or indirectly:

(1) exceed the applicable position limit fixed from time to time by the Cboe Options Exchange for any options contract traded on EDGX Options and the Cboe Options Exchange; or

(2) exceed the position limit fixed by EDGX Options from time to time for any options contract traded on EDGX Options but not traded on the Cboe Options Exchange; or

(3) exceed the applicable position limit fixed from time to time by another exchange for an options contract not traded on EDGX Options, when the Options Member is not an options member of the other exchange on which the transaction was effected.

(b) Should an Options Member have reason to believe that a position in any account in which it has an interest or for the account of any Customer of such Options Member is in excess of the applicable limit, such Options Member shall promptly take the action necessary to bring the position, into compliance.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 18.8. Exemptions from Position Limits

An Options Member may rely upon any available exemptions from applicable position limits granted from time to time by another options exchange for any options contract traded on EDGX Options provided that such Options Member (a) provides the Exchange with a copy of any written exemption issued by another options exchange or a written, description of any exemption issued by another options exchange other than in writing containing sufficient detail for the Exchange to

verify the validity of that exemption with the issuing options exchange, and (b) fulfills all conditions precedent for such exemption and complies at all times with the requirements of such exemptions with respect to its trading on EDGX Options.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 18.9. Exercise Limits

(a) No Options Member shall exercise, for any account in which it has an interest or for the account of any Customer, a long position in any options contract where such Options Member or Customer, acting alone or in concert with others, directly or indirectly, has or will have:

(1) exceeded the applicable exercise limit fixed from time to time by the Cboe Options Exchange for any options contract traded on EDGX Options and the Cboe Options Exchange;

(2) exceeded the exercise limit fixed by EDGX Options from time to time for any options contract traded on EDGX Options but not traded on the Cboe Options Exchange; or

(3) exceeded the applicable exercise limit fixed from time to time by another exchange for an options contract not traded on EDGX Options, when the Options Member is not an options member of the other exchange on which the transaction was effected.

(b) For an Options Market Maker that has been granted an exemption to position limits pursuant to Rule 18.8 (Exemption from Position Limits), the number of contracts which can be exercised over a five (5) business day period shall equal the Options Market Maker's exempted position.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 18.10. Reports Related to Position Limits

(a) In a manner and form prescribed by the Exchange, each Options Member shall report to the Exchange the name, address, and social security or tax identification number of any customer who, acting alone, or in concert with others, on the previous business day maintained aggregate long or short positions on the same side of the market of 200 or more contracts of any single class of option contracts dealt in on the Exchange. The report shall indicate for each such class of options, the number of option contracts comprising each such position and, in the case of short positions, whether covered or uncovered.

(b) In addition to the reporting requirement described in paragraph (a) of this Rule, each Options Member (other than an Options Market Maker) that maintains a position in excess of 10,000 equity option contracts on the same side of the market on behalf of its own account or for the account of a customer, shall report information as to whether such positions are hedged, and provide documentation as to how such contracts are hedged, in a manner and form prescribed

by the Exchange. In addition, whenever the Exchange determines based on a report to the Exchange or otherwise, that a higher margin requirement is necessary in light of the risks associated with an under-hedged equity option position in excess of 10,000 contracts on the same side of the market, the Exchange may consider imposing additional margin upon the account maintaining such under-hedged position, pursuant to its authority under Rule 28.4 (Margin Required is Minimum). Additionally, it should be noted that the clearing firm carrying the account will be subject to capital charges under SEC Rule 15c3-1 to the extent of any margin deficiency resulting from the higher margin requirements.

(c) In addition to the reports required by paragraph (a) of this Rule, each Options Member shall report promptly to the Exchange any instance in which the Options Member has reason to believe that a customer, acting alone or in concert with others, has exceeded or is attempting to exceed the position limits established pursuant to Rule 18.7 (Position Limits).

(d) For purposes of this rule, the term “customer” in respect of any Options Member shall include the member, any general or special partner of the Options Member, any officer or director of the Options Member, or any participant, as such, in any joint, group or syndicate account with the Options Member or with any partner, officer or director thereof.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 18.11. Liquidation Positions

(a) the Exchange shall find that a person or group of persons acting in concert holds or controls, or is obligated in respect of, an aggregate position (whether long or short) in all options contracts or one or more classes or series traded on EDGX Options in excess of the applicable position limit established pursuant to Rule 18.7 (Position Limits), it may order all Options Members carrying a position in options contracts of such classes or series for such person or persons to liquidate such positions as expeditiously as possible, consistent with the maintenance of a fair and orderly market.

(b) Whenever such an order is given, no Options Member shall accept any order to purchase, sell or exercise any options contract for the account of the person or persons named in the order, unless and until the Exchange expressly approves such person or persons for options transactions.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 18.12. Other Restrictions on Options Transactions and Exercises

(a) EDGX Options may impose such restrictions on transactions or exercises in one or more series of options of any class traded on EDGX Options as the Exchange in its judgment deems advisable in the interests of maintaining a fair and orderly market in options contracts or in underlying securities, or otherwise deems advisable in the public interest or for the protection of investors.

(1) During the effectiveness of such restrictions, no Options Member shall, for any account in which it has an interest or for the account of any Customer, engage in any transaction or exercise in contravention of such restrictions.

(2) Notwithstanding the foregoing, during the ten (10) business days prior to the expiration date of a given series of options, other than index options, no restriction on exercise under this Rule may be in effect with respect to that series of options. With respect to index options, restrictions on exercise may be in effect until the opening of business on the last business day before the expiration date.

(3) of American-style, cash-settled index options shall be prohibited during any time when trading in such options is delayed, halted, or suspended, subject to the following exceptions:

(A) the exercise of an American-style, cash-settled index option may be processed and given effect in accordance with and subject to the Rules of the Clearing Corporation while trading in the option is delayed, halted, or suspended if it can be documented that the decision to exercise the option was made during allowable time frames prior to the delay, halt, or suspension;

(B) exercises of expiring American-style, cash-settled index options shall not be prohibited on the last business day prior to their expiration;

(C) exercises of American-style, cash-settled index options shall not be prohibited during a trading halt that occurs at or after 4:00 p.m. Eastern time. In the event of such a trading halt, exercises may occur through 4:20 p.m. Eastern time. In addition, if trading resumes following such a trading halt pursuant to the procedure described in Rule 20.4 (Resumption of Trading After a Halt), exercises may occur during the resumption of trading and for five (5) minutes after the close of the resumption of trading. The provisions of this subparagraph (a)(3)(C) are subject to the authority of the Exchange to impose restrictions on transactions and exercises pursuant to paragraph (a) of this Rule; and

(D) EDGX Options may determine to permit the exercise of American-style, cash settled index options while trading in such options is delayed, halted, or suspended.

(b) Whenever the issuer of a security underlying a call option traded on EDGX Options is engaged or proposes to engage in a public underwritten distribution (“public distribution”) of such underlying security or securities exchangeable for or convertible into such underlying security, the underwriters may request that EDGX Options impose restrictions upon all opening writing transactions in such options at a “discount” where the resulting short position will be uncovered (“uncovered opening writing transactions”).

(1) In addition to a request, the following conditions are necessary for the imposition of restrictions:

(A) less than a majority of the securities to be publicly distributed in such distribution are being sold by existing security holders;

(B) the underwriters agree to notify the Exchange upon the termination of their stabilization activities; and

(C) the underwriters initiate stabilization activities in such underlying security on a national securities exchange when the price of such security is either at a “minus” or “zero minus” tick.

(2) Upon receipt of such a request and determination that the conditions listed above are met, the Exchange shall impose the requested restrictions as promptly as possible but no earlier than fifteen (15) minutes after the Options Members shall have been notified and shall terminate such restrictions upon request of the underwriters or when the Exchange otherwise discovers that stabilizing transactions by the underwriters has been terminated.

(3) For purposes of paragraph (b) of this Rule, an uncovered opening writing transaction in a call option will be deemed to be effected at a “discount” when the premium in such transaction is either:

(A) in the case of a distribution of the underlying security not involving the issuance of rights and in the case of a distribution of securities exchangeable for or convertible into the underlying security, less than the amount by which the underwriters’ stabilization bid for the underlying security exceeds the exercise price of such option; or

(B) in the case of a distribution being offered pursuant to rights, less than the amount by which the underwriters’ stabilization bid in the underlying security at the subscription price exceeds the exercise price of such option.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 18.13. Mandatory Systems Testing

(a) Each Options Member that the Exchange designates as required to participate in a system test must conduct or participate in the testing of its computer systems to ascertain the compatibility of such systems with the Exchange’s systems in the manner and frequency prescribed by the Exchange. The Exchange will designate Options Members as required to participate in a system test based on: (1) the category of the Options Member (Market Maker and OEF); (2) the computer system(s) the Options Member uses; and (3) the manner in which the Options Member connects to the Exchange. The Exchange will give Options Members reasonable notice of any mandatory systems test, which notice will specify the nature of the test and Options Members’ obligations in participating in the test.

(b) Every Options Member required by the Exchange to conduct or participate in testing of computer systems shall provide to the Exchange such reports relating to the testing as

the Exchange may prescribe. Options Members shall maintain adequate documentation of tests required by this Rule and results of such testing for examination by the Exchange.

(c) An Options Member that is subject to this Rule and that fails to conduct or participate in the tests, fails to file the required reports, or fails to maintain the required documentation, may be subject to a summary suspension or other action taken pursuant to Chapter XXIV (Records, Reports and Audits) and/or a disciplinary action pursuant to Chapter VIII (Discipline).

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 18.14. Limit on Outstanding Uncovered Short Positions

(a) Whenever it is determined from the reports of uncovered short positions submitted pursuant to Rule 24.2 (Reports of Uncovered Short Positions), viewed in light of current market conditions in options and in underlying securities, that there are outstanding an excessive number of uncovered short positions in options contracts of a given class traded on EDGX Options or that an excessively high percentage of outstanding short positions in options contracts of a given class traded on EDGX Options are uncovered, the Exchange may determine to prohibit Options Members from any further opening writing transactions on any exchange in options contracts of that class unless the resulting short position will be covered, and the Exchange may prohibit the uncovering of any existing covered short positions in one or more series of options of that class, as it deems appropriate in the interest of maintaining a fair and orderly market in options contracts or in underlying securities.

(b) The Exchange may exempt transactions of Options Market Makers from restrictions imposed under this Rule. Such restrictions shall be rescinded upon a determination that they are no longer appropriate.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

CHAPTER XIX. SECURITIES TRADED ON EDGX OPTIONS

Rule 19.1. Designation of Securities

Securities traded on EDGX Options are options contracts, each of which is designated by reference to the issuer of the underlying security, expiration month, exercise price and type (put or call).

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 19.2. Rights and Obligations of Holders and Writers

The rights and obligations of holders and writers are set forth in the Rules of the Clearing Corporation.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 19.3. Criteria for Underlying Securities

(a) Underlying securities with respect to which put or call options contracts are approved for listing and trading on EDGX Options must meet the following criteria:

- (1) The security must be registered with the SEC and be an “NMS stock” as defined in Rule 600 of Regulation NMS under the Exchange Act; and
- (2) the security shall be characterized by a substantial number of outstanding shares that are widely held and actively traded.

(b) In addition, the Exchange shall from time to time establish standards to be considered in evaluating potential underlying securities for EDGX Options options transactions. There are many relevant factors which must be considered in arriving at such a determination, and the fact that a particular security may meet the standards established by the Exchange does not necessarily mean that it will be selected as an underlying security. The Exchange may give consideration to maintaining diversity among various industries and issuers in selecting underlying securities. Notwithstanding the foregoing, an underlying security will not be selected unless:

- (1) There are a minimum of seven (7) million shares of the underlying security which are owned by persons other than those required to report their stock holdings under Section 16(a) of the Exchange Act.
- (2) There are a minimum of 2,000 holders of the underlying security.
- (3) The issuer is in compliance with any applicable requirements of the Exchange Act or Rules thereunder.
- (4) Trading volume (in all markets in which the underlying security is traded) has been at least 2,400,000 shares in the preceding twelve (12) months.
- (5) Either:

(A) if the underlying security is a “covered security” as defined under Section 18(b)(1)(A) of the Securities Act of 1933, the market price per share of the underlying security has been at least \$3.00 for the previous three consecutive business days preceding the date on which the Exchange submits a certificate to the Clearing Corporation for listing and trading, as measured by the closing price reported in the primary market in which the underlying security is traded; or

(B) if the underlying security is not a “covered security,” the market price per share of the underlying security has been at least \$7.50 for the majority of business days during the three (3) calendar months preceding the date of selection, as measured by the lowest closing price reported in any market in which the underlying security traded on each of the subject days.

(c) Securities of Restructured Companies

(1) Definitions. The following definitions shall apply to the provisions of this paragraph (c):

(A) “Restructuring Transaction” refers to a spin-off, reorganization, recapitalization, restructuring or similar corporate transaction.

(B) “Restructure Security” refers to an equity security that a company issues, or anticipates issuing, as the result of a Restructuring Transaction of the company.

(C) “Original Equity Security” refers to a company’s equity security that is issued and outstanding prior to the effective date of a Restructuring Transaction of the company.

(D) “Relevant Percentage” refers to either: (i) twenty-five percent (25%), when the applicable measure determined with respect to the Original Equity Security or the business it represents includes the business represented by the Restructure Security; or (ii) thirty-three and one-third percent (33-1/3%), when the applicable measure determined with respect to the Original Equity Security or the business it represents excludes the business represented by the Restructure Security.

(2) “Share” and “Number of Shareholder” Standards. In determining whether a Restructure Security satisfies the share standard set forth in paragraph (b)(1) of this Rule (the “Share Standard”) or the number of holders standard set forth in paragraph (b)(2) of this Rule (the “Number of Shareholders Standard”), the Exchange may rely upon the facts and circumstances that it expects to exist on the option’s intended listing date, rather than on the date on which the Exchange selects for options trading the underlying Restructure Security.

(A) The Exchange may assume that: (i) both the “Share” and “Number of Shareholders” Standards are satisfied if, on the option’s intended listing date, the Exchange expects no fewer than forty (40) million shares of the Restructure

Security to be issued and outstanding; and (ii) either such Standard is satisfied if, on the option's intended listing day, the Exchange expects the Restructure Security to be listed on an exchange or automatic quotation system that has, and is subject to, an initial listing requirement that is no less stringent than the Standard in question.

(B) The Exchange may not rely on any such assumption, however, if a reasonable Exchange investigation or that of another exchange demonstrates that either the Share Standard or Number of Shareholders Standard will not in fact be satisfied on an option's intended listing date.

(C) In addition, in the case of a Restructuring Transaction in which the shares of a Restructure Security are issued or distributed to the holders of shares of an Original Equity Security, the Exchange may determine that either the Share Standard or the Number of Shareholders Standard is satisfied based upon the Exchange's knowledge of the outstanding shares or number of shareholders of the Original Equity Security.

(3) "Trading Volume" Standard. In determining whether a Restructure Security that is issued or distributed to the holders of shares of an Original Equity Security (but not a Restructure Security that is issued pursuant to a public offering or rights distribution) satisfies the trading volume standard set forth in Rule 19.3(b)(4) (the "Trading Volume Standard"), the Exchange may consider the trading volume history of the Original Equity Security prior to the "ex-date" of the Restructuring Transaction if the Restructure Security satisfies the "Substantiality Test" set forth in subparagraph (5) below.

(4) "Market Price" Standard. In determining whether a Restructure Security satisfies the market price history standard set forth in Rule 19.3(b)(5) (the "Market Price Standard"), the Exchange may consider the market price history of the Original Equity Security prior to the "ex-date" of the Restructuring Transaction if:

(A) the Restructure Security satisfies the "Substantiality Test" set forth in subparagraph (5) below; and

(B) in the case of the application of the Market Price Standard to a Restructure Security that is distributed pursuant to a public offering or a rights distribution: (i) the Restructure Security trades "regular way" on an exchange or automatic quotation system for at least the five (5) trading days immediately preceding the date of selection; and (ii) at the close of trading on each trading day on which the Restructure Security trades "regular way" prior to the date of selection, and the opening of trading on the date of selection, the market price of the Restructure Security was at least \$7.50, or, if the Restructure Security is a "covered security," as defined in Rule 19.3(b)(5)(A), the market price of the Restructure Security was at least \$3.00.

(5) The “Substantiality Test” A Restructure Security satisfies the “Substantiality Test” if:

(A) the Restructure Security has an aggregate market value of at least \$500 million; or

(B) at least one of the following conditions is met:

(1) the aggregate market value of the Restructure Security equals or exceeds the Relevant Percentage of the aggregate market value of the Original Equity Security;

(2) the aggregate book value of the assets attributed to the business represented by the Restructure Security equals or exceeds both \$50 million and the Relevant Percentage of the aggregate book value of the assets attributed to the business represented by the Original Equity Security; or

(3) the revenues attributed to the business represented by the Restructure Security equals or exceeds both \$50 million and the Relevant Percentage of the revenues attributed to the business represented by the Original Equity Security.

(6) A Restructure Security’s aggregate market value may be determined from “when issued” prices, if available.

(7) In calculating comparative aggregate market values for the purpose of assessing whether a Restructure Security qualifies to underlie an option, the Exchange shall use the Restructure Security’s closing price on its primary market on the last business day prior to the selection date or the Restructure Security’s opening price on its primary market on the selection date and shall use the corresponding closing or opening price of the related Original Equity Security.

(8) In calculating comparative asset values and revenues, the Exchange shall use either: (A) the issuer’s latest annual financial statements or (B) the issuer’s most recently available interim financial statements (so long as such interim financial statements cover a period of not less than three months), whichever are more recent. Those financial statements may be audited or unaudited and may be pro forma.

(9) Except in the case of a Restructure Security that is distributed pursuant to a public offering or rights distribution, the Exchange may not rely upon the trading volume or market price history of an Original Equity Security as paragraph (c) of this Rule permits for any trading day unless it relies upon both of those measures for that trading day.

(10) Once the Exchange commences to rely upon a Restructure Security’s trading volume and market price history for any trading day, the Exchange may not rely

upon the trading volume and market price history of the security's related Original Equity Security for any trading day thereafter.

(11) "When Issued" Trading Prohibited. The Exchange shall not list for trading options contracts that overlie a Restructure Security that is not yet issued and outstanding, regardless of whether the Restructure Security is trading on a "when issued" basis or on another basis that is contingent upon the issuance or distribution of shares.

(d) In considering underlying securities, the Exchange shall ordinarily rely upon information made publicly available by the issuer and/or the markets in which the security is traded.

(e) The word "security" shall be broadly interpreted to mean any equity security, as defined in Rule 3a11-1 under the Exchange Act, which is appropriate for options trading, and the word "shares" shall mean the unit of trading of such security.

(f) Securities deemed appropriate for options trading shall include nonconvertible preferred stock issues and American Depositary Receipts ("ADRs") if they meet the criteria and standards set forth in this Rule and if, in the case of ADRs:

(1) The Exchange has in place an effective surveillance sharing agreement with the primary exchange in the home country where the security underlying the ADR is traded; or

(2) the combined trading volume of the ADR and other related ADRs and securities (as defined below) occurring in the U.S. ADR market or in markets with which the Exchange has in place an effective surveillance sharing agreement represents (on a share equivalent basis) at least fifty percent (50%) of the combined worldwide trading volume in the ADR, the security underlying the ADR, other classes of common stock related to the underlying security, and ADRs overlying such other stock (together "other related ADRs and securities") over the three month period preceding the date of selection of the ADR for options trading; or

(3) (3)

(A) the combined trading volume of the ADR and other related ADRs and securities occurring in the U.S. ADR market and in markets where the Exchange has in place an effective surveillance sharing agreement, represents (on a share equivalent basis) at least twenty percent (20%) of the combined worldwide trading volume in the ADR and in other related ADRs and securities over the three month period preceding the date of selection of the ADR for options trading,

(B) the average daily trading volume for the security in the U.S. markets over the three (3) months preceding the selection of the ADR for options trading is 100,000 or more shares, and

(C) the trading volume is at least 60,000 shares per day in U.S. markets on a majority of the trading days for the three (3) months preceding the date of selection of the ADR for options trading (“Daily Trading Volume Standard”), or

(D) the SEC otherwise authorizes the listing.

(g) Securities deemed appropriate for options trading shall include shares issued by registered closed-end management investment companies that invest in the securities of issuers based in one or more foreign countries (“International Funds”) if they meet the criteria and standards set forth in this Rule and either:

(1) the Exchange has a market information sharing agreement with the primary home exchange for each of the securities held by the fund, or

(2) the International Fund is classified as a diversified fund as that term is defined by Section 5(b) of the Investment Company Act of 1940, as amended, and the securities held by the fund are issued by issuers based in five (5) or more countries.

(h) A “market information sharing agreement” for purposes of this Rule is an agreement that would permit the Exchange to obtain trading information relating to the securities held by the fund including the identity of the Member of the foreign exchange executing a trade. International Fund shares not meeting the criteria of paragraph (i) shall be deemed appropriate for options trading if the SEC specifically authorizes the listing thereof.

(i) Securities deemed appropriate for options trading shall include shares or other securities (“Fund Shares”), including but not limited to Partnership Units as defined in this Rule, that are principally traded on a national securities exchange and are defined as an “NMS stock” under Rule 600 of Regulation NMS, and that (1) represent interests in registered investment companies (or series thereof) organized as open-end management investment companies, unit investment trusts or similar entities, and that hold portfolios of securities comprising or otherwise based on or representing investments in indexes or portfolios of securities (or that hold securities in one or more other registered investment companies that themselves hold such portfolios of securities) (“Funds”) and/or financial instruments including, but not limited to, stock index futures contracts, options on futures, options on securities and indexes, equity caps, collars and floors, swap agreements, forward contracts, repurchase agreements and reverse repurchase agreements (the “Financial Instruments”), and money market instruments, including, but not limited to, U.S. government securities and repurchase agreements (the “Money Market Instruments”) constituting or otherwise based on or representing an investment in an index or portfolio of securities and/or Financial Instruments and Money Market Instruments, or (2) represent commodity pool interests principally engaged, directly or indirectly, in holding and/or managing portfolios or baskets of securities, commodity futures contracts, options on commodity futures contracts, swaps, forward contracts and/or options on physical commodities and /or non-U.S. currency (“Commodity Pool ETFs”) or (3) represent interests in a trust or similar entity that holds a specified non- U.S. currency or currencies deposited with the trust or similar entity when aggregated in some specified minimum number may be surrendered to the trust by the beneficial owner to receive the specified non-U.S. currency or currencies and pays the beneficial owner interest and other distributions on the deposited non-U.S. currency or currencies, if any, declared and paid by the trust (“Currency

Trust Shares”), or (4) represent interests in the SPDR Gold Trust or are issued by the iShares COMEX Gold Trust or iShares Silver Trust; provided that all of the following conditions are met:

(1) The Fund Shares either (A) meet the criteria and standards set forth in paragraphs (a) and (b) of this Rule above; or (B) the Fund Shares are available for creation or redemption each business day in cash or in kind from the investment company, commodity pool or other entity at a price related to net asset value, and the investment company, commodity pool or other entity is obligated to provide that Fund Shares may be created even if some or all of the securities and/or cash required to be deposited have not been received by the Fund, the unit investment trust or the management investment company, provided the authorized creation participant has undertaken to deliver the securities and/or cash as soon as possible and such undertaking is secured by the delivery and maintenance of collateral consisting of cash or cash equivalents satisfactory to the Fund, all as described in the Fund’s or unit trust’s prospectus; and

(2) The Fund Shares meet the following criteria:

(A) the Fund Shares are listed pursuant to generic listing standards for series of portfolio depositary receipts or index fund shares based on international or global indexes under which a comprehensive surveillance sharing agreement is not required; or

(B) any non-U.S. component stocks of the index or portfolio on which the Fund Shares are based that are not subject to comprehensive surveillance agreements do not in the aggregate represent more than 50% of the weight of the index or portfolio;

(C) stocks for which the primary market is in any one country that is not subject to a comprehensive surveillance agreement do not represent 20% or more of the weight of the index;

(D) stocks for which the primary market is in any two countries that are not subject to comprehensive surveillance agreements do not represent 33% or more of the weight of the index;

(E) For Commodity Pool ETFs that engage in holding and/or managing portfolios or baskets commodity futures contracts, options on commodity futures contracts, swaps, forward contracts, options on physical commodities, options on non-U.S. currency and/or securities, the Exchange has entered into a comprehensive surveillance sharing agreement with the marketplace or marketplaces with last sale reporting that represent(s) the highest volume in such commodity futures contracts and/or options on commodity futures contracts on the specified commodities or non-U.S. currency, which are utilized by the national securities exchange where the underlying Commodity Pool ETFs are listed and traded; and

(F) For Currency Trust Shares, the Exchange has entered into a comprehensive surveillance sharing agreement with the marketplace or marketplaces with last sale reporting that represent(s) the highest volume in derivatives (options or futures) on the specified non-U.S. currency, which are utilized by the national securities exchange where the underlying Currency Trust Shares are listed and traded.

(j) Securities deemed appropriate for options trading shall include shares or other securities (“Trust Issued Receipts”) that are principally traded on a national securities exchange or through the facilities of a national securities association and reported as a national market security, and that represent ownership of the specific deposited securities held by a trust, provided:

(1) the Trust Issued Receipts (A) meet the criteria and standards for underlying securities set forth in paragraph (b) to this Rule; or (B) must be available for issuance or cancellation each business day from the Trust in exchange for the underlying deposited securities; and

(2) not more than 20% of the weight of the Trust Issued Receipt is represented by ADRs on securities for which the primary market is not subject to a comprehensive surveillance agreement.

(k) Notwithstanding the requirements set forth in paragraphs (b)(1), (b)(2), (b)(4), and (b)(5) above, options may be listed for trading on EDGX Options if:

(1) the underlying security meets the guidelines for continued listing in Rule 19.4 (Withdrawal of Approval of Underlying Securities); and

(2) options on such underlying security are listed and traded on at least one other national securities exchange.

The Exchange shall employ the same procedures to qualify underlying securities pursuant to this subsection (k) as it employs in qualifying underlying securities pursuant to other subsections of this Rule.

(l) Index-Linked Securities

(1) Securities deemed appropriate for options trading shall include shares or other securities (“Equity Index-Linked Securities,” “Commodity-Linked Securities,” “Currency-Linked Securities,” “Fixed Income Index-Linked Securities,” “Futures-Linked Securities,” and “Multifactor Index-Linked Securities,” collectively known as “Index- Linked Securities”) that are principally traded on a national securities exchange and an “NMS Stock” (as defined in Rule 600 of Regulation NMS under the Securities Exchange Act of 1934), and represent ownership of a security that provides for the payment at maturity, as described below:

(A) Equity Index-Linked Securities are securities that provide for the payment at maturity of a cash amount based on the performance of an underlying index or indexes of equity securities (“Equity Reference Asset”);

(B) Commodity-Linked Securities are securities that provide for the payment at maturity of a cash amount based on the performance of one or more physical commodities or commodity futures, options on commodities, or other commodity derivatives or Commodity-Based Trust Shares or a basket or index of any of the foregoing (“Commodity Reference Asset”);

(C) Currency-Linked Securities are securities that provide for the payment at maturity of a cash amount based on the performance of one or more currencies, or options on currencies or currency futures or other currency derivatives or Currency Trust Shares (as defined in this Rule), or a basket or index of any of the foregoing (“Currency Reference Asset”);

(D) Fixed Income Index-Linked Securities are securities that provide for the payment at maturity of a cash amount based on the performance of one or more notes, bonds, debentures or evidence of indebtedness that include, but are not limited to, U.S. Department of Treasury securities (“Treasury Securities”), government-sponsored entity securities (“GSE Securities”), municipal securities, trust preferred securities, supranational debt and debt of a foreign country or a subdivision thereof or a basket or index of any of the foregoing (“Fixed Income Reference Asset”);

(E) Futures-Linked Securities are securities that provide for the payment at maturity of a cash amount based on the performance of an index of (i) futures on Treasury Securities, GSE Securities, supranational debt and debt of a foreign country or a subdivision thereof, or options or other derivatives on any of the foregoing; or (ii) interest rate futures or options or derivatives on the foregoing in this subparagraph (ii) (“Futures Reference Asset”); and

(F) Multifactor Index-Linked Securities are securities that provide for the payment at maturity of a cash amount based on the performance of any combination of two or more Equity Reference Assets, Commodity Reference Assets, Currency Reference Assets, Fixed Income Reference Assets, or Futures Reference Assets (“Multifactor Reference Asset”);

(2) For purposes of paragraph (1) of this Rule, Equity Reference Assets, Commodity Reference Asset, Currency Reference Assets, Fixed Income Reference Assets, Futures Reference Assets together with Multifactor Reference Assets, collectively will be referred to as “Reference Assets.”

(3)

(A) The Index-Linked Securities must meet the criteria and guidelines for underlying securities set forth in sub-section (b) of this Rule; or

(B) the Index-Linked Securities must be redeemable at the option of the holder at least on a weekly basis through the issuer at a price related to the applicable underlying Reference Asset. In addition, the issuing company is obligated to issue or repurchase the securities in aggregation units for cash, or cash

equivalents, satisfactory to the issuer of Index-Linked Securities which underlie the option as described in the Index-Linked Securities prospectus.

(4) The Exchange will implement surveillance procedures for options on Index-Linked Securities, including adequate comprehensive surveillance sharing agreements with markets trading in non-U.S. components, as applicable.

(m) “Partnership Unit” means a security (1) that is issued by a partnership that invests in any combination of futures contracts, options on futures contracts, forward contracts, commodities (as defined in Section 1(a)(4) of the Commodity Exchange Act) and/or securities; and (2) that is issued and redeemed daily in specified aggregate amounts at net asset value.

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended October 9, 2015 (SR-EDGX-2015-48); amended April 28, 2018 (SR-CboeEDGX-2018-011)]

Rule 19.4. Withdrawal of Approval of Underlying Securities

(a) If put or call options contracts with respect to an underlying security are approved for listing and trading on EDGX Options, such approval shall continue in effect until such approval is affirmatively withdrawn by the Exchange. Whenever the Exchange determines that an underlying security previously approved for EDGX Options Transactions does not meet the then current requirements for continuance of such approval or for any other reason should no longer be approved, the Exchange shall not open for trading any additional series of options of the class covering that underlying security and shall prohibit any opening purchase transactions in series of options of that class previously opened to the extent it deems such action necessary or appropriate; provided, however, that where exceptional circumstances have caused an underlying security not to comply with the Exchange’s current approval maintenance requirements, regarding number of publicly held shares of publicly held principal amount, number of shareholders, trading volume or market price the Exchange may, in the interest of maintaining a fair and orderly market or for the protection of investors, determine to continue to open additional series of option contracts of the class covering that underlying security.

(b) An underlying security will not be deemed to meet the Exchange’s requirements for continued approval whenever any of the following occur:

(1) There are fewer than 6,300,000 shares of the underlying security held by persons other than those who are required to report their security holdings under Section 16(a) of the Exchange Act.

(2) There are fewer than 1,600 holders of the underlying security.

(3) The trading volume (in all markets in which the underlying security is traded) has been less than 1,800,000 shares in the preceding twelve (12) months.

(4) The underlying security ceases to be an “NMS stock” as defined in Rule 600 of Regulation NMS under the Exchange Act.

(5) If an underlying security is approved for options listing and trading under the provisions of Rule 19.3 (Criteria for Underlying Securities), the trading volume of the Original Security (as therein defined) prior to but not after the commencement of trading in the Restructure Security (as therein defined), including “when-issued” trading, may be taken into account in determining whether the trading volume requirement of paragraph (b)(3) above is satisfied.

(c) In considering whether any of the events specified in paragraph (b) of this Rule have occurred with respect to an underlying security, the Exchange shall ordinarily rely on information made publicly available by the issuer and/or the markets in which such security is traded.

(d) If prior to the delisting of a class of options contracts covering an underlying security that has been found not to meet the Exchange’s requirements for continued approval, the Exchange determines that the underlying security again meets the Exchange’s requirements, the Exchange will open for trading additional series of options of that class and may lift any restriction on opening purchase transactions imposed by this Rule.

(e) Whenever the Exchange announces that approval of an underlying security has been withdrawn for any reason or that the Exchange has been informed that the issuer of an underlying security has ceased to be in compliance with SEC reporting requirements, each Options Member shall, prior to effecting any transaction in options contracts with respect to such underlying security for a Customer, inform such Customer of such fact and of the fact that the Exchange may prohibit further transactions in such options contracts to the extent it shall deem such action necessary and appropriate.

(f) If an ADR was initially deemed appropriate for options trading on the grounds that fifty percent (50%) or more of the worldwide trading volume (on a share-equivalent basis) in the ADR and other related ADRs and securities takes place in U.S. markets or in markets with which the Exchange has in place an effective surveillance sharing agreement, or if an ADR was initially deemed appropriate for options trading based on the daily trading volume standard in Rule 19.3 (Criteria for Underlying Securities), the Exchange may not open for trading additional series of options on the ADR unless:

(1) the percentage of worldwide trading volume in the ADR and other related securities that takes place in the U.S. and in markets with which the Exchange has in place effective surveillance sharing agreements for any consecutive three (3) month period is either: (A) at least thirty percent (30%) without regard to the average daily trading volume in the ADR, or (B) at least fifteen percent (15%) when the average U.S. daily trading volume in the ADR for the previous three (3) months is at least 70,000 shares; or

(2) the Exchange then has in place an effective surveillance sharing agreement with the primary exchange in the home country where the security underlying the ADR is traded; or

(3) the SEC has otherwise authorized the listing thereof.

(g) Fund Shares approved for options trading pursuant to Rule 19.3 (Criteria for Underlying Securities) will not be deemed to meet the requirements for continued approval, and the Exchange shall not open for trading any additional series of option contracts of the class covering such Fund Shares if the security is delisted from trading as provided in subparagraph (b)(4) of this Rule. In addition, the Exchange shall consider the suspension of opening transactions in any series of options of the class covering Fund Shares in any of the following circumstances:

(1) In the case of options covering Fund Shares approved pursuant to Rule 19.3(i)(4)(A), in accordance with the terms of subparagraphs (b)(1), (2) and (3) of this Rule;

(2) In the case of options covering Fund Shares approved pursuant to Rule 19.3(i)(4)(B), following the initial twelve-month period beginning upon the commencement of trading in the Fund Shares on a national securities exchange and are defined as NMS stock under Rule 600 of Regulation NMS, there were fewer than 50 record and/or beneficial holders of such Fund Shares for 30 consecutive days;

(3) the value of the index, non-U.S. currency, portfolio of commodities including commodity futures contracts, options on commodity futures contracts, swaps, forward contracts and/or options on physical commodities and/or Financial Instruments or Money Market Instruments, or portfolio of securities on which the Fund Shares are based is no longer calculated or available; or

(4) such other event occurs or condition exists that in the opinion of the Exchange makes further dealing in such options on EDGX Options inadvisable.

(h) Securities initially approved for options trading pursuant to paragraph (j) of Rule 19.3 (Criteria for Underlying Securities) (such securities are defined and referred to in that paragraph as “Trust Issued Receipts”) shall not be deemed to meet the Exchange’s requirements for continued approval, and the Exchange shall not open for trading any additional series of option contracts of the class covering such Trust Issued Receipts, whenever the Trust Issued Receipts are delisted and trading in the Receipts is suspended on a national securities exchange, or the Trust Issued Receipts are no longer traded as national market securities through the facilities of a national securities association. In addition, the Exchange shall consider the suspension of opening transactions in any series of options of the class covering Trust Issued Receipts in any of the following circumstances:

(1) in accordance with the terms of paragraph (b) of this Rule in the case of options covering Trust Issued Receipts when such options were approved pursuant to subparagraph (j)(1)(A) under Rule 19.3 (Criteria for Underlying Securities);

(2) upon annual review, the Trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Trust Issued Receipts for 30 consecutive days;

(3) the Trust has fewer than 50,000 receipts issued and outstanding;

(4) the market value of all receipts issued and outstanding is less than \$1,000,000; or

(5) such other event shall occur or condition exist that in the opinion of the Exchange makes further dealing in such options on EDGX Options inadvisable.

(i) For Trust Issued Receipts approved for options trading pursuant to paragraph (j) of Rule 19.3 (Criteria for Underlying Securities) that are also Holding Company Depositary Receipts (“HOLDRs”), the Exchange will not open additional series of options overlying HOLDRs (without prior Commission approval) if: (1) the proportion of securities underlying standardized equity options to all securities held in a HOLDRs trust is less than 80% (as measured by their relative weightings in the HOLDRs trust); or (2) less than 80% of the total number of securities held in a HOLDRs trust underlie standardized equity options.

(j) Index Linked Securities

Absent exceptional circumstances, Index-Linked Securities (“Securities”) initially approved for options trading pursuant to paragraph (l) of Rule 19.3 (Criteria for Underlying Securities) shall not be deemed to meet the Exchange’s requirements for continued approval, and the Exchange shall not open for trading any additional series or option contracts of the class covering such Securities whenever the underlying Securities are delisted and trading in the Securities is suspended on a national securities exchange, or the Securities are no longer an “NMS Stock” (as defined in Rule 600 of Regulation NMS under the Securities Exchange Act of 1934). In addition, the Exchange shall consider the suspension of opening transactions in any series of options of the class covering Index-Linked Securities in any of the following circumstances:

(1) the underlying Index-Linked Security fails to comply with the terms of paragraph (l) of Rule 19.3 (Criteria for Underlying Securities);

(2) in accordance with the terms of paragraph (b) of this Rule, in the case of options covering Index-Linked Securities when such options were approved pursuant to paragraph (l) of Rule 19.3 (Criteria for Underlying Securities), except that, in the case of options covering Index-Linked Securities approved pursuant to Rule 19.3(l)(3)(B) that are redeemable at the option of the holder at least on a weekly basis, then option contracts of the class covering such Securities may only continue to be open for trading as long as the Securities are listed on a national securities exchange and are “NMS” stock as defined in Rule 600 of Regulation NMS;

(3) in the case of any Index-Linked Security trading pursuant to paragraph (l) of Rule 19.3 (Criteria for Underlying Securities), the value of the Reference Asset is no longer calculated; or

(4) such other event shall occur or condition exist that in the opinion of the Exchange make further dealing in such options on the Exchange inadvisable.

(k) Inadequate Volume Delisting.

(l) Absent exceptional circumstances, a security initially approved for options trading may be deemed by the Exchange not to meet the requirements for continued approval, in which case the Exchange will not open for trading any additional series of equity option contracts of the class of options and may determine to delist the class of options if it meets the following criteria:

- (1) the option has been trading on the Exchange not less than six (6) months;
and
- (2) the Exchange average daily volume (“ADV”) of the entire class of options over the last six (6) month period was less than twenty (20) contracts.

If the option is singly listed only on the Exchange, the Exchange will cease to add new series and may delist the class of options when there is no remaining open interest. Should the Exchange determine to delist an equity option pursuant to this subsection, it will provide notification of the determination to delist such option not less than three (3) days prior to the scheduled delisting date.

Rule 19.5. (Reserved.)

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 19.6. Series of Options Contracts Open for Trading

(a) After a particular class of options has been approved for listing and trading on EDGX Options by the Exchange, the Exchange from time to time may open for trading series of options in that class. Only options contracts in series of options currently open for trading may be purchased or written on EDGX Options. Prior to the opening of trading in a given series, the Exchange will fix the expiration month, year and exercise price of that series. For Quarterly Options Series and Short Term Option Series, the Exchange will fix a specific expiration date and exercise price, as provided in Interpretations and Policy .04 and .05, respectively.

(b) At the commencement of trading on EDGX Options of a particular class of options, EDGX Options will open a minimum of one (1) series of options in that class. The exercise price of the series will be fixed at a price per share, relative to the underlying stock price in the primary market at about the time that class of options is first opened for trading on EDGX Options.

(c) Additional series of options of the same class may be opened for trading on EDGX Options when the Exchange deems it necessary to maintain an orderly market, to meet Customer demand or when the market price of the underlying stock moves more than five strike prices from the initial exercise price or prices. The opening of a new series of options shall not affect the series of options of the same class previously opened. New series of options on an individual stock may be added until the beginning of the month in which the options contract will expire. Due to unusual market conditions, the Exchange, in its discretion, may add a new series of options on an individual stock until the close of trading on the business day prior to expiration.

(d) The interval between strike prices of series of options on individual stocks will be:

- (1) \$2.50 or greater where the strike price is \$25.00 or less;

- (2) \$5.00 or greater where the strike price is greater than \$25.00; and
- (3) \$10.00 or greater where the strike price is greater than \$200.00, except as provided in (d)(5) below.
- (4) The interval between strike prices of series of options on Fund Shares approved for options trading pursuant to Rule 19.3(i) shall be fixed at a price per share which is reasonably close to the price per share at which the underlying security is traded in the primary market at or about the same time such series of options is first open for trading on EDGX Options, or at such intervals as may have been established on another options exchange prior to the initiation of trading on EDGX Options. Notwithstanding any other provision regarding the interval between strike prices of series of options on Fund Shares in this Rule, the interval between strike prices of series of options on Standard & Poor's Depository Receipts Trust ("SPY"), iShares S&P 500 Index ETF ("IVV"), and the DIAMONDS Trust ("DIA") will be \$1 or greater.
- (5) The Exchange may list series in intervals of \$5 or greater where the strike price is more than \$200 in up to five (5) option classes on individual stocks. The Exchange may list \$5 strike prices on any other option classes designated by other securities exchanges that employ a similar \$5 Strike Price Program.
- (e) The Exchange will open at least one expiration month for each class of options open for trading on EDGX Options.
- (f) The interval of strike prices may be \$2.50 in any multiply-traded option class to the extent permitted on EDGX Options by the SEC or once another exchange trading that option lists strike prices of \$2.50 on such options class.
- (g) Notwithstanding the requirements set forth in this Rule 19.6 and any Interpretations and Policies thereto:
- (1) During the expiration week of an option class that is selected for the Short Term Option Series Program pursuant to Interpretation and Policy .05 of this Rule 19.6 ("Short Term Option"), the strike price intervals for the related non-Short Term Option ("Related non-Short Term Option") shall be the same as the strike price intervals for the Short Term Option.
- (2) During the week before the expiration week of a Short Term Option, the Exchange shall open the related non-Short Term Option for trading in Short Term Option intervals in the same manner permitted by Interpretation and Policy .05 of this Rule 19.6.

Interpretations and Policies

.01 The interval between strike prices of series of options on individual stocks may be \$2.50 or greater where the strike price is \$25 or less, provided however, that EDGX Options may not list \$2.50 intervals below \$50 (e.g. \$12.50, \$17.50) for any class included within the \$1 Strike Price Program, as detailed below in Interpretations and Policy .02, if the addition of \$2.50 intervals would cause the class to have strike price intervals that are \$0.50 apart. For series of options on

Exchange-Traded Fund Shares that satisfy the criteria set forth in Rule 19.3(i), the interval of strike prices may be \$1 or greater where the strike price is \$200 or less or \$5 or greater where the strike price is over \$200. Exceptions to the strike price intervals above are set forth in Interpretations and Policies .02 and .03 below.

.02 The interval between strike prices of series of options on individual stocks may be:

(a) \$1.00 or greater (“\$1 Strike Prices”) provided the strike price is \$50 or less, but not less than \$1. The listing of \$1 strike prices shall be limited to option classes overlying no more than one hundred fifty (150) individual stocks (the “\$1 Strike Price Program”) as specifically designated by EDGX Options. EDGX Options may list \$1 Strike Prices on any other option classes if those classes are specifically designated by other national securities exchanges that employ a similar \$1 Strike Price Program under their respective rules.

(b) To be eligible for inclusion into the \$1 Strike Price Program, an underlying security must close below \$50 in the primary market on the previous trading day. After a security is added to the \$1 Strike Price Program, EDGX Options may list \$1 Strike Prices from \$1 to \$50 that are no more than \$5 from the closing price of the underlying on the preceding day. For example, if the underlying security closes at \$13, EDGX Options may list strike prices from \$8 to \$18. EDGX Options may not list series with \$1 intervals within \$0.50 of an existing strike price in the same series, except that strike prices of \$2, \$3, \$4, \$5 and \$6 shall be permitted within \$0.50 of an existing strike price for classes also selected to participate in the \$0.50 Strike Program. Additionally, for an option class selected for the \$1 Strike Price Program, EDGX Options may not list \$1 Strike Prices on any series having greater than nine (9) months until expiration.

A security shall remain in the \$ 1 Strike Price Program until otherwise designated by EDGX Options.

(c) Delisting Policy. For options classes selected to participate in the \$1 Strike Program, the Exchange will, on a monthly basis, review series that were originally listed under the \$1 Strike Program with strike prices that are more than \$5 from the current value of an options class and delist those series with no open interest in both the put and the call series having a: (1) strike higher than the highest strike price with open interest in the put and/or call series for a given expiration month; and (2) strike lower than the lowest strike price with open interest in the put and/or call series for a given expiration month. If the Exchange identifies series for delisting pursuant to this policy, the Exchange shall notify other options exchanges with similar delisting policies regarding the eligible series for delisting, and shall work jointly with such other exchanges to develop a uniform list of series to be delisted so as to ensure uniform series delisting of multiply listed options classes.

Notwithstanding the above delisting policy, the Exchange may grant member requests to add strikes and/or maintain strikes in series of options classes traded pursuant to the \$1 Strike Program that are eligible for delisting.

.03

(a) The options exchanges may select up to 200 options classes on individual stocks for which the interval of strike prices will be \$2.50 where the strike price is greater than \$25 but

less than \$50. The 200 options classes are selected by the various options exchanges pursuant to any agreement mutually agreed to by the individual exchanges and approved by the Commission. The strike price interval may be \$2.50 in any multiply traded option once another exchange trading that option selects such option, as part of this program.

(b) In addition, on any option class that has been selected as part of the \$2.50 Strike Price Program pursuant to paragraph (a) above, the Exchange may list \$2.50 strike prices between \$50 and \$75, provided the \$2.50 strike prices between \$50 and \$75 are no more than \$10 from the closing price of the underlying stock in its primary market on the preceding day. For example, if an option class has been selected as part of \$2.50 Strike Price Program, and the underlying stock closes at \$48.50 in its primary market, the Exchange may list the \$52.50 strike price and the \$57.50 strike price on the next business day. If an underlying security closes at \$54, the Exchange may list the \$52.50 strike price, the \$57.50 strike price, and the \$62.50 strike price on the next business day.

(c) An option class shall remain in the \$2.50 Strike Price Program until otherwise designated by the Exchange and a decertification notice is sent to the Options Clearing Corporation.

.04 Quarterly Options Series Program: The Exchange may list and trade P.M. settled options series that expire at the close of business on the last business day of a calendar quarter (“Quarterly Options Series”). The Exchange may list Quarterly Options Series for up to five (5) currently listed options classes that are either index options or options on exchange traded funds (“ETF”). In addition, the Exchange may also list Quarterly Options Series on any options classes that are selected by other securities exchanges that employ a similar program under their respective rules.

(a) The Exchange may list series that expire at the end of the next consecutive four (4) calendar quarters, as well as the fourth quarter of the next calendar year.

(b) Initial Series. The strike price of each Quarterly Options Series will be fixed at a price per share, with at least two strike prices above and two strike prices below the value of the underlying security at about the time that a Quarterly Options Series is opened for trading on the Exchange. The Exchange shall list strike prices for a Quarterly Options Series that are within \$5 from the closing price of the underlying on the preceding day.

(c) Additional Series. Additional Quarterly Options Series of the same class may be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying security moves substantially from the initial exercise price or prices. To the extent that any additional strike prices are listed by the Exchange, such additional strike prices shall be within thirty percent (30%) above or below the closing price of the underlying ETF (or “Fund Shares”) as defined in Rule 19.3(i) on the preceding day. The Exchange may also open additional strike prices of Quarterly Options Series in ETF options that are more than 30% above or below the current price of the underlying ETF provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate, or individual customers or their brokers. Options Market Makers trading for their own account shall not be considered when determining customer interest under this provision. The opening of new Quarterly Options Series shall not affect the series of options of

the same class previously opened. In addition to the initial listed series, the Exchange may list up to sixty (60) additional series per expiration month for each Quarterly Options Series in ETF options.

(d) The interval between strike prices on Quarterly Options Series shall be the same as the interval for strike prices for series in that same options class that expire in accordance with the normal monthly expiration cycle.

(e) Delisting Policy. With respect to Quarterly Options Series added pursuant to the above paragraphs, the Exchange will, on a monthly basis review series that are outside of a range of five (5) strikes above and five (5) strikes below the current price of the ETF, and delist series with no open interest in both the call and the put series having a (1) strike higher than the highest price with open interest in the put and/or call series for a given expiration month; and (2) strike lower than the lowest strike price with open interest in the put and/or the call series for a given expiration month.

Notwithstanding the above referenced delisting policy, customer requests to add strikes and/or maintain strikes in Quarterly Options Series eligible for delisting shall be granted. In connection with the above referenced delisting policy, if the Exchange identifies series for delisting, the Exchange shall notify other option exchanges with similar delisting policies regarding eligible series for delisting, and shall work with such other exchanges to develop a uniform list of series to be delisted, so as to help to ensure uniform delisting of multiply listed Quarterly Options Series in ETF options.

.05 After an option class has been approved for listing and trading on EDGX Options, the Exchange may open for trading on any Thursday or Friday that is a business day (“Short Term Option Opening Date”) series of options on that class that expire on each of the next five (5) Fridays that are business days and are not Fridays in which monthly options series or Quarterly Options Series expire (“Short Term Option Expiration Dates”). The Exchange may have no more than a total of five Short Term Option Expiration Dates, not including any Monday or Wednesday SPY Expirations as provided in paragraph (g) below. If EDGX Options is not open for business on the respective Thursday or Friday, the Short Term Option Opening Date will be the first business day immediately prior to that respective Thursday or Friday. Similarly, if EDGX Options is not open for business on the Friday that the options are set to expire, the Short Term Option Expiration Date will be the first business day immediately prior to that Friday. Regarding Short Term Option Series:

(a) The Exchange may select up to fifty (50) currently listed option classes on which Short Term Option Series may be opened on any Short Term Option Opening Date. In addition to the 50 option class restriction, the Exchange also may list Short Term Option Series on any option classes that are selected by other securities exchanges that employ a similar program under their respective rules. For each option class eligible for participation in the Short Term Option Series Program, the Exchange may open up to thirty (30) Short Term Option Series for each expiration date in that class. The Exchange may also open Short Term Option Series that are opened by other securities exchanges in option classes selected by such exchanges under their respective short term option rules.

(b) With the exception of Monday and Wednesday SPY Expirations, no Short Term Option Series may expire in the same week in which monthly option series on the same class expire or, in the case of Quarterly Options Series, on an expiration that coincides with an expiration of Quarterly Options Series on the same class.

(c) Initial Series. The Exchange may open up to thirty (30) initial series for each option class that participates in the Short Term Option Series Program. The strike price of each Short Term Option Series will be fixed at a price per share, with approximately the same number of strike prices being opened above and below the calculated value of the underlying security at about the time that the Short Term Option Series are initially opened for trading on the Exchange (e.g., if seven (7) series are initially opened, there will be at least three (3) strike prices above and three (3) strike prices below the value of the underlying security). Any strike prices listed by the Exchange shall be reasonably close to the price of the underlying equity security and within the following parameters: (i) if the price of the underlying is less than or equal to \$20, strike prices shall be not more than 100% above or below the price of the underlying security; and (ii) if the price of the underlying security is greater than \$20, strike prices shall be not more than fifty (50%) above or below the price of the underlying security.

(d) Additional Series. If the Exchange opens less than thirty (30) Short Term Option Series for a Short Term Option Expiration Date, additional series may be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand, or when the market price of the underlying security moves substantially from the exercise price or prices of the series already opened. Any additional strike prices listed by the Exchange shall be reasonably close to the price of the underlying equity security and within the following parameters: (i) if the price of the underlying is less than or equal to \$20, strike prices shall be not more than 100% above or below the price of the underlying security; and (ii) if the price of the underlying security is greater than \$20, strike prices shall be not more than fifty (50%) above or below the price of the underlying security. The Exchange may also open additional strike prices of Short Term Option Series that are more than 50% above or below the current value of the underlying security (if the price is greater than \$20); provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate or individual customers or their brokers, provided that such strike prices comply with the Options Listing Procedures Plan. Market-Makers trading for their own account shall not be considered when determining customer interest under this provision. The opening of the new Short Term Option Series shall not affect the series of options of the same class previously opened. In the event that the underlying security has moved such that there are no series that are at least 10% above or below the current price of the underlying security and all existing series have open interest, the Exchange may list additional series, in excess of the thirty series per class limit set forth in paragraph (c) above, that are between 10% and 30% above or below the price of the underlying security. In the event that the underlying security has moved such that there are no series that are at least 10% above or below the current price of the underlying security, the Exchange will delist any series with no open interest in both the call and the put series having a: (i) strike higher than the highest price with open interest in the put and/or call series for a given expiration week; and (ii) strike lower than the lowest strike price with open interest in the put and/or the call series for a given expiration week. Notwithstanding any other provisions in this Rule 19.6, Short Term Options Series may be added up to and including on the Short Term Option Expiration Date for that option series.

(e) **Strike Interval.** The interval between strike prices on Short Term Option Series shall be the same as the strike prices for series in that same option class that expire in accordance with the normal monthly expiration cycle. During the expiration week of an option class that is selected for the Short Term Option Series Program pursuant to this rule (“Short Term Option”), the strike price intervals for the related non-Short Term Option (“Related non-Short Term Option”) shall be the same as the strike price intervals for the Short Term Option. If the class does not trade in \$1 strike price intervals, the strike price interval for Short Term Option Series may be (i) \$0.50 or greater where the strike price is less than \$75; (ii) \$1.00 or greater where the strike price is between \$75 and \$150; or (iii) \$2.50 or greater for strike prices greater than \$150. During the week before the expiration week of a Short Term Option, the Exchange shall open the related non-Short Term Option for trading in Short Term Option intervals in the same manner permitted by this Interpretation and Policy .05.

(f) Notwithstanding the requirements set forth in this Rule 19.6 and any Interpretations and Policies thereto, the Exchange may open for trading Short Term Option Series on the Short Term Option Opening Date that expire on the Short Term Option Expiration Date at \$0.50 strike price intervals for option classes that trade in one dollar increments and are in the Short Term Option Series Program.

(g) **Monday and Wednesday SPY Expirations.** The Exchange may open for trading on any Friday or Monday that is a business day series of options on the SPDR S&P 500 ETF Trust (“SPY”) to expire on any Monday of the month that is a business day and is not a Monday on which Quarterly Options Series expire (“Monday SPY Expirations”), provided that any Friday on which the Exchange opens for trading a Monday SPY Expiration is one business week and one business day prior to expiration. The Exchange may also open for trading on any Tuesday or Wednesday that is a business day series of SPY options to expire on any Wednesday of the month that is a business day and is not a Wednesday on which Quarterly Options Series expire (“Wednesday SPY Expirations”). The Exchange may list up to five consecutive Monday SPY Expirations and up to five consecutive Wednesday SPY Expirations at one time; the Exchange may have no more than a total of five Monday SPY Expirations and no more than a total of five Wednesday SPY Expirations. Monday and Wednesday SPY Expirations will be subject to the provisions of this Rule.

.06 The interval between strike prices of series of options on individual stocks may be \$0.50 or greater beginning at \$.50 where the strike price is \$5.50 or less, but only for options classes whose underlying security closed at or below \$5.00 in its primary market on the previous trading day and which have national average daily volume that equals or exceeds 1,000 contracts per day as determined by The Options Clearing Corporation during the preceding three calendar months. The listing of \$0.50 strike prices shall be limited to options classes overlying no more than 20 individual stocks (the “\$0.50 Strike Program”) as specifically designated by EDGX Options.

EDGX Options may list \$0.50 strike prices on any other option classes if those classes are specifically designated by other securities exchanges that employ a similar \$0.50 Strike Program under their respective rules. A stock shall remain in the \$0.50 Strike Program until otherwise designated by EDGX Options.

.07 **Mini Options Contracts**

(a) After an option class on a stock, Exchange-Traded Fund Share, Trust Issued Receipt, Exchange Traded Note, and other Index Linked Security with a 100 share deliverable has been approved for listing and trading on the Exchange, series of option contracts with a 10 share deliverable on that stock, Exchange-Traded Fund Share, Trust Issued Receipt, Exchange Traded Note, and other Index Linked Security may be listed for all expirations opened for trading on the Exchange. Mini Option contracts may currently be listed on SPDR S&P 500 (“SPY”), Apple Inc. (“AAPL”), SPDR Gold Trust (“GLD”), Alphabet Inc. (“GOOGL”), and Amazon.com Inc. (“AMZN”).

(b) Strike prices for Mini Options shall be set at the same level as for regular options. For example, a call series strike price to deliver 10 shares of stock at \$125 per share has a total deliverable value of \$1250 and the strike price will be set at 125.

(c) No additional series of Mini Options may be added if the underlying security is trading at \$90 or less. The underlying security must trade above \$90 for five consecutive days prior to listing Mini Options contracts in an additional expiration month.

(d) The minimum trading increment for Mini Options shall be the same as the minimum trading increment permitted for standard options on the same underlying security. For example, if a security participates in the Penny Pilot Program, Mini Options in the same underlying security may be quoted and traded in the same minimum increments, e.g., \$0.01 for all quotations in series that are quoted at less than \$3 per contract and \$0.05 for all quotations in series that are quoted at \$3 per contract or greater, \$0.01 for all SPY option series.

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended December 2, 2015 (SR-EDGX-2015-60); amended August 25, 2016 (SR-BatsEDGX-2016-50); amended January 3, 2017 (SR-CboeEDGX-2017-005); amended February 15, 2018 (SR-CboeEDGX-2018-007); amended February 21, 2019 (SR-CboeEDGX-2019-008)]

Rule 19.7. Adjustments

Options contracts shall be subject to adjustments in accordance with the Rules of the Clearing Corporation. The Exchange will announce adjustments, and such changes will be effective for all subsequent transactions in that series at the time specified in the announcement.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 19.8. Long-Term Options Contracts

Notwithstanding conflicting language in Rule 19.6 (Series of Options Contracts Open for Trading), the Exchange may list long-term options contracts that expire from twelve (12) to thirty-nine (39) months from the time they are listed. There may be up to ten (10) additional expiration months for options on SPY and up to six (6) additional expiration months for all other option classes. Strike price interval, bid/ask differential and continuity rules shall not apply to such options series until the time to expiration is less than nine (9) months.

[Adopted August 7, 2015 (SR-EDGX-2015-18), Amended September 21, 2018 (SR-CboeEDGX-2018-038); Amended November 23, 2018 (SR-CboeEDGX-2018-056)]

CHAPTER XX. REGULATION OF TRADING ON EDGX OPTIONS

Rule 20.1. Access to and Conduct on the EDGX Options Market

(a) Access to EDGX Options.

Unless otherwise provided in the Rules, no one but an Options Member or a person associated with an Options Member shall effect any EDGX Options Transactions.

(b) EDGX Options Conduct.

Options Members and persons employed by or associated with any Options Member, while using the facilities of EDGX Options, shall not engage in conduct: (1) inconsistent with the maintenance of a fair and orderly market; (2) apt to impair public confidence in the operations of the Exchange; or (3) inconsistent with the ordinary and efficient conduct of business. Activities that shall violate the provisions of this paragraph (b) include, but are not limited to, the following:

(1) failure of an Options Market Maker to provide quotations in accordance with Rule 22.6 (Market Maker Quotations);

(2) failure of an Options Market Maker to bid or offer within the ranges specified by Rule 22.5 (Obligations of Market Makers);

(3) failure of an Options Member to supervise a person employed by or associated with such Member adequately to ensure that person's compliance with this paragraph (b);

(4) failure to maintain adequate procedures and controls that permit the Options Member to effectively monitor and supervise the entry of orders by users to prevent the prohibited practices set forth in this paragraph (b) and Rule 18.2 (Conduct and Compliance with the Rules);

(5) failure to abide by a determination of the Exchange;

(6) effecting transactions that are manipulative as provided in Rule 12.1 (Market Manipulation) or any other rule of the Exchange;

(7) refusal to provide information requested by the Exchange; and

(8) failure to abide by the provisions of Rule 22.12.

(c) Subject to the Rules, the Exchange will provide access to the Trading System to Options Members in good standing that wish to conduct business on EDGX Options.

(d) Pursuant to the Rules and the arrangements referred to in this Chapter XX, the Exchange may:

(1) suspend an Option Member's access to the Trading System following a warning which may be made in writing or verbally (and subsequently confirmed in writing); or

(2) terminate an Option Member's access to the Trading System by notice in writing.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 20.2. Surveillance

Personnel from the Exchange shall monitor and surveil options trading on EDGX Options in order to ensure the maintenance of a fair and orderly market.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 20.3. Trading Halts

(a) Halts.

The Exchange may halt trading in any option contract in the interests of a fair and orderly market. The following are among the factors that shall be considered in determining whether the trading in an option contract should be halted:

(1) trading in the underlying security has been halted or suspended in the primary market;

(2) the opening of such underlying security has been delayed because of unusual circumstances;

(3) occurrence of an act of God or other event outside the Exchange's control;

(4) a Trading System technical failure or failures including, but not limited to, the failure of a part of the central processing system, a number of Options Member trading applications, or the electrical power supply to the system itself or any related system; or

(5) other unusual conditions or circumstances are present.

(b) In the event the Exchange determines to halt trading, all trading in the effected class or classes of options shall be halted and all orders will be cancelled unless a User has entered instructions not to cancel its orders. EDGX Options shall disseminate through its trading facilities and over OPRA a symbol with respect to such class or classes of options indicating that trading has been halted. A record of the time and duration of the halt shall be made available to vendors.

(c) No Options Member or person associated with an Options Member shall effect a trade on EDGX Options in any options class in which trading has been halted under the provisions of this Rule during the time in which the halt remains in effect.

Interpretations and Policies

.01 The Exchange shall nullify any transaction that occurs:

- (a) during a trading halt in the affected option on the Exchange; or
- (b) with respect to equity options (including options overlying ETFs), during a regulatory halt as declared by the primary listing market for the underlying security.

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended September 28, 2017 (SR-BatsEDGX-2017-36)]

Rule 20.4. Resumption of Trading After a Halt

Trading in an option that has been the subject of a halt under Rule 20.3 (Trading Halts) shall be resumed as described in Rule 21.7 upon the determination by the Exchange that the conditions which led to the halt are no longer present or that the interests of a fair and orderly market are best served by a resumption of trading.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 20.5. Unusual Market Conditions

(a) EDGX Options staff may determine that the level of trading activities or the existence of unusual market conditions is such that EDGX Options is incapable of collecting, processing, and making available to quotation vendors the data for the option in a manner that accurately reflects the current state of the market on EDGX Options. Upon making such a determination, the Exchange shall designate the market in such option to be “fast,” and the Exchange shall halt trading in the class or classes so affected.

(b) The Exchange will monitor the activity or conditions that caused a fast market to be declared, and shall review the condition of such market at least every thirty (30) minutes. Regular trading procedures shall be resumed when the Exchange determines that the conditions supporting a fast market declaration no longer exist.

(c) The Exchange shall halt trading in all options whenever a market wide trading halt is initiated on the New York Stock Exchange (commonly known as a “circuit breaker”) in response to extraordinary market conditions. This paragraph (c) does not apply during Global Trading Hours.

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended May 26, 2019 (SR-CboeEDGX-2019-027)]

Rule 20.6. Nullification and Adjustment of Options Transactions including Obvious Errors

The Exchange may nullify a transaction or adjust the execution price of a transaction in accordance with this Rule. However, the determination as to whether a trade was executed at an erroneous price may be made by mutual agreement of the affected parties to a particular transaction. A trade

may be nullified or adjusted on the terms that all parties to a particular transaction agree, provided, however, that such agreement to nullify or adjust must be conveyed to the Exchange in a manner prescribed by the Exchange prior to 8:30 a.m. Eastern Time on the first trading day following the execution. It is considered conduct inconsistent with just and equitable principles of trade for any Member to use the mutual adjustment process to circumvent any applicable Exchange rule, the Act or any of the rules and regulations thereunder.

(a) Definitions.

(1) Customer. For purposes of this Rule, a Customer shall not include any broker-dealer or Professional.

(2) Erroneous Sell/Buy Transaction. For purposes of this Rule, an “erroneous sell transaction” is one in which the price received by the person selling the option is erroneously low, and an “erroneous buy transaction” is one in which the price paid by the person purchasing the option is erroneously high.

(3) Official. For purposes of this Rule, an Official is an Officer of the Exchange or such other employee designee of the Exchange that is trained in the application of this Rule.

(4) Size Adjustment Modifier. For purposes of this Rule, the Size Adjustment Modifier will be applied to individual transactions as follows:

Number of Contracts per Execution	Adjustment – TP Plus/Minus
1-50	N/A
51-250	2 times adjustment amount
251-1000	2.5 times adjustment amount
1001 or more	3 times adjustment amount

(b) Theoretical Price. Upon receipt of a request for review and prior to any review of a transaction execution price, the “Theoretical Price” for the option must be determined. For purposes of this Rule, if the applicable option series is traded on at least one other options exchange, then the Theoretical Price of an option series is the last NBB just prior to the trade in question with respect to an erroneous sell transaction or the last NBO just prior to the trade in question with respect to an erroneous buy transaction unless one of the exceptions in subparagraphs (b)(1) through (3) below exists. For purposes of this provision, when a single order received by the Exchange is executed at multiple price levels, the last NBB and last NBO just prior to the trade in question would be the last NBB and last NBO just prior to the Exchange’s receipt of the order. The Exchange will rely on this paragraph (b) and Interpretation and Policy .03 of this Rule when determining Theoretical Price.

(1) Transactions at the Open. For a transaction occurring as part of the Opening Process (as defined in Rule 21.7) the Exchange will determine the Theoretical Price if there is no NBB or NBO for the affected series just prior to the erroneous

transaction or if the bid/ask differential of the NBB and NBO just prior to the erroneous transaction is equal to or greater than the Minimum Amount set forth in the chart contained in sub-paragraph (b)(3) below. If the bid/ask differential is less than the Minimum Amount, the Theoretical Price is the NBB or NBO just prior to the erroneous transaction.

(2) No Valid Quotes. The Exchange will determine the Theoretical Price if there are no quotes or no valid quotes for comparison purposes. Quotes that are not valid are:

(A) all quotes in the applicable option series published at a time where the last NBB is higher than the last NBO in such series (a “crossed market”);

(B) quotes published by the Exchange that were submitted by either party to the transaction in question;

(C) quotes published by another options exchange if either party to the transaction in question submitted the quotes in the series representing such options exchange’s best bid or offer, provided that the Exchange will only consider quotes invalid on other options exchanges in up to twenty-five (25) total options series that the party identifies to the Exchange the quotes which were submitted by such party and published by other options exchanges; and

(D) quotes published by another options exchange against which the Exchange has declared self-help.

(3) Wide Quotes. The Exchange will determine the Theoretical Price if the bid/ask differential of the NBB and NBO for the affected series just prior to the erroneous transaction was equal to or greater than the Minimum Amount set forth below and there was a bid/ask differential less than the Minimum Amount during the 10 seconds prior to the transaction. If there was no bid/ask differential less than the Minimum Amount during the 10 seconds prior to the transaction then the Theoretical Price of an option series is the last NBB or NBO just prior to the transaction in question, as set forth in paragraph (b) above.

Bid Price at Time of Trade	Minimum Amount
Below \$2.00	\$0.75
\$2.00 to \$5.00	\$1.25
Above \$5.00 to \$10.00	\$1.50
Above \$10.00 to \$20.00	\$2.50
Above \$20.00 to \$50.00	\$3.00
Above \$50.00 to \$100.00	\$4.50
Above \$100.00	\$6.00

(c) Obvious Errors.

(1) **Definition.** For purposes of this Rule, an Obvious Error will be deemed to have occurred when the Exchange receives a properly submitted filing where the execution price of a transaction is higher or lower than the Theoretical Price for the series by an amount equal to at least the amount shown below:

Theoretical Price	Minimum Amount
Below \$2.00	\$0.25
\$2.00 to \$5.00	\$0.40
Above \$5.00 to \$10.00	\$0.50
Above \$10.00 to \$20.00	\$0.80
Above \$20.00 to \$50.00	\$1.00
Above \$50.00 to \$100.00	\$1.50
Above \$100.00	\$2.00

(2) **Time Deadline.** A party that believes that it participated in a transaction that was the result of an Obvious Error must notify the Exchange's Trade Desk in the manner specified from time to time by the Exchange in a circular distributed to Members. Such notification must be received by the Exchange's Trade Desk within the timeframes specified below:

(A) **Customer Orders.** For an execution of a Customer order, a filing must be received by the Exchange within thirty (30) minutes of the execution, subject to sub-paragraph (C) below; and

(B) **"Non-Customer" Orders.** For an execution of any order other than a Customer order, a filing must be received by the Exchange within fifteen (15) minutes of the execution, subject to sub-paragraph (C) below.

(C) **Linkage Trades.** Any other options exchange will have a total of forty-five (45) minutes for Customer orders and thirty (30) minutes for non-Customer orders, measured from the time of execution on the Exchange, to file with the Exchange for review of transactions routed to the Exchange from that options exchange and executed on the Exchange ("linkage trades"). This includes filings on behalf of another options exchange filed by a third-party routing broker if such third-party broker identifies the affected transactions as linkage trades. In order to facilitate timely reviews of linkage trades the Exchange will accept filings from either the other options exchange or, if applicable, the third-party routing broker that routed the applicable order(s). The additional fifteen (15) minutes provided with respect to linkage trades shall only apply to the extent the options exchange that originally received and routed the order to the Exchange itself received a timely filing from the entering participant (i.e., within 30 minutes if a Customer order or 15 minutes if a non-Customer order).

(3) **Official Acting on Own Motion.** An Official may review a transaction believed to be erroneous on his/her own motion in the interest of maintaining a fair and

orderly market and for the protection of investors. A transaction reviewed pursuant to this paragraph may be nullified or adjusted only if it is determined by the Official that the transaction is erroneous in accordance with the provisions of this Rule, provided that the time deadlines of sub-paragraph (c)(2) above shall not apply. The Official shall act as soon as possible after becoming aware of the transaction, and ordinarily would be expected to act on the same day that the transaction occurred. In no event shall the Official act later than 8:30 a.m. Eastern Time on the next trading day following the date of the transaction in question. A party affected by a determination to nullify or adjust a transaction pursuant to this provision may appeal such determination in accordance with paragraph (1) below; however, a determination by an Official not to review a transaction or determination not to nullify or adjust a transaction for which a review was conducted on an Official's own motion is not appealable. If a transaction is reviewed and a determination is rendered pursuant to another provision of this Rule, no additional relief may be granted under this provision.

(4) **Adjust or Bust.** If it is determined that an Obvious Error has occurred, the Exchange shall take one of the actions listed below. Upon taking final action, the Exchange shall promptly notify both parties to the trade electronically or via telephone.

(A) **Non-Customer Transactions.** Where neither party to the transaction is a Customer, the execution price of the transaction will be adjusted by the Official pursuant to the table below. Any non-Customer Obvious Error exceeding 50 contracts will be subject to the Size Adjustment Modifier defined in sub-paragraph (a)(4) above.

Theoretical Price (TP)	Buy Transaction Adjustment – TP Plus	Sell Transaction Adjustment – TP Minus
Below \$3.00	\$0.15	\$0.15
At or above \$3.00	\$0.30	\$0.30

(B) **Customer Transactions.** Where at least one party to the Obvious Error is a Customer, the trade will be nullified, subject to sub-paragraph (C) below.

(C) If any Member submits requests to the Exchange for review of transactions pursuant to this rule, and in aggregate that Member has 200 or more Customer transactions under review concurrently and the orders resulting in such transactions were submitted during the course of 2 minutes or less, where at least one party to the Obvious Error is a non-Customer, the Exchange will apply the non-Customer adjustment criteria set forth in sub-paragraph (A) above to such transactions.

(d) **Catastrophic Errors.**

(1) **Definition.** For purposes of this Rule, a Catastrophic Error will be deemed to have occurred when the execution price of a transaction is higher or lower than the Theoretical Price for the series by an amount equal to at least the amount shown below:

Theoretical Price	Minimum Amount
Below \$2.00	\$0.50
\$2.00 to \$5.00	\$1.00
Above \$5.00 to \$10.00	\$1.50
Above \$10.00 to \$20.00	\$2.00
Above \$20.00 to \$50.00	\$2.50
Above \$50.00 to \$100.00	\$3.00
Above \$100.00	\$4.00

(2) **Time Deadline.** A party that believes that it participated in a transaction that was the result of a Catastrophic Error must notify the Exchange's Trade Desk in the manner specified from time to time by the Exchange in a circular distributed to Members. Such notification must be received by the Exchange's Trade Desk by 8:30 a.m. Eastern Time on the first trading day following the execution. For transactions in an expiring options series that take place on an expiration day, a party must notify the Exchange's Trade Desk within 45 minutes after the close of trading that same day.

(3) **Adjust or Bust.** If it is determined that a Catastrophic Error has occurred, the Exchange shall take action as set forth below. Upon taking final action, the Exchange shall promptly notify both parties to the trade electronically or via telephone. In the event of a Catastrophic Error, the execution price of the transaction will be adjusted by the Official pursuant to the table below. Any Customer order subject to this sub-paragraph will be nullified if the adjustment would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the Customer's limit price.

Theoretical Price (TP)	Buy Transaction Adjustment – TP Plus	Sell Transaction Adjustment – TP Minus
Below \$2.00	\$0.50	\$0.50
\$2.00 to \$5.00	\$1.00	\$1.00
Above \$5.00 to \$10.00	\$1.50	\$1.50
Above \$10.00 to \$20.00	\$2.00	\$2.00
Above \$20.00 to \$50.00	\$2.50	\$2.50
Above \$50.00 to \$100.00	\$3.00	\$3.00
Above \$100.00	\$4.00	\$4.00

(e) **Significant Market Events.**

(1) **Definition.** For purposes of this Rule, a Significant Market Event will be deemed to have occurred when: criterion (A) below is met or exceeded or the sum of all applicable event statistics, where each is expressed as a percentage of the relevant threshold in criteria (A) through (D) below, is greater than or equal to 150% and 75% or more of at least one category is reached, provided that no single category can contribute

more than 100% to the sum and any category contributing more than 100% will be rounded down to 100%. All criteria set forth below will be measured in aggregate across all exchanges.

(A) Transactions that are potentially erroneous would result in a total Worst-Case Adjustment Penalty of \$30,000,000, where the Worst-Case Adjustment Penalty is computed as the sum, across all potentially erroneous trades, of:

(1) \$0.30 (i.e., the largest Transaction Adjustment value listed in sub-paragraph (e)(3)(A) below); times

(2) the contract multiplier for each traded contract; times

(3) the number of contracts for each trade; times

(4) the appropriate Size Adjustment Modifier for each trade, if any, as defined in sub-paragraph (e)(3)(A) below.

(B) Transactions involving 500,000 options contracts are potentially erroneous;

(C) Transactions with a notional value (i.e., number of contracts traded multiplied by the option premium multiplied by the contract multiplier) of \$100,000,000 are potentially erroneous;

(D) 10,000 transactions are potentially erroneous.

(2) Coordination with Other Options Exchanges. To ensure consistent application across options exchanges, in the event of a suspected Significant Market Event, the Exchange shall initiate a coordinated review of potentially erroneous transactions with all other affected options exchanges to determine the full scope of the event. When this paragraph is invoked, the Exchange will promptly coordinate with the other options exchanges to determine the appropriate review period as well as select one or more specific points in time prior to the transactions in question and use one or more specific points in time to determine Theoretical Price. Other than the selected points in time, if applicable, the Exchange will determine Theoretical Price in accordance with paragraph (b) above.

(3) Adjust or Bust. If it is determined that a Significant Market Event has occurred then, using the parameters agreed as set forth in sub-paragraph (e)(2) above, if applicable, an Official will determine whether any or all transactions under review qualify as Obvious Errors. The Exchange shall take one of the actions listed below with respect to all transactions that qualify as Obvious Errors pursuant to sub-paragraph (c)(1) above. Upon taking final action, the Exchange shall promptly notify both parties to the trade electronically or via telephone.

(A) The execution price of each affected transaction will be adjusted by an Official to the price provided below unless both parties agree to adjust the transaction to a different price or agree to bust the trade. In the context of a Significant Market Event, any error exceeding 50 contracts will be subject to the Size Adjustment Modifier defined in sub-paragraph (a)(4) above.

Theoretical Price (TP)	Buy Transaction Adjustment – TP Plus	Sell Transaction Adjustment – TP Minus
Below \$3.00	\$0.15	\$0.15
At or above \$3.00	\$0.30	\$0.30

(B) Where at least one party to the transaction is a Customer, the trade will be nullified if the adjustment would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the Customer's limit price.

(4) Nullification of Transactions. If the Exchange, in consultation with other options exchanges, determines that timely adjustment is not feasible due to the extraordinary nature of the situation, then the Exchange will nullify some or all transactions arising out of the Significant Market Event during the review period selected by the Exchange and other options exchanges consistent with this paragraph. To the extent the Exchange, in consultation with other options exchanges, determines to nullify less than all transactions arising out of the Significant Market Event, those transactions subject to nullification will be selected based upon objective criteria with a view toward maintaining a fair and orderly market and the protection of investors and the public interest.

(5) Final Rulings. With respect to rulings made pursuant to this paragraph, the number of affected transactions is such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest. Accordingly, rulings by the Exchange pursuant to this paragraph are non-appealable.

(f) Trading Halts. The Exchange shall nullify any transaction that occurs during a trading halt in the affected option on the Exchange pursuant to Rule 20.3.

(g) Erroneous Print in Underlying. A trade resulting from an erroneous print(s) disseminated by the underlying market that is later nullified by that underlying market shall be adjusted or busted as set forth in sub-paragraph (c)(4) of this Rule, provided a party notifies the Exchange's Trade Desk in a timely manner as set forth below. For purposes of this paragraph, a trade resulting from an erroneous print(s) shall mean any options trade executed during a period of time for which one or more executions in the underlying security are nullified and for one second thereafter. If a party believes that it participated in an erroneous transaction resulting from an erroneous print(s) pursuant to this paragraph it must notify the Exchange's Trade Desk within the timeframes set forth in sub-paragraph (c)(2) above, with the allowed notification timeframe commencing at the time of notification by the underlying market(s) of nullification of transactions in the underlying security. If multiple underlying markets nullify trades in the underlying security, the allowed notification timeframe will commence at the time of the first market's notification.

For the purposes of this paragraph, the underlying (which includes, but is not limited to, the underlying or related Fund Share(s), HOLDERS(s) and/or index value(s), and/or related futures product(s)) and the relevant underlying market(s) will be designated by the Exchange and announced to Members via an Exchange Notice. To qualify for consideration as an “underlying,” the Fund Shares, HOLDERS or index option class and related instrument must be derived from or designed to track the same underlying index.

(h) **Erroneous Quote in Underlying.** A trade resulting from an erroneous quote(s) in the underlying security shall be adjusted or busted as set forth in sub-paragraph (c)(4) this Rule, provided a party notifies the Exchange’s Trade Desk in a timely manner as set forth below. An erroneous quote occurs when the underlying security has a width of at least \$1.00 and has a width at least five times greater than the average quote width for such underlying security during the time period encompassing two minutes before and after the dissemination of such quote. For purposes of this paragraph, the average quote width shall be determined by adding the quote widths of sample quotations at regular 15-second intervals during the four-minute time period referenced above (excluding the quote(s) in question) and dividing by the number of quotes during such time period (excluding the quote(s) in question). If a party believes that it participated in an erroneous transaction resulting from an erroneous quote(s) pursuant to this paragraph it must notify the Exchange’s Trade Desk in accordance with sub-paragraph (c)(2) above. For the purposes of this paragraph, the underlying (which includes, but is not limited to, the underlying or related Fund Share(s), HOLDERS(s) and/or index value(s), and/or related futures product(s)) and the relevant underlying market(s) will be designated by the Exchange and announced to Members via an Exchange Notice. To qualify for consideration as an “underlying,” the Fund Shares, HOLDERS or index option class and related instrument must be derived from or designed to track the same underlying index.

(i) **Stop (and Stop-Limit) Order Trades Triggered by Erroneous Trades.** Transactions resulting from the triggering of a stop or stop-limit order by an erroneous trade in an option contract shall be nullified by the Exchange, provided a party notifies the Exchange’s Trade Desk in a timely manner as set forth below. If a party believes that it participated in an erroneous transaction pursuant to this paragraph it must notify the Exchange’s Trade Desk within the timeframes set forth in sub-paragraph (c)(2) above, with the allowed notification timeframe commencing at the time of notification of the nullification of transaction(s) that triggered the stop or stop-limit order.

(j) **Linkage Trades.** If the Exchange routes an order pursuant to the Plan (as defined in Rule 27.1(17)) that results in a transaction on another options exchange (a “Linkage Trade”) and such options exchange subsequently nullifies or adjusts the Linkage Trade pursuant to its rules, the Exchange will perform all actions necessary to complete the nullification or adjustment of the Linkage Trade.

(k) **Verifiable Disruptions or Malfunctions of Exchange Systems.**

(1) Transactions arising out of a “verifiable disruption or malfunction” in the use or operation of any Exchange automated quotation, dissemination, execution, or communication system may either be nullified or adjusted by an Official. Transactions that qualify for price adjustment will be adjusted to Theoretical Price, as defined in paragraph (b) above.

(2) Absent extraordinary circumstances, any such action of an Official pursuant to this paragraph (k) shall be initiated within sixty (60) minutes of the occurrence of the erroneous transaction that resulted from a verifiable disruption or malfunction. Each Options Member involved in the transaction shall be notified as soon as practicable.

(3) Any Options Member aggrieved by the action of an Official taken pursuant to paragraph (k)(1) above, may appeal such action in accordance with the provision of paragraph (l) below.

(l) Appeals.

If an Options Member affected by a determination made under this Rule so requests within the time permitted below, the Obvious Error Panel ("Obvious Error Panel") will review decisions made by the Official under this Rule, including whether an obvious error occurred and whether the correct determination was made.

(1) The Obvious Error Panel will be comprised of the Exchange's Chief Regulatory Officer ("CRO") or a designee of the CRO, a representative of one (1) Options Member engaged in market making (any such representative, a "MM Representative") and representatives from two (2) Options Members satisfying one or both of the criteria set forth as (A) and (B) below (any such representative, a "Non-MM Representative"). To qualify as a representative of an Options Member other than an Options Member engaged in market making, a person must:

(A) be employed by an Options Member whose revenues from options market making activity do not exceed ten percent (10%) of its total revenues; or

(B) have as his or her primary responsibility the handling of Public Customer orders or supervisory responsibility over persons with such responsibility, and not have any responsibilities with respect to market making activities.

(2) The Exchange shall designate at least ten (10) MM Representatives and at least ten (10) Non-MM Representatives to be called upon to serve on the Obvious Error Panel as needed. In no case shall an Obvious Error Panel include a person affiliated with a party to the trade in question. To the extent reasonably possible, the Exchange shall call upon the designated representatives to participate on an Obvious Error Panel on an equally frequent basis.

(3) A request for review on appeal must be made in writing via e-mail or other electronic means specified from time to time by the Exchange in a circular distributed to Options Members within thirty (30) minutes after the party making the appeal is given notification of the initial determination being appealed. The Obvious Error Panel shall review the facts and render a decision as soon as practicable, but generally on the same trading day as the execution(s) under review. On requests for appeal received after 3:00 p.m. Eastern Time, a decision will be rendered as soon as practicable, but in no case later than the trading day following the date of the execution under review.

(4) The Obvious Error Panel may overturn or modify an action taken by the Official under this Rule. All determinations by the Obvious Error Panel shall constitute final action by the Exchange on the matter at issue.

(5) If the Obvious Error Panel votes to uphold the decision made pursuant to paragraph (l)(1) above, the Exchange will assess a \$500.00 fee against the Options Member(s) who initiated the request for appeal. In addition, in instances where the Exchange, on behalf of an Options Member, requests a determination by another market center that a transaction is clearly erroneous, the Exchange will pass any resulting charges through to the relevant Options Member.

(6) Any determination by an Officer or by the Obvious Error Panel shall be rendered without prejudice as to the rights of the parties to the transaction to submit their dispute to arbitration.

Interpretations and Policies

.01 Limit Up-Limit Down State. An execution will not be subject to review as an Obvious Error or Catastrophic Error pursuant to paragraph (c) or (d) of this Rule if it occurred while the underlying security was in a "Limit State" or "Straddle State," as defined in the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act. Nothing in this provision shall prevent such execution from being reviewed on an Official's own motion pursuant to sub-paragraph (c)(3) of this Rule, or a bust or adjust pursuant to paragraphs (e) through (k) of this Rule.

.02 For the purposes of this Rule, to the extent the provisions of this Rule would result in the Exchange applying an adjustment of an erroneous sell transaction to a price lower than the execution price or an erroneous buy transaction to a price higher than the execution price, the Exchange will not adjust or nullify the transaction, but rather, the execution price will stand.

.03 Exchange Determining Theoretical Price. For purposes of this Rule, when the Exchange must determine Theoretical Price pursuant to sub-paragraphs (b)(1)-(3) of this Rule (i.e., at the open, when there are no valid quotes or when there is a wide quote), then the Exchange will determine Theoretical Price as follows.

(a) The Exchange will request Theoretical Price from the third party vendor defined in paragraph (d) below ("TP Provider") to which the Exchange and all other options exchanges have subscribed. The Exchange will apply the Theoretical Price provided by the TP Provider, except as otherwise described below.

(b) To the extent an Official of the Exchange believes that the Theoretical Price provided by the TP Provider is fundamentally incorrect and cannot be used consistent with the maintenance of a fair and orderly market, the Official shall contact the TP Provider to notify the TP Provider of the reason the Official believes such Theoretical Price is inaccurate and to request a review and correction of the calculated Theoretical Price. The Exchange shall also promptly provide electronic notice to other options exchanges that the TP Provider has been contacted consistent with this paragraph and include a brief explanation of the reason for the request.

(c) An Official of the Exchange may determine the Theoretical Price if the TP Provider has experienced a systems issue that has rendered its services unavailable to accurately calculate Theoretical Price and such issue cannot be corrected in a timely manner.

(d) The current TP Provider to which the Exchange and all other options exchanges have subscribed is: Cboe Livevol, LLC. Neither the Exchange, the TP Provider, nor any affiliate of the TP Provider (the TP Provider and its affiliates are referred to collectively as the “TP Provider”), makes any warranty, express or implied, as to the results to be obtained by any person or entity from the use of the TP Provider pursuant to this Interpretation .03. The TP Provider does not guarantee the accuracy or completeness of the calculated Theoretical Price. The TP Provider disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to such Theoretical Price. Neither the Exchange nor the TP Provider shall have any liability for any damages, claims, losses (including any indirect or consequential losses), expenses, or delays, whether direct or indirect, foreseen or unforeseen, suffered by any person arising out of any circumstance or occurrence relating to the use of such Theoretical Price or arising out of any errors or delays in calculating such Theoretical Price.

.04 Complex Orders and Stock-Option Orders:

(a) If a complex order executes against individual legs and at least one of the legs qualifies as an Obvious Error under paragraph (c)(1) or a Catastrophic Error under paragraph (d)(1), then the leg(s) that is an Obvious or Catastrophic Error will be adjusted in accordance with paragraphs (c)(4)(A) or (d)(3), respectively, regardless of whether one of the parties is a Customer. However, any Customer order subject to this paragraph .04(a) will be nullified if the adjustment would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the Customer’s limit price on the complex order or individual leg(s). If any leg of a complex order is nullified, the entire transaction is nullified.

(b) If a complex order executes against another complex order and at least one of the legs qualifies as an Obvious Error under paragraph (c)(1) or a Catastrophic Error under paragraph (d)(1), then the leg(s) that is an Obvious or Catastrophic Error will be adjusted or busted in accordance with paragraph (c)(4) or (d)(3), respectively, so long as either: (i) the width of the National Spread Market for the complex order strategy just prior to the erroneous transaction was equal to or greater than the amount set forth in the wide quote table of paragraph (b)(3) or (ii) the net execution price of the complex order is higher (lower) than the offer (bid) of the National Spread Market for the complex order strategy just prior to the erroneous transaction by an amount equal to at least the amount shown in the table in paragraph (c)(1). If any leg of a complex order is nullified, the entire transaction is nullified. For purposes of this Rule, the National Spread Market for a complex order strategy is determined by the National Best Bid/Offer of the individual legs of the strategy (i.e., the SNBBO under Rule 21.20).

(c) If the option leg of a stock-option order qualifies as an Obvious Error under paragraph (c)(1) or a Catastrophic Error under paragraph (d)(1), then the option leg that is an Obvious or Catastrophic Error will be adjusted in accordance with paragraph (c)(4)(A) or (d)(3), respectively, regardless of whether one of the parties is a Customer. However, the option leg of any Customer order subject to this paragraph (c) will be nullified if the adjustment would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the Customer’s

limit price on the stock-option order, and the Exchange will attempt to nullify the stock leg. Whenever a stock trading venue nullifies the stock leg of a stock-option order or whenever the stock leg cannot be executed, the Exchange will nullify the option leg upon request of one of the parties to the transaction or in accordance with paragraph (c)(3).

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended October 20, 2015 (SR-EDGX-2015-49); amended March 24, 2016 (SR-BatsEDGX-2016-03); amended September 28, 2017 (SR-BatsEDGX-2017-36); amended November 24, 2017 (SR-BatsEDGX-2017-43); amended September 27, 2018 (SR-CboeEDGX-2018-035); amended March 14, 2019 (SR-CboeEDGX-2019-005); amended April 9, 2019 (SR-CboeEDGX-2019-022); amended October 17, 2019 (SR-CboeEDGX-2019-063)]

Rule 20.7. Audit Trail

(a) Order Identification

When entering orders on EDGX Options, each Options Member shall submit order information in such form as may be prescribed by the Exchange in order to allow EDGX Options to properly prioritize and match orders and report resulting transactions to the Clearing Corporation.

(b) An Options Member must ensure that each options order received from a Customer for execution on EDGX Options is recorded and time-stamped immediately. The order record must be time-stamped again on execution and also at the time of any modification or cancellation of the order by the Customer. Order records relating to EDGX Options must contain the following information at a minimum:

- (1) a unique order identification;
- (2) the underlying security;
- (3) opening/closing designation;
- (4) the identity of the Clearing Member;
- (5) Options Member identification;
- (6) User Capacity;
- (7) identity of the individual/terminal completing the order ticket;
- (8) customer identification;
- (9) account identification;
- (10) buy/sell;
- (11) contract volume;

- (12) contract month;
- (13) exercise price;
- (14) put/call;
- (15) price or price limit, price range or strategy price;
- (16) special instructions (e.g., GTC); and
- (17) such other information as may be required by EDGX Options.

(c) An Options Member that employs an electronic system for order routing or order management which complies with EDGX Options requirements will be deemed to be complying with the requirements of this Rule if the required information is recorded in electronic form rather than in written form.

(d) In addition to any related requirement under applicable securities laws, information recorded pursuant to this Rule must be retained by Options Members for a period of no less than three (3) years after the date of the transaction.

[Amended September 3, 2019 (SR-CboeEDGX-2019-046)]

Rule 20.8. Failure to Pay Premium

(a) When the Clearing Corporation shall reject an EDGX Options Transaction because of the failure of the Clearing Member acting on behalf of the purchaser to pay the aggregate premiums due thereon as required by the Rules of the Clearing Corporation, the Options Member acting as or on behalf of the writer shall have the right either to cancel the transaction by giving notice thereof to the Clearing Member or to enter into a closing writing transaction in respect of the same options contract that was the subject of the rejected EDGX Options Transaction for the account of the defaulting Clearing Member.

(b) Such action shall be taken as soon as possible, and in any event not later than 10:00 A.M. Eastern Time on the business day following the day the EDGX Options Transaction was rejected by the Clearing Corporation.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

CHAPTER XXI. TRADING SYSTEMS

Rule 21.1. Definitions

The following definitions apply to Chapter XXI for the trading of options listed on EDGX Options.

(a) The term “System” shall mean the automated system for order execution and trade reporting owned and operated by the Exchange. The System comprises:

(1) an order execution service that enables Users to automatically execute transactions in System Securities; and provides Users with sufficient monitoring and updating capability to participate in an automated execution environment;

(2) a trade reporting service that submits “locked-in” trades for clearing to a registered clearing agency for clearance and settlement; transmits last-sale reports of transactions automatically to the Options Price Reporting Authority for dissemination to the public and industry, and provides participants with monitoring and risk management capabilities to facilitate participation in a “locked-in” trading environment; and

(3) a data feed(s) that can be used to display with or without attribution as set forth in paragraph (c) below, Displayed Orders on both the bid and offer side of the market for price levels then within EDGX Options using the minimum price variation applicable to that security.

(b) The term “System Securities” shall mean all options that are currently trading on EDGX Options pursuant to Chapter XIX above.

(c) The term “Order” shall mean a single order (including a bulk message) submitted to the System by a User and shall include both Attributable and Non-Attributable Orders, as defined below. The System shall treat all Orders (including bulk messages) as Non-Attributable Orders unless a User has entered instructions to treat such Orders as Attributable Orders.

(1) “Attributable Orders” are orders that are designated for display (price and size) including the User’s executing firm ID (“EFID”) or other unique identifier;

(2) “Non-Attributable Orders” are orders that are designated for display (price and size) on an anonymous basis by the Exchange.

(d) The term “Order Type” shall mean the unique processing prescribed for designated orders, subject to the restrictions set forth in paragraph (j) below with respect to orders and bulk messages submitted through bulk ports, that are eligible for entry into the System. Unless otherwise specified in the Rules or the context indicates otherwise, the Exchange determines which of the following Order Types are available on a class, system, or trading session basis. Rule 21.20 sets forth the Order Types the Exchange may make available for complex orders.

(1) “Reserve Orders” are limit orders that have both a portion of the quantity displayed (“Display Quantity”) and a reserve portion of the quantity (“Reserve Quantity”) not displayed. Both the Display Quantity and Reserve Quantity of the Reserve Order are

available for potential execution against incoming orders. When entering a Reserve Order, a User must instruct the Exchange as to the quantity of the order to be initially displayed by the System (“Max Floor”). If the Display Quantity of a Reserve Order is fully executed, the System will, in accordance with the User’s instruction, replenish the Display Quantity from the Reserve Quantity using one of the below replenishment instructions. If the remainder of an order is less than the replenishment amount, the System will display the entire remainder of the order. The System creates a new timestamp for both the Display Quantity and Reserve Quantity of the order each time it is replenished from reserve. Users may not designate bulk messages as Reserve Orders.

(A) Random Replenishment. An instruction that a User may attach to an order with Reserve Quantity where the System randomly replenishes the Display Quantity for the order with a number of contracts not outside a replenishment range, which equals the Max Floor plus and minus a replenishment value established by the User when entering a Reserve Order with a Random Replenishment instruction.

(B) Fixed Replenishment. For any order that a User does not select Random Replenishment, the System will replenish the Display Quantity of the order with the number of contracts equal to the Max Floor.

(2) “Limit Orders” are orders (including bulk messages) to buy or sell an option at a specified price or better. A limit order is marketable when, for a limit order to buy, at the time it is entered into the System, the order is priced at the current inside offer or higher, or for a limit order to sell, at the time it is entered into the System, the order is priced at the inside bid or lower.

(3) “Minimum Quantity Orders” are orders that require that a specified minimum quantity of contracts be obtained, or the order is cancelled. Minimum Quantity Orders will only execute against multiple, aggregated orders if such execution would occur simultaneously. The Exchange will only honor a specified minimum quantity on a Book Only Order entered with a time-in-force designation of Immediate or Cancel and will disregard a minimum quantity on any other order. Users may not designate bulk messages as Minimum Quantity Orders.

(4) “All-or-None orders” or “AON orders” are orders to be executed in their entirety or not at all. AON orders may be market or limit orders. Users may not designate an AON order as All Sessions. Users may not designate bulk messages as AON orders.

(A) The Exchange does not disseminate bids or offers of AON orders to OPRA.

(B) A User may not designate an AON order as Post Only.

(C) An AON limit order is always subject to the Price Adjust process as set forth in paragraph (i) below.

(D) A User may apply MCN (as defined in subparagraph (g)(1) below), but no other MTP Modifiers (if a User applies any other MTP Modifier to an AON order, the System handles it as an MCN), to an AON order.

(E) The Exchange may restrict the entry of AON orders in a series or class if the Exchange deems it necessary or appropriate to maintain a fair and orderly market.

(5) “Market Orders” are orders to buy or sell at the best price available at the time of execution. Market Orders to buy or sell an option traded on EDGX Options will be rejected if they are received when the underlying security is subject to a “Limit State” or “Straddle State” as defined in the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act (the “Limit Up-Limit Down Plan”). Users may not designate a market order as All Sessions. Bulk messages may not be Market Orders.

(6) (Reserved.)

(7) “Book Only Orders” are orders that are to be ranked and executed on the Exchange pursuant to Rule 21.8 (Order Display and Book Processing) or cancelled, as appropriate, without routing away to another options exchange. A Book Only Order will be subject to the Price Adjust process set forth in paragraph (i) below unless a User has entered instructions not to use such process. Users may designate bulk messages as Book Only as set forth in paragraph (j) below.

(8) “Post Only Orders” are orders that are to be ranked and executed on the Exchange pursuant to Rule 21.8 (Order Display and Book Processing) or cancelled, as appropriate, without routing away to another options exchange except that the order will not remove liquidity from the EDGX Options Book. A Post Only Order that is not subject to the Price Adjust process that would lock or cross a Protected Quotation of another options exchange or the Exchange will be cancelled. Users may designate bulk messages as Post Only as set forth in paragraph (j) below.

(9) “Intermarket Sweep Orders” or “ISO” are orders that shall have the meaning provided in Rule 27.1 (Definitions). Such orders may be executed at one or multiple price levels in the System without regard to Protected Quotations at other options exchanges (i.e., may trade through such quotations). The Exchange relies on the marking of an order by a User as an ISO order when handling such order, and thus, it is the entering Member’s responsibility, not the Exchange’s responsibility, to comply with the requirements relating to ISOs. ISOs are not eligible for routing pursuant to Rule 21.9 (Order Routing). Users may not designate bulk messages as ISOs.

(10) A “Qualified Contingent Cross Order” or “QCC Order” is comprised of an originating order to buy or sell at least 1,000 standard option contracts (or 10,000 mini-option contracts) that is identified as being part of a qualified contingent trade, as that term is defined in subparagraph (A) below, coupled with a contra-side order or orders totaling an equal number of contracts. If a QCC Order has more than one option leg (a

“Complex QCC Order”), each option leg must have at least 1,000 standard option contracts (or 10,000 mini-option contracts). See Rule 21.20 for a definition of a QCC with Stock Order. For purposes of this order type:

(A) A “qualified contingent trade” is a transaction consisting of two or more component orders, executed as agent or principal, where:

(i) at least one component is an NMS stock, as defined in Rule 600 of Regulation NMS under the Act;

(ii) all components are effected with a product or price contingency that either has been agreed to by all the respective counterparties or arranged for by a broker-dealer as principal or agent;

(iii) the execution of one component is contingent upon the execution of all other components at or near the same time;

(iv) the specific relationship between the component orders (e.g., the spread between the prices of the component orders) is determined by the time the contingent order is placed;

(v) the component orders bear a derivative relationship to one another, represent different classes of shares of the same issuer, or involve the securities of participants in mergers or with intentions to merge that have been announced or cancelled; and

(vi) the transaction is fully hedged (without regard to any prior existing position) as a result of other components of the contingent trade.

(B) QCC Orders with one option leg may execute automatically on entry without exposure if the execution: (i) is not at the same price as a Priority Customer Order resting in the EDGX Options Book; and (ii) is at or between the NBBO. Rule 22.12, related to exposure of orders on EDGX Options, does not apply to QCC Orders (including Complex QCC Orders).

(C) Complex QCC Orders may execute automatically on entry without exposure if: (i) no option leg executes at a price of zero or at the same price as a Priority Customer Order in the Simple Book; (ii) each option leg executes at a price at or between the NBBO for the applicable series; and (iii) the execution price is better than the price of any complex order resting in the COB, unless the Complex QCC Order is a Priority Customer Order and the resting complex order is a non-Priority Customer Order, in which case the execution price may be the same as or better than the price of the resting complex order.

(D) QCC Orders (including Complex QCC Orders) will be cancelled if they cannot be executed.

(E) QCC Orders with one option leg may only be entered in the standard increments applicable to the options class under Rule 21.5, and Complex QCC Orders may be entered in the increments applicable to complex orders set forth in Rule 21.20(f)(1).

(F) Users may not submit bulk messages as QCC Orders.

(11) Stop Order. A Stop Order is an order that becomes a Market Order when the stop price is elected. A Stop Order to buy is elected when the consolidated last sale in the option occurs at or above, or the NBB is equal to or higher than, the specified stop price. A Stop Order to sell is elected when the consolidated last sale in the option occurs at or below, or the NBO is equal to or lower than, the specified stop price. A Stop Order will not be elected if the underlying security is in a “Limit State” as defined in the Limit Up-Limit Down Plan. Such order will be held until the end of the Limit State, at which point the order will again become eligible to be elected. Users may not designate a Stop Order as All Sessions. Users may not designate bulk messages as Stop Orders.

(12) Stop Limit Order. A Stop Limit Order is an order that becomes a limit order when the stop price is elected. A Stop Limit Order to buy is elected and becomes a buy limit order when the consolidated last sale in the option occurs at or above, or the NBB is equal to or higher than, the specified stop price. A Stop Limit Order to sell is elected and becomes a sell limit order when the consolidated last sale in the option occurs at or below, or the NBO is equal to or lower than, the specified stop price. Users may not designate a Stop Limit order as All Sessions. Users may not designate bulk messages as Stop Limit Orders.

(13) An “All Sessions” order is an order a User designates as eligible to trade during both GTH and RTH. An unexecuted All Sessions order on the GTH Book at the end of a GTH trading session enters the RTH Queuing Book and becomes eligible for execution during the RTH opening rotation and trading session on that same trading day, subject to a User’s instructions.

(14) An “RTH Only” order is an order a User designates as eligible to trade only during RTH or not designated as All Sessions. An unexecuted RTH Only order with a Time-in-Force of GTC or GTD on the RTH Book at the end of an RTH trading session enters the RTH Queuing Book and becomes eligible for execution during the RTH opening rotation and trading session on the following trading day (but not during the GTH trading session on the following trading day), subject to a User’s instructions.

(e) The term “Order Size” shall mean the number of contracts up to 999,999 associated with the Order.

(f) The term “Time in Force” means the period of time that the System will hold an order, subject to the restrictions set forth in paragraph (j) below with respect to bulk messages submitted through bulk ports, for potential execution. Unless otherwise specified in the Rules or the context indicates otherwise, the Exchange determines which of the following Times-in-Force

are available on a class, system, or trading session basis. Rule 21.20 sets forth the Times-in-Force the Exchange may make available for complex orders.

(1) “Good Til Date or “GTD” shall mean, for orders so designated, that if after entry into the System, the order is not fully executed, the order (or the unexecuted portion thereof) shall remain available for potential display and/or execution for the amount of time specified by the entering User unless canceled by the entering party. Users may not designate bulk messages as GTD.

(2) “Immediate Or Cancel” or “IOC” shall mean, for an order so designated, a limit order that is to be executed in whole or in part as soon as such order is received. The portion not so executed immediately on the Exchange or another options exchange is cancelled and is not posted to the EDGX Options Book. IOC limit orders that are not designated as Book Only Orders and that cannot be executed in accordance with Rule 21.8 on the System when reaching the Exchange will be eligible for routing away pursuant to Rule 21.9. Users may not designate bulk messages as IOC.

(3) “DAY” shall mean, for an order so designated, a limit order to buy or sell which, if not executed expires at the RTH market close. All bulk messages have a Time in Force of DAY, as set forth in paragraph (j) below.

(4) “Good Til Cancelled” or “GTC” shall mean, for an order so designated, that if after entry into the System, the order is not fully executed, the order (or the unexecuted portion thereof) shall remain available for potential display and/or execution unless cancelled by the entering party, or until the option expires, whichever comes first. Users may not designate bulk messages as GTC.

(5) “Fill-or-Kill” or “FOK”. A limit order that is to be executed in its entirety as soon as it is received and, if not so executed, cancelled. A limit order designated as FOK is not eligible for routing away pursuant to Rule 21.9. Users may not designate bulk messages as FOK.

(6) “At the Open” or “OPG” shall mean, for an order so designated, an order that shall only participate in the opening process on the Exchange. An OPG order not executed in the opening process will be cancelled. Users may not designate bulk messages as OPG.

(7) “Limit-on-Close” or “LOC” shall mean, for an order so designated, a limit order that may not execute on the Exchange until three minutes prior to RTH market close. At that time, the System enters LOC orders into the Book in time sequence (based on the times at which the System initially received them), where they may be processed in accordance with Rule 21.8. The System cancels an LOC order (or unexecuted portion) that does not execute by the RTH market close. Users may not designate an LOC order as All Sessions. Users may not designate bulk messages as an LOC.

(8) “Market-on-Close” or “MOC” shall mean, for an order so designated, a market order that may not execute on the Exchange until three minutes prior to RTH market close. At that time, the System enters MOC orders into the Book in time sequence

(based on the times at which the System initially received them), where they may be processed in accordance with Rule 21.8. The System cancels an MOC order (or unexecuted portion) that does not execute by the RTH market close. A MOC order will not be elected if the underlying security is in a "Limit State" or "Straddle State", as defined in the Limit Up-Limit Down Plan, three minutes prior to the RTH market close. If the underlying security exits the Limit State or Straddle State prior to the RTH market close, the System will attempt to re-evaluate, elect, and execute the order. Users may not designate an MOC order as All Sessions. Users may not designate bulk messages as an MOC.

(g) Match Trade Prevention ("MTP") Modifiers. Any incoming order designated with an MTP modifier will be prevented from executing against a resting opposite side order also designated with an MTP modifier and originating from the same executing firm ID ("EFID"), Exchange Member identifier, trading group identifier, or Exchange Sponsored Participant identifier (any such identifier, a "Unique Identifier"). Subject to the exception contained in paragraph (3) below, the MTP modifier on the incoming order controls the interaction between two orders marked with MTP modifiers. Subject to the restrictions set forth in paragraph (j) below with respect to bulk messages submitted through bulk ports, orders may contain the following MTP modifiers:

(1) MTP Cancel Newest ("MCN"). An incoming order marked with the "MCN" modifier will not execute against opposite side resting interest marked with any MTP modifier originating from the same Unique Identifier. The incoming order marked with the MCN modifier will be cancelled back to the originating User(s). The resting order marked with an MTP modifier will remain on the EDGX Options Book. Users may designate bulk messages as MCN, as set forth in paragraph (j) below.

(2) MTP Cancel Oldest ("MCO"). An incoming order marked with the "MCO" modifier will not execute against opposite side resting interest marked with any MTP modifier originating from the same Unique Identifier. The resting order marked with the MTP modifier will be cancelled back to the originating User(s). The incoming order marked with the MCO modifier will remain on the EDGX Options Book. Users may designate bulk messages as MCO, as set forth in paragraph (j) below.

(3) MTP Decrement and Cancel ("MDC"). An incoming order marked with the "MDC" modifier will not execute against opposite side resting interest marked with any MTP modifier originating from the same Unique Identifier. If both orders are equivalent in size, both orders will be cancelled back to the originating User(s). If the orders are not equivalent in size, the equivalent size will be cancelled back to the originating User(s) and the larger order will be decremented by the size of the smaller order, with the balance remaining on the EDGX Options Book. Notwithstanding the foregoing, unless a User instructs the Exchange not to do so, both orders will be cancelled back to the originating User(s) if the resting order is marked with any MTP modifier other than MDC and the incoming order is smaller in size than the resting order. Users may not designate bulk messages as MCD.

(4) MTP Cancel Both (“MCB”). An incoming order marked with the “MCB” modifier will not execute against opposite side resting interest marked with any MTP modifier originating from the same Unique Identifier. The entire size of both orders will be cancelled back to the originating User(s). Users may designate bulk messages as MCB, as set forth in paragraph (j) below.

(5) MTP Cancel Smallest (“MCS”). An incoming order marked with the “MCS” modifier will not execute against opposite side resting interest marked with any MTP modifier originating from the same Unique Identifier. If both orders are equivalent in size, both orders will be cancelled back to the originating User(s). If the orders are not equivalent in size, the smaller of the two orders will be cancelled back to the originating User and the larger order will remain on the EDGX Options Book. Users may not designate bulk messages as MCS.

(h) (Reserved.)

(i) Price Adjust.

(1) Unless a User enters instructions for an order (including bulk messages) to not be subject to the Price Adjust process in this paragraph (i), the System may adjust the price of an order as follows (“Price Adjust”):

(A) Incoming Non-AON Orders. If a buy (sell) non-AON order at the time of entry, would lock or cross:

(i) a Protected Quotation of another options exchange or the Exchange, the System ranks and displays the order at one minimum price variation below (above) the current NBO (NBB); or

(ii) the offer (bid) of a sell (buy) AON order resting on the EDGX Options Book at or better than the Exchange’s best offer (bid), the System ranks the resting AON order one minimum price variation above (below) the bid (offer) of the non-AON order.

(B) Incoming AON Orders. If a buy (sell) AON order, at the time of entry, would:

(i) cross a Protected Offer (Bid) of another options exchange or a sell (buy) AON order resting on the EDGX Options Book at or better than the Exchange’s best offer (bid), the System ranks the incoming AON order at a price equal to the Protected Offer (Bid) or the offer (bid) of the resting AON order, respectively; or

(ii) lock or cross a Protected Offer (Bid) of the Exchange, the System ranks the incoming AON order at a price

one minimum price variation below (above) the Protected Offer (Bid).

(2) In the event the circumstances that caused the System to adjust the price of an order pursuant to subparagraph (1) change so that it would not lock or cross, as applicable, a Protected Quotation or an AON resting on the EDGX Options Book at a price at or better than the Exchange's BBO, the order subject to the Price Adjust will receive a new timestamp. Such order will be ranked or displayed at a price that locks or is one minimum price variation away from the new Protected Quotation or AON resting on the EDGX Options Book at or better than the Exchange's BBO. All orders that are re-ranked and re-displayed (if applicable) pursuant to Price Adjust will retain their priority as compared to other orders subject to Price Adjust based upon the time such orders were initially received by the Exchange. Following the initial ranking and display (if applicable) of an order subject to Price Adjust, an order will only be re-ranked and re-displayed (if applicable) to the extent it achieves a more aggressive price up to its limit price.

(3) The ranked and displayed price of an order subject to Price Adjust may be adjusted once or multiple times depending upon the instructions of a User and changes to the prevailing NBBO.

(j) The term "port" includes the following types of ports:

(1) A "physical port" provides a physical connection to the System. A physical port may provide access to multiple logical ports.

(2) A "logical port" or "logical session" provides Users with the ability within the System to accomplish a specific function through a connection, such as order entry, data receipt, or access to information.

(3) A "bulk port" is a dedicated logical port that provides Users with the ability to submit:

(A) bulk messages, subject to the following:

(i) a bulk message has a Time-in-Force of Day;

(ii) a Market-Maker with an appointment in a class may designate a bulk message for that class as Post Only or Book Only, and a non-appointed Market-Maker must designate a bulk message for that class as Post Only; and

(iii) a Market-Maker may establish a default MTP Modifier of MCN, MCO, or MCB, and a default value of Attributable or Non-Attributable, for a bulk port, each of which applies to all bulk messages submitted to the Exchange through that bulk port;

(iv) the System cancels or rejects a Book Only bulk message bid (offer) (or unexecuted portion) submitted by a Market-Maker with an appointment in the class through a bulk port if it would execute against a resting offer (bid) with a Capacity of M;

(B) single orders in the same manner as Users may submit orders to the Exchange through any other type of port, including designated with any Order Type and any Time-in-Force in Rule 21.1(d) and (f), respectively, except:

(i) a Market-Maker with an appointment in a class may designate an order for that class submitted through a bulk port only as Post Only or Book Only, and other Users must designate an order for that class submitted through a bulk port as Post Only; and

(ii) the System cancels or rejects a Book Only order bid (offer) (or unexecuted portion) submitted by a Market-Maker with an appointment in the class through a bulk port if it would execute against a resting offer (bid) with a Capacity of M; and

(C) auction responses (using auction response messages) in the same manner as Users may submit auction responses to the Exchange through any other type of port.

(k) The term “EFIDs” means Executing Firm IDs and shall refer to what the System uses to identify the Member and the clearing number for the execution of orders and quotes submitted to the System with that EFID. A Member may obtain one or more EFIDs from the Exchange (in a form and manner determined by the Exchange). The Exchange assigns an EFID to its Members.

(1) Each EFID corresponds to a single Member and a single clearing number of a Clearing Member with the Clearing Corporation.

(2) A Member may obtain multiple EFIDs, which may be for the same or different clearing numbers. A Member may only identify for any of its EFIDs the clearing number of a Clearing Member that is a Designated Give Up or Guarantor of the Member as set forth in Rule 21.12.

(3) A Member is able (in a form and manner determined by the Exchange) to designate which of its EFIDs may be used for each of its ports. If a Member submits an order or quote through a port with an EFID not enabled for that port, the System cancels or rejects the order or quote.

(l) Cancel Back Order. A Cancel Back order (including bulk messages) is an order a User designates to not be subject to the Price Adjust Process pursuant to Rule 21.1(i) that the System cancels or rejects (immediately at the time the System receives the order or upon return to the System after being routed away) if displaying the order on the Book would create a violation of Rule 27.3, or if the order cannot otherwise be executed or displayed in the Book at its limit

price. The System executes a Book Only – Cancel Back order against resting orders, and cancels or rejects a Post Only – Cancel Back order, that locks or crosses the opposite side of the BBO.

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended January 21, 2016 (SR-EDGX-2016-01); amended March 24, 2016 (SR-BatsEDGX-2016-03); amended May 3, 2016 (SR-BatsEDGX-2016-17); amended July 11, 2016 (SR-BatsEDGX-2016-29); amended March 1, 2017 (SR-BatsEDGX-2017-11); amended October 17, 2017 (SR-BatsEDGX-2017-29); amended November 9, 2017 (SR-BatsEDGX-2017-39); amended December 21, 2017 (SR-CboeEDGX-2017-009); amended January 25, 2018 (SR-CboeEDGX-2018-003); amended March 11, 2018 (SR-CboeEDGX-2018-005); amended March 30, 2018 (SR-CboeEDGX-2018-006); amended August 24, 2018 (SR-CboeEDGX-2018-038); amended November 5, 2018 (SR-CboeEDGX-2018-051); amended November 30, 2018 (SR-CboeEDGX-2018-058); amended December 21, 2018 (SR-CboeEDGX-2018-060); amended March 14, 2019 (SR-CboeEDGX-2019-005); amended May 2, 2019 (SR-CboeEDGX-2019-017); amended May 8, 2019 (SR-CboeEDGX-2019-021); amended May 17, 2019 (SR-CboeEDGX-2019-024); amended May 26, 2019 (SR-CboeEDGX-2019-027); amended June 21, 2019 (SR-CboeEDGX-2019-032); amended June 22, 2019 (SR-CboeEDGX-2019-034); amended June 28, 2019 (SR-CboeEDGX-2019-035); amended July 29, 2019 (SR-CboeEDGX-2019-039); amended April 24, 2020 (SR-CboeEDGX-2020-018)]

Rule 21.2. Days and Hours of Business

(a) *Acceptance of Orders and Quotes.* The System accepts orders and quotes at the times set forth in Rule 21.6.

(b) *Regular Trading Hours.*

(1) *Equity Options.* Except as otherwise set forth in the Rules or under unusual conditions as may be determined by the Exchange, Regular Trading Hours for transactions in equity options (including options on individual stocks, Fund Shares, Index-Linked Securities, and other securities) are the normal business days and hours set forth in the rules of the primary market currently trading the securities underlying the options except for option contracts on Fund Shares and Index-Linked Securities the Exchange designates to remain open for trading beyond 4:00 p.m. but no later than 4:15 p.m.

(2) *Index Options.* Except as otherwise set forth in the Rules or under unusual conditions as may be determined by the Exchange, Regular Trading Hours for transactions in index options are from 9:30 a.m. to 4:15 p.m., except for index options the Exchange designates to remain open for trading until 4:00 p.m.

(A) On their last trading day, Regular Trading Hours for the following options are from 9:30 a.m. to 4:00 p.m.:

Index Options with Nonstandard Expirations (*i.e.*, Weeklys and EOMs) and Quarterly Expirations (*i.e.*, QIXs)

XSP options (p.m.-settled)

(B) The Exchange determines the trading hours for options on foreign indexes.

(c) *Global Trading Hours.* Except under unusual conditions as may be determined by the Exchange, Global Trading Hours are from 8:30 a.m. to 9:15 a.m. on Monday through Friday.

(1) *Classes.* The Exchange may designate as eligible for trading during Global Trading Hours any exclusively listed index option designated for trading under Chapter XXIX. Currently, XSP options are approved for trading during Global Trading Hours.

(2) *Series.* The Exchange may list for trading during Global Trading Hours any series in eligible classes that it may list pursuant to Rule 19.6. Any series in eligible classes that are expected to be open for trading during Regular Trading Hours will be open for trading during Global Trading Hours on that same trading day (subject to Rule 21.7).

(3) *Index Values.* No current index value underlying an index option trading during Global Trading Hours is disseminated during or at the close of that trading session.

(d) *Holidays.* The Exchange is not open for business on New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, or Christmas Day. When any holiday observed by the Exchange falls on a Saturday, the Exchange is not open for business on the preceding Friday, and when any holiday observed by the Exchange falls on a Sunday, the Exchange is not open for business on the following Monday, unless unusual business conditions exist at the time.

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended November 27, 2015 (SR-EDGX-2015-50); amended May 26, 2019 (SR-CboeEDGX-2019-027)]

Rule 21.3. Units of Trading

The unit of trading in each series of options traded on EDGX Options shall be the unit of trading established for that series by the Clearing Corporation pursuant to the Rules of the Clearing Corporation and the agreements of the Exchange with the Clearing Corporation.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 21.4. Meaning of Premium Quotes and Orders

(a) General.

Except as provided in paragraph (b), orders shall be expressed in terms of dollars per unit of the underlying security. For example, a bid of "5" shall represent a bid of \$500 for an options contract having a unit of trading consisting of 100 shares of an underlying security, or a bid of \$550 for an options contract having a unit of trading consisting of 110 shares of an underlying security.

(1) Mini Options. Bids and offers for an option contract overlying 10 shares shall be expressed in terms of dollars per 1/10th part of the total value of the contract. An offer of “.50” shall represent an offer of \$5.00 on an option contract having a unit of trading consisting of 10 shares.

(b) Special Cases.

Orders for an options contract for which EDGX Options has established an adjusted unit of trading in accordance with Rule 21.3 (Units of Trading) shall be expressed in terms of dollars per 1/100 part of the total securities and/or other property constituting such adjusted unit of trading. For example, an offer of “3” shall represent an offer of \$300 for an options contract having a unit of trading consisting of 100 shares of an underlying security plus ten (10) rights.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 21.5. Minimum Increments

(a) The Board may establish minimum quoting increments for options contracts traded on EDGX Options. Such minimum increments established by the Board will be designated as a stated policy, practice, or interpretation with respect to the administration of this Rule within the meaning of Section 19 of the Exchange Act and will be filed with the SEC as a rule change for effectiveness upon filing. Until such time as the Board makes a change in the increments, the following principles shall apply: (1) if the options series is trading at less than \$3.00, five (5) cents; (2) if the options series is trading at \$3.00 or higher, ten (10) cents; and (3) if the options series is trading pursuant to the Penny Pilot program one (1) cent if the options series is trading at less than \$3.00, five (5) cents if the options series is trading at \$3.00 or higher, unless for QQQQ, SPY, or IWM where the minimum quoting increment will be one cent for all series regardless of price.

(b) The minimum trading increment for options contracts traded on EDGX Options will be one (1) cent for all series.

(c) Mini Options. Notwithstanding any other provision of this Rule 21.5, the minimum trading increment for Mini Options shall be determined in accordance with Interpretations and Policies .07 to Rule 19.6.

(d) *Complex Orders*. The minimum increment for bids and offers on complex orders is set forth in Rule 21.20(c)(1).

Interpretations and Policies

.01 The Exchange will operate a pilot program set to expire on June 30, 2020 to permit options classes to be quoted and traded in increments as low as \$.01. The Exchange will specify which options trade in such pilot, and in what increments, in Information Circulars distributed to Members and posted on the Exchange’s web site. The Exchange may replace any penny pilot issues that have been delisted with the next most actively traded multiply listed options classes that are not yet included in the penny pilot, based on trading activity in the previous six months. The replacement issues may be added to the penny pilot on the second trading day in the first month of each quarter.

.02 For so long as SPDR options (SPY) participate in the Penny Pilot Program pursuant to Interpretation and Policy .01, the minimum increment for Mini SPX Index options (XSP) will be the same as SPY for all options series (including long-term option series).

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended June 3, 2016 (SR-BatsEDGX-2016-22); amended November 30, 2016 (SR-EDGX-2016-71); amended December 30, 2017 (SR-BatsEDGX-2016-71); amended June 7, 2017 (SR-BatsEDGX-2017-28); amended December 14, 2017 (SR-CboeEDGX-2017-007); amended June 26, 2018 (SR-CboeEDGX-2018-021); amended September 27, 2018 (SR-CboeEDGX-2018-035); amended December 20, 2018 (SR-CboeEDGX-2018-061); amended March 22, 2019 (SR-CboeEDGX-2019-013); amended June 21, 2019 (SR-CboeEDGX-2019-032); amended June 30, 2019 (SR-CboeEDGX-2019-036); amended December 10, 2019 (SR-CboeEDGX-2019-074)]

Rule 21.6. Entry and Cancellation of Orders

Users can enter orders into the System, subject to the following requirements and conditions:

(a) Users shall be permitted to transmit to the System multiple orders at a single as well as multiple price levels. However, a User may enter only one bid and one offer for a series per EFID per bulk port. Each order will indicate the Reserve Quantity (if applicable). The System shall time-stamp an order which shall determine the time ranking of the order for purposes of processing the order.

(b) Orders can be entered into the System (or previously entered orders cancelled) from 7:30 a.m. Eastern Time until the RTH market close. Orders received prior to completion of the Exchange's Opening Auction Process will be handled in accordance with Rule 21.7 below.

(c) For each System Security, the aggregate size of all orders at the best price to buy and sell resident in the System and eligible for display will be transmitted for display to the appropriate network processor.

(d) Subject to the exceptions contained in paragraph (b) of Rule 27.2 (Order Protection), an order will not be executed at a price that trades through another options exchange. An order that is designated by an Options Member as routable will be routed in compliance with applicable Trade-Through restrictions.

(e) Any order entered with a price that would lock or cross a Protected Quotation of another options exchange that is not eligible for either routing, the Step Up Mechanism as defined in Rule 21.18, or the Price Adjust process as defined in paragraph (i) of Rule 21.1 will be cancelled.

(f) After the RTH market close, Users may cancel orders with Time-in-Force of GTC or GTD that remain on the EDGX Options Book until 4:45 p.m.

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended November 27, 2015 (SR-EDGX-2015-50); amended July 11, 2016 (SR-BatsEDGX-2016-29); amended November 5, 2018 (SR-CboeEDGX-2018-051); amended December 21, 2018 (SR-CboeEDGX-2018-060); amended May 26, 2019 (SR-CboeEDGX-2019-027)]

Rule 21.7. Opening Auction Process

(a) *Definitions.* For purposes of the opening auction process in this Rule 21.7, the following terms have the meaning below. A term defined elsewhere in the Rules has the same meaning with respect to this Rule 21.7, unless otherwise defined below.

Composite Market

The term “Composite Market” means the market for a series comprised of (1) the higher of the then-current best appointed Market-Maker bulk message bid on the Exchange and the ABB (if there is an ABB) and (2) the lower of the then-current best appointed Market-Maker bulk message offer on the Exchange and the ABO (if there is an ABO). The term “Composite Bid (Offer)” means the bid (offer) used to determine the Composite Market.

Composite Width

The term “Composite Width” means the width of the Composite Market (*i.e.*, the width between the Composite Bid and the Composite Offer) of a series.

Maximum Composite Width

The term “Maximum Composite Width” means the amount that the Composite Width of a series may generally not be greater than for the series to open (subject to certain exceptions set forth in subparagraph (e)(1)). The Exchange determines this amount on a class and Composite Bid basis, which amount the Exchange may modify during the opening auction process (which modifications the Exchange disseminates to all subscribers to the Exchange’s data feeds that deliver opening auction updates).

Opening Auction Updates

The term “opening auction updates” means Exchange-disseminated messages that contain information regarding the expected opening of a series based on orders and quotes in the Queuing Book for the applicable trading session and, if applicable, the GTH Book, including the expected opening price, the then-current cumulative size on each side at or more aggressive than the expected opening price, and whether the series would open (and any reason it would not open).

Opening Collar

The term “Opening Collar” means the price range that establishes limits at or inside of which the System determines the Opening Trade Price for a series. The Exchange determines the width of this price range on a class and Composite Bid basis, which range the Exchange may modify during the opening auction process (which modifications the Exchange disseminates to all subscribers to the Exchange’s data feeds that deliver opening auction updates).

Opening Trade Price

The term “Opening Trade Price” means the price at which the System executes opening trades in a series during the opening rotation.

Queuing Book

The term “Queuing Book” means the book into which Users may submit orders and quotes (and onto which GTC and GTD orders remaining on the Book from the previous trading session or trading day, as applicable, are entered) during the Queuing Period for participation in the applicable opening rotation. Orders and quotes on the Queuing Book may not execute until the opening rotation. The Queuing Book for the GTH opening auction process may be referred to as the “GTH Queuing Book,” and the Queuing Book for the RTH opening auction process may be referred to as the “RTH Queuing Book.”

Queuing Period

The term “Queuing Period” means the time period prior to the initiation of an opening rotation during which the System accepts orders and quotes in the Queuing Book for participation in the opening rotation for the applicable trading session.

(b) *Queuing Period.*

(1) *Time.* The Queuing Period begins at 7:30 a.m. Eastern Time for all classes.

(2) *Orders and Quotes.* Orders and quotes on the Queuing Book are not eligible for execution until the opening rotation pursuant to paragraph (e) below. During the Queuing Period, the System accepts all orders and quotes that are available for a class and trading session pursuant to Rule 21.8, and they are all eligible for execution during the opening rotation, except as follows:

(A) the System rejects IOC and FOK orders during the Queuing Period;

(B) the System accepts orders and quotes with MTP Modifiers during the Queuing Period, but does not enforce them during the opening rotation;

(C) the System accepts all-or-none, stop, and stop-limit orders during the Queuing Period, but they do not participate in the opening rotation. The System enters any of these orders it receives during the Queuing Period into the Book following completion of the opening rotation (in time priority);

(D) the System converts all ISOs received prior to the completion of the opening rotation into non-ISOs; and

(E) complex orders do not participate in the opening auction process described in this Rule 21.7 and instead may participate in the COB Opening Process pursuant to Rule 21.20(c)(2)(A).

(c) *Opening Auction Updates.* Beginning at a time (determined by the Exchange) no earlier than one hour prior to the expected initiation of the opening rotation for a trading session and until the conclusion of the opening rotation for a series, the Exchange disseminates opening auction updates for the series. The Exchange disseminates opening auction updates at regular intervals of time (the length of which the Exchange determines for each trading session), or less

frequently if there are no updates to the opening information since the previously disseminated update, to all subscribers to the Exchange's data feeds that deliver these messages until a series opens.

(d) **Opening Rotation Triggers.** Upon the occurrence of one of the following triggers for a class, the System initiates the opening rotation for the series in that class, and the Exchange disseminates a message to market participants indicating the initiation of the opening rotation.

(1) *Regular Trading Hours.* The System initiates the opening rotation as follows:

(A) *Equity Options.* For equity options, the System initiates the opening rotation after a time period (which the Exchange determines for all classes) upon the earlier of:

(i) the passage of two minutes (or such shorter time as determined by the Exchange) after the System's observation after 9:30 a.m. of either the first disseminated transaction or the first disseminated quote on the primary listing market in the security underlying an equity option; or

(ii) the System's observation after 9:30 a.m. of both the first disseminated transaction and the first disseminated quote on the primary listing market in the security underlying an equity option; or

(B) *Index Options.* For index options, the System initiates the opening rotation after a time period (which the Exchange determines for all classes) following the System's observation after 9:30 a.m. of the first disseminated index value for the index underlying an index option.

(2) *Global Trading Hours.* At 8:30 a.m., the System initiates the opening rotation

(e) *Opening Rotation.* After the System initiates the opening rotation for a series pursuant to paragraph (d) above, the System conducts the opening rotation as follows.

(1) *Maximum Composite Width Check.*

(A) If the Composite Market of a series is not crossed, and the Composite Width of the series is less than or equal to the Maximum Composite Width, the series is eligible to open (and the System determines the Opening Trade Price pursuant to subparagraph (2) below).

(B) If the Composite Market of a series is not crossed, and the Composite Width of the series is greater than the Maximum Composite Width, but there are (i) no non-M Capacity (a) market orders or (b) buy (sell) limit orders with prices higher (lower) than the Composite Market midpoint and (ii) no orders or

quotes marketable against each other, the series is eligible to open (and the System determines the Opening Trade Price pursuant to subparagraph (2) below).

(C) If the conditions in neither subparagraph (A) nor (B) are satisfied for a series, the series is ineligible to open. The Queuing Period for the series continues (including the dissemination of opening auction updates) until one of the conditions in subparagraph (A) or (B) for the series is satisfied, or the Exchange opens the series pursuant to paragraph (h).

(2) *Opening Trade Price Determination.* After a series satisfies the Maximum Composite Width Check in subparagraph (1), if there are orders and quotes marketable against each other at a price not outside the Opening Collar, the System determines the Opening Trade Price for the series. If there are no such orders or quotes, there is no Opening Trade Price. The Opening Trade Price is the volume-maximizing, imbalance minimizing price ("VMIM price") that is not outside the Opening Collar. The VMIM price is:

(A) the price at which the largest number of contracts can execute (i.e., the volume-maximizing price);

(B) if there are multiple volume-maximizing prices, the price at which the fewest number of contracts remain unexecuted (i.e., the imbalance-minimizing price); or

(C) if there are multiple volume-maximizing, imbalance-minimizing prices, (i) the highest (lowest) price, if there is a buy (sell) imbalance, or (ii) the price at or nearest to the midpoint of the Opening Collar, if there is no imbalance.

(3) *Opening of a Series.*

(A) *Opening Trade.* If the System establishes an Opening Trade Price, the System executes orders and quotes in the Queuing Book at the Opening Trade Price.

(i) The System prioritizes orders and quotes in the following order: market orders, limit orders and quotes with prices better than the Opening Trade Price, and orders and quotes at the Opening Trade Price.

(ii) The System allocates orders and quotes at the same price pursuant to the allocation algorithm that applies to a class intraday (in accordance with Rule 21.8), unless the Exchange determines to apply a different allocation algorithm from Rule 21.8 to a class during the opening rotation.

(B) *No Opening Trade.* If there is no Opening Trade Price, the System opens a series without a trade.

(f) *Unexecuted Orders and Quotes.* Following the conclusion of the opening rotation, the System enters any unexecuted orders and quotes (or remaining portions) from the Queuing Book into the EDGX Options Book in time sequence (subject to a User's instructions), where they may be processed in accordance with Rule 21.8. The System cancels any unexecuted OPG orders (or remaining portions) following the conclusion of the opening rotation.

(g) *Opening Auction Process Following Trading Halts.* The Exchange opens series using the same opening auction process described in this Rule following a trading halt in the class declared by the Exchange pursuant to Rule 20.3, except:

(1) *Queuing Period.* The Queuing Period begins immediately when the Exchange halts trading in the class.

(2) *Open Orders.* If a User has orders or quotes resting on the Book at the time of a trading halt, the System queues those orders and quotes in the Queuing Book for participation in the opening rotation following the trading halt, unless the User entered instructions to cancel its resting orders and quotes.

(3) *Opening Time.* The System initiates the opening rotation for a class upon the Exchange's determination to resume trading pursuant to Rule 20.4.

(h) *Deviation from Standard Opening Auction Process.* The Exchange may deviate from the standard manner of the opening auction process described in this Rule 21.7, including adjusting the timing of the opening rotation in any option class, modifying any time periods described in this Rule 6.11, and delaying or compelling the opening of a series if the opening width is wider than the Maximum Width, when it believes it is necessary in the interests of a fair and orderly market. The Exchange makes and maintains records to document all determinations to deviate from the standard manner of the opening auction process, and periodically reviews these determinations for consistency with the interests of a fair and orderly market.

(i) *Limit Up-Limit Down States.* If the underlying security for a class is in a limit up-limit down state when the opening rotation begins for that class, then the System cancels or rejects all market orders. In addition, if the opening rotation has already begun for a class when a limit up-limit down state initiates for the underlying security of that class, market and limit orders will continue through the end of the opening rotation.

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended November 27, 2015 (SR-EDGX-2015-50); amended September 27, 2018 (SR-CboeEDGX-2018-035); amended May 2, 2019 (SR-CboeEDGX-2019-017); amended May 26, 2019 (SR-CboeEDGX-2019-027); amended June 21, 2019 (SR-CboeEDGX-2019-033); amended June 24, 2019 (SR-CboeEDGX-2019-040); amended December 4, 2019 (SR-CboeEDGX-2019-072); amended December 23, 2019 (SR-CboeEDGX-2019-077)]

Rule 21.8. Order Display and Book Processing

(a) *Acceptance of Quotes and Orders.* All bids or offers made and accepted on EDGX Options in accordance with the Rules shall constitute binding contracts, subject to applicable requirements of the Exchange Rules and the Rules of the Clearing Corporation.

(b) Priority on the Exchange. The highest bid and lowest offer shall have priority on the Exchange.

(c) Pro-Rata Allocation. As set forth in paragraph (b) above, resting quotes and orders on the EDGX Options Book are prioritized according to price. If there are two or more quotes or orders at the best price then the contracts are allocated proportionally according to size (in a pro-rata fashion). The executable quantity is allocated to the nearest whole number, with fractions 1/2 or greater rounded up and fractions less than 1/2 rounded down. If the executable quantity cannot be evenly allocated, contracts will be distributed using the pro-rata priority methodology described in this Rule 21.8 until there are no contracts remaining.

(d) Additional Priority Overlays Applicable to the Pro-Rata Allocation Method. In connection with the allocation methodology set forth in paragraph (c) above, the Exchange may apply, on a class-by-class basis, one or more of the following designated market participant overlay priorities in a sequence determined by the Exchange. The Exchange will issue a notice to Options Members which will specify which classes of options are initially subject to these additional priority overlays and will provide such Options Members with reasonable advance notice of any changes to the application of such overlays.

(1) Priority Customer Orders. When this priority overlay (the “Customer Overlay”) is in effect, the highest bid and lowest offer shall have priority except that Priority Customer Orders shall have priority over orders on behalf of all other types of participants (“non-Customers”) at the same price. If there are two or more Priority Customer Orders for the same options series at the same price, priority shall be afforded to such Priority Customer Orders in the sequence in which they are received by the System.

(2) Preferred Market Maker. The Exchange may determine to grant Preferred Market Makers (“PMMs”) participation entitlements pursuant to the provisions of paragraph (f) below. As indicated in such paragraph, the PMM participation entitlement may only be in effect when the Customer Overlay is also in effect.

(3) Designated Primary Market Maker. The Exchange may determine to grant Designated Primary Market Makers (“DPMs”) the DPM participation entitlement and/or the DPM small order entitlement pursuant to the provisions of paragraph (g) below. As indicated in such paragraph, neither the DPM participation entitlement nor the DPM small order entitlement may be in effect in a class unless the Customer Overlay is also in effect.

(e) Non-Customer Orders. After executions resulting from Priority Overlays set forth in paragraph (d) above, Orders and Quotes within the System for the accounts of non-Customers, as defined in paragraph (d)(1) above, have next priority. If there is more than one highest bid or more than one lowest offer in the Consolidated Book for the account of a non-Customer, then such bids or offers will be afforded priority on a “size pro rata” basis.

(f) Preferred Market Maker Participation Entitlements. An Options Member may designate a Market Maker (“Preferred Market Maker” or “PMM”) on orders it enters into the

System (“Preferred Orders”). The PMM must be registered with the Exchange as a Market Maker in the relevant option class at the time of receipt of the Preferred Order to be eligible to receive the PMM participation entitlement. Only Priority Customer Orders will be eligible to be preferred by an Options Member. The PMM participation entitlement shall not be in effect unless the Customer Overlay is in effect and the participation entitlement shall only apply to any remaining balance after Priority Customer Orders have been satisfied. The PMM participation entitlements are as follows:

(1) For each incoming order, if the PMM has a priority quote at the NBBO, its participation entitlement is equal to the greater of (i) the proportion of the total size at the best price represented by the size of its quote, or (ii) sixty percent (60%) of the contracts to be allocated if there is only one (1) other Market Maker quotation or non-Customer order at the NBBO and forty percent (40%) if there are two (2) or more other Market Maker quotes and/or non-Customer orders at the NBBO.

(g) Designated Primary Market Maker [Participation] Entitlements. A DPM may be appointed by the Exchange in option classes in accordance with Rule 22.2. Neither the DPM participation entitlement nor DPM small order entitlement may be in effect in a class unless the Customer Overlay is also in effect. When in effect, the DPM participation entitlement and/or DPM small order entitlement shall only apply to any remaining balance after Priority Customer Orders have been satisfied. The DPM entitlements are as follows:

(1) DPM Participation Entitlement. For each incoming order, if the DPM has a priority quote at the NBBO, its participation entitlement is equal to the greater of (i) the proportion of the total size at the best price represented by the size of its quote, or (ii) sixty percent (60%) of the contracts to be allocated if there is only one (1) other Market Maker quotation or non-Customer order at the NBBO and forty percent (40%) if there are two (2) or more other Market Maker quotes and/or non-Customer orders at the NBBO.

(2) DPM Small Order Entitlement. Small size orders will be allocated in full to the DPM if the DPM has a priority quote at the NBBO. The Exchange will review this provision quarterly and will maintain the small order size at a level that will not allow small size orders executed by DPMs to account for more than 40% of the volume executed on the Exchange. Small size orders are defined as incoming orders of five (5) or fewer contracts.

(h) Conditions of Participation Entitlements. In allocating the participation entitlements set forth in this Rule 21.8 to the PMM and the DPM the following shall apply:

(1) In a class of options where the PMM participation entitlement, the DPM participation entitlement, and the DPM small order entitlement are in effect and an Options Member has preferred an order to a PMM:

- (A) if the PMM's priority quote is at the NBBO, the PMM's participation entitlement will supersede the DPM's participation entitlement, and the DPM small order entitlement, for an order preferred to such PMM;
 - (B) if the PMM's priority quote is not at the NBBO, the DPM's participation entitlement or DPM small order entitlement, as applicable, will apply to that order, provided the DPM's priority quote is at the NBBO;
 - (C) if an order is preferred to the DPM (i.e., the DPM is also the PMM), the DPM receives the DPM participation entitlement or DPM small order entitlement, as applicable, provided the DPM/PMM's priority quote is at the NBBO; and
 - (D) if neither the PMM's nor the DPM's priority quote is at the NBBO then executed contracts will be allocated in accordance with the pro-rata allocation methodology as described in paragraphs (c) and (e) above without regard to any participation entitlement.
- (2) If an incoming order has not been preferred to a PMM by an Options Member, then the DPM participation entitlement or DPM small order entitlement, as applicable, will apply to that order, provided the DPM's priority quote is at the NBBO.
- (3) The participation entitlements shall not be in effect unless the Customer Overlay is also in effect and the participation entitlements shall only apply to any remaining balance after Priority Customer Orders have been satisfied.
- (4) Neither the DPM nor the PMM may be allocated a total quantity greater than the quantity they are quoting at the execution price. If the DPM's or the PMM's allocation of an order pursuant to its participation entitlement is greater than its pro-rata share of priority quotes at the best price at the time that the participation entitlement is granted, neither the DPM nor the PMM shall receive any further allocation of that order.
- (5) In establishing the counterparties to a particular trade, the participation entitlements must first be counted against the DPM's highest priority bids and offers or the PMM's highest priority bids or offers.
- (6) These participation entitlements only apply to the allocation of executions among competing Market Maker priority quotes existing on the EDGX Options Book at the time the order is received by the Exchange. No market participant is allocated any portion of an execution unless it has an existing interest at the execution price. Moreover, no market participant can execute a greater number of contracts than is associated with its interest at a given price. Accordingly, the DPM participation entitlement, the DPM small order entitlement, and the PMM participation entitlement contained in this Rule are not guarantees.

(i) **Price Improvement** — any potential price improvement resulting from an execution in the System shall accrue to the party that is removing liquidity previously posted to the EDGX Options Book.

(j) **EDGX Options** — listed options that are the subject of a trading halt initiated pursuant to Rule 20.3 (Trading Halts), shall open for trading at the time specified by the Exchange pursuant to Rule 20.4. When the System opens, orders shall be added to the EDGX Options Book in time priority and executed as described above in paragraph (a) above.

(k) **Match Trade Prevention.** Pursuant to Rule 21.1(g), Users may direct that orders entered into the System not execute against orders entered under the same Unique Identifier. In such a case, the System will not permit such orders to execute against one another, regardless of priority ranking.

(l) **Nondisplayed Orders.** Displayed orders have priority over nondisplayed orders. Nondisplayed portions of Reserve Orders are allocated in accordance with paragraph (c) above, but additional priority overlays do not apply, except for the Customer Overlay (if applicable).

(m) **All-or-None Orders.** AON orders have last priority at each price level (including after nondisplayed Reserve Quantity). The System allocates AON orders at the same price based on the time the System receives them (*i.e.*, in time priority), except if the Exchange applies the Customer Overlay to a class, Priority Customer AON orders have priority over non-Priority Customer AON orders.

(1) A transaction may occur at the same price as an AON order resting on the EDGX Options Book without the AON order participating in the transaction.

(2) Notwithstanding paragraph (b) above, a transaction may occur at a price lower (higher) than an AON order bid (offer) resting on the EDGX Options Book if the size of the resting AON order cannot be satisfied

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended October 28, 2015 (SR-EDGX-2015-52); amended March 24, 2016 (SR-BatsEDGX-2016-03); amended August 17, 2016 (SR-BatsEDGX-2016-46); amended November 5, 2018 (SR-CboeEDGX-2018-051); amended November 27, 2018 (SR-CboeEDGX-057); amended March 15, 2019 (SR-CboeEDGX-2019-011); amended May 2, 2019 (SR-CboeEDGX-2019-017)]

Rule 21.9. Order Routing

(a) **General.** For System securities, the order routing process shall be available to Users from 9:30 a.m. Eastern Time until the RTH market close. Users can designate orders as either available for routing or not available for routing. Orders designated as not available for routing and bulk messages, which are not eligible for routing, shall follow the book processing rules set forth in Rule 21.8 (Order Display and Book Processing) above.

(1) **Routing to Away Options Exchanges.** Orders designated as available for routing will first check the EDGX Options Book for available contracts for execution pursuant to Rule 21.8 (Order Display and Book Processing). After checking the EDGX

Options Book for available contracts and subjecting orders to the Step Up Mechanism defined in Rule 21.18, unless otherwise instructed by the User, the System will designate orders as IOCs and will cause such orders to be routed to one or more options exchanges for potential execution, per the entering User's instructions. The System only routes an AON order (as a FOK) designated as available for routing to options exchanges with sufficient size to satisfy the AON order. After the System receives responses to orders that were routed away, to the extent an order is not executed in full through the routing process, the System will process the balance of such order as follows. Depending on parameters set by the User when the incoming order was originally entered, the System will either:

- (A) cancel the unfilled balance of the order back to the User;
- (B) post the unfilled balance of the order to the EDGX Options Book, subject to the Price Adjust process as defined in Rule 21.1(i), if applicable;
- (C) repeat the process described above by executing against the EDGX Options Book and/or routing to other options exchanges until the original, incoming order is executed in its entirety;
- (D) repeat the process described above by executing against the EDGX Options Book and/or routing to other options exchanges until the original, incoming order is executed in its entirety, or, if not executed in its entirety and a limit order, post the unfilled balance of the order on the EDGX Options Book if the order's limit price is reached; or
- (E) to the extent the System is unable to access a Protected Quotation and there are no other accessible Protected Quotations at the NBBO, the System will cancel the order back to the User, provided, however, that this provision will not apply to Protected Quotations published by an options exchange against which the Exchange has declared self-help pursuant to Rule 27.2(b)(1).

(2) Routing Options. The System provides a variety of routing options. Routing options may be combined with all available order types and times-in-force, with the exception of order types and times-in-force whose terms are inconsistent with the terms of a particular routing option. The System will consider the quotations only of accessible markets. The term "System routing table" refers to the proprietary process for determining the specific options exchanges to which the System routes orders and the order in which it routes them. The Exchange reserves the right to maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. The System routing options are:

- (A) ROUT. ROUT is a routing option under which an order checks the System for available contracts and then is sent to destinations on the System routing table. A User may select either Route To Improve ("RTI") or Route To Fill ("RTF") for the ROUT routing option. RTI may route to multiple destinations at a

single price level simultaneously while RTF may route to multiple destinations and at multiple price levels simultaneously.

(B) SWPA. SWPA is a routing option under which an order checks the System for available contracts and then is sent to only Protected Quotations and only for displayed size. To the extent that any portion of the routed order is unexecuted, the remainder is posted to the EDGX Options Book at the order's limit price, unless otherwise instructed by the User.

(C) Destination Specific. Destination Specific is a routing option under which an order checks the System for available contracts and then is sent to a specified away options exchange.

(D) Directed ISO. Directed ISO is a routing option under which an ISO entered by a User bypasses the System and is sent by the System to another options exchange specified by the User. It is the entering Member's responsibility, not the Exchange's responsibility, to comply with the requirements relating to Intermarket Sweep Orders.

(3) Re-Route Instructions. Unless otherwise specified, the Re-Route instructions set forth below may be combined with any of the System routing options specified in paragraph (a)(2) above.

(A) Aggressive. To the extent the unfilled balance of a routable order has been posted to the EDGX Options Book pursuant to paragraph (a)(2) above, should the order subsequently be crossed by another accessible options exchange, the System shall route the order to the crossing options exchange if the User has selected the Aggressive Re-Route instruction.

(B) Super Aggressive. To the extent the unfilled balance of a routable order has been posted to the EDGX Options Book pursuant to paragraph (a)(1) above, should the order subsequently be locked or crossed by another accessible options exchange, the System shall route the order to the locking or crossing options exchange if the User has selected the Super Aggressive Re-Route instruction. A User may not apply the Super Aggressive Re-Route instruction to an AON order.

(b) Priority of Routed Orders. Orders that have been routed by the System to other options exchanges are not ranked and maintained in the EDGX Options Book pursuant to Rule 21.8, and therefore are not available to execute against incoming orders. Once routed by the System, an order becomes subject to the rules and procedures of the destination options exchange including, but not limited to, order cancellation. If a routed order is subsequently returned, in whole or in part, that order, or its remainder, shall receive a new time stamp reflecting the time of its return to the System.

(c) Users whose orders are routed to other options exchanges shall be obligated to honor such trades that are executed on other options exchanges to the same extent they would be obligated to honor a trade executed on EDGX Options.

(d) EDGX Options shall route orders in options via Cboe Trading, Inc. (“Cboe Trading”), which serves as the Outbound Router of the Exchange, as defined in Rule 2.11 (Cboe Trading, Inc.). The function of the Outbound Router will be to route orders in options listed and open for trading on EDGX Options to other options exchanges pursuant to the rules of EDGX Options solely on behalf of EDGX Options. The Outbound Router is subject to regulation as a facility of the Exchange, including the requirement to file proposed rule changes under Section 19 of the Act. Use of Cboe Trading or Routing Services described in paragraph (e) below to route orders to other market centers is optional. Parties that do not desire to use Cboe Trading for routing or other Routing Services provided by the Exchange must designate orders as not available for routing.

(e) Back-Up Order Routing Services. In the event the Exchange is not able to provide order routing services through its affiliated broker-dealer pursuant paragraph (d) above, the Exchange will route orders to other options exchanges in conjunction with one or more routing brokers that are not affiliated with the Exchange (“Routing Services”) as described in this paragraph (e). In connection with such services, the following shall apply:

(1) For each routing broker used by the Exchange, an agreement will be in place between the Exchange and the routing broker that will, among other things, restrict the use of any confidential and proprietary information that the routing broker receives to legitimate business purposes necessary for routing orders at the direction of the Exchange.

(2) The Exchange shall establish and maintain procedures and internal controls reasonably designed to adequately restrict the flow of confidential and proprietary information between the Exchange and the routing broker, and any other entity, including any affiliate of the routing broker, and, if the routing broker or any of its affiliates engages in any other business activities other than providing routing services to the Exchange, between the segment of the routing broker or affiliate that provides the other business activities and the segment of the routing broker that provides the routing services.

(3) The Exchange may not use a routing broker for which the Exchange or any affiliate of the Exchange is the designated examining authority.

(4) The Exchange will provide its Routing Services in compliance with the provisions of the Act and the rules thereunder, including, but not limited to, the requirements in Section 6(b)(4) and (5) of the Act that the rules of a national securities exchange provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities, and not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

(5) For all Routing Services, the Exchange will determine the logic that provides when, how, and where orders are routed away to other options exchanges.

(6) The routing broker will receive routing instructions from the Exchange, to route orders to other options exchanges and report such executions back to the

Exchange. The routing broker cannot change the terms of an order or the routing instructions, nor does the routing broker have any discretion about where to route an order.

(7) Any bid or offer entered on the Exchange routed to another options exchange via a routing broker that results in an execution shall be binding on the Options Member that entered such bid/offer.

(f) **Market Access.** In addition to the Exchange Rules regarding routing to away options exchanges, Cboe Trading, as defined in Rule 2.11, has, pursuant to Rule 15c3-5 under the Act, implemented certain tests designed to mitigate the financial and regulatory risks associated with providing the Exchange's Members with access to such away options exchanges. Pursuant to the policies and procedures developed by Cboe Trading to comply with Rule 15c3-5, if an order or series of orders are deemed to be erroneous or duplicative, would cause the entering Member's credit exposure to exceed a preset credit threshold, or are non-compliant with applicable pre-trade regulatory requirements (as defined in Rule 15c3-5), Cboe Trading will reject such orders prior to routing and/or seek to cancel any orders that have been routed.

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended July 11, 2016 (SR-BatsEDGX-2016-29); amended May 2, 2018 (SR-CboeEDGX-2018-012); amended December 21, 2018 (SR-CboeEDGX-2018-060); amended May 2, 2019 (SR-CboeEDGX-2019-017); amended May 26, 2019 (SR-CboeEDGX-2019-027)]

Rule 21.10. Anonymity

(a) Aggregated and individual transaction reports produced by the System will indicate the details of a User's transactions, including the contra party's EFID, capacity, and clearing firm account number.

(b) The Exchange shall reveal a Member's identity when a registered clearing agency ceases to act for a participant, or the Member's clearing firm, and the registered clearing agency determines not to guarantee the settlement of the Member's trades.

(c) The Exchange shall reveal a User's identity for regulatory purposes or to comply with an order of an arbitrator or court.

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended March 24, 2016 (SR-BatsEDGX-2016-03); amended December 21, 2017 (SR-CboeEDGX-2017-009); amended May 17, 2019 (SR-CboeEDGX-2019-024)]

Rule 21.11. Transaction Price Binding

The price at which an order is executed shall be binding notwithstanding that an erroneous report in respect thereto may have been rendered, or no report rendered. A report shall not be binding if an order was not actually executed but was reported to have been executed in error.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 21.12. Clearing Member Give Up

(a) *General.* For each transaction in which a User participates, the User may indicate, at the time of the trade or through post-trade allocation, any Options Clearing Corporation (“OCC”) number of the Clearing Member through which the transaction will be cleared (“give up”). The Clearing Member that is given up must be a Designated Give Up or a Guarantor of the User as set forth in paragraph (b) below. Clearing Members may elect to Opt In, as defined and described in paragraph (c) below, and restrict one or more of its OCC number(s) (“Restricted OCC Number”). A User may give up a Restricted OCC Number provided the User has written authorization as described in paragraph (c)(2) below (“Authorized User”) and provided the Restricted OCC Number belongs to a Designated Give Up of the User.

(b) Designated Give Ups.

(1) *Definition of Designated Give Up.* For purposes of this Rule, a Designated Give Up of a User refers to a Clearing Member identified to the Exchange by that User as a Clearing Member the User requests the ability to give up and that has been processed by the Exchange as a Designated Give Up.

(2) *Definition of Guarantor.* For purposes of this Rule, a “Guarantor” of an executing User refers to a Clearing Member that has issued a Letter of Guarantee for the executing User under the Rules of the Exchange that are in effect at the time of the execution of the applicable trade.

(3) *Identification of Designated Give Up.* Every User (other than a Market-Maker) must identify, in a form and manner prescribed by the Exchange and in advance of giving up any Clearing Member that is not a Guarantor for the User, any Designated Give Ups. A User shall only give up (A) a Clearing Member that has previously been identified and processed by the Exchange as a Designated Give Up for that User, provided that the Designated Give Up has not Opted In, or provided that the User is an Authorized User of that Designated Give Up, or (B) a Guarantor for that User.

(4) *Non Market Makers.* Any User (other than a Market-Maker) may designate, pursuant to subparagraph (b)(3) above, any Clearing Member other than its Guarantor, as a Designated Give Up.

(5) *Market Makers.* For each transaction in which a Market-Maker participates, a Guarantor of the Market-Maker shall be the Clearing Member through which the transaction will be cleared.

(6) *Guarantors.* A Guarantor for a User will be enabled to be given up for that User without any further action by the Clearing Member or User.

(7) *Removal of Designated Give Up.* If a User (other than a Market-Maker) no longer wants the ability to give up a particular Designated Give Up, the User must notify the Exchange, in a form and manner prescribed by the Exchange.

(c) *Opt In.* Clearing Members may request the Exchange restrict one or more of their OCC clearing numbers (“Opt In”) as described in subparagraph (c)(1) below. If a Clearing Member Opts In, the Exchange will require written authorization from the Clearing Member permitting a User to give up a Clearing Member’s Restricted OCC Number. An Opt In would remain in effect until the Clearing Member terminates the Opt In as described in subparagraph (c)(3) below. If a Clearing Member does not Opt In, that Clearing Member’s OCC number would be subject to give up by any User.

(1) *Clearing Member Process to Opt In.* A Clearing Member may Opt In by sending a completed “Clearing Member Restriction Form” listing all Restricted OCC Numbers and Authorized Users. A Clearing Member may elect to restrict one or more OCC clearing numbers that are registered in its name at OCC. The Clearing Member would be required to submit the Clearing Member Restriction Form to the Exchange’s Membership Department as described on the form. Once submitted, the Exchange requires ninety days before a Restricted OCC Number is effective within the System.

(2) *User Give Up Process for Restricted OCC Numbers.* A User desiring to give up a Restricted OCC Number must become an Authorized User. The Clearing Member will be required to authorize a User as described in subparagraph (1) or (3), unless the Restricted OCC Number is already subject to a Letter of Guarantee that the User is a party to.

(3) *Amendments to Authorized Users or Restricted OCC Numbers.* A Clearing Member may amend its Authorized Users or Restricted OCC Numbers by submitting a new Clearing Member Restriction Form to the Exchange’s Membership Department indicating the amendment as described on the form. Once a Restricted OCC Number is effective within the System pursuant to paragraph (1) above, the Exchange may permit the Clearing Member to authorize, or remove authorization for, a User to Give Up the Restricted OCC Number intra-day only in unusual circumstances, and on the next business day in all regular circumstances. The Exchange will promptly notify Users if they are no longer authorized to give up a Clearing Member’s Restricted OCC Number. If a Clearing Member removes a Restricted OCC Number, any User may give up that OCC clearing number once the removal has become effective on or before the next business day, provided that the User has identified the Clearing Member as a Designated Give Up.

(d) *System.* The Exchange’s trading systems shall only accept orders that identify an effective Designated Give Up or a Guarantor. For any Restricted OCC Number, the Exchange’s trading systems will only accept orders for that number from an Authorized User that has also designated that Clearing Member as a Designated Give Up.

(e) *Notice.* The Exchange shall notify a Clearing Member, in writing and as soon as practicable, of each User that has identified the Clearing Member as a Designated Give Up pursuant to subparagraph (b)(3) above. The Exchange shall notify a User, in writing and as soon as practicable, of each Clearing Member that has identified the User as an Authorized User pursuant to subparagraph (c) above.

(f) Other Give Up Changes.

(1) *Give Up Changes Made by Executing User.* If the executing User has the ability through an Exchange system to do so, the User may change the give up on the trade to another Designated Give Up, provided it's an Authorized User for any Restricted OCC Number, or to its Guarantor. The ability of an executing User to make any give up change will end at the trade input cutoff time established by the Clearing Corporation (or fifteen minutes thereafter if the Exchange receives and is able to process a request to extend its time of final trade submission to the Clearing Corporation) ("Trade Date Cutoff Time").

(2) *Give Up Changes Made by Designated Give Ups to Affiliates and Back Office Agents.* If a Designated Give Up has the ability through an Exchange system to do so, the Designated Give Up may change the give up on a trade to (A) another Clearing Member affiliated with the Designated Give Up or (B) a Clearing Member that is a back office agent for the Designated Give Up. The ability to make such a change will end at the Trade Date Cutoff Time.

(3) *Give Up Changes Made by Designated Give Ups or Guarantors and Clearing Members on T+1.* If a Designated Give Up (or Guarantor) and a Clearing Member have the ability through an Exchange system to do so, the Designated Give Up (or Guarantor) and Clearing Member may each enter trade records into the Exchange's systems on the next trading day ("T+1") that would effect a transfer of a trade in non-expired option series from that Designated Give Up (or Guarantor) to that Clearing Member. The ability to make such a change will end at 1:00 p.m. Eastern Time on T+1 ("T+1 Cutoff Time"). The Designated Give Up (or Guarantor) will notify the Exchange and all the parties to the trade, in writing, of any such change.

(g) Responsibility:

For purposes of the Rules of the Exchange, a Clearing Member will be financially responsible for all trades for which it is the give up at the Applicable Cutoff Time. Nothing in this Rule will preclude a different party from being responsible for the trade outside of the Rules of the Exchange pursuant to the Rules of the Options Clearing Corporation, any agreement between the applicable parties, other applicable rules and regulations, arbitration, court proceedings or otherwise.

For purposes of this Rule, the "Applicable Cutoff Time" shall refer to the Cutoff Time for non-expiring option series and to the Trade Date Cutoff Time for expiring option series.

(h) An intentional misuse of this Rule is impermissible, and may be treated as a violation of Rule 3.1.

Interpretations and Policies:

.01 Nothing herein will be deemed to preclude the clearance of Exchange transactions by a non-User pursuant to the By-Laws of the Options Clearing Corporation so long as a Clearing

Member who is a User is also designated as having responsibility under these Rules for the clearance of such transactions.

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended November 18, 2016 (SR-BatsEDGX-2016-58); amended January 2, 2020 (SR-CboeEDGX-2020-001)]

Rule 21.13. Submission for Clearance

(a) All options transactions effected on EDGX Options shall be submitted for clearance to the Clearing Corporation, and all such transactions shall be subject to the Rules of the Clearing Corporation. Every Clearing Member shall be responsible for the clearance of EDGX Options Transactions of such Clearing Member and of each User that gives up such Clearing Member's name pursuant to a letter of authorization, letter of guarantee or other authorization given by such Clearing Member to such User, which authorization must be submitted to the Exchange.

(b) On each business day at or prior to such time as may be prescribed by the Clearing Corporation, EDGX Options shall furnish the Clearing Corporation a report of each Clearing Member's matched trades.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 21.14. Message Traffic Mitigation

For the purpose of message traffic mitigation, based on EDGX Options' traffic with respect to target traffic levels and in accordance with EDGX Options' overall objective of reducing both peak and overall traffic:

(a) EDGX Options will periodically delist options with an average daily volume ("ADV") of less than 100 contracts. The Exchange will, on a monthly basis, determine the ADV for each series listed on EDGX Options and delist the current series and not list the next series after expiration where the ADV is less than 100 contracts. For options series traded solely on EDGX Options, the Exchange will delay delisting until there is no open interest in that options series.

(b) EDGX Options will implement a process by which an outbound quote message that has not been sent, but is about to be sent, will not be sent if a more current quote message for the same series is available for sending. This replace on queue functionality will be applied to all options series listed on EDGX Options in real time and will not delay the sending of any messages.

(c) EDGX Options will also prioritize price update messages and send out price updates before sending size update messages. This functionality will be applied to all options series listed on the EDGX Options and in conjunction with the previously described replace on queue functionality will ensure that EDGX Options quote update messages are the most current and relevant available.

(d) All message traffic mitigation mechanisms which are used on EDGX Options will be identical to the OPRA "top of the book" broadcast.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 21.15. Data Dissemination

(a) Dissemination of Quotations. The Exchange will disseminate to quotation vendors the highest bid and the lowest offer, and the aggregate quotation size associated therewith that is available, in accordance with the requirements of Rule 602 of Regulation NMS under the Exchange Act.

(b) Exchange Data Products. The Exchange offers the following Exchange data products free of charge, except as otherwise noted in the Fee Schedule:

(1) EDGX Options Depth. EDGX Options Depth is an uncompressed data feed that offers depth of book quotations and execution information based on options orders entered into the System. The Exchange offers separate EDGX Options Depth data feeds for the Exchange's Simple Book and the Exchange's Complex Order Book, as such terms are defined in Rule 21.20.

(2) EDGX Options Top. EDGX Options Top is an uncompressed data feed that offers top of book quotations and execution information based on options orders entered into the System. The Exchange offers separate EDGX Options Top data feeds for the Exchange's Simple Book and the Exchange's Complex Order Book, as such terms are defined in Rule 21.20.

(3) DROP. DROP is an uncompressed data feed that offers information regarding the options trading activity of a specific Member. DROP is only available to the Member to whom the specific data relates and those recipients expressly authorized by the Member.

(4) Historical Data. Historical Data is a data product that offers historical options data.

(5) EDGX Options Auction Feed. The EDGX Options Auction Feed is an uncompressed data product that provides information regarding the current status of price and size information related to auctions conducted by the Exchange. The Exchange offers separate EDGX Options Auction data feeds for the Exchange's Simple Book and the Exchange's Complex Order Book, as such terms are defined in Rule 21.20.

(6) Open-Close Data. Open-Close Data is a data product that summarizes volume (contracts traded on EDGX Options) by origin (customer and firm orders), original order size and the opening or closing position of the order.

(c) Notification of Priority Customer Interest on the Book.

(1) The Exchange will make available to all market participants through OPRA an indication that there is Priority Customer interest included in the BBO disseminated by the Exchange.

(2) The Exchange will identify Priority Customer Orders and trades as such on messages disseminated by the Exchange through its Multicast PITCH, Multicast TOP and Auction data feeds.

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended March 24, 2016 (SR-BatsEDGX-2016-03); amended July 11, 2016 (SR-BatsEDGX-2016-29); amended October 17, 2017 (SR-BatsEDGX-2017-29); amended January 2, 2018 (SR-CboeEDGX-2017-010); amended September 1, 2019 (SR-CboeEDGX-2019-054)]

Rule 21.16. Risk Monitor Mechanism

(a) Each Member may establish limits for the following parameters in the Exchange's counting program. The System counts each of the following within an underlying for an EFID ("underlying limit"), across all underlyings for an EFID ("EFID limit"), and/or across all underlyings for a group of EFIDs ("EFID Group") ("EFID Group limit"), over a Member-established time period ("interval") and on an absolute basis for a trading day ("absolute limits"):

- (i) number of contracts executed ("volume");
- (ii) notional value of executions ("notional");
- (iii) number of executions ("count");
- (iv) number of contracts executed as a percentage of number of contracts outstanding within an Exchange-designated time period or during the trading day, as applicable ("percentage"), which the System determines by calculating the percentage of a Member's outstanding contracts that executed on each side of the market during the time period or trading day, as applicable, and then summing the series percentages on each side in the underlying; and
- (v) number of times the limits established by the parameters under (a)(i)-(iv) above are reached ("risk trips").

(b) When the System determines that the volume, notional, count, percentage, or risk trips limits have been reached:

- (i) a Member's underlying limit within the interval or the absolute limit for the underlying, the Risk Monitor Mechanism cancels or rejects such Member's orders or quotes in all series of the underlying and cancels or rejects any additional orders or quotes from the Member in the underlying until the counting program resets (as described below).
- (ii) a Member's EFID limit within the interval or the absolute limit for the EFID, the Risk Monitor Mechanism cancels or rejects such Member's orders or quotes in all underlyings and cancels or rejects any additional orders or quotes from the EFID in all underlyings until the counting program resets (as described below).

(iii) a Member's EFID Group limit within the interval or the absolute limit for the EFID Group, the Risk Monitor Mechanism cancels or rejects such Member's orders or quotes in all underlyings and cancels or rejects any additional orders or quotes from any EFID within the EFID Group in all underlyings until the counting program resets (as described below).

The Risk Monitor Mechanism will also attempt to cancel or reject any orders routed away to other exchanges.

(c) The System will execute any marketable orders or quotes that are executable against a Member's order or quote and received prior to the time the Risk Monitor Mechanism is triggered at the price up to the size of the Member's order or quote, even if such execution results in executions in excess of the Member's parameters.

(d) *Counting Program Reset.*

(i) *Underlying Limit.* The System will not accept new orders or quotes from a Member after an underlying limit is reached until the Member submits an electronic instruction System to reset the counting program for the underlying.

(ii) *EFID Limit.* The System will not accept new orders or quotes from the EFID after its EFID limit is reached until the Member manually notifies the Trade Desk to reset the counting program for the EFID, unless the Member instructs the Exchange to permit it to reset the counting program by submitting an electronic message to the System.

(iii) *EFID Group Limit.* The System will not accept new orders or quotes from any EFID within the EFID Group after an EFID Group limit is reached until the Member manually notifies the Trade Desk to reset the counting program for the EFID Group, unless the Member instructs the Exchange to permit it to reset the counting program by submitting an electronic message to the System.

(iv) *Reset Limit.* The Exchange may restrict the number of Member underlying, EFID and EFID Group resets per second.

(v) *Failure to reset.* If the Exchange cancels all of a Member's quotes and orders resting in the Book, and the Member does not reactivate its ability to send quotes or orders, the block will be in effect only for the trading day that the Member reached its underlying, EFID and/or EFID Group limit.

(vi) *Other Resets.* The System will reset the counting period for absolute limits when a Member refreshes its risk limit thresholds. The System will reset the counting program and commence a new interval time period when (i) a previous interval time period has expired and a transaction occurs in any series of an underlying or (ii) a Member refreshes its risk limit thresholds prior to the expiration of the interval time period.

(e) *Complex Orders.* The System counts individual trades executed as part of a complex order (or COA response) when determining whether the volume, notional, count, or risk trips limit has been reached. The System counts the percentage executed of a complex order (or COA response) when determining whether the percentage limit has been reached.

(f) A Member may also engage the Risk Monitor Mechanism to cancel resting bids and offers, as well as subsequent orders as set forth in Rule 22.11.

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended January 25, 2016 (SR-EDGX-2016-02); amended October 17, 2017 (SR-BatsEDGX-2017-29); amended November 30, 2018 (SR-CboeEDGX-2018-058)]

Rule 21.17. Additional Price Protection Mechanisms and Risk Controls

The System's acceptance and execution of orders, quotes, and bulk messages, as applicable, are subject to the price protection mechanisms and risk controls in Rule 21.16, this Rule 21.17, and as otherwise set forth in the Rules. Unless otherwise specified the price protections set forth in this Rule, including the numeric values established by the Exchange, may not be disabled or adjusted. The Exchange may share any of a User's risk settings with the Clearing Member that clears transactions on behalf of the User.

(a) *Simple Orders.*

(1) *Market Order NBBO Width Protection.* If a User submits a Market Order to the System when the NBBO width is greater than x% of the midpoint of the NBBO, subject to minimum and maximum dollar values established by the Exchange, the System will reject or cancel back to the User the Market Order. The Exchange will establish "x" and the minimum and maximum values on a class-by-class basis. This protection does not apply to bulk messages.

(2) *Limit Order Fat Finger Check.* If a User submits a buy (sell) limit order to the System with a price that is more than a buffer amount established by the Exchange above (below) the NBO (NBB), or, in the case of an order received prior to the conclusion of the RTH opening auction process, (i) the last disseminated NBBO on that trading day, or (ii) the midpoint of the prior trading day's closing NBBO, if no NBBO has been disseminated on that trading day, the System will reject or cancel back to the User the limit order. This check does not apply to bulk messages.

(3) *Buy Order Put Check.* If a User enters a buy limit order for a put with a price that is higher than or equal to the strike price of the option, the System will reject or cancel back to the User the limit order. If a User enters a buy Market Order for a put that would execute at (or the remaining portion would execute at) a price higher than or equal to the strike price of the option, the System will reject or cancel back to the User the Market Order (or remaining portion). This check does not apply to adjusted options or bulk messages or Stop-Limit Orders.

(4) *Drill-Through Price Protection.*

(A) If a buy (sell) order enters the EDGX Options Book at the conclusion of the opening auction process, the System executes the order up to a buffer amount (established by the Exchange) above (below) the offer (bid) limit of the Opening Collar (the “Drill-Through Price”).

(B) If a buy (sell) order would execute or post to the EDGX Options Book at the time of order entry, the System executes the order up to a buffer amount (established by the Exchange) above (below) the NBO (NBB) that existed at the time of order entry (the “Drill-Through Price”).

If a buy (sell) order would execute or post to the EDGX Options Book at a price higher (lower) than the Drill-Through Price, the System will instead post the order to the EDGX Options Book at the Drill-Through Price, unless the terms of the order instruct otherwise. Any order (or unexecuted portion thereof) will rest in the EDGX Options Book (based on the time at which it enters the book for priority purposes) for a time period in milliseconds that may not exceed three seconds with a price equal to the Drill-Through Price. If the order (or unexecuted portion thereof) does not execute during that time period, the System will cancel it. This protection does not apply to bulk messages.

(5) Market Orders in No-Bid (Offer) Series.

(A) If the System receives a sell Market Order in a series after it is open for trading with an NBB of zero:

(i) if the NBO in the series is less than or equal to \$0.50, then the System converts the Market Order to a Limit Order with a limit price equal to the minimum trading increment applicable to the series and enters the order into the EDGX Options Book with a timestamp based on the time it enters the Book. If the order has a Time-in-Force of GTC or GTD that expires on a subsequent day, the order remains on the Book as a Limit Order until it executes, expires, or the User cancels it.

(ii) if the NBO in the series is greater than \$0.50, then the System cancels or rejects the market order.

(B) If the System receives a buy market order in a series after it is open for trading with an NBO of zero, the System cancels or rejects the market order.

(C) This protection does not apply to bulk messages.

(6) *Bulk Message Fat Finger Check.* The System cancels or rejects any bulk message bid (offer) above (below) the NBO (NBB) by more than a specified amount determined by the Exchange. This check does not apply to bulk messages submitted prior to the conclusion of the Opening Process or when no NBBO is available.

(7) *Rejection of Bulk Message Updates.* If, pursuant to the Rules, the System cancels or rejects a bulk message bid (offer) to update a resting bulk message bid (offer)

submitted for the same EFID and bulk port, the System also cancels the resting bulk message bid (offer).

(b) *Complex Orders.*

(1) *Definitions.* For purposes of this paragraph (b):

(A) *Vertical Spread.* A “vertical” spread is a two-legged complex order with one leg to buy a number of calls (puts) and one leg to sell the same number of calls (puts) with the same expiration date but different exercise prices.

(B) *Butterfly Spread.* A “butterfly” spread is a three-legged complex order with two legs to buy (sell) the same number of calls (puts) and one leg to sell (buy) twice as many calls (puts), all with the same expiration date but different exercise prices, and the exercise price of the middle leg is between the exercise prices of the other legs. If the exercise price of the middle leg is halfway between the exercise prices of the other legs, it is a “true” butterfly; otherwise, it is a “skewed” butterfly.

(C) *Box Spread.* A “box” spread is a four-legged complex order with one leg to buy calls and one leg to sell puts with one strike price, and one leg to sell calls and one leg to buy puts with another strike price, all of which have the same expiration date and are for the same number of contracts.

(2) *Credit-to-Debit Parameters.* The System cancels or rejects a market order that would execute at a net debit price after receiving a partial execution at a net credit price.

(3) *Debit/Credit Price Reasonability Checks.*

(A) If the Exchange applies this check to a class, the System cancels or rejects a complex order (or unexecuted portion) that is a limit order for a debit strategy with a net credit price that exceeds a pre-set buffer, a limit order (or unexecuted portion) for a credit strategy with a net debit price that exceeds a pre-set buffer, or a market order (or unexecuted portion) for a credit strategy that would execute at a net debit price that exceeds an Exchange-determined pre-set buffer.

(B) The System defines a complex order as a debit or credit as follows:

(i) a call butterfly spread for which the middle leg is to sell (buy) and twice the exercise price of that leg is greater than or equal to the sum of the exercise prices of the buy (sell) legs is a debit (credit);

(ii) a put butterfly spread for which the middle leg is to sell (buy) and twice the exercise price of that leg is less than or equal to the sum of the exercise prices of the buy (sell) legs is a debit (credit);

(iii) an order for which all pairs and loners are debits (credits) is a debit (credit). For purposes of this check, a “pair” is a pair of legs in an order for which both legs are calls or both legs are puts, one leg is a buy and one leg is a sell, and the legs have the same expiration date but different exercise prices or the same exercise price but different expiration dates. A “loner” is any leg in an order that the System cannot pair with another leg in the order; and

(iv) if the stock component of a stock-option order is to buy (sell), the stock-option order is a debit (credit).

(a) The System first pairs legs to the extent possible within each expiration date, pairing one leg with the leg that has the next highest exercise price.

(b) The System then pairs legs to the extent possible with the same exercise prices across expiration dates, pairing one leg with the leg that has the next nearest expiration date.

(c) A pair of calls is a credit (debit) if the exercise price of the buy (sell) leg is higher than the exercise price of the sell (buy) leg (if the pair has the same expiration date) or if the expiration date of the sell (buy) leg is farther than the expiration date of the buy (sell) leg (if the pair has the same exercise price).

(d) A pair of puts is a credit (debit) if the exercise price of the sell (buy) leg is higher than the exercise price of the buy (sell) leg (if the pair has the same expiration date) or if the expiration date of the sell (buy) leg is farther than the expiration date of the buy (sell) leg (if the pair has the same exercise price).

(e) A loner to buy (sell) is a debit (credit).

(C) The System does not apply this check to an order it cannot define as a debit or credit.

(D) This check applies to auction responses in the same manner as it does to orders.

(4) *Buy Strategy Parameters.* The System cancels or rejects a limit complex order where all the components of the strategy are to buy and the order has (A) a price of zero, (B) a net credit price that exceeds a pre-set buffer (which the Exchange determines),

or (C) a net debit price that is less than the number of individual legs in the strategy (or applicable ratio) multiplied by \$0.01.

(5) *Maximum Value Acceptable Price Range.* The System cancels or rejects an order that is a vertical, true butterfly, or box spread and is a limit order with, or a market order that would execute at, a price that is outside of an acceptable price range, set by the minimum and maximum possible value of the spread, subject to an additional buffer amount (which the Exchange determines).

(A) The maximum possible value of a vertical, true butterfly, and box spread is the difference between the exercise prices of (1) the two legs; (2) the middle leg and the legs on either side; and (3) each pair of legs, respectively.

(B) The minimum possible value of the spread is zero.

(C) This check applies to auction responses in the same manner as it does to orders.

(6) *Drill-Through Protection.* If a User enters a buy (sell) complex order into the System, the System executes the order pursuant to Rule 21.20(e) up to a buffer amount above (below) the SNBO (SNBB) that existed at the time of order entry (the “drill-through price”), or initiates a COA at the drill-through price if the order would initiate a COA pursuant to Rule 21.20(d). The Exchange determines a default buffer amount; however, a User may establish a higher or lower amount than the Exchange default amount.

(A) If a buy (sell) complex order (or unexecuted portion) would execute or enter the COB at a price higher (lower) than the drill-through price, the System enters the order in the COB at the drill-through price (receiving a timestamp based on the time it enters the COB for priority purposes), unless the terms of the order instruct otherwise.

(B) Any unexecuted order (or unexecuted portion) with a displayed price equal to the drill-through price (unless the drill-through price equals the order’s limit price) will rest in the COB for a time period in milliseconds (the Exchange determines the time period, which may not exceed three seconds). If the order (or unexecuted portion) does not execute during that time period, the System cancels or rejects it. However, if the SBBO changes prior to the end of the time period but the complex order cannot Leg, and the new SBO (SBB) crosses the drill-through price, the System changes the displayed price of the complex order to the new SBO (SBB) minus (plus) \$0.01, and the order is not cancelled at the end of the time period.

(7) *Limit Order Fat Finger Check.* If the Exchange applies this check to a class, if a User submits a buy (sell) complex limit order to the System with a price that is more than a buffer amount above (below) the SNBO (SNBB), the System cancels or rejects the complex order. The Exchange determines a default buffer amount; however, a User may establish a higher or lower amount than the Exchange default. The check

does not apply to complex orders prior to the conclusion of the Opening Process or when no SNBBO is available.

(8) *Maximum Contract Size.* If the Exchange applies this check to a class, the System cancels or rejects an incoming order or quote with a size that exceeds the maximum contract size. The Exchanges designates a default maximum size; however, a User may establish a higher or lower amount than the Exchange default. The size of a complex order for purposes of this check is the size of the largest leg of the order.

(9) *Buy-Write/Married Put Check.* If the Exchange applies this check to a class, the System cancels or rejects a stock-option order to buy the stock leg and sell a call (buy a put) for the option leg with a price that is more than the strike price of the call (put) plus (minus) a buffer amount (which the Exchange determines on a class-by-class basis).

[Adopted October 14, 2015 (SR-EDGX-2015-47); amended December 21, 2017 (SR-CboeEDGX-2017-009); amended November 29, 2018 (SR-CboeEDGX-2018-052); amended December 21, 2018 (SR-CboeEDGX-2018-060); amended May 26, 2019 (SR-CboeEDGX-2019-027); amended June 10, 2019 (SR-CboeEDGX-2019-037); amended July 29, 2019 (SR-CboeEDGX-2019-039); amended November 4, 2019 (SR-CboeEDGX-2019-069)]

Rule 21.18. Step Up Mechanism

This Rule governs the operation of the Step Up Mechanism (“SUM”). SUM is a feature within the System that provides automated order handling in designated classes trading for qualifying orders that are not automatically executed by the System.

(a) *SUM Eligibility.* The Exchange shall designate eligible order size, eligible order type, eligible order origin code (e.g., Priority Customer orders, non-Market Maker non-Priority Customer orders, and Market Maker orders), and classes in which SUM shall be activated. Bulk messages are not eligible for SUM. SUM shall automatically process upon receipt of:

(1) an eligible order that is marketable against the Exchange’s disseminated quotation while that quotation is not the NBBO; or

(2) an eligible order that would improve the Exchange’s disseminated quotation and that is marketable against quotations disseminated by other exchanges that are participants in the Options Order Protection and Locked/Crossed Market Plan.

(b) *Order Handling and Responses.*

(1) Orders that are received by SUM pursuant to paragraph (a) above shall be electronically exposed at the NBBO immediately upon receipt. The exposure shall be for a period of time determined by the Exchange on a class-by-class basis, which period of time shall not exceed 1 second.

(2) All Users will be permitted to submit responses to the exposure message.

(3) Responses: (A) must be limited to the size of the order being exposed; (B) may be modified, cancelled and/or replaced any time during the exposure period; and (C) will be cancelled back at the end of the exposure period if unexecuted.

(c) Allocation of Exposed Orders.

(1) Any responses priced at the prevailing NBBO or better shall immediately trade against the order (on a first come, first served basis), unless the exposed order is an AON order, in which case the System holds the responses until there is sufficient aggregate size to satisfy the AON order or the exposure period terminates.

(2) If during the exposure period the Exchange receives an unrelated order (or quote) on the opposite side of the market from the exposed order that could trade against the exposed order at the prevailing NBBO price or better, then the orders will trade at the prevailing NBBO price. The exposure period shall not terminate if a quantity remains on the exposed order after such trade.

(3) Responses that are not immediately executable based on the prevailing NBBO may become executable during the exposure period based on changes to the NBBO. In the event of a change to the NBBO and at the conclusion of the exposure period, the Exchange will evaluate remaining responses as well as the disseminated best bid/offer on other exchanges and execute any remaining portion of the exposed order to the fullest extent possible at the best price(s) by executing against responses and unrelated orders (pursuant to the matching algorithm in effect for the class).

(4) Following the exposure period, the Exchange will route the remaining portion of the exposed order to other exchanges, unless otherwise instructed by the User. Any portion of a routed order that returns unfilled shall trade against the Exchange's best bid/offer unless another exchange is quoting at a better price in which case new orders shall be generated and routed to trade against such better prices.

(5) All executions on the Exchange pursuant to this paragraph shall comply with Rule 27.2 (Order Protection).

(d) Early Termination of Exposure Period. In addition to the receipt of a response, or unrelated order or quote (or, if the exposed order is an AON order, multiple responses or unrelated orders and quotes with sufficient aggregate size to satisfy the AON order), to trade the entire exposed order at the NBBO or better, the exposure period will also terminate prior to its expiration and the exposed order shall be processed in accordance with paragraph (c) above if during the exposure period:

(1) the NBBO updates such that the exposed order is no longer marketable against the prevailing NBBO;

(2) the Exchange is displaying an unrelated order on the same side of the market as the exposed order and such displayed order is subsequently locked or crossed by another options exchange; or

- (3) if an AON order is exposed, the Exchange receives an unrelated order or quote that would be displayed at a price at or better than the NBBO with insufficient size to satisfy the exposed order.

Interpretations and Policies

.01 All determinations by the Exchange pursuant to this Rule (i.e., eligible order size, order type, increment, order origin codes and classes) will be announced in a circular to Members and maintained in specifications made publicly available via the Exchange's website.

.02 The Exchange will not initiate the SUM process if the NBBO is crossed.

[Adopted July 11, 2016 (SR-BatsEDGX-2016-29); amended December 21, 2018 (SR-CboeEDGX-2018-060); amended May 2, 2019 (SR-CboeEDGX-2019-017)]

Rule 21.19. Automated Improvement Mechanism ("AIM" or "AIM Auction")

An Options Member (the "Initiating Member") may electronically submit for execution an order it represents as agent ("Agency Order") against principal interest or a solicited order(s) (except for an order for the account of any Options Market Maker registered in the applicable series on the Exchange) (an "Initiating Order") provided it submits the Agency Order for electronic execution into an AIM Auction pursuant to this Rule. For purposes of this Rule, the term "NBBO" means the national best bid or national best offer at the particular point in time applicable to the reference, and the term "Initial NBBO" means the national best bid or national best offer at the time an Auction is initiated. Bulk messages are not eligible for AIM.

(a) *Auction Eligibility Requirements.* The Initiating Member may initiate an AIM Auction if all of the following conditions are met:

(1) *Class.* The Agency Order may be in any class of options traded on the Exchange.

(2) *Marking.* The Initiating Member must mark an Agency Order for AIM Auction processing.

(3) *Size.* There is no minimum size for Agency Orders. The Initiating Order must be for the same size as the Agency Order.

(4) *Minimum Increment.* The price of the Agency Order and Initiating Order must be in an increment of \$0.01.

(5) *Post Only Orders.* An Initiating Member may not designate an Agency Order or Initiating Order as Post Only.

(6) *Time.* An Initiating Member may only submit an Agency Order to an AIM Auction after the market open.

(7) *NBBO*. An Initiating Member may not submit an Agency Order if the NBBO is crossed (unless the Agency Order is an AIM ISO or Sweep and AIM).

The System rejects or cancels both an Agency Order and Initiating Order submitted to an AIM Auction that do not meet the conditions in this paragraph (a).

(b) *Stop Price*. The Initiating Order must stop the entire Agency Order at a price that satisfies the following:

(1) *NBBO*. The stop price must be:

(A) if a buy (sell) Agency Order is for less than 50 standard option contracts (or 500 mini-option contracts) and the NBBO width is \$0.01, at least \$0.01 better than the then-current NBO (NBB); or

(B) if a buy (sell) Agency Order is for 50 standard option contracts (or 500 mini-option contracts) or more, or the NBBO width is greater than \$0.01, at or better than the then-current NBO (NBB) or the Agency Order's limit price (if the order is a limit order), whichever is better.

(2) *Same-Side Orders*. If the Agency Order is to buy (sell) and the Exchange best bid (offer) represents:

(A) a Priority Customer order on the EDGX Options Book, the stop price must be at least \$0.01 better than the Exchange best bid (offer); or

(B) a quote or order that is not a Priority Customer order on the EDGX Options Book, the stop price must be at least \$0.01 better than the Exchange best bid (offer) unless the Agency Order is a Priority Customer order and the Exchange has applied the Customer Overlay set forth in Rule 21.8(d)(1), in which case the stop price must be at or better than the Exchange best bid (offer).

(3) *AIM Sweep and Sweep and AIM Orders*. If the Initiating Member submits an AIM Sweep or Sweep and AIM Order to an AIM Auction, AIM responses, stop price, and executions are permitted at a price inferior to the Initial NBBO. However, the stop price is still subject to the price improvement requirement in subparagraph (b)(1)(A) above.

(A) *AIM Sweep Order or AIM ISO*. An "AIM sweep order" or "AIM ISO" is the submission of two orders for crossing in an AIM Auction without regard for better-priced Protected Quotes (as defined in Rule 27.1) because the Initiating Member routed an ISO(s) simultaneously with the routing of the AIM ISO to execute against the full displayed size of any Protected Quote that is better than the stop price and has swept all interest in the EDGX Options Book with a price better than the stop price. Any execution(s) resulting from these sweeps accrue to the AIM Agency Order.

(B) *Sweep and AIM Order.* A “Sweep and AIM order” is the submission of two orders for crossing in an AIM Auction with a stop price that does not need to be within the BBO and where the Exchange sweeps all Protected Quotes (as defined in Rule 27.1) by routing one or more ISOs, as necessary, to execute against the full displayed size of any Protected Quote with a price better than the stop price, as well as sweep all interest in the EDGX Options Book with a price better than the stop price simultaneously with the commencement of the AIM Auction. Any execution(s) resulting from these sweeps accrue to the AIM Agency Order. The two orders submitted as a Sweep and AIM order may not both be for the accounts of Priority Customers.

(4) *Execution Price.* The Initiating Member must specify:

(A) a single price at which it seeks to execute the Agency Order against the Initiating Order (a “single-price submission”), including whether it elects to have last priority in allocation (as described in subparagraph (e)(5) below); or

(B) an initial stop price and instruction to automatically match the price and size of all AIM responses and other trading interest (“auto-match”) up to a designated limit price or at all prices that improve the stop price.

The System rejects or cancels both an Agency Order and Initiating Order submitted to an AIM Auction that do not meet the conditions in this paragraph (b).

(c) *Auction Process.* Upon receipt of an Agency Order that meets the conditions in paragraphs (a) and (b), the AIM Auction process commences.

(1) *Concurrent Auctions in Same Series.* With respect to Agency Orders for less than 50 standard option contracts (or 500 mini-option contracts), only one AIM Auction may be ongoing at any given time in a series, and Auctions in the same series may not queue or overlap in any manner. One or more AIM Auctions in the same series for Agency Orders of 50 standard option contracts (or 500 mini-option contracts) or more may occur at the same time. To the extent there is more than one AIM Auction in a series underway at a time, the AIM Auctions conclude sequentially based on the exact time each AIM Auction commenced, unless terminated early pursuant to paragraph (d). At the time each AIM Auction concludes, the System allocates the Agency Order pursuant to paragraph (e) and takes into account all AIM Auction responses and unrelated orders and quotes in place at the exact time of conclusion. In the event there are multiple AIM Auctions underway that are each terminated early pursuant to paragraph (d), the System processes the AIM Auctions sequentially based on the exact time each AIM Auction commenced.

(2) *Auction Notification Message.* The System initiates the AIM Auction process by sending an AIM Auction notification message detailing the side, size, price, Auction ID, and options series of the Agency Order to all Options Members that elect to receive AIM Auction notification messages. AIM Auction notification messages are not included in the disseminated BBO or OPRA.

(3) *Auction Period.* The AIM Auction lasts for a period of time determined by the Exchange, which may be no less than 100 milliseconds and no more than one second and which the Exchange will announce to Options Members via Exchange Notice and/or technical specifications.

(4) *Modification or Cancellation.* An Initiating Member may not modify or cancel an Agency Order or Initiating Order after submission to an AIM Auction.

(5) *Auction Responses.* Any User other than the Initiating Member (determined by EFID) may submit responses to an AIM Auction that are properly marked specifying price, size, side of the market, and the Auction ID for the AIM Auction to which the User is submitting the response. An AIM response may only participate in the AIM Auction with the Auction ID specified in the response.

(A) The minimum price increment for AIM responses is \$0.01. The System rejects an AIM response that is not in a \$0.01 increment.

(B) AIM responses that cross the Initial NBBO are capped at the Initial NBBO on the same side as the Agency Order and \$0.01 better than the EDGX BBO on the same side as the Agency Order if the EDGX BBO is represented by a Priority Customer on the EDGX Options Book (unless the Agency Order is an AIM ISO or Sweep and AIM). The System executes these AIM responses, if possible, at the most aggressive permissible price not outside the Initial NBBO.

(C) A User may submit multiple AIM responses at the same or multiple prices to an AIM Auction. For purposes of an AIM Auction, the System aggregates all of a User's orders and quotes on the EDGX Options Book and AIM responses for the same EFID at the same price.

(D) The System caps the size of an AIM response, or the aggregate size of a User's orders and quotes on the EDGX Options Book and AIM responses for the same EFID at the same price, at the size of the Agency Order (i.e., the System ignores size in excess of the size of the Agency Order when processing the AIM Auction).

(E) AIM responses must be on the opposite side of the market as the Agency Order. The System rejects an AIM response on the same side of the market as the Agency Order.

(F) AIM responses may be designated with the MTP modifier of MTP Cancel Newest, but no other MTP modifiers. The System rejects an AIM response with any other MTP modifier.

(G) AIM responses may not be designated as IOC or FOK. The System rejects an AIM response designated as IOC or FOK.

(H) AIM responses are not be visible to AIM Auction participants or disseminated to OPRA.

(I) A User may modify or cancel its AIM responses during the AIM Auction.

(d) *Conclusion of Auction.*

(1) An AIM Auction concludes at the earliest to occur of the following times:

(A) the end of the Auction period;

(B) upon receipt by the System of a Priority Customer order on the same side of the market with a price the same as or better than the stop price of the Agency Order that would post to the EDGX Options Book;

(C) upon receipt by the System of an unrelated order or quote that is not a Priority Customer order on the same side of the market as the Agency Order that would cause the Agency Order's stop price to be outside of the EDGX BBO;

(D) the market close; and

(E) any time the Exchange halts trading in the affected series, provided, however, that in such instance the AIM Auction concludes without execution.

(2) An unrelated market or marketable limit order (against the EDGX BBO), including a Post Only Order, on the opposite side of the Agency Order received during the AIM Auction does not cause the AIM Auction to end early and executes against interest outside of the AIM Auction. If contracts remain from such unrelated order at the time the AIM Auction ends, they may be allocated for execution against the Agency Order pursuant to paragraph (e) below.

(e) *Execution of Agency Order.* At the conclusion of the Auction, the System allocates contra-side interest against the Agency Order at the best price(s) as follows:

(1) *No Price Improvement.* If the Auction results in no price improvement, the System executes the Agency Order at the stop price, which price must be at or better than the both sides of the EDGX BBO, against contra-side interest in the following order:

(A) Priority Customer orders on the EDGX Options Book (in time priority);

(B) The Initiating Order for the greater of (i) one contract or (ii) up to 50% of the Agency Order if there is interest from one other User at the stop price or 40% of the Agency Order if there is interest from two or more other Users at the stop price (which percentages are based on the number of contracts remaining after execution against Priority Customer orders). Under no circumstances does the Initiating Member receive an allocation percentage, at the final price point, of more than 50% of the initial Agency Order in the event there is interest from one other User or 40% of the initial Agency Order in the event there is interest from two or more other Users;

(C) Priority Orders (if the Exchange has designated the class as eligible for Priority Order status, as described below), pursuant to Rule 21.8(c);

(D) All other contra-side trading interest (including AIM responses and orders and quotes on the EDGX Options Book, excluding AON orders) pursuant to Rule 21.8(c); and

(E) The Initiating Order to the extent there are any remaining contracts;

(2) *Price Improvement with Single-Price Submission.* If the Auction results in price improvement for the Agency Order and the Initiating Member selected a single-price submission, the System executes the Agency Order at each price level better than the stop price against contra-side interest in the following order:

(A) Priority Customer orders on the EDGX Options Book (in time priority);

(B) Priority Orders (if the Exchange has designated the class as eligible for Priority Order status, as described below) pursuant to Rule 21.8(c);

(C) All other contra-side trading interest (including AIM responses and orders and quotes on the EDGX Options Book) pursuant to Rule 21.8(c);

(D) Nondisplayed Reserve Quantity (Priority Customer before non-Priority Customer, each in time priority); and

(E) AON orders, if there is sufficient size to satisfy the size of the AON order (Priority Customer before non-Priority Customer, each in time priority).

If the price at which the balance of the Agency Order can be fully executed equals the stop price, then the System executes any remaining contracts from the Agency Order at that price in the order set forth in subparagraph (e)(1).

(3) *Price Improvement with Auto-Match.* If the Auction results in price improvement for the Agency Order and the Initiating Member selected auto-match, at each price level better than the stop price (or at each price level better than the stop price up to the limit price if the Initiating Member specified one), the System executes the Agency Order against the Initiating Order for the number of contracts equal to the aggregate size of all other contra-side interest (including orders, quotes, and AIM responses, excluding the size of any AON orders) and then executes the Agency Order against that contra-side interest in the order set forth in subparagraph (e)(2) (including AON orders for which the size can be satisfied). If there are any remaining contracts from the Agency Order at the stop price, the System executes those contracts at that price in the order set forth in subparagraph (e)(1).

(4) *Priority Order Status.* If the Exchange designates a class as eligible for Priority Order status, Users with resting quotes and orders that were at a price equal to the Initial NBBO on the opposite side of the market from the Agency Order (“Priority

Orders”) have priority up to their size in the Initial NBBO at each price level at or better than the Initial NBBO (after Priority Customers and the Initiating Member have received allocations, as set forth in subparagraphs (e)(1) through (3) above). Priority Order status is only valid for the duration of the particular AIM Auction.

(5) *Last Priority*. If the Initiating Member selects a single-price submission, it may elect for the Initiating Order to have last priority to trade against the Agency Order. If the Initiating Member elects last priority, then notwithstanding subparagraphs (e)(1) and (2), the System only executes the Initiating Order against any remaining Agency Order contracts at stop price after the Agency Order is allocated to all other contra-side interest (in the order set forth in subparagraph (e)(2) above) at all prices equal to or better than the stop price (excluding AON orders at the stop price). Last Priority information is not available to other market participants and may not be modified after it is submitted.

(6) *Unexecuted Responses*. The System cancels or rejects any unexecuted AIM responses (or unexecuted portions) at the conclusion of the AIM Auction.

(f) *Customer-to-Customer Immediate Crosses*. In lieu of the procedures set forth above, an Initiating Member may enter an Agency Order for the account of a Priority Customer paired with a solicited order(s) for the account of a Priority Customer, which paired orders the System automatically executes without an AIM Auction (“Customer-to-Customer AIM Immediate Cross”), subject to the following:

(1) The price of the transaction must be at or between the EDGX BBO and the NBBO and not at the same price as any Priority Customer Order resting on the EDGX Options Book; and

(2) The System does not initiate a Customer-to-Customer AIM Immediate Cross if there is a resting Priority Customer order on the same side or opposite side of, and at the same price as, the Agency Order, and instead cancels the Agency Order and Initiating Order.

Interpretations and Policies

.01 An Options Member may only use an AIM Auction where there is a genuine intention to execute a bona fide transaction.

.02 A pattern or practice of submitting orders or quotes for the purpose of disrupting or manipulating AIM Auctions, including to cause an Auction to conclude before the end of the Auction period, will be deemed conduct inconsistent with just and equitable principles of trade and a violation of Rule 3.1. It will also be deemed conduct inconsistent with just and equitable principles of trade and a violation of Rule 3.1 to engage in a pattern of conduct where the Initiating Member breaks up an Agency Order into separate orders for the purpose of gaining a higher allocation percentage than the Initiating Member would have otherwise received in accordance with the allocation procedures contained in paragraph (e) above.

.03 Rule 22.12 prevents an Options Member from executing agency orders to increase its economic gain from trading against the order without first giving other trading interests on the Exchange an opportunity to either trade with the agency order or to trade at the execution price when the Options Member was already bidding or offering on the book. However, the Exchange recognizes that it may be possible for an Options Member to establish a relationship with a Priority Customer or other person to deny agency orders the opportunity to interact on the Exchange and to realize similar economic benefits as it would achieve by executing agency orders as principal. It would be a violation of Rule 22.12 for an Options Member to circumvent such rule by providing an opportunity for (a) a Priority Customer affiliated with the Options Member, or (b) a Priority Customer with whom the Options Member has an arrangement that allows the Options Member to realize similar economic benefits from the transaction as the Options Member would achieve by executing agency orders as principal, to regularly execute against agency orders handled by the firm immediately upon their entry as Customer-to-Customer AIM Immediate Crosses pursuant to paragraph (f) of this Rule.

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Rule 21.20. Complex Orders

Trading of complex orders is subject to all other Rules applicable to the trading of orders, unless otherwise provided in this Rule 21.20.

(a) Definitions. For purposes of this Rule 21.20, the following terms have the meanings below. A term defined elsewhere in the Exchange Rules has the same meaning with respect to this Rule 21.20, unless otherwise defined below.

ABBO

The term “ABBO” means the best bid(s) or offer(s) disseminated by other Eligible Exchanges (as defined in Rule 27.1(a)(7)) and calculated by the Exchange based on market information received by the Exchange from OPRA.

BBO

The term “BBO” means the best bid or offer disseminated by the Exchange.

Complex Order

A “complex order” is any order involving the concurrent purchase and/or sale of two or more different series in the same class (the “legs” or “components” of the complex order), for the same account, in a ratio that is equal to or greater than one-to-three (.333) and less than or equal to three-to-one (3.00) and for the purposes of executing a particular investment strategy. Only those complex orders with no more than the applicable number of legs (determined by the Exchange)

are eligible for processing. The term “complex order” includes all types of complex orders that are available on the Exchange pursuant to paragraph (b) below, unless the Rules specify otherwise.

Complex Order Auction and COA

The terms “Complex Order Auction” and “COA” mean an auction of a complex order as set forth in paragraph (d) below.

Complex Order Book and COB

The terms “Complex Order Book” and “COB” mean the Exchange’s electronic book of complex orders used for all trading sessions.

Complex Strategy

The term “complex strategy” means a particular combination of components and their ratios to one another. New complex strategies can be created as the result of the receipt of a complex instrument creation request or complex order for a complex strategy that is not currently in the System. The Exchange may limit the number of new complex strategies that may be in the System at a particular time and will communicate any such limitation to Members via specifications and/or Regulatory Circular.

Legging

The term “Legging” is defined in paragraph (g) below.

NBBO

The term “NBBO” means the national best bid or offer as calculated by the Exchange based on market information received by the Exchange from OPRA.

Regular Trading

The term “regular trading” means trading of complex orders that occurs during a trading session other than: (1) at the opening of the COB or re-opening of the COB for trading following a halt (described in paragraph (c) below) or (2) during the COA process (described in paragraph (d) below).

Simple Book

The term “Simple Book” means the Exchange’s regular electronic book of orders.

Synthetic Best Bid or Offer and SBBO

The terms “Synthetic Best Bid or Offer” and “SBBO” mean the best bid and offer on the Exchange for a complex strategy calculated using:

(1) for complex orders, the BBO for each component (or the NBBO for a component if the BBO for that component is not available) of a complex strategy from the Simple Book, and

(2) for stock-option orders, the BBO for each option component (or the NBBO for a component if the BBO for that component is not available) and the NBBO of the stock component of a complex strategy.

Synthetic National Best Bid or Offer and SNBBO

The terms “Synthetic National Best Bid or Offer” and “SNBBO” mean the national best bid and offer for a complex strategy calculated using:

(1) for complex orders, the NBBO for each component of a complex strategy, and

(2) for stock-option orders, the NBBO for each option component and the NBBO of the stock component of a complex strategy.

(b) *Types of Complex Orders.* Complex orders are available in all classes listed for trading on the Exchange. The Exchange determines which Times-in-Force of DAY, GTC, GTD, IOC, or OPG as such terms are defined in Rule 21.1(f). Users may not submit complex orders through bulk ports. The following complex orders will also be accepted by the Exchange: are available for complex orders (including for eligibility to enter the COB and initiate a COA). The Exchange determines which Capacities (i.e., non-broker-dealer customers, broker-dealers that are not Market-Makers on an options exchange, or Market-Makers on an options exchange) are eligible for COA and for entry onto the COB. Complex orders may be market or limit orders. Users may designate complex orders as Attributable or Non-Attributable. The System also accepts the following instructions for complex orders:

All Sessions Complex Order

An “All Sessions” complex order is a complex order a User designates as eligible to trade during both GTH and RTH. An unexecuted All Sessions complex order on the COB at the end of a GTH trading session remains on the COB and becomes eligible for execution during the RTH COB Opening Process or trading session on that same trading day, subject to a User’s instructions.

AON Complex Order

An “AON complex order” is a complex order that is to be executed in its entirety or not at all. An AON complex order may only execute following a COA, and is not eligible to rest in the COB.

Book Only Complex Order

A “Book Only complex order” is a complex order the System ranks and executes pursuant to this Rule 21.20 or cancels or rejects, as applicable (in accordance with the User’s instructions).

COA-Eligible and Do-Not-COA Order

Upon receipt of an IOC complex order, the System does not initiate a COA unless a User marked the order to initiate a COA, in which case the System cancels any unexecuted portion at the end of the COA. A Post Only complex order with any Time-in-Force does not initiate a COA, and if a User marks a Post Only complex order to initiate a COA, the System cancels that order. An incoming AON complex order initiates a COA, and if a User marks an AON complex order to not initiate a COA, or an AON complex order does not satisfy the COA eligibility criteria in subparagraph (d)(1) below, the System cancels the AON complex order. Upon receipt of a complex order with any other Time-in-Force (except OPG), the System initiates a COA unless a User marked the order to not initiate a COA. A buy (sell) complex order with User instructions to (or which default to) initiate a COA that is priced (A) equal to or lower (higher) than the SBO (SBB) (provided that if any of the bids or offers on the Simple Book that comprise the SBO (SBB) is represented by a Priority Customer Order, the order must be priced at least \$0.01 lower (higher) than the SBO (SBB)) and (B) lower (higher) than the price of sell (buy) complex orders resting at the top of the COB is a “COA-eligible order.” A complex order with User instructions not to (or which default to not) initiate a COA (including a Post Only complex order) or that does not satisfy the COA-eligibility requirements in this paragraph (b) is a “do-not-COA order.”

Complex Only Order

A “Complex Only order” is a Day or IOC complex order a Market Maker may designate to execute only against complex orders in the COB and not Leg into the Simple Book. Unless designated as Complex Only, and for all other Times-in-Force and complex order origin codes, a complex order may execute against complex orders in the COB and may Leg into the Simple Book.

Complex Orders with MTP Modifiers

Users may apply the following MTP Modifiers [defined in Rule 21.1(g)] to complex orders: MTP Cancel Newest, MTP Cancel Oldest, and MTP Cancel Both. If a complex order would execute against a complex order in the COB with an MTP Modifier and the same Unique Identifier, the System handles the complex orders with these MTP Modifiers as described in Rule 21.1(g). If a complex order with an MTP Modifier would Leg into the Simple Book and execute against any leg on the Simple Book with an MTP Modifier and the same Unique Identifier, the System cancels the complex order.

Post Only Complex Order

A “Post Only complex order” is a complex order the System ranks and executes pursuant to this Rule 21.20 or cancels or rejects, as applicable (in accordance with the User’s instructions), except the order may not remove liquidity from the COB or the Simple Book. The System cancels or rejects a Post Only market complex order unless it is subject to the drill-through protection in Rule 21.17(b).

RTH Only Complex Order

An “RTH Only” complex order is a complex order a User designates as eligible to trade only during RTH or not designated as All Sessions. An unexecuted RTH Only complex order with a Time-in-Force of GTC or GTD on the COB at the end of an RTH trading session remains on the COB and becomes eligible for execution during the RTH trading session on the following trading day (but not during the GTH trading session on the following trading day), subject to a User’s instructions.

QCC with Stock Order

A “QCC with Stock Order” is a QCC Order (including a Complex QCC Order), as defined in Rule 21.1(d)(10), entered with a stock component to be electronically communicated by the Exchange to a designated broker-dealer for execution on behalf of the submitting User pursuant to subparagraph (l)(3) below. QCC with Stock Orders are available to Users on a voluntary basis.

Stock-Option Orders

A “stock-option order” is the purchase or sale of a stated number of units of an underlying stock or a security convertible into the underlying stock (“convertible security”) coupled with the purchase or sale of an option contract(s) on the opposite side of the market representing either (A) the same number of units of the underlying stock or convertible security or (B) the number of units of the underlying stock necessary to create a delta neutral position, but in no case in a ratio greater than eight-to-one (8.00), where the ratio represents the total number of units of the underlying stock or convertible security in the option leg(s) to the total number of units of the underlying stock or convertible security in the stock leg. Only those stock-option orders in the classes designated by the Exchange with no more than the applicable number of legs are eligible for processing. Stock-option orders execute in the same manner as other complex orders, except as otherwise specified in this Rule.

(c) *COB Opening Process (Including After a Trading Halt).* The COB Opening Process occurs at the beginning of each trading session and after a trading halt.

(1) *Complex Order Entry Period.* The System accepts complex orders for inclusion in the COB Opening Process at the times and in the manner set forth in Rules 21.6(b) and 21.7(b), except the Queuing Period for complex orders ends when the complex strategy opens. Complex orders entered during the Queuing Period are not eligible for execution until the initiation of the COB Opening Process. Beginning at 7:30 a.m. and updated every five seconds thereafter until the initiation of the COB Opening

Process, the Exchange disseminates indicative prices and order imbalance information based on complex orders queued in the System for the COB Opening Process.

(2) *Initiation of COB Opening Process.* The System initiates the COB Opening Process for a complex strategy after a number of seconds (which number the Exchange determines) after all legs of the strategy in the Simple Book are open for trading. All complex orders the System receives prior to opening a complex strategy as set forth in this subparagraph (2) (including any delay applied by the Exchange pursuant to this subparagraph (2) and subparagraph (C) below) are eligible to be matched in the COB Opening Process pursuant to this subparagraph (2) and not during the opening auction process described in Rule 21.7.

(A) *COB Opening Price.* If there are matching complex orders in a complex strategy, the System determines the COB opening price, which is the price at which the most complex orders can trade. If there are multiple price levels that would result in the same number of complex orders executed, the System chooses the price that would result in the smallest remaining imbalance as the COB opening price. If there are multiple price levels that would result in the same number of complex orders executed and the same “smallest” imbalance, the System chooses the price closest to the midpoint of the (i) SNBBO or (ii) if there is no SNBBO available, the highest and lowest potential opening prices as the COB opening price. If the midpoint price would result in an invalid increment, the System rounds the COB opening price up to the nearest permissible increment. If the COB opening price would require printing at the same price as a Priority Customer on any leg in the Simple Book, the System adjusts the COB opening price to a price that is better than the corresponding bid or offer in the marketplace by at least a \$0.01 increment.

(B) *Transition to Regular Trading.* After the System determines a COB opening price, the System executes matching complex orders in price/time priority at the COB opening price (i.e., orders better than the COB opening price are executed first in price/time priority and thereafter orders at the COB opening price are executed in time priority). The System enters any remaining complex orders (or unexecuted portions) into the COB, subject to the User’s instructions.

(C) *No Matching Complex Orders or No Valid COB Opening Price.* If there are no matching complex orders in a complex strategy, the System opens the complex strategy without a trade. If after an Exchange-established period of time that may not exceed 30 seconds, the System cannot match orders because (i) the System cannot determine a COB opening price (i.e., all queued orders are Market Orders) or (ii) the COB opening price is outside the SNBBO, the System opens the complex strategy without a trade. In both cases, the System enters any orders in the complex strategy in the COB (in time priority), except it Legs any complex orders it can into the Simple Book (as described below).

(d) *Complex Order Auctions (COAs).*

(1) *Commencement of COA.* Upon receipt of a COA-eligible order in any class, the System initiates the COA process by sending a COA auction message to all subscribers to the Exchange's data feeds that deliver COA auction messages. A COA auction message identifies the COA auction ID, instrument ID (i.e., complex strategy), origin code, quantity, and side of the market of the COA-eligible order. The Exchange may also determine to include the price in COA auction messages, which is (A) the limit order price, (B) the SBO (SBB) (if initiated by a buy (sell) market complex order), or (C) the drill-through price if the order is subject to the drill-through protection in Rule 21.17(b).

(2) *Concurrent COAs.* The System may initiate a COA in a complex strategy even though another COA in that complex strategy is ongoing.

(A) If there are multiple COAs ongoing for a specific complex strategy, each COA concludes sequentially based on the time each COA commenced, unless terminated early pursuant to paragraph (d)(3) below. At the time each COA concludes, the System allocates the COA-eligible order pursuant to this Rule and takes into account all COA Responses for that COA, orders in the Simple Book, and unrelated complex orders on the COB at the time the COA concludes.

(B) If there are multiple COAs ongoing for a specific complex strategy that are each terminated early pursuant to paragraph (d)(3) below, the System processes the COAs sequentially based on the order in which they commenced.

(C) If a COA Response is not fully executed at the end of the identified COA to which the COA Response was submitted, the System cancels or rejects the COA Response (or unexecuted portion) at the conclusion of the specified COA.

(3) *Response Time Interval.* The "Response Time Interval" means the period of time during which Users may submit responses to the COA auction message ("COA Responses"). The Exchange determines the duration of the Response Time Interval, which may not exceed 500 milliseconds. However, the Response Time Interval terminates prior to the end of that time duration:

(A) when the System receives a non-COA-eligible order on the same side as the COA-eligible order that initiated the COA but with a price better than the COA price, in which case the System terminates the COA and processes the COA-eligible order pursuant to subparagraph (5) below and posts the new order to the COB;

(B) when the System receives an order in a leg of the complex order that would improve the SBBO on the same side as the COA-eligible order that initiated the COA to a price equal to or better than the COA price, in which case the System terminates the COA and processes the COA-eligible order pursuant to subparagraph (5) below, posts the new order to the Simple Book, and updates the SBBO; or

(C) if the System receives a Priority Customer Order that would join or improve the SBBO on the same side as the COA in progress to a price equal to or better than the COA price, in which case the System terminates the COA and processes the COA-eligible order pursuant to subparagraph (5) below, posts the new order to the Simple Book, and updates the SBBO.

(4) *COA Responses.* The System accepts a COA Response(s) with any origin code in \$0.01 increments during the Response Time Interval.

(A) A COA Response must specify the price, size, side of the market (i.e., a response to a buy COA as a sell or a response to a sell COA as a buy) and COA auction ID for the COA to which the User is submitting the COA Response.

(B) The System aggregates the size of COA Responses submitted at the same price for an EFID, and caps the size of the aggregated COA Responses at the size of the COA-eligible order.

(C) During the Response Time Interval, COA Responses are not firm, and Users can modify or withdraw them at any time prior to the end of the Response Time Interval, although the System applies a new timestamp to any modified COA Response (unless the modification was to decrease its size), which results in loss of priority. The Exchange does not display COA Responses. At the end of the Response Time Interval, COA Responses are firm (i.e., guaranteed at their price and size).

(D) A COA Response may only execute against the COA-eligible order for the COA to which a User submitted the COA Response. The System cancels or rejects any unexecuted COA Responses (or unexecuted portions) at the conclusion of the COA.

(5) *Processing of COA-Eligible Orders.*

(A) At the end of the Response Time Interval, the System executes a COA-eligible order (in whole or in part) against contra side interest in price priority. If there is contra side interest at the same price, the System allocates the contra side interest as follows:

(i) Priority Customer Orders resting on the Simple Book for the individual leg components of the complex order through Legging (subject to paragraph (g)) in time priority;

(ii) COA Responses and unrelated orders on the COB in time priority; and

(iii) remaining orders in the Simple Book for the individual leg components of the complex order through Legging (subject to paragraph (g)), which the System allocates in accordance with Rule 21.8.

Notwithstanding the foregoing, at the conclusion of a COA of an AON complex order, the AON complex order may only execute against COA Responses and unrelated orders on the COB in price-time priority if there is sufficient size to satisfy the AON complex order (and may not execute against orders in the Simple Book). If there is insufficient size to satisfy the AON complex order, the System cancels the order.

(B) The System enters any COA-eligible order (or unexecuted portion) that does not execute at the end of the COA into the COB (if eligible to rest), and applies a timestamp based on the time it enters the COB. The System cancels or rejects any COA-eligible order (or unexecuted portion) that does not execute at the end of the COA if not eligible for entry into the COB or in accordance with the User's instructions. Complex orders resting on the COB may execute pursuant to paragraph (e) following evaluation pursuant to paragraph (i) and remain on the COB until they execute or are cancelled or rejected.

(e) *Processing of Do-Not-COA Orders/Orders Resting on the COB.* Upon receipt of a do-not-COA order, or if the System determines an order resting on the COB is eligible for execution following evaluation pursuant to paragraph (i), the System executes it (in whole or in part) against contra side interest in price priority. If there is contra side interest at the same price, the System allocates the contra side interest as follows:

- (1) Priority Customer Orders resting on the Simple Book for the individual leg components of the complex order through Legging (subject to paragraph (g)) in time priority;
- (2) unrelated orders on the COB in time priority; and
- (3) remaining orders in the Simple Book for the individual leg components of the complex order through Legging (subject to paragraph (g)), which the System allocates in accordance with Rule 21.8.

The System enters any do-not-COA order (or unexecuted portion) that does not execute against the individual leg markets or complex orders into the COB (if eligible to rest), and applies a timestamp based on the time it enters the COB. The System cancels or rejects any complex order (or unexecuted portion) that would execute at a price outside of the SBBO or equal to the SBBO when there is a Priority Customer Order at the SBBO and the complex order is not eligible for entry into the COB, that is otherwise not eligible for entry into the COB, or in accordance with the User's instructions. Complex orders resting on the COB may execute pursuant to this paragraph (e) following evaluation pursuant to paragraph (i) and remain on the COB until they execute or are cancelled or rejected.

(f) *Minimum Increments and Execution Prices.*

(1) *Minimum Increments.*

(A) Complex Orders. The minimum increment for bids and offers on a complex order is \$0.01, and the components of a complex order may be executed

in \$0.01 increments, regardless of the minimum increments otherwise applicable to the individual components of the complex order.

(B) *Stock-Option Orders.* Users may express bids and offers for a stock-option order (including a QCC with Stock Order) in any decimal price the Exchange determines. The option leg(s) of a stock-option order may be executed in \$0.01 increments, regardless of the minimum increments otherwise applicable to the option leg(s), and the stock leg of a stock-option order may be executed in any decimal price permitted in the equity market.

(2) *Execution Prices and Complex Order Priority.*

(A) *Complex Orders.* The System does not execute a complex order pursuant to this Rule 21.20 at a net price (i) that would cause any component of the complex strategy to be executed at a price of zero; (ii) worse than the SBBO or equal to the SBBO when there is a Priority Customer Order at the SBBO, except AON complex orders may only execute at prices better than the SBBO; (iii) that would cause any component of the complex strategy to be executed at a price worse than the individual component prices on the Simple Book; (iv) worse than the price that would be available if the complex order Legged into the Simple Book; or (v) that would cause any component of the complex strategy to be executed at a price ahead of a Priority Customer Order on the Simple Book without improving the BBO of at least one component of the complex strategy.

(B) *Stock-Option Orders.* For a stock-option order with one option leg, the option leg may not trade at a price worse than the individual component price on the Simple Book or at the same price as a Priority Customer Order on the Simple Book. For a stock-option order with more than one option leg, the option legs must trade at prices pursuant subparagraph (A) above. To facilitate the execution of the stock leg and options leg(s) of an executable stock-option order at valid increments pursuant to subparagraph (f)(1)(B) above, the legs may trade outside of their expected notional trade value by a specified amount determined by the Exchange, unless the order has a capacity of "C". A stock-option order may only execute if the stock leg is executable at the price(s) necessary to achieve the desired net price. The System executes the buy (sell) stock leg of a stock-option order pursuant to Rule 21.20 up to a buffer amount above (below) the NBO (NBB) for the stock leg. The execution price of the buy (sell) stock leg of a QCC with Stock Order may be any price (including outside the NBBO for the stock leg), except the price must be permitted by Regulation SHO and the Limit Up-Limit Down Plan.

(3) *Other Exchanges.* The System executes complex orders without consideration of any prices for the complex strategy that might be available on other exchanges trading the same complex strategy; provided, however, that such complex order price may be subject to the drill-through price protection described in Rule 21.17(b).

(g) *Legging Restrictions.* A complex order may execute against orders and quotes in the Simple Book pursuant to subparagraphs (d)(5)(A) and (e) if it can execute in full or in a permissible ratio and if it has no more than a maximum number of legs (which the Exchange determines on a class-by-class basis and may be two, three, or four) (“Legging”), subject to the following restrictions:

(1) All two leg COA-eligible Customer complex orders may Leg into the Simple Book without restriction.

(2) Complex orders for any other Capacity with two option legs that are both buy or both sell and that are both calls or both puts may not Leg into the Simple Book. These orders may execute against other complex orders in the COB.

(3) All complex orders with three or four option legs that are all buy or all sell (regardless of whether the option legs are calls or puts) may not Leg into the Simple Book. These orders may execute against other complex orders in the COB.

(4) Post Only complex orders and AON complex orders may not Leg into the Simple Book.

(5) Stock-option orders may not Leg into the Simple Book and may only execute against other stock-option orders.

(h) *Additional Complex Order Handling.* Processing and execution of complex orders pursuant to this Rule 21.20 (including pursuant to paragraphs (d) and (e), and following evaluation pursuant to paragraph (i)) are subject to the following:

(1) A complex market order or limit order with a price that locks or crosses the then-current opposite side SBBO and does not execute because the SBBO is the best price but not available for execution (because it does not satisfy the complex order ratio or the complex order cannot Leg into the Simple Book) enters the COB with a book and display price that (A) is \$0.01 away from the current opposite side SBBO if the opposite side SBBO is represented by a Priority Customer Order or (B) locks the current opposite side SBBO. If the SBBO changes, the System continuously reprices the book and display price of the complex order (or unexecuted portion) based on the new SBBO (up to the limit price, if it is a limit order), subject to the drill-through price protection described in Rule 21.17(b) until:

(A) the complex order has been executed in its entirety; or

(B) the complex order (or unexecuted portion) of the complex order is cancelled or rejected.

(2) The System cancels or rejects an incoming Post Only complex order if it locks or crosses a resting complex order in the COB or the then-current opposite side SBBO. The System cancels a resting Post Only complex limit order after evaluation pursuant to paragraph (i) below if the System determines the resting Post Only complex limit order locks or crosses the updated SBBO.

(3) If there is a zero NBO for any leg, the System replaces the zero with a price \$0.01 above the NBB to calculate the SNBBO, and complex orders with any buy legs do not Leg into the Simple Book. If there is a zero NBB, the System replaces the zero with a price of \$0.01, and complex orders with any sell legs do not Leg into the Simple Book. If there is a zero NBB and zero NBO, the System replaces the zero NBB with a price of \$0.01 and replaces the zero NBO with a price of \$0.02, and complex orders do not Leg into the Simple Book.

(i) *Evaluation.* The System evaluates an incoming complex order upon receipt or after the open of trading to determine whether it is a COA-eligible order or a do-not-COA order and thus whether it should be processed pursuant to paragraph (d) or (e), respectively, or cancelled. The System re-evaluates a complex order resting on the COB (including an order (or unexecuted portion) that did not execute pursuant to paragraph (d) or (e) upon initial receipt):

(1) at time the COB opens;

(2) following a halt; and

(3) during the trading day when the leg market price or quantity changes to determine whether the complex order:

(A) can execute (pursuant to paragraph (e));

(B) should be repriced (pursuant to paragraph (h));

(C) should remain resting on the COB; or

(D) should be cancelled.

(j) *Limit Up-Limit Down State.*

(1) The System cancels or rejects a complex market order it receives when the underlying security is subject to a Limit State or Straddle State, as such terms are defined in the Limit Up-Limit Down Plan.

(2) If during a COA of a market order the underlying security enters a Limit State or Straddle State, the System terminates the COA without trading and cancels or rejects all COA Responses.

(3) The Exchange only executes the stock leg of a stock-option order at a price permissible under the Limit Up-Limit Down Plan. If a stock-option order cannot execute, the System calculates the SBBO or SNBBO with a price for the stock leg that would be permissible under that Plan, and posts the stock-option order on the COB at that price (if eligible to rest), subject to a User's instructions.

(k) *Trading Halts.*

(1) *Halts During Regular Trading.* If a trading halt exists for the underlying security or a component of a complex strategy, trading in the complex strategy will be suspended, and the System queues a User's complex orders unless the User instructed the Exchange to cancel its complex orders upon a trading halt. The COB will remain available for Users to enter and manage complex orders. Incoming complex orders that could otherwise execute or initiate a COA in the absence of a halt will be placed on the COB. Incoming complex orders with a time in force of IOC will be cancelled.

(2) *Halts During a COA.* If, during a COA, any component(s) and/or the underlying security of a COA-eligible order is halted, the COA ends early without trading, and the System cancels or rejects all COA Responses. The System enters remaining complex orders on the COB (if eligible to rest) or cancels complex orders that are not eligible to rest on the COB.

(3) *Resumption of Trading Following a Halt.* When trading in the halted component(s) and/or underlying security of the complex order resumes, the System re-opens the COB pursuant to paragraph (c) above. The System queues any complex orders designated for a re-opening following a halt until the halt has ended, at which time they are eligible for execution in the Opening Process.

(1) *Stock-Option Orders.* Stock-option orders execute in the same manner as other complex orders pursuant to this Rule, except as follows:

(1) *Designated Broker-Dealer.* When a User submits to the System a stock-option order, it must designate a specific broker-dealer with which it has entered into a brokerage agreement pursuant to Interpretation and Policy .03 of this Rule (the "designated broker-dealer") to which the Exchange will electronically communicate the stock component of the stock-option order on behalf of the User.

(2) *Execution.* A stock-option order may execute against other stock-option orders (or COA Responses, if applicable), but may not execute against orders in the Simple Book. A stock-option order may only execute if the price complies with subparagraph (f)(2)(B) above.

(A) *Execution of Option Component.* If a stock-option order can execute upon entry or following a COA, or if it can execute following evaluation while resting in the COB pursuant to paragraph (i), the System executes the option component (which may consist of one or more option legs) of a stock-option order against the option component of other stock-option orders resting in the COB or COA responses (in time priority), as applicable, but does not immediately send the User a trade execution report, and then automatically communicates the stock component to the designated broker-dealer for execution at a stock trading venue.

(B) *Execution of Stock Component.* If the System receives an execution report for the stock component from the designated broker-dealer, the Exchange sends the User the trade execution report for the stock-option order, including execution information for the stock and option components. If the System receives

a report from the designated broker-dealer that the stock component cannot execute, the Exchange nullifies the option component trade and notifies the User of the reason for the nullification.

If a stock-option order is not marketable, it rests in the COB (if eligible to rest), subject to a User's instructions.

(3) *QCC with Stock Orders.* The System processes QCC with Stock Orders as follows:

(A) *Entry of QCC with Stock Order.* When a User submits a QCC with Stock Order to the System, it enters a QCC Order (which may be a Complex QCC Order) pursuant to Rule 21.1(d)(10) with a stock component (pursuant to this Rule 21.20). When entering a QCC with Stock Order, the User must: (i) include a net price for the stock and option components in accordance with the minimum increments for stock-option orders set forth in paragraph (f) above, and (ii) identify the designated broker-dealer as set forth in subparagraph (l)(2) above.

(B) *Execution of Option Component.* If the option component (i.e., the QCC Order or Complex QCC Order) of a QCC with Stock Order can execute, the System executes it in accordance with Rule 21.1(d)(10), but does not immediately send the User a trade execution report, and automatically communicates the stock component to the designated broker-dealer for execution at a stock trading venue. If the option component(s) of a QCC with Stock Order cannot execute, the System cancels the QCC with Stock Order, including both the stock and option components.

(C) *Execution of Stock Component.* If the System receives an execution report for the stock component of a QCC with Stock Order from the designated broker-dealer, the Exchange sends the User the trade execution report for the QCC with Stock order, including execution information for both the stock and option components. If the System receives a report from the designated broker-dealer that the stock component of a QCC with Stock Order cannot execute, the Exchange nullifies the option component trade and notifies the User of the reason for the nullification.

(4) *Regulation SHO.*

(A) If a User submits to the System a stock-option order with a stock leg to sell, the User must mark the stock leg "long," "short," or "short exempt" in compliance with Regulation SHO under the Exchange Act.

(B) The Exchange only executes the stock leg of a stock-option order at a price permissible under Regulation SHO. If a stock-option order cannot execute, the System calculates the SBBO or SNBBO with a price for the stock leg that would be permissible under Regulation SHO, and posts the stock-option order on the COB at that price (if eligible to rest), subject to a User's instructions.

Interpretations and Policies:

.01. Market Maker Quoting.

Market Makers are not required to quote on the COB. Complex strategies are not subject to any quoting requirements that are applicable to Market Makers in the simple market for individual options series or classes. Volume executed in complex strategies is not taken into consideration when determining whether Market Makers are meeting quoting obligations applicable to Market Makers in the simple market for individual options.

.02. *Dissemination of COA Information.* Dissemination of information related to COA-eligible orders by the submitting User to third parties will be deemed conduct inconsistent with just and equitable principles of trade as described in Rule 3.1.

.03. *Stock-Option Orders.* A User may only submit a stock-option order (including a QCC with Stock Order) if it complies with the Qualified Contingent Trade Exemption (“QCT Exemption”) from Rule 611(a) of Regulation NMS. A User submitting a stock-option order represents that it complies with the QCT Exemption. To submit a stock-option order to the Exchange for execution, a User must enter into a brokerage agreement with one or more broker-dealers that are not affiliated with the Exchange, which broker-dealer(s) the Exchange has identified as having connectivity to electronically communicate the stock components of stock-option orders to stock trading venues.

[Adopted October 17, 2017 (SR-BatsEDGX-2017-29); amended December 21, 2018 (SR-CboeEDGX-2018-060); amended January 14, 2019 (SR-CboeEDGX-2018-043); amended March 14, 2019 (SR-CboeEDGX-2019-005); amended May 2, 2019 (SR-CboeEDGX-2019-017); amended May 26, 2019 (SR-CboeEDGX-2019-027); amended June 24, 2019 (SR-CboeEDGX-2019-041); amended July 29, 2019 (SR-CboeEDGX-2019-039); amended August 27, 2019 (SR-CboeEDGX-2019-053)]

Rule 21.21. Solicitation Auction Mechanism (“SAM” or “SAM Auction”)

An Options Member (the “Initiating Member”) may electronically submit for execution an order it represents as agent (“Agency Order”) against a solicited order(s) (which cannot be for the same EFID as the Agency Order or for the account of any Options Market Maker with an appointment in the applicable class on the Exchange) (“Solicited Order”) if it submits the Agency Order for electronic execution into a SAM Auction pursuant to this Rule. The Agency Order and Solicited Order cannot both be for the accounts of Priority Customers. For purposes of this Rule, the term “NBBO” means the national best bid or national best offer at the particular point in time applicable to the reference, and the term “Initial NBBO” means the national best bid or national best offer at the time a SAM Auction is initiated.

(a) *SAM Auction Eligibility Requirements.* The Initiating Member may initiate a SAM Auction if all of the following conditions are met:

(1) *Class.* The Agency Order may be in any class of options traded on the Exchange.

(2) *Marking*. The Initiating Member must mark an Agency Order for SAM Auction processing.

(3) *Size*. The Agency Order must be for at least the minimum size designated by the Exchange (which may not be less than 500 standard option contracts or 5,000 mini-option contracts). The Solicited Order must be for (or must total, if the Solicited Order is comprised of multiple solicited orders) the same size as the Agency Order. The Initiating Member must designate each of the Agency Order and Solicited Order as all-or-none.

(4) *Minimum Increment*. The price of the Agency Order and Solicited Order must be in an increment of \$0.01.

(5) *Post Only Orders*. The Initiating Member may not designate an Agency Order or Solicited Order as Post Only.

(6) *Time*. The Initiating Member may only submit an Agency Order to a SAM Auction after the market open.

(7) *NBBO*. The Initiating Member may not submit an Agency Order if the NBBO is crossed (unless the Agency Order is a SAM ISO).

The System rejects or cancels both an Agency Order and Solicited Order submitted to a SAM Auction that do not meet the conditions in this paragraph (a).

(b) *Stop Price*. The Solicited Order must stop the entire Agency Order at a price that satisfies the following conditions:

(1) *NBBO*. The stop price for a buy (sell) Agency Order must be at or better than the then-current NBO (NBB).

(2) *Same-Side Orders*. If the Agency Order is to buy (sell), the stop price must be at least \$0.01 better than the Exchange best bid (offer), unless the Agency Order is a Priority Customer order and the resting order is a non-Priority Customer order, in which case the stop price must be at or better than the Exchange best bid (offer).

(3) *Opposite-Side Orders*. If the Agency Order is to buy (sell) and the Exchange best offer (bid) represents:

(A) a Priority Customer order on the EDGX Options Book, the stop price must be at least \$0.01 better than the Exchange best offer (bid); or

(B) a quote or order that is not a Priority Customer order on the EDGX Options Book, the stop price must be at or better than the Exchange best offer (bid).

(4) *SAM Sweep Orders*. A “SAM sweep order” or “SAM ISO” is the submission of two orders for crossing in a SAM Auction without regard for better-priced Protected Quotes (as defined in Rule 27.1) because the Initiating Member routed an ISO(s) simultaneously with the routing of the SAM ISO to execute against the full displayed size of any Protected Quote

that is better than the stop price and has swept all interest in the EDGX Options Book with a price better than the stop price. Any execution(s) resulting from these sweeps accrue to the SAM Agency Order.

The System rejects or cancels both an Agency Order and Solicited Order submitted to a SAM Auction that do not meet the conditions in this paragraph (b).

(c) *SAM Auction Process.* Upon receipt of an Agency Order that meets the conditions in paragraphs (a) and (b), the SAM Auction process commences.

(1) *Concurrent Auctions in Same Series.* One or more SAM Auctions in the same series may occur at the same time. To the extent there is more than one SAM Auction in a series underway at a time, the SAM Auctions conclude sequentially based on the exact time each SAM Auction commenced, unless terminated early pursuant to paragraph (d). At the time each SAM Auction concludes, the System allocates the Agency Order pursuant to paragraph (e) and takes into account all SAM Auction responses and unrelated orders and quotes in place at the exact time of conclusion. In the event there are multiple SAM Auctions underway that are each terminated early pursuant to paragraph (d), the System processes the SAM Auctions sequentially based on the exact time each SAM Auction commenced.

(2) *SAM Auction Notification Message.* The System initiates the SAM Auction process by sending a SAM Auction notification message detailing the side, size, price, origin code, Auction ID, and options series of the Agency Order to all Options Members that elect to receive SAM Auction notification messages. SAM Auction notification messages are not included in the disseminated BBO or OPRA.

(3) *SAM Auction Period.* The “SAM Auction period” is a period of time determined by the Exchange, which may be no less than 100 milliseconds and no more than one second.

(4) *Modification or Cancellation.* The Initiating Member may not modify or cancel an Agency Order or Solicited Order after submission to a SAM Auction.

(5) *SAM Auction Responses.* Any User other than the Initiating Member (determined by EFID) may submit responses to a SAM Auction that are properly marked specifying size, side of the market, and the Auction ID for the SAM Auction to which the User is submitting the response. A SAM response may specify a limit price or be treated as market. A SAM response may only participate in the SAM Auction with the Auction ID specified in the response.

(A) The minimum price increment for SAM responses is \$0.01. The System rejects a SAM response that is not in a \$0.01 increment.

(B) SAM buy (sell) responses are capped at the Exchange best offer (bid), or \$0.01 better than the Exchange best offer (bid) if it is represented by a Priority Customer order resting on the EDGX Options Book (unless the Agency Order is a SAM ISO) that exists at the conclusion of the SAM Auction. The System executes SAM responses, if possible, at the most aggressive permissible price not outside the BBO that exists at the conclusion of the SAM Auction or the Initial NBBO.

(C) A User may submit multiple SAM responses at the same or multiple prices to a SAM Auction. For purposes of the SAM Auction, the System aggregates all of a User's orders and quotes resting on the EDGX Options Book and SAM responses for the same EFID at the same price.

(D) The System caps the size of a SAM response, or the aggregate size of a User's orders and quotes resting on the EDGX Options Book and SAM responses for the same EFID at the same price, at the size of the Agency Order (*i.e.*, the System ignores size in excess of the size of the Agency Order when processing the SAM Auction).

(E) SAM responses must be on the opposite side of the market as the Agency Order. The System rejects a SAM response on the same side of the market as the Agency Order.

(F) SAM responses are not visible to SAM Auction participants or disseminated to OPRA.

(G) A User may modify or cancel its SAM responses during a SAM Auction.

(d) Conclusion of SAM Auction.

(1) A SAM Auction concludes at the earliest to occur of the following times:

(A) the end of the SAM Auction period;

(B) upon receipt by the System of a Priority Customer order on the same side of the market with a price the same as or better than the stop price that would post to the EDGX Options Book;

(C) upon receipt by the System of an unrelated order or quote that is not a Priority Customer order on the same side of the market as the Agency Order that would cause the stop price to be outside of the EDGX BBO;

(D) the market close; and

(E) any time the Exchange halts trading in the affected series, provided, however, that in such instance the SAM Auction concludes without execution.

(2) An unrelated market or marketable limit order (against the EDGX BBO), including a Post Only Order, on the opposite side of the Agency Order received during the SAM Auction does not cause the SAM Auction to end early and executes against interest outside of the SAM Auction. If contracts remain from such unrelated order at the time the SAM Auction ends, they may be allocated for execution against the Agency Order pursuant to paragraph (e) below.

(e) Execution of Agency Order. At the conclusion of the SAM Auction, the System executes the Agency Order against the Solicited Order or contra-side interest (which includes orders and quotes

resting in the EDGX Options Book and SAM responses) at the best price(s) as follows. Any execution price(s) must be at or between the BBO existing at the conclusion of the SAM Auction and at or between the Initial NBBO.

(1) *Execution Against Solicited Order.* The System executes the Agency Order against the Solicited Order at the stop price if there are no Priority Customer Orders (including Priority Customer AON Orders) on the opposite side of the Agency Order resting in the EDGX Options Book at the stop price and the aggregate size of contra-side interest at an improved price(s) is insufficient to satisfy the Agency Order.

(2) *Execution Against Contra-Side Interest.* The System executes the Agency Order against contra-side interest (and cancels the Solicited Order) if (A) there is a Priority Customer order (including a Priority Customer AON order) on the opposite side of the Agency Order resting on the EDGX Options Book at the stop price and the aggregate size of the Priority Customer order and other contra-side interest at the stop price or an improved price(s) is sufficient to satisfy the Agency Order or (B) the aggregate size of contra-side interest at an improved price(s) is sufficient to satisfy the Agency Order. The Agency Order against such contra-side interest occurs at each price level, to the price at which the balance of the Agency Order can be fully executed, in the following order:

(A) Priority Customer orders (including Priority Customer AON orders) on the EDGX Options Book (displayed Priority Customer orders before Priority Customer AON orders, each in time priority);

(B) remaining contra-side trading interest (including non-Priority Customer orders and quotes in the EDGX Options Book and SAM responses) pursuant to Rule 21.8(c);

(C) any nondisplayed Reserve Quantity (Priority Customer before non-Priority Customer, each in time priority); and

(D) any non-Priority Customer AON orders, if there is sufficient size to satisfy the size of the AON order.

(3) *No Execution.* The System cancels the Agency Order and Solicited Order with no execution if:

(A) execution of the Agency Order against the Solicited Order pursuant to subparagraph (1) above at the stop price would not be at or between the BBO at the conclusion of the SAM Auction or (2) at or between the Initial NBBO; or

(B) there is a Priority Customer order (including a Priority Customer AON order) resting on the opposite side of the Agency Order at the stop price on the EDGX Options Book, and the aggregate size of the Priority Customer order and any other contra-side interest is insufficient to satisfy the Agency Order.

(4) *Unexecuted SAM Responses.* The System cancels or rejects any unexecuted SAM responses (or unexecuted portions) at the conclusion of a SAM Auction.

Interpretations and Policies

.01 Prior to entering Agency Orders into a SAM Auction on behalf of customers, Initiating Members must deliver to the customer a written notification informing the customer that his order may be executed using the SAM Auction. The written notification must disclose the terms and conditions contained in this Rule 21.21 and be in a form approved by the Exchange.

.02 Under Rule 21.21, Initiating Members may enter contra-side orders that are solicited. SAM provides a facility for Options Members that locate liquidity for their customer orders. Options Members may not use the SAM Auction to circumvent Rule 21.19 or 22.12 limiting principal transactions. This may include, but is not limited to, Options Members entering contra-side orders that are solicited from (a) affiliated broker-dealers or (b) broker-dealers with which the Options Member has an arrangement that allows the Options Member to realize similar economic benefits from the solicited transaction as it would achieve by executing the customer order in whole or in part as principal.

[Adopted September 23, 2019 (SR-CboeEDGX-2019-047)]

Rule 21.22. Complex Automated Improvement Mechanism (“C-AIM” or “C-AIM Auction”)

An Options Member (the “Initiating Member”) may electronically submit for execution a complex order it represents as agent (“Agency Order”) against principal interest or a solicited complex order(s) (an “Initiating Order”) provided it submits the Agency Order for electronic execution into a C-AIM Auction pursuant to this Rule. For purposes of this Rule, the term “SBBO” means the synthetic best bid or offer at the particular point in time applicable to the reference, and the term “Initial SBBO” means the synthetic best bid or offer at the time the C-AIM Auction is initiated.

(a) *C-AIM Auction Eligibility Requirements.* The Initiating Member may initiate a C-AIM Auction if all of the following conditions are met:

(1) *Class.* The Agency Order may be in any class of options traded on the Exchange.

(2) *Marking.* The Initiating Member must mark an Agency Order for C-AIM Auction processing.

(3) *Size.* There is no minimum size for Agency Orders. The Initiating Order must be for the same size as the Agency Order.

(4) *Minimum Increment.* The price of the Agency Order and Initiating Order must be in an increment of \$0.01.

(5) *Post Only Orders.* The Initiating Member may not designate an Agency Order or Initiating Order as Post Only.

(6) *Time.* The Initiating Member may only submit an Agency Order to a C-AIM Auction after the COB opens.

The System rejects or cancels both an Agency Order and Initiating Order submitted to a C-AIM Auction that do not meet the conditions in this paragraph (a).

(b) *Stop Price.* The Initiating Order must stop the entire Agency Order at a price that satisfies the following:

(1) *Same-Side Simple Orders.* If the Agency Order is to buy (sell) and:

(A) the applicable side of the BBO on any component of the complex strategy represents a Priority Customer order on the Simple Book, the stop price must be at least \$0.01 better than the SBB (SBO); or

(B) the applicable side of the BBO on each component of the complex strategy represents a non-Priority Customer order or quote on the Simple Book, the stop price must be at or better than the SBB (SBO).

(2) *Same-Side Complex Orders.* If the Agency Order is to buy (sell) and a buy (sell) complex order rests on the COB, the stop price must be at least \$0.01 better than the bid (offer) of the resting complex order, unless the Agency Order is a Priority Customer order and the resting order is a non-Priority Customer order, in which case the stop price must be at or better than the bid (offer) of the resting complex order.

(3) *Opposite-Side Simple Orders.* If the Agency Order is to buy (sell) and:

(A) the BBO of any component of the complex strategy represents a Priority Customer order on the Simple Book, the stop price must be at least \$0.01 better than the SBO (SBB); or

(B) the BBO of each component of the complex strategy represents a non-Priority Customer quote or order on the Simple Book, the stop price must be at or better than the SBO (SBB).

(4) *Execution Price.* The Initiating Member must specify:

(A) a single price at which it seeks to execute the Agency Order against the Initiating Order (a “single-price submission”), including whether it elects to have last priority in allocation (as described in subparagraph (e)(4) below); or

(B) an initial stop price and instruction to automatically match the price and size of all C-AIM responses and other trading interest (“auto-match”) up to a designated limit price or at all prices that improve the stop price.

The System rejects or cancels both an Agency Order and Initiating Order submitted to a C-AIM Auction that do not meet the conditions in this paragraph (b).

(c) *C-AIM Auction Process.* Upon receipt of an Agency Order that meets the conditions in paragraphs (a) and (b), the C-AIM Auction process commences.

(1) *Concurrent C-AIM Auctions in Same Complex Strategies.*

(A) With respect to Agency Orders for which the smallest leg is less than 50 standard option contracts (or 500 mini-option contracts), only one C-AIM Auction may be ongoing at any given time in a complex strategy, and C-AIM Auctions in the same complex strategy may not queue or overlap in any manner. One or more C-AIM Auctions in the same complex strategy for Agency Orders for which the smallest leg is 50 standard option contracts (or 500 mini-option contracts) or more may occur at the same time. C-AIM Auctions in different complex strategies may be ongoing at any given time, even if the complex strategies have overlapping components. A C-AIM Auction may be ongoing at the same time as an AIM Auction in any component of the complex strategy.

(B) To the extent there is more than one C-AIM Auction in a complex strategy underway at a time, the C-AIM Auctions conclude sequentially based on the exact time each C-AIM Auction commenced, unless terminated early pursuant to paragraph (d). In the event there are multiple C-AIM Auctions underway that are each terminated early pursuant to paragraph (d), the System processes the C-AIM Auctions sequentially based on the exact time each C-AIM Auction commenced. If the System receives a simple order that causes an AIM and C-AIM (or multiple AIM and/or C-AIM) Auctions to conclude pursuant to paragraph (d) and Rule 21.19(d), the System first processes AIM Auctions (in price-time priority) and then processes C-AIM Auctions (in price-time priority).

(C) At the time each C-AIM Auction concludes, the System allocates the Agency Order pursuant to paragraph (e) and takes into account all C-AIM Auction responses and unrelated complex orders in place at the exact time of conclusion.

(2) *C-AIM Auction Notification Message.* The System initiates the C-AIM Auction process by sending a C-AIM Auction notification message detailing the side, size, price, origin code, Auction ID, and complex strategy of the Agency Order to all Options Members that elect to receive C-AIM Auction notification messages. C-AIM Auction notification messages are not included in OPRA.

(3) *C-AIM Auction Period.* The “C-AIM Auction period” is a period of time determined by the Exchange, which may be no less than 100 milliseconds and no more than one second.

(4) *Modification or Cancellation.* An Initiating Member may not modify or cancel an Agency Order or Initiating Order after submission to a C-AIM Auction.

(5) *C-AIM Auction Responses.* Any User other than the Initiating Member (determined by EFID) may submit responses to a C-AIM Auction that are properly marked specifying price, size, side of the market, and the Auction ID for the C-AIM Auction to which the User is submitting the response. A C-AIM Auction response may only participate in the C-AIM Auction with the Auction ID specified in the response.

(A) The minimum price increment for C-AIM responses is \$0.01. The System rejects a C-AIM response that is not in a \$0.01 increment.

(B) C-AIM buy (sell) responses are capped at the following prices that exist at the conclusion of the C-AIM Auction: (i) the better of the SBO (SBB) or the offer (bid) of a resting complex order at the top of the COB; or (ii) \$0.01 below (above) the better of the SBO (SBB) or the offer (bid) of a resting complex order at the top of the COB if the BBO of any component of the complex strategy or the resting complex order, respectively, is a Priority Customer order. The System executes these C-AIM responses, if possible, at the most aggressive permissible price not outside the SBBO at the conclusion of the C-AIM Auction or price of the resting complex order.

(C) A User may submit multiple C-AIM responses at the same or multiple prices to a C-AIM Auction. The System aggregates all of a User's complex orders on the COB and C-AIM responses for the same EFID at the same price.

(D) The System caps the size of a C-AIM response, or the aggregate size of a User's complex orders on the COB and C-AIM responses for the same EFID at the same price, at the size of the Agency Order (i.e., the System ignores size in excess of the size of the Agency Order when processing the C-AIM Auction).

(E) C-AIM responses must be on the opposite side of the market as the Agency Order. The System rejects a C-AIM response on the same side of the market as the Agency Order.

(F) C-AIM responses may be designated with the MTP modifier of MTP Cancel Newest, but no other MTP modifiers. The System rejects a C-AIM response with any other MTP modifier.

(G) C-AIM responses may not be designated as IOC. The System rejects a C-AIM response designated as IOC.

(H) C-AIM responses are not be visible to C-AIM Auction participants or disseminated to OPRA.

(I) A User may modify or cancel its C-AIM responses during the C-AIM Auction.

(d) *Conclusion of C-AIM Auction.*

(1) A C-AIM Auction concludes at the earliest to occur of the following times:

(a) the end of the C-AIM Auction period;

(b) upon receipt by the System of an unrelated non-Priority Customer complex order on the same side as the Agency Order that would post to the COB at a price better than the stop price;

(c) upon receipt by the System of an unrelated Priority Customer complex order on the same side as the Agency Order that would post to the COB at a price equal to or better than the stop price;

(d) upon receipt by the System of an unrelated non-Priority Customer order or quote that would post to the Simple Book and cause the SBBO on the same side as the Agency Order to be better than the stop price;

(e) upon receipt by the System of an unrelated Priority Customer order in any component of the complex strategy that would post to the Simple Book and cause the SBBO on the same side as the Agency Order to be equal to or better than the stop price;

(f) upon receipt by the System of a simple non-Priority Customer order that would cause the SBBO on the opposite side of the Agency Order to be better than the stop price, or a Priority Customer order that would cause the SBBO on the opposite side of the Agency Order to be equal to or better than the stop price;

(g) upon receipt by the System of an order that would cause the SBBO to be a price not permissible under the Limit Up-Limit Down Plan or Regulation SHO, provided, however, that in such instance, the C-AIM Auction concludes without execution;

(h) the market close; and

(i) any time the Exchange halts trading in the complex strategy or any component of the complex strategy, provided, however, that in such instance, the C-AIM Auction concludes without execution.

(2) If the System receives an unrelated market or marketable limit complex order (against the SBBO or the best price of a complex order resting in the COB), including a Post Only complex order, on the opposite side of the market during a C-AIM Auction, the C-AIM Auction does not end early, and the System executes the order against interest outside the C-AIM Auction or posts the complex order to the COB. If contracts remain from the unrelated complex order at the time the C-AIM Auction ends, they may be allocated for execution against the Agency Order pursuant to paragraph (e) below.

(e) *Execution of Agency Order.* At the conclusion of the C-AIM Auction, the System executes the Agency Order against the Initiating Order or contra-side complex interest (which includes complex orders on the COB and C-AIM responses) at the best price(s), to the price at which the balance of the Agency Order can be fully executed (the “final auction price”), as follows.

Any execution price(s) must be at or between the SBBO and the best prices of any complex orders resting on the each side of the COB at the conclusion of the C-AIM Auction:

(1) **No Price Improvement.** If the C-AIM Auction results in no price improvement, the System executes the Agency Order at the final auction price (which equals the stop price) against contra-side interest in the following order:

(A) Priority Customer complex orders on the COB (in time priority);

(B) the Initiating Order for the greater of (i) one contract or (ii) up to 50% of the Agency Order if there is contra-side complex interest from one other User at the final auction price or 40% of the Agency Order if there is contra-side complex interest from two or more other Users at the final auction price (which percentages are based on the number of contracts remaining after execution against Priority Customer complex orders). Under no circumstances does the Initiating Member receive an allocation percentage, at the final auction price, of more than 50% of the initial Agency Order in the event there is interest from one other User or 40% of the initial Agency Order in the event there is interest from two or more other Users;

(C) all other contra-side complex interest in a pro-rata manner; and

(D) the Initiating Order to the extent there are any remaining contracts.

(2) **Price Improvement with Single-Price Submission.** If the C-AIM Auction results in price improvement for the Agency Order and the Initiating Member selected a single-price submission, the System executes the Agency Order at each price level better than the stop price against contra-side complex interest in the following order:

(A) Priority Customer complex orders on the COB (in time priority);
and

(B) all other contra-side complex interest in a pro-rata manner.

If the final auction price equals the stop price, the System executes any remaining contracts from the Agency Order at that price in the order set forth in subparagraph (e)(1).

(3) **Price Improvement with Auto-Match.** If the C-AIM Auction results in price improvement for the Agency Order and the Initiating Member selected auto-match, at each price level better than the final auction price (or at each price level better than the final auction price up to the limit price if the Initiating Member specified one), the System executes the Agency Order against the Initiating Order for the number of contracts equal to the aggregate size of all other contra-side complex interest and then executes the Agency Order against that contra-side complex interest in the order set forth in subparagraph (e)(2). At the final auction price, the System executes those contracts at that price in the order set forth in subparagraph (e)(1).

(4) *Last Priority.* If the Initiating Member selects a single-price submission, it may elect for the Initiating Order to have last priority to trade against the Agency Order. If the Initiating Member elects last priority, then notwithstanding subparagraphs (e)(1) and (2), the System only executes the Initiating Order against any remaining Agency Order contracts at the stop price after the Agency Order is allocated to all other contra-side interest (in the order set forth in subparagraph (e)(2) above) at all prices equal to or better than the stop price. Last priority information is not available to other market participants and may not be modified after it is submitted.

(5) *Complex Order Priority.* Executions following a C-AIM Auction for a complex Agency Order are subject to the complex order priority in Rule 21.20(c)(3).

(6) *Unexecuted Responses.* The System cancels or rejects any unexecuted C-AIM responses (or unexecuted portions) at the conclusion of the C-AIM Auction.

(f) *Customer-to-Customer Immediate Crosses.* In lieu of the procedures set forth above, an Initiating Member may enter an Agency Order for the account of a Priority Customer paired with a solicited order(s) for the account of a Priority Customer, which paired orders the System automatically executes without a C-AIM Auction (“Customer-to-Customer C-AIM Immediate Cross”), subject to the following:

(1) the transaction price must be at or between the SBBO and may not equal either side of the SBBO if the BBO of any component of the complex strategy represents a Priority Customer order on the Simple Book;

(2) the transaction price must be at or between the best-priced complex orders in the complex strategy resting on the COB and may not equal the price of a Priority Customer complex order resting on either side of the COB; and

(3) the System does not initiate a Customer-to-Customer Complex C-AIM Immediate Cross if the transaction price equals (A) either side of the SBBO and the BBO of any component of the complex strategy represents a Priority Customer order on the Simple Book, or (B) the price of a Priority Customer complex order resting on either side of the COB. Instead, the System cancels the Agency Order and Initiating Order.

...Interpretations and Policies:

.01 An Options Member may only use a C-AIM Auction where there is a genuine intention to execute a bona fide transaction.

.02 A pattern or practice of submitting orders or quotes for the purpose of disrupting or manipulating C-AIM Auctions, including to cause a C-AIM Auction to conclude before the end of the C-AIM Auction period, will be deemed conduct inconsistent with just and equitable principles of trade and a violation of Rule 3.1. It will also be deemed conduct inconsistent with just and equitable principles of trade and a violation of Rule 3.1 to engage in a pattern of conduct where the Initiating Member breaks up an Agency Order into separate orders for the purpose of gaining a higher allocation percentage than the Initiating Member would have otherwise received in accordance with the allocation procedures contained in paragraph (e) above.

.03 Rule 22.12 prevents an Options Member from executing agency orders to increase its economic gain from trading against the order without first giving other trading interests on the Exchange an opportunity to either trade with the agency order or to trade at the execution price when the Options Member was already bidding or offering on the book. However, the Exchange recognizes that it may be possible for an Options Member to establish a relationship with a Priority Customer or other person to deny agency orders the opportunity to interact on the Exchange and to realize similar economic benefits as it would achieve by executing agency orders as principal. It would be a violation of Rule 22.12 for an Options Member to circumvent such rule by providing an opportunity for (a) a Priority Customer affiliated with the Options Member, or (b) a Priority Customer with whom the Options Member has an arrangement that allows the Options Member to realize similar economic benefits from the transaction as the Options Member would achieve by executing agency orders as principal, to regularly execute against agency orders handled by the firm immediately upon their entry as Customer-to-Customer C-AIM Immediate Crosses pursuant to paragraph (f) of this Rule.

[Adopted July 26, 2019 (SR-CboeEDGX-2019-028 Amendment No. 1); amended August 22, 2019 (SR-CboeEDGX-2019-053)]

Rule 21.23. Complex Solicitation Auction Mechanism (“C-SAM” or “C-SAM Auction”)

An Options Member (the “Initiating Member”) may electronically submit for execution a complex order it represents as agent (“Agency Order”) against a solicited complex order(s) (which cannot have a Capacity of F for the same EFID as the Agency Order) (“Solicited Order”) if it submits the Agency Order for electronic execution into a C-SAM Auction pursuant to this Rule. The Agency Order and Solicited Order cannot both be for the accounts of Priority Customers. For purposes of this Rule, the term “SBBO” means the synthetic best bid or offer on the Exchange at the particular point in time applicable to the reference.

(a) *C-SAM Auction Eligibility Requirements.* The Initiating Member may initiate a C-SAM Auction if all of the following conditions are met:

(1) *Class.* The Agency Order may be in any class of options traded on the Exchange.

(2) *Marking.* The Initiating Member must mark an Agency Order for C-SAM Auction processing.

(3) *Size.* The smallest leg of the Agency Order must be for at least the minimum size designated by the Exchange (which may not be less than 500 standard option contracts or 5,000 mini-option contracts). The Solicited Order must be for (or must total, if the Solicited Order is comprised of multiple solicited orders) the same size as the Agency Order. The System handles each of the Agency Order and Solicited Order as an AON order.

(4) *Minimum Increment.* The price of the Agency Order and Solicited Order must be in an increment of \$0.01.

(5) *Post Only Orders.* The Initiating Member may not designate an Agency Order or Solicited Order as Post Only.

(6) *Time.* The Initiating Member may only submit an Agency Order to a C-SAM Auction after the COB opens.

The System rejects or cancels both an Agency Order and Solicited Order submitted to a C-SAM Auction that do not meet the conditions in this paragraph (a).

(b) *Stop Price.* The Solicited Order must stop the entire Agency Order at a price that satisfies the following:

(1) *Same-Side Simple Orders.* If the Agency Order is to buy (sell) and:

(A) the applicable side of the BBO on any component of the complex strategy represents a Priority Customer order on the Simple Book, the stop price must be at least \$0.01 better than the SBB (SBO); or

(B) the applicable side of the BBO on each component of the complex strategy represents a non-Priority Customer order or quote on the Simple Book, the stop price must be at or better than the SBB (SBO).

(2) *Same-Side Complex Orders.* If the Agency Order is to buy (sell) and a buy (sell) complex order rests on the COB, the stop price must be at least \$0.01 better than the bid (offer) of the resting complex order, unless the Agency Order is a Priority Customer order and the resting order is a non-Priority Customer order, in which case the stop price must be at or better than the bid (offer) of the resting complex order.

(3) *Opposite-Side Simple Orders.* If the Agency Order is to buy (sell) and:

(A) the BBO of any component of the complex strategy represents a Priority Customer order on the Simple Book, the stop price must be at least \$0.01 better than the SBO (SBB); or

(B) the BBO of each component of the complex strategy represents a non-Priority Customer quote or order on the Simple Book, the stop price must be at or better than the SBO (SBB).

(4) *Opposite-Side Complex Orders.* If the Agency Order is to buy (sell) and the best-priced sell (buy) complex order on the COB represents:

(A) a Priority Customer complex order, the stop price must be at least \$0.01 better than the price of the resting complex order; or

(B) a complex order that is not a Priority Customer, the stop price must be at or better than the price of the resting complex order.

The System rejects or cancels both an Agency Order and Solicited Order submitted to a C-SAM Auction that do not meet the conditions in this paragraph (b).

(c) *C-SAM Auction Process.* Upon receipt of an Agency Order that meets the conditions in paragraphs (a) and (b), the C-SAM Auction process commences.

(1) *Concurrent C-SAM Auctions in Same Complex Strategies.*

(A) One or more C-SAM Auctions in the same complex strategy may occur at the same time. C-SAM Auctions in different complex strategies may be ongoing at any given time, even if the complex strategies have overlapping components. A C-SAM Auction may be ongoing at the same time as a SAM Auction in any component of the complex strategy.

(B) To the extent there is more than one C-SAM Auction in a complex strategy underway at a time, the C-SAM Auctions conclude sequentially based on the exact time each C-SAM Auction commenced, unless terminated early pursuant to paragraph (d). In the event there are multiple C-SAM Auctions underway that are each terminated early pursuant to paragraph (d), the System processes the C-SAM Auctions sequentially based on the exact time each C-SAM Auction commenced. If the System receives a simple order that causes both a SAM Auction and C-SAM Auction (or multiple SAM and/or C-SAM Auctions) to conclude pursuant to Rule 21.21 (d) and paragraph (d) below, respectively, the System first processes SAM Auctions (in price-time priority) and then processes C-SAM Auctions (in price-time priority).

(C) At the time each C-SAM Auction concludes, the System allocates the Agency Order pursuant to paragraph (e) and takes into account all C-SAM Auction responses and unrelated complex orders in place at the exact time of conclusion.

(2) *C-SAM Auction Notification Message.* The System initiates the C-SAM Auction process by sending a C-SAM Auction notification message detailing the side, size, price, Capacity, Auction ID, and complex strategy of the Agency Order to all Options Members that elect to receive C-SAM Auction notification messages. C-SAM Auction notification messages are not included in OPRA.

(3) *C-SAM Auction Period.* The “C-SAM Auction period” is a period of time determined by the Exchange, which may be no less than 100 milliseconds and no more than one second.

(4) *Modification or Cancellation.* An Initiating Member may not modify or cancel an Agency Order or Solicited Order after submission to a C-SAM Auction.

(5) *C-SAM Auction Responses.* Any User other than the Initiating Member (the response cannot have the same EFID as the Agency Order) may submit responses to a C-SAM Auction that are properly marked specifying price, size, side, and the Auction ID for the C-SAM Auction to which the User is submitting the response. A C-SAM

Auction response may only participate in the C-SAM Auction with the Auction ID specified in the response.

(A) The minimum price increment for C-SAM responses is \$0.01. The System rejects a C-SAM response that is not in a \$0.01 increment.

(B) CC-SAM buy (sell) responses are capped at the following prices that exist at the conclusion of the C-SAM Auction: (i) the better of the SBO (SBB) or the offer (bid) of a resting complex order at the top of the COB; or (ii) \$0.01 lower (higher) than the better of the SBO (SBB) or the offer (bid) of a resting complex order at the top of the COB if the BBO of any component of the complex strategy or the resting complex order, respectively, is a Priority Customer order. The System executes these C-SAM responses, if possible, at the most aggressive permissible price not outside the SBBO at the conclusion of the C-SAM Auction or price of the resting complex order.

(C) A User may submit multiple C-SAM responses at the same or multiple prices to a C-SAM Auction. The System aggregates all of a User's complex orders on the COB and C-SAM responses for the same EFID at the same price.

(D) The System caps the size of a C-SAM response, or the aggregate size of a User's complex orders on the COB and C-SAM responses for the same EFID at the same price, at the size of the Agency Order (i.e., the System ignores size in excess of the size of the Agency Order when processing the C-SAM Auction).

(E) C-SAM responses must be on the opposite side of the market as the Agency Order. The System rejects a C-SAM response on the same side of the market as the Agency Order.

(F) C-SAM responses are not be visible to C-SAM Auction participants or disseminated to OPRA.

(G) A User may modify or cancel its C-SAM responses during the C-SAM Auction.

(d) *Conclusion of C-SAM Auction.*

(1) A C-SAM Auction concludes at the earliest to occur of the following times:

(a) the end of the C-SAM Auction period;

(b) upon receipt by the System of an unrelated non-Priority Customer complex order on the same side as the Agency Order that would post to the COB at a price better than the stop price;

(c) upon receipt by the System of an unrelated Priority Customer complex order on the same side as the Agency Order that would post to the COB at a price equal to or better than the stop price;

(d) upon receipt by the System of an unrelated non-Priority Customer order or quote that would post to the Simple Book and cause the SBBO on the same side as the Agency Order to be better than the stop price;

(e) upon receipt by the System of an unrelated Priority Customer order in any component of the complex strategy that would post to the Simple Book and cause the SBBO on the same side as the Agency Order to be equal to or better than the stop price;

(f) upon receipt by the System of a simple non-Priority Customer order that would cause the SBBO on the opposite side of the Agency Order to be better than the stop price, or a Priority Customer order that would cause the SBBO on the opposite side of the Agency Order to be equal to or better than the stop price;

(g) upon receipt by the System of an order that would cause the SBBO to be a price not permissible under the Limit Up-Limit Down Plan or Regulation SHO, provided, however, that in such instance, the C-SAM Auction concludes without execution;

(h) the market close; and

(i) any time the Exchange halts trading in the complex strategy or any component of the complex strategy, provided, however, that in such instance, the C-SAM Auction concludes without execution.

(2) An unrelated market or marketable limit complex order (against the SBBO or the best price of a complex order resting in the COB), including a Post Only complex order, on the opposite side of the market received during a C-SAM Auction does not cause the C-SAM Auction to end early and executes against interest outside the C-SAM Auction or posts the complex order to the COB. If contracts remain from the unrelated complex order at the time the C-SAM Auction ends, they may be allocated for execution against the Agency Order pursuant to paragraph (e) below.

(e) *Execution of Agency Order.* At the conclusion of the C-SAM Auction, the System executes the Agency Order against the Solicited Order or contra-side complex interest (which includes complex orders on the COB and C-SAM responses) at the best price(s) as follows. Any execution price(s) must be at or between the SBBO and the best prices of any complex orders resting on the each side of the COB at the conclusion of the C-SAM Auction.

(1) *Execution Against Solicited Order.* The System executes the Agency Order against the Solicited Order at the stop price if there are no Priority Customer complex orders on the opposite side of the Agency Order resting in the COB at or better than the stop price and the aggregate size of contra-side interest at an improved price(s) is insufficient to satisfy the Agency Order.

(2) *Execution Against Contra-Side Interest.* The System executes the Agency Order against contra-side interest (and cancels the Solicited Order) if (A) there is a Priority Customer complex order on the opposite side of the Agency Order resting on the COB at or better than the stop price and the aggregate size of that order and other contra-side interest at the stop price or an improved price(s) is sufficient to satisfy the Agency Order or (B) the aggregate size of contra-side interest at an improved price(s) is sufficient to satisfy the Agency Order. The Agency Order executes against such contra-side interest at each price level to the price at which the balance of the Agency Order can be fully executed, in the following order:

(A) Priority Customer complex orders on the COB (in time priority);
and

(B) remaining contra-side trading interest (including non-Priority Customer orders in the COB and SAM responses) in a pro-rata manner.

(3) *No Execution.* The System cancels the Agency Order and Solicited Order with no execution if:

(A) execution of the Agency Order against the Solicited Order would not be (i) at or between the SBBO at the conclusion of the SAM Auction; (ii) better than the SBBO if there is a Priority Customer order in any leg component in the Simple Book; (iii) at or better than the best-priced complex order resting on the COB; or (iv) better than the best-priced complex order resting on the COB if it is a Priority Customer complex order;

(B) there is a Priority Customer complex order resting on the COB on the opposite side of the Agency Order at or better than the stop price, and the aggregate size of the Priority Customer complex order and any other contra-side interest is insufficient to satisfy the Agency Order; or

(C) there is a non-Priority Customer complex order resting on the COB on the opposite side of the Agency Order at a price better than the stop price, and the aggregate size of the resting complex order and any other contra-side interest is insufficient to satisfy the Agency Order.

(4) *Complex Order Priority.* Executions following a C-SAM Auction for a complex Agency Order are subject to the complex order price restrictions and priority in Rule 21.20(f)(2).

(5) *Unexecuted Responses.* The System cancels or rejects any unexecuted C-SAM responses (or unexecuted portions) at the conclusion of the C-SAM Auction.

Interpretations and Policies

.01 Prior to entering Agency Orders into a C-SAM Auction on behalf of customers, Initiating Members must deliver to the customer a written notification informing the customer that his order

may be executed using the C-SAM Auction. The written notification must disclose the terms and conditions contained in this Rule 21.23 and be in a form approved by the Exchange.

.02 Under Rule 21.23, Initiating Members may enter contra-side orders that are solicited. C-SAM provides a facility for Members that locate liquidity for their customer orders. Members may not use the C-SAM Auction to circumvent Rule 21.19 or 21.22 limiting principal transactions. This may include, but is not limited to, Members entering contra-side orders that are solicited from (a) affiliated broker-dealers or (b) broker-dealers with which the Member has an arrangement that allows the Members to realize similar economic benefits from the solicited transaction as it would achieve by executing the customer order in whole or in part as principal.

[Adopted December 9, 2019 (SR-CboeEDGX-2019-064)]

CHAPTER XXII. MARKET PARTICIPANTS

Rule 22.1. Customer Orders and Order Entry Firms

Order Entry Firms (OEFs) are those Options Members representing as agent Customer Orders on EDGX Options or trading as principal on EDGX Options.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 22.2. Options Market Maker Registration and Appointment

Options Members registered as Market Makers have certain rights and bear certain responsibilities beyond those of other Options Members. All Market Makers are designated as specialists on EDGX Options for all purposes under the Exchange Act.

(a) To register as a Market Maker, an Options Member must file an application in writing on such forms as the Exchange may prescribe. The Exchange reviews applications and considers an applicant's market making ability and such other factors as the Exchange deems appropriate in determining whether to approve an applicant's registration as a Market Maker.

(b) The registration of any Member as a Market Maker may be suspended or terminated by the Exchange upon a determination that such Member has failed to properly perform as a Market Maker.

(c) The Exchange may appoint one DPM per option class. There is no limit on the number of Members that may become Market Makers unless the Exchange determines to impose a limit based on System constraints, capacity restrictions, or other factors relevant to protecting the integrity of the System. The Exchange will not impose any such limitations until it has submitted objective standards for imposing the limits to the SEC for its review and approval.

(d) A Member or prospective Member adversely affected by an Exchange determination under this Chapter XXII, including the Exchange's termination or suspension of a Member's registration as a Market Maker or a Market Maker's appointment to a class, may obtain a review of such determination in accordance with the provisions of Chapter X.

(e) A registered Market Maker must register to make markets in option classes as set forth in Rule 22.3, below. Market Makers may select from among any option classes traded on the Exchange to request appointment as a DPM during all trading sessions, subject to the approval of the Exchange. In considering the approval of the appointment of a DPM in each class, the Exchange will consider:

- (1) the Market Maker's preference;
- (2) the financial resources available to the Market Maker;
- (3) the Market Maker's experience, expertise and past performance in making markets, including the Market Maker's performance in other classes;

(4) the Market Makers operational capability; and

(5) the maintenance and enhancement of competition among Market Makers in each appointed class, including pursuant to the performance standards set forth in paragraph (i) below.

(f) Market Makers may request a change to the class for which they are appointed as DPM, subject to the approval of the Exchange. Such requests must be made in a form and manner prescribed by the Exchange. In considering whether to approve a Market Maker's request to change their appointment, the Exchange will consider the factors set forth in subsection (e), above.

(g) Market Makers may withdraw from trading a class that is within their appointment as a DPM by providing the Exchange with three business days' written notice of such withdrawal. Market Makers who fail to give advance written notice of withdrawal to the Exchange may be subject to formal disciplinary action pursuant to Chapter VIII of the Exchange's Rules.

(h) The Exchange may suspend or terminate any appointment of a DPM in one or more classes under this Rule whenever, in the Exchange's judgment, the interests of a fair and orderly market are best served by such action.

(i) Performance Standards for DPMs. The Exchange will periodically conduct an evaluation of DPMs to determine whether they have fulfilled performance standards relating to, among other things, quality of markets, competition among Market Makers, observance of ethical standards, and administrative factors. The Exchange may consider any relevant information including, but not limited to, the results of a Market Maker evaluation, trading data, a Market Maker's regulatory history and such other factors and data as may be pertinent in the circumstances.

(1) If the Exchange finds any failure by a Market Maker to meet minimum performance standards, the Exchange may take the following actions, after written notice and after opportunity for hearing pursuant to Chapter X of the Exchange's Rules:

(2) restriction of appointments to additional classes as a Primary Market Maker;

(3) suspension, termination, or restriction of a DPM appointment in one or more classes; or

(4) suspension, termination, or restriction of the Market Maker's registration in general.

If a Market Maker's appointment in a class or classes has been terminated pursuant to this paragraph (i), the Market Maker may not be re-appointed as a DPM in that class or classes for a period not to exceed 6 months.

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended November 27, 2018 (SR-CboeEDGX-2018-057); amended May 8, 2019 (SR-CboeEDGX-2019-021); amended May 26, 2019 (SR-CboeEDGX-2019-027)]

Rule 22.3. Market Maker Class Appointments

(a) An Options Member that has qualified as an Options Market Maker may select class appointments to make markets in those classes during all trading sessions.

(b) An Options Market Maker may enter an appointment request via an Exchange approved electronic interface with the Exchange's systems by 9:00 a.m. Eastern time, which appointment becomes effective on the day the Market Maker enters the appointment request.

(c) The Exchange may limit the number of appointments an Options Market Maker may have, or the number of Options Market Makers that may have appointments in a class, pursuant to Rule 22.2(c).

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended October 28, 2016 (SR-BatsEDGX-2016-53); amended May 8, 2019 (SR-CboeEDGX-2019-021); amended May 26, 2019 (SR-CboeEDGX-2019-027)]

Rule 22.4. Good Standing for Market Makers

(a) To remain in good standing as a Market Maker, the Market Maker must:

(1) continue to meet the requirements established in SEC Rule 15c3-1, and the general membership requirements set forth in the Chapter II of the Exchange Rules and the requirements for Market Makers as set forth in Rule 22.2 (Options Market Maker Registration and Appointment);

(2) comply with the Exchange Rules as well as the Rules of the OCC and the Federal Reserve Board; and

(3) pay on a timely basis such participation, transaction and other fees as the Exchange and EDGX Options prescribes.

(b) The Exchange may suspend or terminate an Option Member's registration as a Market Maker or a Market Maker's appointment to a class, or otherwise withdraw the good standing of a Market Maker as provided in the Exchange Rules, if the Market Maker ceases to maintain any of these conditions for approval or violates any of its agreements with the Exchange or any of the provisions of the Exchange Rules.

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended May 8, 2019 (SR-CboeEDGX-2019-021)]

Rule 22.5. Obligations of Market Makers

(a) In registering as a Market Maker, an Options Member commits himself to various obligations. Transactions of a Market Maker in its market making capacity must constitute a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and Market Makers should not make bids or offers or enter into transactions that are inconsistent with such course of dealings. Ordinarily, a Market Maker must:

- (1) during trading hours, a Market Maker must maintain a continuous two-sided market, in each of its appointed classes, pursuant to Rule 22.6(d)(1);
- (2) engage, to a reasonable degree under the existing circumstances, in dealings for its own accounts when there exists, or it is reasonably anticipated that there will exist, a lack of price continuity, a temporary disparity between the supply of (or demand for) a particular option contract, or a temporary distortion of the price relationships between option contracts of the same class;
- (3) compete with other Market Makers in its appointed classes;
- (4) make markets that will be honored for the number of contracts entered into EDGX Options's system in its appointed classes;
- (5) Update quotations in response to changed market conditions in its appointed classes; and
- (6) Maintain active markets in its appointed classes.

(b) Options Market Makers should only effect purchases or sales on EDGX Options in a reasonable and orderly manner.

(c) If the Exchange finds any substantial or continued failure by an Options Market Maker to engage in a course of dealings as specified in paragraph (a) of this Rule, the Options Market Maker will be subject to disciplinary action or suspension or revocation of registration as a Market Maker or its appointment in one or more of its appointed classes. Nothing in this Rule will limit any other power of the Exchange under the Rules, or procedures of EDGX Options with respect to the registration or appointment of a Market Maker or in respect of any violation by a Market Maker of the provisions of this Rule.

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended May 8, 2019 (SR-CboeEDGX-2019-021)]

Rule 22.6. Market Maker Quotations

(a) Firm Quotes.

Market Maker bids and offers are firm for all orders under this Rule and Rule 602 of Regulation NMS under the Exchange Act ("Rule 602") for the number of contracts specified in the bid or offer, except if:

(1) a system malfunction or other circumstance impairs the Exchange's ability to disseminate or update market bids and offers in a timely and accurate manner;

(2) the level of trading activities or the existence of unusual market conditions is such that the Exchange is incapable of collecting, processing, and making available to quotation vendors the data for the option in a manner that accurately reflects the current state of the market on the Exchange;

(3) prior to the conclusion of the Opening Process; or

(4) any of the circumstances provided in paragraph (c)(4) of Rule 602 exist.

(b) **Size Associated with Quotes.** A Market Maker's bid (offer) for a series of options contracts must be accompanied by the number of contracts at the price of the bid (offer) the Market Maker is willing to buy (sell). The best bid and best offer entered by a Market Maker must have a size of at least one (1) contract.

(c) **Two-Sided Quotes.** A Market Maker that enters a bid (offer) in a series in an appointed class on EDGX Options must enter an offer (bid).

(d) **Continuous Quotes.** A Market Maker must enter continuous bids and offers (in accordance with the requirements in Rules 22.5 and 22.6) in 60% of the cumulative number of seconds, or such higher percentage as the Exchange may announce in advance, for which that Market Maker's appointed classes are open for trading on a trading day, excluding any adjusted series, any intra-day add-on series on the day during which such series are added for trading, any Quarterly Option Series, and any series with an expiration of greater than 270 days.

(1) Specifically, the Exchange will calculate this requirement by taking the total number of seconds the Market Maker disseminates quotes in each appointed class, excluding any adjusted series, any intra-day add-on series on the day during which such series are added for trading, any Quarterly Option Series, and any series with an expiration of greater than 270 days, and dividing that time by the eligible total number of seconds each appointed class is open for trading that trading day (including all trading sessions). Quoting is not required in every appointed class. This quoting obligation applies to all of a Market Maker's appointed classes collectively. The Exchange determines compliance by a Market Maker with the quoting obligations in this paragraph (d) on a monthly basis. However, determining compliance with this quoting obligation on a monthly basis does not relieve a Market Maker from meeting this obligation on a daily basis, nor does it prohibit the Exchange from taking disciplinary action against a Market Maker for failing to meet this obligation each trading day.

(2) If a technical failure or limitation of the System prevents a Market Maker from maintaining, or from communicating to the Exchange, timely and accurate quotes in a series, the Exchange does not consider the duration of such failure when determining whether that Market Maker has satisfied the 60% quoting standard with respect to that series.

(3) The continuous quoting obligations set forth in this paragraph (d): (i) will be suspended during a trading halt, suspension, or pause in the underlying security, and will not re-commence until after the first regular way transaction on the primary listing market in the underlying security following such halt, suspension, or pause in the underlying security, as reported by the responsible single plan processor, and (ii) will be suspended for the duration that an underlying NMS stock is in a limit up-limit down state.

(4) The Exchange may consider other exceptions to this obligation based on demonstrated legal or regulatory requirements or other mitigating circumstances.

(e) The Exchange may call on a Market Maker to submit a single quote or maintain continuous quotes in one or more series of a Market Maker's appointed class whenever, in the judgment of the Exchange, it is necessary to do so in the interest of maintaining a fair and orderly market.

(f) A Market Maker is considered an OEF under the Rules in all classes in which the Market Maker has no appointment. The total number of contracts a Market Maker may execute in classes in which it has no appointment may not exceed twenty-five (25) percent of the total number of all contracts the Market Maker executes on the Exchange in any calendar quarter.

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended May 8, 2019 (SR-CboeEDGX-2019-021); amended May 31, 2019 (SR-CboeEDGX-2019-027)]

Rule 22.7. Securities Accounts and Orders of Market Makers

(a) Identification of Accounts.

In a manner prescribed by the Exchange, each Market Maker shall file with the Exchange and keep current a list identifying all accounts for stock, options and related securities trading in which the Market Maker may, directly or indirectly, engage in trading activities or over which it exercises investment discretion. No Market Maker shall engage in stock, options or related securities trading in an account which has not been reported pursuant to this Rule.

(b) Reports of Orders.

Each Market Maker shall, upon request and in the prescribed form, report to the Exchange every order entered by the Market Maker for the purchase or sale of (1) a security underlying options traded on EDGX Options, or (2) a security convertible into or exchangeable for such underlying security, as well as opening and closing positions in all such securities held in each account reported pursuant to paragraph (a) of this Rule. The report pertaining to orders must include the terms of each order, identification of the brokerage firms through which the orders were entered, the times of entry or cancellation, the times report of execution were received and, if all or part of the order was executed, the quantity and execution price.

(c) Joint Accounts.

No Market Maker shall, directly or indirectly, hold any interest or participate in any joint account for buying or selling any options contract unless each participant in such joint account is

an Options Member and unless such account is reported to, and not disapproved by, the Exchange. Such reports in a form prescribed by the Exchange shall be filed with the Exchange before any transaction is effected on EDGX Options for such joint account. A participant in a joint account must:

- (1) Be either a Market Maker or a Clearing Member that carries the joint account.
- (2) File and keep current a completed application on such form as is prescribed by the Exchange.
- (3) Be jointly and severally responsible for assuring that the account complies with all Exchange Rules.
- (4) Not be a Market Maker registered to the same options classes to which the joint account holder is also registered as a Market Maker.

Interpretations and Policies

.01 Reports of accounts and transactions required to be filed with EDGX Options pursuant to this Rule relate only to accounts in which a Market Maker, as an individual, directly or indirectly controls trading activities or has a direct interest in the profits or losses of such account. Such reports would be required for accounts over which a Market Maker exercises investment discretion as well as a Market Maker's proprietary accounts.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 22.8. Letters of Guarantee

- (a) Required of Each Options Member.

No Options Member shall make any transactions on EDGX Options unless a Letter of Guarantee has been issued for such Member by a Clearing Member and filed with the Exchange, and unless such Letter of Guarantee has not been revoked pursuant to paragraph (c) of this Rule.

- (b) Terms of Letter of Guarantee.

A Letter of Guarantee shall provide that the issuing Clearing Member accepts financial responsibilities for all EDGX Options Transactions made by the guaranteed Options Member.

- (c) Revocation of Letter of Guarantee.

A Letter of Guarantee filed with the Exchange shall remain in effect until a written notice of revocation has been filed with the Exchange by the Guarantor Clearing Member. A revocation shall in no way relieve a Clearing Member of responsibility for transactions guaranteed prior to the effective date of such revocation.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 22.9. Financial Requirements for Market Makers

(a) Each Market Maker shall maintain (i) net liquidating equity in its Market Maker account of not less than \$200,000, and in conformity with such guidelines as the Board may establish from time to time, and (ii) net capital sufficient to comply with the requirements of Exchange Act Rule 15c3-1. Each Market Maker which is a Clearing Member shall also maintain net capital sufficient to comply with the requirements of the Clearing Corporation. This equity requirement, as well as all other provisions of the section (including capital maintenance requirements), applies to each Market Maker account, without regard to the number of Market Maker accounts per firm. The term “net liquidating equity” means the sum of positive cash balances and long securities positions less negative cash balances and short securities positions.

(b) Each Market Maker that makes an arrangement to finance his transactions as a Market Maker must identify in writing to the Exchange the source of the financing and its terms. The Exchange must be informed immediately of the intention of any party to terminate or change any such arrangement.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 22.10. (Reserved.)

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended December 31, 2015 (SR-EDGX-2015-59)]

Rule 22.11. Mass Cancellation of Trading Interest

An Options Member may simultaneously cancel all or a subset of its bids, offers, and orders in all series of options or in all options for a specified underlying security by requesting the Exchange to effect such cancellation. An Options Member may also request that the Exchange block all or a subset of its new inbound bids, offers, and orders in all series of options or in all options for a specified underlying security. The block will remain in effect until the Options Member requests the Exchange remove the block.

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended March 1, 2017 (SR-BatsEDGX-2017-07)]

Rule 22.12. Order Exposure Requirements

With respect to orders routed to EDGX Options, Options Members may not execute as principal orders they represent as agent unless:

- (a) agency orders are first exposed on EDGX Options for at least one (1) second;
- (b) the Options Member has been bidding or offering on EDGX Options for at least one (1) second prior to receiving an agency order that is executable against such bid or offer; or
- (c) such orders are entered into an AIM Auction pursuant to Rule 21.19 or a C-AIM Auction pursuant to Rule 21.22.

Interpretations and Policies

.01 This Rule prevents Options Members from executing agency orders to increase its economic gain from trading against the order without first giving other trading interest on EDGX Options an opportunity to either trade with the agency order or to trade at the execution price when the Options Member was already bidding or offering on the EDGX Options Book. However, the Exchange recognizes that it may be possible for an Options Member to establish a relationship with a customer or other person to deny agency orders the opportunity to interact on EDGX Options and to realize similar economic benefits as it would achieve by executing agency orders as principal. It will be a violation of this Rule for an Options Member to be a party to any arrangement designed to circumvent this Rule by providing an opportunity for a customer to regularly execute against agency orders handled by the Options Member immediately upon their entry into EDGX Options.

.02 It will be a violation of this Rule for an Options Member to cause the execution of an order it represents as agent on EDGX Options against orders it solicited from members and non-member broker-dealers, whether such solicited orders are entered into EDGX Options directly by the Options Member or by the solicited party (either directly or through another Options Member), if the Options Member fails to expose orders on EDGX Options as required by this Rule.

.03 With respect to non-displayed trading interest, including the reserve portion, the exposure requirement of subsection (a) of this Rule is satisfied if the displayable portion of the order is displayed at its displayable price for one second.

.04 Prior to or after submitting an order to EDGX Options, an Options Member cannot inform another Options Member or any other third party of any of the terms of the order.

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended January 3, 2017 (SR-BatsEDGX-2016-41 Amendment No. 1); amended March 5, 2019 (SR-CboeEDGX-2019-007); amended July 26, 2019 (SR-CboeEDGX-2019-028 Amendment No. 1)]

CHAPTER XXIII.CHAPTER XXIII. EXERCISES AND DELIVERIES

Rule 23.1. Exercise of Options Contracts

(a) Subject to the restrictions set forth in Rule 18.9 (Exercise Limits) and to such restrictions as may be imposed pursuant to Rule 18.12 (Other Restrictions on Options Transactions and Exercises) or pursuant to the Rules of the Clearing Corporation, an outstanding options contract may be exercised during the time period specified in the Rules of the Clearing Corporation by the tender to the Clearing Corporation of an exercise notice in accordance with the Rules of the Clearing Corporation. An exercise notice may be tendered to the Clearing Corporation only by the Clearing Member in the account of which such options contract is carried with the Clearing Corporation. Options Members may establish fixed procedures as to the latest time they will accept exercise instructions from customers.

(b) Special procedures apply to the exercise of equity options on the business day of their expiration (“expiring options”). Unless waived by the Clearing Corporation, expiring options are subject to the Exercise-by-Exception (“Ex-by-Ex”) procedure under Clearing Corporation Rule 805. This Rule provides that, unless contrary instructions are given, option contracts that are in-the-money by specified amounts shall be automatically exercised. In addition to the Rules of the Clearing Corporation, the following EDGX Options requirements apply with respect to expiring options. Option holders desiring to exercise or not exercise expiring options must either:

(1) take no action and allow exercise determinations to be made in accordance with the Clearing Corporation’s Ex-by-Ex procedure where applicable; or

(2) submit a “Contrary Exercise Advice” to EDGX Options through the participant’s clearing firm as specified in paragraph (d) below.

(c) Exercise cut-off time.

Option holders have until 5:30 p.m. Eastern Time on the expiration date to make a final decision to exercise or not exercise an expiring option. Options Members may not accept exercise instructions for customer or non-customer accounts after 5:30 p.m. Eastern Time.

(d) Submission of Contrary Exercise Advices. A Contrary Exercise Advice is a communication either: (A) to not exercise an option that would be automatically exercised under the Clearing Corporation’s Ex-by-Ex procedure, or (B) to exercise an option that would not be automatically exercised under the Clearing Corporation’s Ex-by-Ex procedure.

(1) A Contrary Exercise Advice may be submitted to EDGX Options by an Options Member by using the Clearing Corporation’s ENCORE system, a Contrary Exercise Advice form of any other national securities exchange of which the firm is a member and where the option is listed, or such other method as EDGX Options may prescribe. A Contrary Exercise Advice may be canceled by filing an “Advice Cancel” with EDGX Options or resubmitted at any time up to the submission cut-off times specified below.

(2) Deadline for CEA Submission for Customer Accounts. An Options Member has until 7:30 p.m. Eastern Time to submit a Contrary Exercise Advice.

(3) Deadline for CEA Submission for Non-Customer Accounts. An Options Member has until 7:30 p.m. Eastern Time to submit a Contrary Exercise Advice if such Options Member employs an electronic submission procedure with time stamp for the submission of exercise instructions by option holders. An Options Member is required to manually submit a Contrary Exercise Advice by 5:30 p.m. Eastern Time for non-customer accounts if such Options Member does not employ an electronic submission procedure with time stamp for the submission of exercise instructions by option holders.

(e) If the Clearing Corporation has waived the Ex-by-Ex procedure for an options class, Options Members must either: (1) submit to EDGX Options, a Contrary Exercise Advice, in a manner specified by EDGX Options, within the time limits specified in paragraph (d) above if the holder intends to exercise the option; or (2) take no action and allow the option to expire without being exercised. In cases where the Ex-by-Ex procedure has been waived, the Rules of the Clearing Corporation require that Options Members wishing to exercise such options must submit an affirmative Exercise Notice to the Clearing Corporation, whether or not a Contrary Exercise Advice has been filed with EDGX Options.

(f) An Options Member that has accepted the responsibility to indicate final exercise decisions on behalf of another Options Member or non-Member broker-dealer shall take the necessary steps to ensure that such decisions are properly indicated to EDGX Options. Such Member may establish a processing cut-off time prior to EDGX Options's exercise cut-off time at which it will no longer accept final exercise decisions in expiring options from option holders for whom it indicates final exercise decisions. Each Member that indicates final exercise decisions through another broker-dealer is responsible for ensuring that final exercise decisions for all of its proprietary (including market maker) and public customer account positions are indicated in a timely manner to such broker-dealer.

(g) Notwithstanding the foregoing, Options Members may make final exercise decisions after the exercise cut-off time but prior to expiration without having submitted a Contrary Exercise Advice in the circumstances listed below. A memorandum setting forth the circumstance giving rise to instructions after the exercise cutoff time shall be maintained by the Options Member and a copy thereof shall be filed with EDGX Options no later than 12:00 noon Eastern Time on the first business day following the respective expiration. An exercise decision after the exercise cut-off time may be made:

(1) in order to remedy mistakes or errors made in good faith; or

(2) where exceptional circumstances have restricted an option holder's ability to inform an Options Member of a decision regarding exercise, or an Options Member's ability to receive an option holder's decision by the cut-off time. The burden of establishing any of the above exceptions rests solely on the Options Member seeking to rely on such exceptions.

(h) In the event EDGX Options provides advance notice on or before 5:30 p.m. Eastern Time on the business day immediately prior to the expiration date indicating that a modified time for the close of trading in equity options on such expiration date will occur, then the deadline to make a final decision to exercise or not exercise an expiring option shall be 1 hour 30 minutes following the time announced for the close of trading on that day instead of the 5:30 p.m. Eastern Time deadline found in paragraph (c) of this Rule. However, an Options Member has until 7:30 p.m. Eastern Time to deliver a Contrary Exercise Advice or Advice Cancel to EDGX Options for customer accounts and non-customer accounts where such Options Member employs an electronic submission procedure with time stamp for the submission of exercise instructions. For non-customer accounts, Options Members that do not employ an electronic procedure with time stamp for the submission of exercise instructions are required to deliver a Contrary Exercise Advice or Advice Cancel within 1 hour and 30 minutes following the time announced for the close of trading on that day instead of the 5:30 p.m. Eastern Time deadline found in paragraph (d) of this Rule.

(i) Modification of cut-off time.

(1) EDGX Options may establish extended cut-off times for decision to exercise or not exercise an expiring option and for the submission of Contrary Exercise Advices on a case-by-case basis due to unusual circumstances. For purposes of this subparagraph (i)(1), an “unusual circumstance” includes, but is not limited to, increased market volatility; significant order imbalances; significant volume surges and/or systems capacity constraints; significant spreads between the bid and offer in underlying securities; internal system malfunctions affecting the ability to disseminate or update market bids and offers and/or execute or route orders; or other similar occurrences.

(2) EDGX Options with at least one (1) business day prior advance notice, by 12:00 noon Eastern Time on such day, may establish a reduced cut-off time for the decision to exercise or not exercise an expiring option and for the submission of Contrary Exercise Advices on a case-by-case basis due to unusual circumstances; provided, however, that under no circumstances should the exercise cut-off time and the time for submission of a Contrary Exercise Advice be before the close of trading. For purposes of this subparagraph (i)(2), an “unusual circumstance” includes, but is not limited to, a significant news announcement concerning the underlying security of an option contract that is scheduled to be released just after the close on the expiration date.

(j) Submitting or preparing an exercise instruction, contrary exercise advice or advice cancel after the applicable exercise cut-off time in any expiring options on the basis of material information released after the cut-off time is activity inconsistent with just and equitable principles of trade.

(k) The failure of any Options Member to follow the procedures in this Rule may result in the assessment of a fine, which may include but is not limited to disgorgement of potential economic gain obtained or loss avoided by the subject exercise, as determined by EDGX Options.

(l) Clearing Members must follow the procedures of the Clearing Corporation when exercising American-style cash-settled index options contracts issued or to be issued in any

account at the Clearing Corporation. Options Members must also follow the procedures set forth below with respect to American-style cash-settled index options:

(1) For all contracts exercised by the Options Member or by any customer of the Options Member, an “exercise advice” must be delivered by the Options Member in such form or manner prescribed by the Exchange no later than 4:20 p.m. Eastern Time, or if trading hours are extended or modified in the applicable options class, no later than five (5) minutes after the close of trading on that day.

(2) Subsequent to the delivery of an “exercise advice,” should the Options Member or a customer of the Options Member determine not to exercise all or part of the advised contracts, the Options Member must also deliver an “advice cancel” in such form or manner prescribed by the Exchange no later than 4:20 p.m. Eastern Time, or if trading hours are extended or modified in the applicable options class, no later than five (5) minutes after the close of trading on that day.

(3) The Exchange may determine to extend the applicable deadline for the delivery of “exercise advice” and “advice cancel” notifications pursuant to this paragraph (1) if unusual circumstances are present.

(4) No Options Member may prepare, time stamp or submit an “exercise advice” prior to the purchase of the contracts to be exercised if the Options Member knew or had reason to know that the contracts had not yet been purchased.

(5) The failure of any Options Member to follow the procedures in this paragraph (1) may result in the assessment of a fine, which may include but is not limited to disgorgement of potential economic gain obtained or loss avoided by the subject exercise, as determined by the Exchange.

(6) Preparing or submitting an “exercise advice” or “advice cancel” after the applicable deadline on the basis of material information released after such deadline, in addition to constituting a violation of this Rule, is activity inconsistent with just and equitable principles of trade.

(7) The procedures set forth in subparagraphs (1)-(2) of this paragraph (1) do not apply (A) on the business day prior to expiration in series expiring on a day other than a business day or (B) on the expiration day in series expiring on a business day.

(8) Exercises of American-style, cash-settled index options (and the submission of corresponding “exercise advice” and “advice cancel” forms) shall be prohibited during any time when trading in such options is delayed, halted, or suspended, subject to the following exceptions:

(A) The exercise of an American-style, cash-settled index option may be processed and given effect in accordance with and subject to the rules of the Clearing Corporation while trading in the option is delayed, halted, or suspended if it can be documented, in a form prescribed by the Exchange, that the decision to

exercise the option was made during allowable time frames prior to the delay, halt, or suspension.

(B) Exercises of expiring American-style, cash-settled index options shall not be prohibited on the expiration date.

(C) Exercises of American-style, cash-settled index options shall not be prohibited during a trading halt that occurs at or after 4:00 p.m. Eastern Time. In the event of such a trading halt, exercises may occur through 4:20 p.m. Eastern Time. In addition, if trading resumes following such a trading halt (pursuant to Rule 20.4 (Resumption of Trading After a Halt)), exercises may occur during the resumption of trading and for five (5) minutes after the close of the resumption of trading. The provisions of this subparagraph (C) are subject to the authority of the Exchange to impose restrictions on transactions and exercises pursuant to Rule 18.12 (Other Restrictions on Options Transactions and Exercises).

(D) The Exchange may determine to permit the exercise of American style, cash-settled index options while trading in such options is delayed, halted, or suspended.

Interpretations and Policies

.01 For purposes of this Rule, the terms “customer account” and “non-customer account” have the same meaning as defined in the Clearing Corporation By-Laws Article I(C)(28) and Article I(N)(2), respectively.

.02 Each Options Member shall prepare a memorandum of every exercise instruction received showing the time when such instruction was so received. Such memoranda shall be subject to the requirements of SEC Rule 17a-4(b).

.03 Each Options Member shall establish fixed procedures to insure secure time stamps in connection with their electronic systems employed for the recording of submissions to exercise or not exercise expiring options.

.04 The filing of a Contrary Exercise Advice required by this Rule does not serve to substitute as the effective notice to the Clearing Corporation for the exercise or non-exercise of expiring options.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 23.2. Allocation of Exercise Notices

(a) Each Options Member shall establish fixed procedures for the allocation of exercise notices assigned in respect of a short position in such Options Member’s customers’ accounts. The allocation shall be on a “first in, first out,” or automated random selection basis that has been approved by the Exchange, or on a manual random selection basis that has been specified by the Exchange. Each Options Member shall inform its customers in writing of the method it uses to

allocate exercise notices to its customers' account, explaining its manner of operation and the consequences of that system.

(b) Each Options Member shall report its proposed method of allocation to the Exchange and obtain the Exchange's prior approval thereof, and no Options Member shall change its method of allocation unless the change has been reported to and approved by the Exchange. The requirements of this paragraph shall not be applicable to allocation procedures submitted to and approved by another SRO having comparable standards pertaining to methods of allocation.

(c) Each Options Member shall preserve for a three-year period sufficient work papers and other documentary materials relating to the allocation of exercise notices to establish the manner in which allocation of such exercise notices is in fact being accomplished.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 23.3. Delivery and Payment

(a) Delivery of the underlying security upon the exercise of an options contract, and payment of the aggregate exercise price in respect thereof, shall be in accordance with the Rules of the Clearing Corporation.

(b) As promptly as possible after the exercise of an options contract by a customer, the Options Member shall require the customer to make full cash payment of the aggregate exercise price in the case of a call options contract, or to deposit the underlying security in the case of a put options contract, or to make the required margin deposit in respect thereof if the transaction is effected in a margin account, in accordance with Exchange Rules, the provisions of Chapter XXVIII, and the applicable regulations of the Federal Reserve Board.

(c) As promptly as practicable after the assignment to a customer of an exercise notice the Options Member shall require the customer to deposit the underlying security in the case of a call options contract if the underlying security is not carried in the customer's account, or to make full cash payment of the aggregate exercise price in the case of a put options contract, or in either case to deposit the required margin in respect thereof if the transaction is effected in a margin account, in accordance with Exchange Rules, the provisions of Chapter XXVIII, and the applicable regulations of the Federal Reserve Board.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

CHAPTER XXIV. RECORDS, REPORTS AND AUDITS

Rule 24.1. Maintenance, Retention and Furnishing of Books, Records and Other Information

(a) Each Options Member shall make, keep current and preserve such books and records as the Exchange may prescribe pursuant to Exchange Rules and as may be prescribed by the Exchange Act and the rules and regulations thereunder.

(b) No Options Member shall refuse to make available to the Exchange such books, records or other information as may be called for under Exchange Rules or as may be requested in connection with an investigation by the Exchange.

(c) All Options Members shall prepare and make available all books and records as required by Exchange Rules in English and U.S. dollars.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 24.2. Reports of Uncovered Short Positions

(a) Upon request of the Exchange, each Options Member shall submit a report of the total uncovered short positions in each options contract of a class dealt in on EDGX Options showing:

- (1) positions carried by such Options Member for its own account; and
- (2) positions carried by such Options Member for the accounts of Customers;
- (3) provided that the Options Member shall not report positions carried for the accounts of other Options Members where such other Options Members report the positions themselves.

(b) Such report shall be submitted not later than the second business day following the date the request is made.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 24.3. Financial Reports and Audits

Each Options Member shall submit to the Exchange answers to financial questionnaires, reports of income and expenses and additional financial information in the type, form, manner and time prescribed by the Exchange under Exchange Rules.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 24.4. Automated Submission of Trade Data

(a) An Options Member shall submit requested trade data elements, in such automated format as may be prescribed by the Exchange from time to time, in regard to a transaction(s) that is the subject of the particular request for information.

(b) If the transaction was a proprietary transaction effected or caused to be effected by the Options Member for any account in which such Member, or any person associated with the Options Member, is directly or indirectly interested, the Options Member shall submit or cause to be submitted, any or all of the following information as requested by the Exchange:

(1) Clearing house number or alpha symbol as used by the Options Member submitting the data;

(2) Clearing house number(s) or alpha symbol(s) as may be used from time to time, of the Options Member(s) on the opposite side of the transaction;

(3) Identifying symbol assigned to the security and where applicable for the options month and series symbols;

(4) Date transaction was executed;

(5) Number of option contracts for each specific transaction and whether each transaction was an opening or closing purchase or sale, as well as:

(A) the number of shares traded or held by accounts for which options data is submitted;

(B) where applicable, the number of shares for each specific transaction and whether each transaction was a purchase, sale or short sale;

(6) Transaction price;

(7) Account number; and

(8) Market center where transaction was executed.

(c) If the transaction was effected or caused to be effected by the Options Member for any Customer, such Options Member shall submit or cause to be submitted any or all the following information as requested by the Exchange:

(1) Data elements (1) through (8) of paragraph (b) above;

(2) If the transaction was effected for a Public Customer, customer name, address(es), branch office number, representative number, whether the order was discretionary, solicited or unsolicited, date the account was opened and employer name and tax identification number(s); and

(3) If the transaction was effected for an Options Member's broker-dealer customer, whether the broker-dealer was acting as a principal or agent on the transaction or transactions that are the subject of the Exchange's request.

(d) In addition to the above trade data elements, an Options Member shall submit such other information in such automated format as may be prescribed by the Exchange, as may from time to time be required.

(e) The Exchange may grant exceptions, in such cases and for such time periods as it deems appropriate, from the requirement that the data elements prescribed in paragraphs (b) and (c) above be submitted to the Exchange in an automated format.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 24.5. Regulatory Cooperation

(a) The Exchange may enter into agreements that provide for the exchange of information and other forms of mutual assistance for market surveillance, investigative, enforcement and other regulatory purposes, with domestic and foreign self-regulatory organizations, as well as associations and contract markets and the regulators of such markets.

(b) No Options Member, partner, officer, director or other person associated with an Options Member or other person or entity subject to the jurisdiction of the Exchange shall refuse to appear and testify before another exchange or self-regulatory organization in connection with a regulatory investigation, examination or disciplinary proceeding or refuse to furnish documentary materials or other information or otherwise impede or delay such investigation, examination or disciplinary proceeding if the Exchange requests such information or testimony in connection with an inquiry resulting from an agreement entered into by the Exchange pursuant to paragraph (a) of this Rule, including but not limited to Options Members and affiliates of the Intermarket Surveillance Group. The requirements of this paragraph (b) shall apply regardless whether the Exchange has itself initiated a form investigation or disciplinary proceeding.

(c) Whenever information is requested by the Exchange pursuant to this Rule, the Options Member or person associated with an Options Member from whom the information is requested shall have the same rights and procedural protections in responding to such request as such Options Member or person would have in the case of any other request for information initiated by the Exchange pursuant to the Exchange's investigative powers.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 24.6. Risk Analysis of Options Market Maker Accounts

Each Clearing Member that clears or guarantees the transactions of Market Makers pursuant to Rule 22.8 (Letters of Guarantee), shall establish and maintain written procedures for assessing and monitoring the potential risks to the Member's capital over a specified range of possible market movements of positions maintained in such Market Maker accounts and such related accounts as the Exchange shall from time to time direct. The procedures shall specify the computations to be made, the frequency of computations, the records to be reviewed and maintained and the position(s) within the organization responsible for the risk management.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

CHAPTER XXV. DISCIPLINE AND SUMMARY SUSPENSIONS

Rule 25.1. Suspensions

The provisions of Chapter VII (Suspension by Chief Regulatory Officer), Chapter VIII (Discipline), Chapter IX (Arbitration), and Chapter X (Adverse Action) of the Exchange Rules shall be applicable to Options Members and trading on EDGX Options.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 25.2. Contracts of Suspended Members

(a) When an Options Member, other than a Clearing Member, is suspended pursuant to the Rules in this Chapter, all open short positions of the suspended Options Member in options contracts and all open positions resulting from exercise of options contracts, other than positions that are secured in full by a specific deposit or escrow deposit in accordance with the Rules of the Clearing Corporation, shall be closed without unnecessary delay by all Options Members carrying such positions for the account of the suspended Options Member; provided that the Exchange may cause the foregoing requirement to be temporarily waived for such period as it may determine if it shall deem such temporary waiver to be in the interest of the public or the other Options Members of EDGX Options.

(b) No temporary waiver hereunder by the Exchange shall relieve the suspended Options Member of its obligations or of damages, nor shall it waive the close out requirements of any other Rules.

(c) When a Clearing Member is suspended pursuant to the Rules in this Chapter, the positions of such Clearing Member shall be closed out in accordance with the Rules of the Clearing Corporation.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 25.3. Penalty for Minor Rule Violations

The following EDGX Options rule and policy violations may be determined by the Exchange to be minor in nature. If so, the Exchange may, with respect to any such violation, proceed under Rule 8.15 (Imposition of Fines for Minor Violation(s) of Rules) and impose the fine set forth below. The Exchange is not required to proceed under said Rules as to any rule violation and may, whenever such action is deemed appropriate, commence a disciplinary proceeding under Chapter VIII (Discipline) rules as to any such violation. A subsequent violation is calculated on the basis of a rolling 24-month period ("Period").

(a) Position Limit and Exercise Limit Violations.

Violations of Rule 18.7 (Position Limits) or Rule 18.9 (Exercise Limits) of these Rules shall be subject to the fines listed below.

Number of Violations Within One Period*	Fine Amount
First Offense	\$500
Second Offense	\$1,000
Third Offense	\$2,500
Fourth and Each Subsequent Offense	\$5,000

* A violation that consists of (i) a 1 trade date overage, (ii) a consecutive string of trade date overage violations where the position does not change or where a steady reduction in the overage occurs, or (iii) a consecutive string of trade date overage violations resulting from other mitigating circumstances, may be deemed to constitute one offense, provided that the violations are inadvertent.

(b) Reports Related to Position Limits.

Violations of Rule 18.10 regarding the failure to accurately report position and account information shall be subject to the fines listed below.

Number of Violations Within One Period	Fine Amount
1	\$500
2	\$1,000
3	\$2,500
4 or more	\$5,000

(c) Order Entry.

Violations of Rule 22.6(a) – (c), (Market Maker Quotations) regarding restrictions on orders entered by Market Makers, will be subject to the fines listed below. Each paragraph of such sections subject to this Rule shall be treated separately for purposes of determining the number of cumulative violations.

Number of Violations Within One Period	Fine Amount
1 to 5	Letter of Caution

6 to 10	\$500
11 to 15	\$1,000
16 to 20	\$2,000

(d) Continuous Quotes.

Violations of Rule 22.6(d) regarding Market Maker continuous bids and offers shall be subject to the fines listed below.

Number of Violations Within One Period*	Fine Amount
1	Letter of Caution
2	\$1,000
3	\$2,500
4	\$5,000
5 or more	Formal Disciplinary Action

* Violations occurring during a calendar month are aggregated and sanctioned as a single offense.

(e) Expiring Exercise Declarations.

(1) Non-Cash-Settled Equity Options. Violations of Rule 23.1(a) through (k) regarding expiring exercise declarations and the timely submission of “Advice Cancel” or exercise instruction relating to the exercise or non-exercise of non-cash-settled equity options shall be subject to the fines listed below.

Number of Violations Within One Period	Fine Amount	
	Individual	Member Organization
1	\$500	\$1,000
2	\$1,000	\$2,500
3 or more	\$2,500	\$5,000

(2) American-Style, Cash-Settled Index Options. Violations of Rule 23.1(l) regarding the failure to submit an Exercise Advice; the submission of an advice and no subsequent exercise; the submission of an Exercise Advice after the designated cut-off time; the submission of an Exercise Advice for an amount different than the amount exercised; and the time-stamping of an advice or exercise instruction memorandum prior to purchasing contracts shall be subject to the fines listed below.

Number of Violations Within One Period	Fine Amount
1	\$500
2	\$1,000
3	\$2,500
4 or more	\$5,000

(f) Requests for Trade Data.

Any Member who fails to respond within ten (10) business days to a request by the Exchange for submission of trade data pursuant to Rule 24.4 shall be subject to the fines listed below.

Number of Violations Within One Period	Fine Amount
1	\$2,500
2 or more	\$5,000 or Formal Disciplinary Action

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended March 11, 2016 (SR-EDGX-2016-03)]

CHAPTER XXVI. DOING BUSINESS WITH THE PUBLIC

Rule 26.1. Eligibility

An OEF may only transact business with Public Customers if such Options Member also is an options member of another registered national securities exchange or association with which the Exchange has entered into an agreement under Rule 17d-2 under the Exchange Act pursuant to which such other exchange or association shall be the designated options examining authority for the OEF. Eligibility to transact business with the public shall be based upon an OEF's meeting the general requirements set forth in this Chapter and the net capital requirements set forth in Exchange Act Rule 15c3-1 (Net Capital Requirements). Such approval may be withdrawn if any such requirements cease to be met.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 26.2. Opening of Accounts

(a) Approval Required.

No OEF shall accept an order from a Public Customer to purchase or write an options contract unless the Public Customer's account has been approved for options transactions in accordance with the provisions of this Rule.

(b) Diligence in Opening Account.

In approving a Public Customer's account for options transactions, an OEF shall exercise due diligence to learn the essential facts as to the Public Customer and his investment objectives and financial situation, and shall make a record of such information, which shall be retained in accordance with SEC Rule 17a-4 under the Exchange Act. Based upon such information, the branch office manager or other Options Principal shall approve in writing the Public Customer's account for options transactions; provided, that if the branch office manager is not an Options Principal, his approval shall within a reasonable time be confirmed by an Options Principal.

(1) In fulfilling its obligations under this paragraph (b) with respect to options Public Customers that are natural persons, an OEF shall seek to obtain the following information at a minimum (information shall be obtained for all participants in a joint account):

(A) investment objectives (e.g., safety of principal, income, growth, trading profits, speculation);

(B) employment status (name of employer, self-employed or retired);

(C) estimated annual income from all sources;

(D) estimated net worth (exclusive of primary residence);

(E) estimated liquid net worth (cash, securities, other);

(F) marital status;

(G) number of dependents;

(H) age; and

(I) investment experience and knowledge (e.g., number of years, size, frequency and type of transactions for options, stocks and bonds, commodities, other).

(2) In addition to the information required in subparagraph (b)(1) above, the Public Customer's account records shall contain the following information, if applicable:

(A) the source or sources of background and financial information (including estimates) concerning the Public Customer;

(B) discretionary trading authorization, including agreement on file, name, relationship to Public Customer and experience of person holding trading authority;

(C) date(s) options disclosure document(s) furnished to Public Customer;

(D) nature and types of transactions for which account is approved (e.g., buying, covered writing, uncovered writing, spreading, discretionary transactions);

(E) name of representative;

(F) name of the Options Principal approving account;

(G) date of approval; and

(H) dates of verification of currency of account information.

(3) Refusal of a Public Customer to provide any of the information called for in this paragraph (b) shall be so noted on the Public Customer's records at the time the account is opened. Information provided shall be considered together with other information available in determining whether and to what extent to approve the account for options transactions.

(c) Verification of Public Customer Background and Financial Information.

The background and financial information upon which the account of every new Public Customer that is a natural person has been approved for options trading, including all of the information required in paragraph (b)(2) of this Rule, unless the information is included in the Public Customer's account agreement, shall be sent to the Public Customer for verification or correction within fifteen (15) days after the Public Customer's account has been approved for options transactions. A copy of the background and financial information on file with the OEF

shall also be sent to the Public Customer for verification within fifteen (15) days after the OEF becomes aware of any material change in the Public Customer's financial situation. Absent advice from the Public Customer to the contrary, the information will be deemed to be verified.

(d) Agreements to Be Obtained.

Within fifteen (15) days after a Public Customer's account has been approved for options transactions, an OEF shall obtain from the Public Customer a written agreement that the account shall be handled in accordance with the Exchange Rules and the Rules of the Clearing Corporation and that such Public Customer, acting alone or in concert with others, will not violate the position or exercise limits set forth in Rules 18.7 (Position Limits) and 18.9 (Exercise Limits).

(e) Options Disclosure Documents to Be Furnished.

At or prior to the time a Public Customer's account is approved for options transactions, an OEF shall furnish the Public Customer with one (1) or more current options disclosure documents issued by the OCC in accordance with the requirements of Rule 26.10 (Delivery of Current Options Disclosure Documents and Prospectus).

(f) Every OEF transacting business with the public in uncovered options contracts shall develop, implement and maintain specific written procedures governing the conduct of such business that shall at least include the following:

(1) specific criteria and standards to be used in evaluating the suitability of a Public Customer for uncovered short options transactions;

(2) specific procedures for approval of accounts engaged in writing uncovered short options contracts (which for the purposes of this Rule shall include combinations and any transactions that involve naked writing), including written approval of such accounts by an Options Principal;

(3) designation of a specific Options Principal(s) as responsible for approving accounts that do not meet the specific criteria and standards for writing uncovered short options transactions and for maintaining written records of the reasons for every account so approved;

(4) establishment of specific minimum net equity requirements for initial approval and maintenance of Public Customer uncovered options accounts; and

(5) requirements that Public Customers approved for writing uncovered short options transactions be provided with a special written description of the risks inherent in writing uncovered short options transactions, at or prior to the initial uncovered short options transaction pursuant to Rule 26.10 (Delivery of Current Options Disclosure Documents and Prospectus).

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 26.3. Supervision of Accounts

(a) Duty to Supervise - General.

Each Options Member that conducts a public customer options business shall ensure that its written supervisory system policies and procedures pursuant to Rule 5.1 (Written Procedures) adequately address the Options Member's public customer options business.

(b) Duty to Supervise - Non-Member Accounts.

Every OEF shall develop and implement a written program for the review of the its non-Member Public Customer accounts and all orders in such accounts, insofar as such accounts and orders relate to options contracts.

(c) Duty to Supervise - Uncovered Short Options.

Every OEF shall develop and implement specific written procedures concerning the manner of supervision of Public Customer accounts maintaining uncovered short (written) options positions (which for the purposes of this Rule shall include combinations and any transactions that involve naked writing) and specifically providing for frequent supervisory review of such accounts.

(d) Maintenance of Public Customer Records.

Background and financial information of Public Customers who have been approved for options transactions shall be maintained at the principal supervisory office having jurisdiction over the office servicing a Public Customer's account, or shall have readily accessible and promptly retrievable, information to permit review of each Public Customer's options account on a timely basis to determine:

- (1) the compatibility of options transactions with investment objectives and with the types of transactions for which the account was approved;
- (2) the size and frequency of options transactions;
- (3) commission activity in the account;
- (4) profit or loss in the account;
- (5) undue concentration in any options class or classes; and
- (6) compliance with the provisions of Regulation T of the Federal Reserve Board.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 26.4. Suitability of Recommendations

(a) Every OEF, Options Principal or representative who recommends to a Public Customer the purchase or sale (writing) of any options contract shall have reasonable grounds for believing that the recommendation is not unsuitable for such Public Customer on the basis of the information furnished by such Public Customer after reasonable inquiry as to his investment objectives, financial situation and needs, and any other information known by such OEF, Options Principal or representative.

(b) No OEF, Options Principal or representative shall recommend to a Public Customer an opening transaction in any options contract unless the person making the recommendation has a reasonable basis for believing at the time of making the recommendation that the Public Customer has such knowledge and experience in financial matters that he may reasonably be expected to be capable of evaluating the risks of the recommended transaction, and is financially able to bear the risks of the recommended position in the options contract.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 26.5. Discretionary Accounts

(a) Authorization and Approval Required.

No OEF shall exercise any discretionary power with respect to trading in options contracts in a Public Customer's account unless such Public Customer has given prior written authorization and the account has been accepted in writing by an Options Principal.

(1) Each participant shall designate specific Options Principals to review discretionary accounts. An Options Principal other than the Options Principal who accepted the account shall review the acceptance of each discretionary account to determine that the Options Principal accepting the account had a reasonable basis for believing that the Public Customer was able to understand and bear the risks of the strategies or transactions proposed, and the reviewing Options Principal shall maintain a record of the basis for his determination.

(2) Every discretionary order shall be identified as discretionary on the order at the time of its entry into EDGX Options market.

(3) Discretionary accounts shall receive frequent appropriate supervisory review by an Options Principal who is not exercising the discretionary authority.

(b) Record of Transactions.

A record shall be made of every options transaction for an account with respect to which an OEF is vested with any discretionary power, such record to include the name of the Public Customer, options class and series, number of contracts, premium, and date and time when such transaction took place.

(c) Excessive Transactions Prohibited.

No OEF shall effect with or for any Public Customer's account with respect to which such Member is vested with any discretionary power any transactions of purchase or sale of options contracts that are excessive in size or frequency in view of the financial resources and character of such account.

(d) Options Programs.

Where the discretionary account utilizes options programs involving the systematic use of one or more options strategies, the Public Customer shall be furnished with a written explanation of the nature and risks of such programs.

(e) Discretion as to Price or Time Excepted.

This Rule shall not apply to discretion as to the price at which or the time when an order given by a customer for the purchase or sale of a definite number of option contracts in a specified security shall be executed, except that the authority to exercise time and price discretion will be considered to be in effect only until the end of the business day on which the customer granted such discretion, absent a specific, written contrary indication signed and dated by the customer. Any exercise of time and price discretion must be reflected on the order ticket.

(f) Any participant that does not utilize computerized surveillance tools for the frequent and appropriate review of discretionary account activity must establish and implement procedures to require Options Principal qualified individuals who have been designated to review discretionary accounts to approve and initial each discretionary order on the day entered.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 26.6. Confirmation to Public Customers

(a) Every OEF shall promptly furnish to each Public Customer a written confirmation of each transaction in options contracts that shows the underlying security, type of options, expiration month, exercise price, number of options contracts, premium, commissions, date of transaction and settlement date, and shall indicate whether the transaction is a purchase or sale and whether a principal or agency transaction.

(b) The confirmation shall, by appropriate symbols, distinguish between EDGX Options transactions and other transactions in option contracts though such confirmation does not need to specify the exchange or exchanges on which such option contracts were executed.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 26.7. Statement of Accounts to Public Customers

(a) Every OEF shall send to its Public Customers a statement of account showing security and money positions, entries, interest charges and any special charges that have been assessed against such account during the period covered by the statement; provided, however, that such charges need not be specifically delineated on the statement if they are otherwise accounted for on the statement and have been itemized on transaction confirmations.

(b) With respect to options Public Customers having a general (margin) account, the Public Customer statement shall also provide the mark-to-market price and market value of each options position and other security position in the general (margin) account, the total market value of all positions in the account, the outstanding debit or credit balance in the account, and the general (margin) account equity. For purposes of this paragraph (b), general (margin) account equity shall be computed by subtracting the total of the short security values and any debit balance from the total of the long security values and any credit balance.

(c) The Public Customer statement shall bear a legend stating that further information with respect to commissions and other charges related to the execution of listed options transactions has been included in confirmations of such transactions previously furnished to the Public Customer, and that such information will be made available to the Public Customer promptly upon request.

(d) Public Customer statements shall bear a legend requesting that the Public Customer promptly advise the Member of any material change in the Public Customer's investment objectives or financial situation.

(e) Public Customer statements shall be sent at least quarterly to all accounts having a money or a security position during the preceding quarter and at least monthly to all accounts having an entry during the preceding month.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 26.8. Statements of Financial Condition to Public Customers

Every OEF shall send to each of its Public Customers statements of the Member's financial condition as required by SEC Rule 17a-5 under the Exchange Act.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 26.9. Addressing of Communications to Public Customers

No OEF shall address any communications to a Public Customer in care of any other person unless either: (a) the Public Customer, within the preceding twelve (12) months, has instructed the OEF in writing to send communications in care of such other persons, or (b) duplicate copies are sent to the Public Customer at some other address designated in writing by him.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 26.10. Delivery of Current Options Disclosure Documents and Prospectus

(a) Options Disclosure Documents.

Every OEF shall deliver a current options disclosure document issued by the OCC to each Public Customer at or prior to the time such Public Customer's account is approved for options transactions. Where a Public Customer is a broker or dealer, the OEF shall take reasonable steps to assure that such broker or dealer is furnished reasonable quantities of current options disclosure

documents, as requested by the broker or dealer, to enable it to comply with the requirements of this Rule.

(1) The term “current options disclosure document” means, as to any category of underlying security, the most recent edition of such document that meets the requirements of Rule 9b-1 under the Exchange Act.

(2) A copy of each amendment to an options disclosure document shall be furnished to each Public Customer who was previously furnished the options disclosure document to which the amendment pertains, not later than the time a confirmation of a transaction in the category of options to which the amendment pertains is delivered to such Public Customer. The Exchange will advise OEFs when an options disclosure document is amended.

(b) The written description of risks required by this Rule shall be in a format prescribed by the Exchange or in a format developed by the Options Member, provided it contains substantially similar information as the prescribed Exchange format and has received prior written approval of the Exchange.

(c) Below is a sample risk description for use by OEFs to satisfy the requirements of paragraph (b) of this Rule:

Special Statement for Uncovered Options Writers.

There are special risks associated with uncovered options writing which expose the investor to potentially significant loss. Therefore, this type of strategy may not be suitable for all Public Customers approved for options transactions.

1. The potential loss of uncovered call writing is unlimited. The writer of an uncovered call is in an extremely risky position, and may incur large losses if the value of the underlying instrument increases above the exercise price.

2. As with writing uncovered calls, the risk of writing uncovered put options is substantial. The writer of an uncovered put option bears a risk of loss if the value of the underlying instrument declines below the exercise price. Such loss could be substantial if there is a significant decline in the value of the underlying instrument.

3. Uncovered options writing is thus suitable only for the knowledgeable investor who understands the risks, has the financial capacity and willingness to incur potentially substantial losses, and has sufficient liquid assets to meet applicable margin requirements. In this regard, if the value of the underlying instrument moves against an uncovered writer’s options position, the investor’s broker may request significant additional margin payments. If an investor does not make such margin payments, the broker may liquidate stock or options positions in the investor’s account with little or no prior notice in accordance with the investor’s margin agreement.

4. For combination writing, where the investor writes both a put and a call on the same underlying instrument, the potential risk is unlimited.

5. If a secondary market in options were to become unavailable, investors could not engage in closing transactions, and an options writer would remain obligated until expiration or assignment.

6. The writer of an American-style option is subject to being assigned an exercise at any time after he has written the option until the option expires. By contrast, the writer of a European-style option is subject to exercise assignment only during the exercise period. NOTE: It is expected that you will read the booklet entitled CHARACTERISTICS AND RISKS OF STANDARDIZED OPTIONS available from your broker. In particular, your attention is directed to the chapter entitled Risks of Buying and Writing Options. This statement is not intended to enumerate all of the risks entailed in writing uncovered options.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 26.11. Restrictions on Pledge and Lending of Public Customers' Securities

(a) No OEF shall lend, either to itself or to others, securities carried for the account of any Public Customer, unless such OEF shall first have obtained a separate written authorization from such Public Customer permitting the lending of the securities.

(b) Regardless of any agreement between an OEF and a Public Customer authorizing the OEF to lend or pledge such securities, no OEF shall lend or pledge more of such securities than is fair and reasonable in view of the indebtedness of the Public Customer to such OEF, except such lending as may be specifically authorized under paragraph (c) of this Rule.

(c) No OEF shall lend securities carried for the account of any Public Customer that have been fully paid for, or that are in excess of the amount that may be loaned in view of the indebtedness of the Public Customer, unless such OEF first obtains from such Public Customer a separate written authorization designating the particular securities to be loaned.

(d) No OEF shall hold securities carried for the account of any Public Customer that have been fully paid for, or that are in excess of the amount that may be pledged in view of the indebtedness of the Public Customer, unless such securities are segregated and identified by a method that clearly indicates the interest of such Public Customer in those securities.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 26.12. Transactions of Certain Public Customers

(a) No OEF shall execute any transaction in securities or carry a position in any security in which:

(1) an officer or employee of the Exchange or any national securities exchange that is a participant of the Clearing Corporation, or an officer or employee of a corporation in which the Exchange, or such other exchange owns the majority of the capital stock, is directly or indirectly interested, without the prior written consent of the Exchange; or

(2) a partner, officer, director, principal shareholder or employee of another OEF is directly or indirectly interested, without the consent of such other OEF.

(b) Where the required consent has been granted, duplicate reports of the transaction and position shall promptly be sent to the Exchange or OEF, as the case may be.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 26.13. Guarantees

No OEF shall guarantee a Public Customer against loss in his account or in any transaction effected with or for such Public Customer.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 26.14. Profit Sharing

(a) No OEF or person associated with an OEF shall share directly or indirectly in the profits or losses in any Public Customer's account, whether carried by such OEF or any other OEF unless the person associated with an OEF obtains prior written consent from the OEF employing such person and such OEF or person associated with an OEF obtains prior written consent from the Public Customer.

(b) Where such consent is obtained, the OEF, person associated with an OEF or Options Principal shall share in the profits or losses in such account only in direct proportion to the financial contribution made to the account by such person.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 26.15. Assuming Losses

No OEF shall assume for its own account any position established for a Public Customer in a security traded on the Exchange after a loss to the Public Customer has been established or ascertained, unless the position was created by the OEF's mistake or unless approval of the Exchange has first been obtained.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 26.16. Communications with Public Customers

Options Members and associated persons of Options Members shall be bound to comply with the Communications with Public Customers rule of FINRA, as applicable, as though said rules were part of these Rules.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 26.17. Public Customer Complaints

(a) Every OEF conducting a non-Member Public Customer business shall make and keep current a separate central log, index or other file for all options-related complaints, through which these complaints can easily be identified and retrieved.

(b) The term “options-related complaint” shall mean any written statement by a Public Customer or person acting on behalf of a Public Customer alleging a grievance arising out of or in connection with listed options.

(c) The central file shall be located at the principal place of business of the Options Member or such other principal office as shall be designated by the OEF.

(1) Each options-related complaint received by a branch office of an OEF shall be forwarded to the office in which the separate, central file is located not later than thirty (30) days after receipt by the branch office.

(2) A copy of every options-related complaint shall be maintained at the branch office that is the subject of a complaint.

(d) At a minimum, the central file shall include:

(1) identification of complainant;

(2) date complaint was received;

(3) identification of the representative servicing the account, if applicable;

(4) a general description of the subject of the complaint; and

(5) a record of what action, if any, has been taken by the Options Member with respect to the complaint.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

CHAPTER XXVII. Intermarket Linkage Rules

Rule 27.1. Definitions

(a) The following terms shall have the meaning specified in this Rule solely for the purpose of this Chapter XXVII:

(1) “Best Bid” and “Best Offer” mean the highest priced Bid and the lowest priced Offer.

(2) “Bid” or “Offer” means the bid price or the offer price communicated by a member of an Eligible Exchange to any Broker/Dealer, or to any customer, at which it is willing to buy or sell, as either principal or agent, but shall not include indications of interest.

(3) “Broker/Dealer” means an individual or organization registered with the SEC in accordance with Section 15(b)(1) of the Exchange Act or a foreign broker or dealer exempt from such registration pursuant to Rule 15a-6 under the Exchange Act.

(4) “Complex Trade” means: (i) the execution of an order in an option series in conjunction with the execution of one or more related order(s) in different option series in the same underlying security occurring at or near the same time in a ratio that is equal to or greater than one-to-three (.333) and less than or equal to three-to-one (3.0) and for the purpose of executing a particular investment strategy; or (ii) the execution of a stock option order to buy or sell a stated number of units of an underlying stock or a security convertible into the underlying stock (“convertible security”) coupled with the purchase or sale of option contract(s) on the opposite side of the market representing either (A) the same number of units of the underlying stock or convertible security, or (B) the number of units of the underlying stock or convertible security necessary to create a delta neutral position, but in no case in a ratio greater than eight (8) option contracts per unit of trading of the underlying stock or convertible security established for that series by the Clearing Corporation.

(5) “Crossed Market” means a quoted market in which a Protected Bid is higher than a Protected Offer in a series of an Eligible Class.

(6) “Customer” means an individual or organization that is not a Broker/Dealer.

(7) “Eligible Exchange” means a national securities exchange registered with the SEC in accordance with Section 6(a) of the Exchange Act that: (a) is a Participant Exchange in OCC (as that term is defined in Section VII of the OCC by-laws); (b) is a party to the OPRA Plan (as that term is described in Section I of the OPRA Plan); and (c) if the national securities exchange chooses not to become a party to this Plan, is a participant in another plan approved by the Commission providing for comparable Trade-Through and Locked and Crossed Market protection.

(8) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(9) “Intermarket Sweep Order (ISO)” means a limit order for an options series that meets the following requirements:

(A) When routed to an Eligible Exchange, the order is identified as an ISO;

(B) Simultaneously with the routing of the order, one or more additional ISOs, as necessary, are routed to execute against the full displayed size of any Protected Bid, in the case of a limit order to sell, or any Protected Offer, in the case of a limit order to buy, for the options series with a price that is superior to the limit price of the ISO, with such additional orders also marked as ISOs.

(10) “Locked Market” means a quoted market in which a Protected Bid is equal to a Protected Offer in a series of an Eligible Options Class.

(11) “NBBO” means the national best bid and offer in an option series as calculated by an Eligible Exchange.

(12) “Non-Firm” means, with respect to quotations, that Members of an Eligible Exchange are relieved of their obligation to be firm for their quotations pursuant to Rule 602 under the Exchange Act.

(13) “OCC” means The Options Clearing Corporation.

(14) “OPRA” means the Options Price Reporting Authority.

(15) “OPRA Plan” means the plan filed with the SEC pursuant to Section 11A(a)(1)(C)(iii) of the Exchange Act, approved by the SEC and declared effective as of January 22, 1976, as from time to time amended.

(16) “Participant” means an Eligible Exchange whose participation in the Plan has become effective pursuant to Section 3(c) of the Plan.

(17) “Plan” means the Options Order Protection and Locked/Crossed Market Plan, as such plan may be amended from time to time.

(18) “Protected Bid” or “Protected Offer” means a Bid or Offer in an options series, respectively, that:

(A) Is disseminated pursuant to the OPRA Plan; and

(B) Is the Best Bid or Best Offer, respectively, displayed by an Eligible Exchange.

(19) “Protected Quotation” means a Protected Bid or Protected Offer.

(20) “Quotation” means a Bid or Offer.

(21) “SEC” means the United States Securities and Exchange Commission.

(22) “Trade-Through” means a transaction in an options series at a price that is lower than a Protected Bid or higher than a Protected Offer.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 27.2. Order Protection

(a) Avoidance of Trade-Throughs. Except as provided in paragraph (b) below, Members shall not effect Trade-Throughs.

(b) Exceptions to Trade-Through Liability. The provisions of paragraph (a) pertaining to the satisfaction of Trade-Throughs shall not apply under the following circumstances:

(1) If an Eligible Exchange repeatedly fails to respond within one (1) second to incoming orders attempting to access its Protected Quotations, the Exchange may bypass those Protected Quotations by:

(A) Notifying the non-responding Eligible Exchange immediately after (or at the same time as) electing self-help; and

(B) Assessing whether the cause of the problem lies with its own systems and, if so, taking immediate steps to resolve the problem;

Any time a determination to bypass Protected Quotations of an Eligible Exchange is made pursuant to this sub-paragraph, the Exchange must promptly document the reasons supporting such determination.

(2) The transaction traded through a Protected Quotation being disseminated by an Eligible Exchange during a trading rotation;

(3) The transaction that constituted the Trade-Through occurred when there was a Crossed Market;

(4) The transaction that constitutes the Trade-Through is the execution of an order identified as an ISO;

(5) The transaction that constitutes the Trade-Through is effected by the Exchange while simultaneously routing an ISO to execute against the full displayed size of any better priced Protected Quotation;

(6) The Eligible Exchange displaying the Protected Quotation that was traded through had displayed, within one (1) second prior to execution of the Trade-Through, a Best bid or Best offer, as applicable, for the options series with a price that was equal or inferior to the price of the Trade-Through transaction;

(7) The Protected Quotation traded through was being disseminated from an Eligible Exchange whose Quotations were Non-Firm with respect to such options series;

(8) The transaction that constituted the Trade-Through was effected as a portion of a Complex Trade;

(9) The transaction that constituted the Trade-Through was the execution of an order for which, at the time of receipt of the order, a Member had guaranteed an execution at no worse than a specified price (a “stopped order”), where:

(A) the stopped order was for the account of a Customer;

(B) the Customer agreed to the specified price on an order-by-order basis; and

(C) the price of the Trade-Through was, for a stopped buy order, lower than the national Best Bid in the options series at the time of execution, or, for a stopped sell order, higher than the national Best Offer in the options series at the time of execution;

(10) The transaction that constituted the Trade-Through was the execution of an order that was stopped at a price that did not Trade-Through an Eligible Exchange at the time of the stop; or

(11) The transaction that constituted the Trade-Through was the execution of an order at a price that was not based, directly or indirectly, on the quoted price of the options series at the time of execution and for which the material terms were not reasonably determinable at the time the commitment to execute the order was made.

Interpretations and Policies

.01 Notwithstanding the exceptions set forth above, in the event of a Crossed Market, unless an order is marked ISO, the Exchange will not execute any portion of a bid at a price more than the greater of 5 cents or 0.5 percent higher than the lowest Protected Offer or any portion of an offer that would execute at a price more than the greater of 5 cents or 0.5 percent lower than the highest Protected Bid. Upon instruction from a User, the Exchange will cancel any incoming order from such User in the event of a Crossed Market.

.02 To the extent an incoming order is executable because a Protected Bid is crossing a Protected Offer as set forth in paragraph (b)(3) of this Rule but such incoming order is eligible for routing and there is a Protected Bid or Protected Offer available at another options exchange that is better priced than the bid or offer against which the order would execute on the Exchange, the Exchange will first seek to route the order to such better priced quotation pursuant to Rule 21.9.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 27.3. Locked and Crossed Markets

(a) Prohibition. Except for quotations that fall within the provisions of paragraph (b) of this Rule, Members shall reasonably avoid displaying, and shall not engage in a pattern or practice of displaying, any quotations that lock or cross a Protected Quotation.

(b) Exceptions.

(1) The locking or crossing quotation was displayed at a time when the Exchange was experiencing a failure, material delay, or malfunction of its systems or equipment;

(2) The locking or crossing quotation was displayed at a time when there is a Crossed Market;

(3) The Member simultaneously routed an ISO to execute against the full displayed size of any locked or crossed Protected Bid or Protected Offer.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

CHAPTER XXVIII. MARGIN REQUIREMENTS

Rule 28.1. General Rule

No Options Member or associated person may effect a transaction or carry an account for a Customer, whether an Options Member or non-Member of EDGX Options, without proper and adequate margin in accordance with this Chapter XXVIII and Regulation T.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 28.2. Time Margin Must be Obtained

The amount of margin required by this Chapter XXVIII shall be obtained as promptly as possible and in any event within a reasonable time.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 28.3. Margin Requirements

(a) An Options Member or associated person must be bound by the initial and maintenance margin requirements of either the Cboe Options Exchange (“Cboe Options”) or the New York Stock Exchange (“NYSE”) as the same may be in effect from time to time.

(b) Such election shall be made in writing by a notice filed with the Exchange.

(c) Upon the filing of such election, an Options Member or associated person shall be bound to comply with the margin rules of the Cboe Options or the NYSE, as applicable, as though said rules were part of these Rules.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 28.4. Margin Required is Minimum

(a) The amount of margin prescribed by these Rules is the minimum which must be required initially and subsequently maintained with respect to each account affected thereby, but nothing in these Rules shall be construed to prevent an Options Member or associated person from requiring margin in an amount greater than that specified.

(b) EDGX Options may at any time impose higher margin requirements with respect to such positions when it deems such higher margin requirements to be advisable.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

CHAPTER XXIX. INDEX RULES

Rule 29.1. Application of Index Rules

The Rules in this Chapter are applicable only to index options (options on indices of securities as defined below). The Rules in Chapters XVI through XXIII are also applicable to the options provided for in this Chapter, unless such Rules are specifically replaced or are supplemented by Rules in this Chapter. Where the Rules in this Chapter indicate that particular indices or requirements with respect to particular indices will be “Specified,” the Exchange shall file a proposed rule change with the Commission to specify such indices or requirements.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 29.2. Definitions

(a) The term “aggregate exercise price” means the exercise price of the options contract times the index multiplier.

(b) The term “American-style index option” means an option on an industry or market index that can be exercised on any business day prior to expiration.

(c) The term “A.M.-settled index option” means an index options contract for which the current index value at expiration shall be determined as provided in Rule 29.11(a)(5).

(d) The term “call” means an options contract under which the holder of the option has the right, in accordance with the terms of the option, to purchase from the Clearing Corporation the current index value times the index multiplier.

(e) The term “current index value” with respect to a particular index options contract means the level of the underlying index reported by the reporting authority for the index, or any multiple or fraction of such reported level specified by EDGX Options. The current index value with respect to a reduced-value long term options contract is one-tenth of the current index value of the related index option. The “closing index value” shall be the last index value reported on a business day.

(f) The term “exercise price” means the specified price per unit at which the current index value may be purchased or sold upon the exercise of the option.

(g) Unless separately defined in these Rules, the term “expiration date” means the third Friday of the expiration month of an option contract, or if such Friday is a day on which the Exchange on which such option is listed is not open for business, the preceding day on which such Exchange is open for business.

(h) The term “European-style index option” means an option on an industry or market index that can be exercised only on the business day of expiration.

(i) The term “index multiplier” means the amount specified in the contract by which the current index value is to be multiplied to arrive at the value required to be delivered to the holder of a call or by the holder of a put upon valid exercise of the contract.

(j) The term “industry index” and “narrow-based index” mean an index designed to be representative of a particular industry or a group of related industries.

(k) The term “market index” and “broad-based index” mean an index designed to be representative of a stock market as a whole or of a range of companies in unrelated industries.

(l) The term “put” means an options contract under which the holder of the option has the right, in accordance with the terms and provisions of the option, to sell to the Clearing Corporation the current index value times the index multiplier.

(m) The term “Quarterly Options Series” means a series in an options class that is approved for listing and trading on the Exchange in which the series is opened for trading on any business day and expires at the close of business on the last business day of a calendar quarter.

(n) The term “reporting authority” with respect to a particular index means the institution or reporting service designated by the Exchange as the official source for (1) calculating the level of the index from the reported prices of the underlying securities that are the basis of the index and (2) reporting such level. The reporting authority for each index approved for options trading on EDGX Options shall be Specified (as provided in Rule 29.1) in the Interpretations and Policies to this Rule.

(o) The term “Short Term Option Series” means a series in an option class that is approved for listing and trading on the Exchange in which the series is opened for trading on any Thursday or Friday that is a business day and that expires on any of the next five (5) consecutive Fridays. If a Thursday or Friday is not a business day, the series may be opened (or shall expire) on the first business day immediately prior to that Thursday or Friday, respectively.

(p) The term “underlying security” or “underlying securities” with respect to an index options contract means any of the securities that are the basis for the calculation of the index.

Interpretations and Policies

01. The reporting authorities designated by the Exchange in respect of each index underlying an index options contract traded on the Exchange are as provided below.

Index	Reporting Authority
Mini-SPX Index	S&P Dow Jones Indices
Russell 2000 Index	Frank Russell Company

[Adopted August 7, 2015 (SR-EDGX-2015-18); Amended September 27, 2018 (SR-CboeEDGX-2018-035)]

Rule 29.3. Designation of a Broad-Based Index

(a) The component securities of an index underlying a broad-based index option contract need not meet the requirements of Rule 19.3 (Criteria for Underlying Securities). Except as set forth in subparagraph (b) below, the listing of a class of index options on a broad-based index requires the filing of a proposed rule change to be approved by the SEC under Section 19(b) of the Exchange Act.

(b) EDGX Options may trade options on a broad-based index pursuant to Rule 19b-4(e) of the Securities Exchange Act of 1934, if each of the following conditions is satisfied:

- (1) The index is broad-based, as defined in Rule 29.2(k);
- (2) Options on the index are designated as A.M.-settled;
- (3) The index is capitalization-weighted, modified capitalization weighted, price-weighted, or equal dollar-weighted;
- (4) The index consists of 50 or more component securities;
- (5) Component securities that account for at least ninety-five percent (95%) of the weight of the index have a market capitalization of at least \$75 million, except that component securities that account for at least sixty-five percent (65%) of the weight of the index have a market capitalization of at least \$100 million;
- (6) Component securities that account for at least eighty percent (80%) of the weight of the index satisfy the requirements of Rule 19.3 applicable to individual underlying securities;
- (7) Each component security that accounts for at least one percent (1%) of the weight of the index has an average daily trading volume of at least 90,000 shares during the last six month period;
- (8) No single component security accounts for more than ten percent (10%) of the weight of the index, and the five highest weighted component securities in the index do not, in the aggregate, account for more than thirty-three percent (33%) of the weight of the index;
- (9) Each component security must be an “NMS stock” as defined in Rule 600 of Regulation NMS under the Exchange Act;
- (10) Non-U.S. component securities (stocks or ADRs) that are not subject to comprehensive surveillance agreements do not, in the aggregate, represent more than twenty percent (20%) of the weight of the index;
- (11) The current index value is widely disseminated at least once every fifteen (15) seconds by OPRA, CTA/CQ, NIDS or one or more major market data vendors during the time options on the index are traded on EDGX Options;

(12) EDGX Options reasonably believes it has adequate system capacity to support the trading of options on the index, based on a calculation of EDGX Options's current ISCA allocation and the number of new messages per second expected to be generated by options on such index;

(13) An equal dollar-weighted index is rebalanced at least once every calendar quarter;

(14) If an index is maintained by a broker-dealer, the index is calculated by a third-party who is not a broker-dealer, and the broker-dealer has erected an informational barrier around its personnel who have access to information concerning changes in, and adjustments to, the index;

(15) The Exchange has written surveillance procedures in place with respect to surveillance of trading of options on the index.

(c) The following maintenance listing standards shall apply to each class of index options originally listed pursuant to paragraph (b) above:

(1) The requirements set forth in subparagraphs (b)(1) - (b)(3) and (b)(9) - (b)(15) must continue to be satisfied. The requirements set forth in subparagraphs (b)(5) - (b)(8) must be satisfied only as of the first day of January and July in each year;

(2) The total number of component securities in the index may not increase or decrease by more than ten percent (10%) from the number of component securities in the index at the time of its initial listing. In the event a class of index options listed on EDGX Options fails to satisfy the maintenance listing standards set forth herein, EDGX Options shall not open for trading any additional series of options of that class unless the continued listing of that class of index options has been approved by the SEC under Section 19(b)(2) of the Exchange Act.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 29.4. Dissemination of Information

(a) EDGX Options shall disseminate, or shall assure that the current index value is disseminated, after the close of business and from time-to-time on days on which transactions in index options are made on EDGX Options.

(b) EDGX Options shall maintain, or shall assure that the current index value is maintained in files available to the public, information identifying the stocks whose prices are the basis for calculation of the index and the method used to determine the current index value.

Rule 29.5. Position Limits for Broad-Based Index Options

(a) Options Members shall comply with the applicable rules of the Cboe Options Exchange with respect to position limits for broad based index options or with the applicable rules

of EDGX Options for broad-based index options traded on EDGX Options but not traded on the Cboe Options Exchange.

(b) Index options contracts shall not be aggregated with options contracts on any stocks whose prices are the basis for calculation of the index.

(c) Positions in reduced-value index options shall be aggregated with positions in full-value indices. For such purposes, ten reduced-value contracts shall equal one contract.

Rule 29.6. Designation of Narrow-Based and Micro-Narrow-Based Index Options

(a) The component securities of an index underlying a narrow-based index option contract need not meet the requirements of Rule 19.3 (Criteria for Underlying Securities). Except as set forth in subparagraph (b) below, the listing of a class of index options on a narrow-based index requires the filing of a proposed rule change to be approved by the SEC under Section 19(b) of the Exchange Act.

(b) Narrow-Based Index.

EDGX Options may trade options on a narrow-based index pursuant to Rule 19b-4(e) of the 1934 Act, if each of the following conditions is satisfied:

- (1) The options are designated as A.M.-settled index options;
- (2) The index is capitalization-weighted, price-weighted, equal dollar-weighted, or modified capitalization-weighted, and consists of ten or more component securities;
- (3) Each component security has a market capitalization of at least \$75 million, except that for each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index, the market capitalization is at least \$50 million;
- (4) Trading volume of each component security has been at least one million shares for each of the last six months, except that for each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index, trading volume has been at least 500,000 shares for each of the last six months;
- (5) In a capitalization-weighted index or a modified capitalization-weighted index, the lesser of the five highest weighted component securities in the index or the highest weighted component securities in the index that in the aggregate represent at least 30% of the total number of component securities in the index each have had an average monthly trading volume of at least 2,000,000 shares over the past six months;
- (6) No single component security represents more than 30% of the weight of the index, and the five highest weighted component securities in the index do not in the

aggregate account for more than 50% (65% for an index consisting of fewer than 25 component securities) of the weight of the index;

(7) Component securities that account for at least 90% of the weight of the index and at least 80% of the total number of component securities in the index satisfy the requirements of Rule 19.3 (Criteria for Underlying Securities) applicable to individual underlying securities;

(8) Each component security must be an “NMS stock” as defined in Rule 600 of Regulation NMS of the Securities Exchange Act of 1934;

(9) Non-U.S. component securities (stocks or ADRs) that are not subject to comprehensive surveillance agreements do not in the aggregate represent more than 20% of the weight of the index;

(10) The current underlying index value will be reported at least once every fifteen seconds during the time the index options are traded on the Exchange;

(11) An equal dollar-weighted index will be rebalanced at least once every calendar quarter; and

(12) If an underlying index is maintained by a broker-dealer, the index is calculated by a third party who is not a broker-dealer, and the broker-dealer has erected a “Chinese Wall” around its personnel who have access to information concerning changes in and adjustments to the index.

(c) Maintenance Criteria.

The following maintenance listing standards shall apply to each class of index options originally listed pursuant to subsection (b) above:

(1) The requirements stated in subsections (b)(1), (3), (6), (7), (8), (9), (10), (11) and (12) must continue to be satisfied, provided that the requirements stated in subparagraph (b)(6) must be satisfied only as of the first day of January and July in each year;

(2) The total number of component securities in the index may not increase or decrease by more than 33 1/3% from the number of component securities in the index at the time of its initial listing, and in no event may be less than nine component securities;

(3) Trading volume of each component security in the index must be at least 500,000 shares for each of the last six months, except that for each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index, trading volume must be at least 400,000 shares for each of the last six months;

(4) In a capitalization-weighted index or a modified capitalization-weighted index, the lesser of the five highest weighted component securities in the index or the highest weighted component securities in the index that in the aggregate represent at least 30% of the total number of stocks in the index each have had an average monthly trading volume of at least 1,000,000 shares over the past six months.

In the event a class of index options listed on EDGX Options fails to satisfy the maintenance listing standards set forth herein, EDGX Options shall not open for trading any additional series of options of that class unless such failure is determined by EDGX Options not to be significant and the Commission concurs in that determination, or unless the continued listing of that class of index options has been approved by the Commission under Section 19(b)(2) of the Exchange Act.

(d) Notwithstanding paragraph (a) above, EDGX Options may trade options on a Micro Narrow-Based security index pursuant to Rule 19b-4(e) of the 1934 Act, if each of the following condition is satisfied:

(1) The Index is a security index:

(A) that has 9 or fewer component securities;

(B) in which a component security comprises more than 30 percent of the index's weighting;

(C) in which the 5 highest weighted component securities in the aggregate comprise more than 60 percent of the index's weighting; or

(D) in which the lowest weighted component securities comprising, in the aggregate, 25 percent of the index's weighting have an aggregate dollar value of average daily trading volume of less than \$50,000,000 (or in the case of an index with 15 or more component securities, \$30,000,000) except that if there are two or more securities with equal weighting that could be included in the calculation of the lowest weighted component securities comprising, in the aggregate, 25 percent of the index's weighting, such securities shall be ranked from lowest to highest dollar value of average daily trading volume and shall be included in the calculation based on their ranking starting with the lowest ranked security.

(2) The index is capitalization-weighted, modified capitalization-weighted, price-weighted, share weighted, equal dollar-weighted, approximate equal-dollar weighted, or modified equal-dollar weighted;

(A) For the purposes of this paragraph (d), an approximate equal-dollar weighted index is composed of one or more securities in which each component security will be weighted equally based on its market price on the index's selection date and the index must be reconstituted and rebalanced if the notional value of the largest component is at least twice the notional volume of the smallest component for fifty percent or more of the trading days in the three months prior to December 31 of each year. For purposes of this provision the "notional value" is the market

price of the component times the number of shares of the underlying component in the index. Reconstitution and rebalancing are also mandatory if the number of components in the index is greater than five at the time of rebalancing. EDGX Options reserves the right to rebalance quarterly at its discretion.

(B) For the purposes of this paragraph (d), a modified equal-dollar weighted index is an index in which each underlying component represents a pre-determined weighting percentage of the entire index. Each component is assigned a weight that takes into account the relative market capitalization of the securities comprising the index. A modified equal-dollar weighted index will be balanced quarterly.

(C) For the purposes of this paragraph (d), a share-weighted index is calculated by multiplying the price of the component security by an adjustment factor. Adjustment factors are chosen to reflect the investment objective deemed appropriate by the designer of the index and will be published by the Exchange as part of the contract specifications. The value of the index is calculated by adding the weight of each component security and dividing the total by an index divisor, calculated to yield a benchmark index level as of a particular date. A share-weighted index is not adjusted to reflect changes in the number of outstanding shares of its components. A share-weighted Micro Narrow-Based index will not be rebalanced. If a share-weighted Micro Narrow-Based Index fails to meet the maintenance listing standards under Subsection (e) of this rule, EDGX Options will restrict trading in existing option series to closing transactions and will not issue additional series for that index.

(D) EDGX Options may rebalance any Micro Narrow-Based index on an interim basis if warranted as a result of extraordinary changes in the relative values of the component securities. To the extent investors with open positions must rely upon the continuity of the options contract on the index, outstanding contracts are unaffected by rebalancings.

(3) Each component security in the index has a minimum market capitalization of at least \$75 million, except that each of the lowest weighted securities in the index that in the aggregate account for no more than 10% of the weight of the index may have a minimum market capitalization of only \$50 million;

(4) The average daily trading volume in each of the preceding six months for each component security in the index is at least 45,500 shares, except that each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index may have an average daily trading volume of only 22,750 shares for each of the last six months;

(5) In a capitalization-weighted index, the lesser of: (1) the five highest weighted component securities in the index each have had an average daily trading volume of at least 90,000 shares over the past six months; or (2) the highest weighted component securities in the index that in the aggregate represent at least 30% of the total

number of component securities in the index each have had an average daily trading volume of at least 90,000 shares over the past six months;

(6) Subject to subparagraphs (4) and (5) above, the component securities that account for at least 90% of the total index weight and at least 80% of the total number of component securities in the index must meet the requirements applicable to individual underlying securities;

(7) (A) Each component security in the index is a “reported security” as defined in Rule 600 of Regulation NMS under the Exchange Act; and

(B) Foreign securities or ADRs that are not subject to comprehensive surveillance sharing agreements do not represent more than 20% of the weight of the index;

(8) The current underlying index value will be reported at least once every fifteen seconds during the time the index options are traded on EDGX Options;

(9) An equal dollar-weighted index will be rebalanced at least once every quarter;

(10) If the underlying index is maintained by a broker-dealer, the index is calculated by a third party who is not a broker-dealer, and the broker-dealer has in place an information barrier around its personnel who have access to information concerning changes in and adjustments to the index;

(11) Each component security in the index is registered pursuant to Section 12 of the Exchange Act; and

(12) Cash settled index options are designated as A.M.-settled options.

(e) The following maintenance listing standards shall apply to each class of index options originally listed pursuant to paragraph (d) above:

(1) The index meets the criteria of paragraph (d)(1) of this Rule;

(2) Subject to subparagraphs (9) and (10) below, the component securities that account for at least 90% of the total index weight and at least 80% of the total number of component securities in the index must meet the requirements of Rule 19.3 (Criteria for Underlying Securities).

(3) Each component security in the index has a market capitalization of at least \$75 million, except that each of the lowest weighted component securities that in the aggregate account for no more than 10% of the weight of the index may have a market capitalization of only \$50 million;

(4) Each component security must be an “NMS stock” as defined in Rule 600 of Regulation NMS under the Exchange Act; and

(5) Foreign securities or ADRs thereon that are not subject to comprehensive surveillance sharing agreements do not represent more than 20% of the weight of the index;

(6) The current underlying index value will be reported at least once every fifteen seconds during the time the index options are traded on EDGX Options;

(7) If the underlying index is maintained by a broker-dealer, the index is calculated by a third party who is not a broker-dealer, and the broker-dealer has in place an information barrier around its personnel who have access to information concerning changes in and adjustments to the index;

(8) The total number of component securities in the index may not increase or decrease by more than 33 1/3% from the number of component securities in the index at the time of its initial listing;

(9) Trading volume of each component security in the index must be at least 500,000 shares for each of the last six months, except that for each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index, trading volume must be at least 400,000 shares for each of the last six months;

(10) In a capitalization-weighted index and a modified capitalization-weighted index, the lesser of the five highest weighted component securities in the index or the highest weighted component securities in the index that in the aggregate represent at least 30% of the total number of stocks in the index each have had an average monthly trading volume of at least 1,000,000 shares over the past six months;

(11) Each component security in the index is registered pursuant to Section 12 of the Exchange Act;

(12) In an approximate equal-dollar weighted index, the index must be reconstituted and rebalanced if the notional value of the largest component is at least twice the notional volume of the smallest component for fifty percent or more of the trading days in the three months prior to December 31 of each year. For purposes of this provision the “notional value” is the market price of the component times the number of shares of the underlying component in the index. Reconstitution and rebalancing are also mandatory if the number of components in the index is greater than five at the time of rebalancing. EDGX Options reserves the right to rebalance quarterly at its discretion;

(13) In a modified equal-dollar weighted index EDGX Options will rebalance the index quarterly;

(14) In a share-weighted index, if a share-weighted Micro Narrow-Based Index fails to meet the maintenance listing standards under paragraph (e) of this Rule, EDGX Options will not re-balance the index, will restrict trading in existing option series to closing transactions, and will not issue additional series for that index; and

(15) In the event a class of index options listed on EDGX Options fails to satisfy the maintenance listing standards set forth herein, EDGX Options shall not open for trading any additional series of options of that class unless such failure is determined by EDGX Options not to be significant and the Commission concurs in that determination, or unless the continued listing of that class of index options has been approved by the Commission under Section 19 (b)(2) of the 1934 Act.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 29.7. Position Limits for Narrow-Based and Micro-Narrow Based Index Options

(a) Options Members shall comply with the applicable rules of the Cboe Options Exchange with respect to position limits for Narrow-Based and Micro-Narrow Based Index Options traded on EDGX Options and also on the Cboe Options Exchange or with the applicable rules of EDGX Options for industry index options traded on EDGX Options but not traded on the Cboe Options Exchange.

(b) Index options contracts shall not be aggregated with options contracts on any stocks whose prices are the basis for calculation of the index.

(c) Positions in reduced-value index options shall be aggregated with positions in full-value index options. For such purposes, ten (10) reduced-value options shall equal one (1) full-value contract.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 29.8. Exemptions from Position Limits

An options Member may rely upon any available exemptions from applicable position limits granted from time to time by an Options Exchange for any options contract traded on EDGX Options provided that such Options Member (a) provides the Exchange with a copy of any written exemption issued by another Options Exchange or a written, description of any exemption issued by another Options Exchange other than in writing containing sufficient detail for the Exchange to verify the validity of that exemption with the issuing Exchange, and (b) fulfills all conditions precedent for such exemption and complies at all times with the requirements of such exemptions with respect to their trading on EDGX Options.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 29.9. Exercise Limits

(a) In determining compliance with Rule 18.9 (Exercise Limits), exercise limits for index options contracts shall be equivalent to the position limits prescribed for options contracts with the nearest expiration date in Rules 29.5 or 29.7.

(b) For a market-maker granted an exemption to position limits pursuant to Rule 18.8 (Exemptions from Position Limits), the number of contracts that can be exercised over a five business day period shall equal the market-maker's exempted position.

(c) In determining compliance with exercise limits applicable to stock index (options, options contracts on a stock index group shall not be aggregated with options contracts on an underlying stock or stocks included in such group, options contracts on one stock index group shall not be aggregated with options contracts on any other stock index group.

(d) With respect to index options contracts for which an exemption has been granted in accordance with the provisions of Rule 29.8 (Exemptions from Position Limits), the exercise limit shall be equal to the amount of the exemption.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 29.10. Trading Halts

(a) Instituting Halts and Suspensions.

The Exchange may halt trading in an index option when, in its judgment, such action is appropriate in the interests of a fair and orderly market and to protect investors. Among the facts that may be considered are the following:

(1) the extent to which trading is not occurring in the stocks or options underlying the index;

(2) whether the current calculation of the index derived from the current market prices of the stocks is not available;

(3) the extent to which the opening has been completed or other factors regarding the status of the opening; and

(4) other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present, including, but not limited to, the activation of price limits on futures exchanges.

(b) Resumption of Trading Following a Halt or Suspension.

Trading in options of a class or series that has been the subject of a halt or suspension by the Exchange may resume if the Exchange determines that the interests of a fair and orderly market are served by a resumption of trading. Among the factors to be considered in making this determination are whether the conditions that led to the halt or suspension are no longer present, and the extent to which trading is occurring in stocks underlying the index. At the end of a halt, trading in each class of index options shall resume as provided in Rule 20.4 (Resumption of Trading After A Halt).

(c) Circuit Breakers.

Paragraph (c) of Rule 20.5 (Unusual Market Conditions) applies to index options trading with respect to the initiation of a market wide trading halt commonly known as a “circuit breaker.”

(d) Special Provisions for When Exchange Trading Hours do not Overlap with Primary Market Trading Hours.

When the hours of trading of the underlying primary securities market for an index option do not overlap or coincide with those of EDGX Options, and during Global Trading Hours, all of the provisions as described in paragraphs (a), (b), and (c) above shall not apply except for (a)(4).

(e) Pricing When Primary Market Does Not Open or Experiences a Trading Disruption.

When the primary market for a security underlying the current index value of an index option does not open for trading, halts trading prematurely, or otherwise experiences a disruption of normal trading on a given day, or if a particular security underlying the current index value of an index option does not open for trading, halts trading prematurely, or otherwise experiences a disruption of normal trading on a given day in its primary market, the price of that security is determined, for the purposes of calculating the current index value at expiration, in accordance with the Rules and By-Laws of the Clearing Corporation.

[Adopted August 7, 2015 (SR-EDGX-2015-18); amended September 27, 2018 (SR-CboeEDGX-2018-035); amended January 28, 2019 (SR-CboeEDGX-2018-037); amended May 26, 2019 (SR-CboeEDGX-2019-027)]

Rule 29.11. Terms of Index Options Contracts

(a) General.

(1) Meaning of Premium Bids and Offers. Bids and offers shall be expressed in terms of dollars and cents per unit of the index.

(2) Exercise Prices. EDGX Options shall determine fixed-point intervals of exercise prices for call and put options.

(3) Expiration Months. Index options contracts may expire at three (3) month intervals or in consecutive months. EDGX Options may list up to six (6) expiration months at any one time, but will not list index options that expire more than twelve (12) months out.

(4) “European-Style Exercise.” The following European-style index options, some of which may be A.M.-settled as provided in paragraph (a)(5), are approved for trading on EDGX Options:

(A) Nasdaq 100 Index.

(B) Mini Nasdaq 100 Index.

(C) Mini-SPX Index

(C) Russell 2000 Index

(5) A.M.-Settled Index Options. The last day of trading for A.M.-settled index options shall be the business day preceding the last day of trading in the underlying securities prior to expiration. The current index value at the expiration of an A.M.-settled index option shall be determined, for all purposes under these Rules and the Rules of the Clearing Corporation, on the last day of trading in the underlying securities prior to expiration, by reference to the reported level of such index as derived from first reported sale (opening) prices of the underlying securities on such day, except that:

(A) In the event that the primary market for an underlying security does not open for trading on that day, the price of that security shall be determined, for the purposes of calculating the current index value at expiration, as set forth in Rule 29.10(f), unless the current index value at expiration is fixed in accordance with the Rules and By-Laws of the Clearing Corporation; and

(B) In the event that the primary market for an underlying security is open for trading on that day, but that particular security does not open for trading on that day, the price of that security, for the purposes of calculating the current index value at expiration, shall be the last reported sale price of the security. The following A.M.-settled index options are approved for trading on EDGX Options:

- (i) Nasdaq 100 Index.
- (ii) Mini Nasdaq 100 Index.
- (iii) Mini-SPX Index
- (iv) Russell 2000 Index

(6) In addition to A.M.-settled Mini-SPX Index (“XSP”) options approved for trading pursuant to this Rule 29.11, the Exchange may also list XSP options whose exercise settlement value is derived from closing prices on the last trading day prior to expiration (“P.M.-settled”). P.M.-settled third Friday-of-the-month XSP options may be listed for trading for a pilot period ending November 2, 2020.

(b) Long-Term Index Options Series.

(1) Notwithstanding the provisions of paragraph (a)(3), above, EDGX Options may list long-term index options series that expire from twelve (12) to one-hundred eighty (180) months from the date of issuance.

(A) Index long term options series may be based on either the full or reduced value of the underlying index. There may be up to ten (10) expiration months, none further out than one-hundred eighty (180) months.

(2) Reduced-Value Long Term Options Series.

(A) Reduced-value long term options series on the following indices are approved for trading on the Exchange:

(i) Russell 2000 Index.

(B) Expiration Months. Reduced-value long term options series may expire at six-month intervals. When a new expiration month is listed, series may be near or bracketing the current index value. Additional series may be added when the value of the underlying index increases or decreases by ten (10) to fifteen (15) percent.

(c) Procedures for Adding and Deleting Strike Prices. The procedures for adding and deleting strike prices for index options are provided in Rule 19.6 (Series of Options Contracts Open for Trading), as amended by the following:

(1) The interval between strike prices will be no less than \$5.00; provided, that in the case of the following classes of index options, the interval between the strike prices will be no less than \$2.50;

(A) Russell 2000 Index, if the strike price is less than \$200.00.

(B) Reduced-value long term option series.

(2) New series of index options contracts may be added up to the fifth business day prior to expiration.

(3) When new series of index options with a new expiration date are opened for trading, or when additional series of index options in an existing expiration date are opened for trading as the current value of the underlying index to which such series relate moves substantially from the exercise prices of series already opened, the exercise prices of such new or additional series shall be reasonably related to the current value of the underlying index at the time such series are first opened for trading. In the case of all classes of index options, the term “reasonably related to the current value of the underlying index” shall have the meaning set forth in paragraph (c)(4) below.

(4) Notwithstanding any other provision of this paragraph (c), EDGX Options may open for trading additional series of the same class of index options as the current index value of the underlying index moves substantially from the exercise price of those index options that already have been opened for trading on EDGX Options. The exercise price of each series of index options opened for trading on EDGX Options shall be reasonably related to the current index value of the underlying index to which such series relates at or about the time such series of options is first opened for trading on EDGX Options. The term “reasonably related to the current index value of the underlying index” means that the exercise price is within thirty percent (30%) of the current index value. EDGX Options may also open for trading additional series of index options that are more than thirty percent (30%) away from the current index value, provided that demonstrated

customer interest exists for such series, as expressed by institutional, corporate, or individual customers or their brokers. Market-makers trading for their own account shall not be considered when determining customer interest under this provision.

(5) Notwithstanding the above, the strike prices for new and additional series of XSP options will be listed subject to the following:

(A) if the current value of the Mini-SPX Index is less than or equal to 20, the Exchange will not list XSP option series with a strike price of more than 100% above or below the current value of the Mini-SPX Index;

(B) if the current value of the Mini-SPX Index is greater than 20, the Exchange will not list XSP option series with a strike price of more than 50% above or below the current value of the Mini-SPX Index; and

(C) the lowest strike price interval that may be listed for standard XSP option series is \$1, including for long-term option series, and the lowest strike price interval that may be listed for XSP option series under either the Short Term Option Series Program in paragraph (h) or the Nonstandard Expirations Pilot Program in paragraph (j) below is \$0.50.

(d) Index Level on the Last Day of Trading. The reported level of the underlying index that is calculated by the reporting authority on the last day of trading in the underlying securities prior to expiration for purposes of determining the current index value at the expiration of an A.M. settled index option may differ from the level of the index that is separately calculated and reported by the reporting authority and that reflects trading activity subsequent to the opening of trading in any of the underlying securities.

(e) Index Values for Settlement. The Rules of the Clearing Corporation specify that, unless the Rules provide otherwise, the current index value used to settle the exercise of an index options contract shall be the closing index for the day on which the index options contract is exercised in accordance with the Rules of the Clearing Corporation or, if such day is not a business day, for the most recent business day.

(f) Index Level at Expiration. With respect to any securities index on which options are traded on EDGX Options, the source of the prices of component securities used to calculate the current index level at expiration is determined by the reporting authority for that index.

(g) Quarterly Options Series Program. The Exchange may list and trade options series that expire at the close of business on the last business day of a calendar quarter ("Quarterly Options Series"). The Exchange may list Quarterly Options Series for up to five (5) currently listed options classes that are either index options or options on exchange traded funds ("ETF"). In addition, the Exchange may also list Quarterly Options Series on any options classes that are selected by other securities exchanges that employ a similar program under their respective rules.

The Exchange may list series that expire at the end of the next consecutive four (4) calendar quarters, as well as the fourth quarter of the next calendar year.

(1) The Exchange will not list a Short Term Option Series on an options class the expiration of which coincides with that of a Quarterly Options Series on that same options class.

(2) Quarterly Options Series shall be P.M. settled.

(3) The strike price of each Quarterly Options Series will be fixed at a price per share, with at least two, but not more than five, strike prices above and two, but not more than five, strike prices below the value of the underlying index at about the time that a Quarterly Options Series is opened for trading on the Exchange. The Exchange may open for trading additional Quarterly Options Series of the same class if the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the current index value of the underlying index moves substantially from the exercise price of those Quarterly Options Series that already have been opened for trading on the Exchange. The exercise price of each Quarterly Options Series opened for trading on the Exchange shall be reasonably related to the current index value of the underlying index to which such series relates at or about the time such series of options is first opened for trading on the Exchange. The term "reasonably related to the current index value of the underlying index" means that the exercise price is within thirty percent (30%) of the current index value. The Exchange may also open for trading additional Quarterly Options Series that are more than thirty percent (30%) away from the current index value, provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate, or individual customers or their brokers. Market-makers trading for their own account shall not be considered when determining customer interest under this provision. The Exchange may open additional strike prices of a Quarterly Options Series that are above the value of the underlying index provided that the total number of strike prices above the value of the underlying index is no greater than five. The Exchange may open additional strike prices of a Quarterly Options Series that are below the value of the underlying index provided that the total number of strike prices below the value of the underlying index is no greater than five. The opening of any new Quarterly Options Series shall not affect the series of options of the same class previously opened.

(4) The interval between strike prices on Quarterly Options Series shall be the same as the interval for strike prices for series in that same options class that expire in accordance with the normal monthly expiration cycle.

Except as otherwise provided, all Exchange rules applicable to stock index options will also be applicable to quarterly expiring index options listed pursuant to this Rule.

(h) Short Term Option Series Program. After an index option class has been approved for listing and trading on the Exchange, the Exchange may open for trading on any Thursday or Friday that is a business day ("Short Term Option Opening Date") series of options on that class that expire on each of the next five (5) Fridays that are business days and are not Fridays in which

monthly options series or Quarterly Options Series expire (“Short Term Option Expiration Dates”). The Exchange may have no more than a total of five Short Term Option Expiration Dates. If the Exchange is not open for business on the respective Thursday or Friday, the Short Term Option Opening Date will be the first business day immediately prior to that respective Thursday or Friday. Similarly, if the Exchange is not open for business on the Friday that the options are set to expire, the Short Term Option Expiration Date will be the first business day immediately prior to that Friday. Regarding Short Term Option Series:

(1) The Exchange may select up to fifty (50) currently listed option classes on which Short Term Option Series may be opened on any Short Term Option Opening Date. In addition to the fifty-option class restriction, the Exchange also may list Short Term Option Series on any option classes that are selected by other securities exchanges that employ a similar program under their respective rules. For each option class eligible for participation in the Short Term Option Series Program, the Exchange may open up to thirty (30) Short Term Option Series on index options for each expiration date in that class. The Exchange may also open Short Term Option Series that are opened by other securities exchanges in option classes selected by such exchanges under their respective short term option rules.

(2) No Short Term Option Series on an index option class may expire in the same week during which any monthly option series on the same index class expire or, in the case of Quarterly Options Series, on an expiration that coincides with an expiration of Quarterly Options Series on the same index class.

(3) Initial Series. The Exchange may open up to 20 initial series for each option class that participates in the Short Term Option Series Program. The strike price of each Short Term Option Series will be fixed at a price per share, with approximately the same number of strike prices being opened above and below the calculated value of the underlying index at about the time that the Short Term Option Series are initially opened for trading on the Exchange (e.g., if seven (7) series are initially opened, there will be at least three (3) strike prices above and three (3) strike prices below the value of the underlying security or calculated index value). Any strike prices listed by the Exchange shall be within thirty percent (30%) above or below the current value of the underlying index.

(4) Additional Series. The Exchange may open up to ten (10) additional series for each option class that participates in the Short Term Option Series Program when the Exchange deems it necessary to maintain an orderly market, to meet customer demand, or when the market price of the underlying security moves substantially from the exercise price or prices of the series already opened. Any additional strike prices listed by the Exchange shall be within thirty percent (30%) above or below the current value of the underlying index. The Exchange may also open additional strike prices of Short Term Option Series that are more than 30% above or below the current value of the underlying index provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate or individual customers or their brokers. Market-Makers trading for their own account shall not be considered when determining customer interest under this provision. The opening of the new Short Term Option Series shall not

affect the series of options of the same class previously opened. In the event that the underlying index has moved such that there are no series that are at least 10% above or below the current value of the underlying index and all existing series have open interest, the Exchange may list additional series, in excess of the thirty series per class limit set forth in Rule 29.11(h)(1), that are between 10% and 30% above or below the value of the underlying index. In the event that the underlying index has moved such that there are no series that are at least 10% above or below the current value of the underlying index, the Exchange will delist any series with no open interest in both the call and the put series having a: (i) strike higher than the highest price with open interest in the put and/or call series for a given expiration week; and (ii) strike lower than the lowest strike price with open interest in the put and/or the call series for a given expiration week, so as to list series that are at least 10% but not more than 30% above or below the current value of the underlying index. Notwithstanding any other provisions in this Rule 29.11(h), Short Term Option Series may be added up to, and including on, the last trading day for that options series.

(5) **Strike Interval.** The interval between strike prices on Short Term Option Series shall be the same as the strike prices for series in that same index option class that expire in accordance with the normal monthly expiration cycle. During the expiration week of a Short Term Option, the strike price intervals for the Related non-Short Term Option shall be the same as the strike price intervals for the Short Term Option. During the week before the expiration week of a Short Term Option, the Exchange shall open the related non-Short Term Option for trading in Short Term Option intervals in the same manner permitted by this Rule 29.11(h).

(6) Notwithstanding the requirements set forth in this Rule 29.11 and any Interpretations and Policies thereto, the Exchange may open for trading Short Term Option Series on the Short Term Option Opening Date that expire on the Short Term Option Expiration Date at \$0.50 strike price intervals for option classes that trade in one dollar increments and are in the Short Term Option Series Program.

(i) Notwithstanding the requirements in this Rule 29.11, the Exchange may list additional expiration months on option classes opened for trading on the Exchange if such expiration months are opened for trading on at least one other registered national securities exchange.

(j) **Nonstandard Expirations Pilot Program**

(1) **Weekly Expirations (“Weeklys”).** The Exchange may open for trading Weeklys on any broad-based index eligible for standard options trading to expire on any Monday, Wednesday, or Friday (other than the third Friday-of-the-month or days that coincide with an EOM expiration). Weeklys are subject to all provisions of this Rule and treated the same as options on the same underlying index that expire on the third Friday of the expiration month; provided, however, that Weeklys are P.M.-settled and new Weekly series may be added up to and including on the expiration date for an expiring Weekly.

The maximum number of expirations that may be listed for each Weekly (i.e., a Monday expiration, Wednesday expiration, or Friday expiration, as applicable) in a given class is the same as the maximum number of expirations permitted in Rule 29.11(a)(3) for standard options on the same broad-based index. Weeklys need not be for consecutive Monday, Wednesday, or Friday expirations, as applicable; however, the expiration date of a non-consecutive expiration may not be beyond what would be considered the last expiration date if the maximum number of expirations were listed consecutively. Weeklys that are first listed in a given class may expire up to four weeks from the actual listing date. If the last trading day of a month is a Monday, Wednesday, or Friday and the Exchange lists EOMs and Weeklys as applicable in a given class, the Exchange will list an EOM instead of a Weekly in the given class. Other expirations in the same class are not counted as part of the maximum number of Weeklys for a broad-based index class. If the Exchange is not open for business on a respective Monday, the normally Monday expiring Weeklys will expire on the following business day. If the Exchange is not open for business on a respective Wednesday or Friday, the normally Wednesday or Friday expiring Weeklys will expire on the previous business day.

(2) End-of-Month Expirations (“EOM”). The Exchange may open for trading EOMs on any broad-based index eligible for standard options trading to expire on the last trading day of the month. EOMs are subject to all provisions of this Rule and treated the same as options on the same underlying index that expire on the third Friday of the expiration month; provided, however, that EOMs are P.M.-settled and new series in EOMs may be added up to and including on the expiration date for an expiring EOM.

The maximum number of expirations that may be listed for EOMs in a given class is the same as the maximum number of expirations permitted in Rule 29.11(a)(3) for standard options on the same broad-based index. EOMs need not be for consecutive end of month expirations; however, the expiration date of a non-consecutive expiration may not be beyond what would be considered the last expiration date if the maximum number of expirations were listed consecutively. EOMs that are first listed in a given class may expire up to four weeks from the actual listing date. Other expirations in the same class are not counted as part of the maximum numbers of EOM expirations for a broad-based index class.

(3) Duration of Nonstandard Expirations Pilot Program. Weeklys and EOMs may be listed for trading for a pilot period ending November 2, 2020.

Interpretations and Policies:

.01 Index Value of Mini-SPX Index. The current index value of XSP options will be 1/10th the value of the Standard & Poor’s 500 Stock Index reported by the reporting authority.

[Adopted August 7, 2015 (SR-EDGX-2015-18); Amended September 21, 2018 (SR-CboeEDGX-2018-038); Amended September 27, 2018 (SR-CboeEDGX-2018-035); Amended January 28, 2019 (SR-CboeEDGX-2018-037); Amended May 26, 2019 (SR-CboeEDGX-2019-027); Amended January 21, 2020 (SR-CboeEDGX-2020-002); Amended April 24, 2020 (SR-CboeEDGX-2020-019)]

Rule 29.12. Debit Put Spread Cash Account Transactions

Debit put spread positions in European-style, broad-based index options traded on EDGX Options (hereinafter “debit put spreads”) may be maintained in a cash account as defined by Federal Reserve Board Regulation T Section 220.8 by a Public Customer, provided that the following procedures and criteria are met:

(a) The customer has received the Exchange’s approval to maintain debit put spreads in a cash account carried by an Options Member. A customer so approved is hereinafter referred to as a “spread exemption customer.”

(b) The spread exemption customer has provided all information required on Exchange approved forms and has kept such information current.

(c) The customer holds a net long position in each of the stocks of a portfolio that has been previously established or in securities readily convertible, and additionally in the case of convertible bonds economically convertible, into common stocks which would comprise a portfolio. The debit put spread position must be carried in an account with an Options Member of a self regulatory organization participating in the Intermarket Surveillance Group.

(d) The stock portfolio or its equivalent is composed of net long positions in common stocks in at least four industry groups and contains at least twenty (20) stocks, none of which accounts for more than fifteen percent (15%) of the value of the portfolio (hereinafter “qualified portfolio”). To remain qualified, a portfolio must at all times meet these standards notwithstanding trading activity in the stocks.

(e) The exemption applies to European-style broad-based index options dealt in on EDGX Options to the extent the underlying value of such options position does not exceed the unhedged value of the qualified portfolio. The unhedged value would be determined as follows: (1) the values of the net long or short positions of all qualifying products in the portfolio are totaled; (2) for positions in excess of the standard limit, the underlying market value (A) of any economically equivalent opposite side of the market calls and puts in broad-based index options, and (B) of any opposite side of the market positions in stock index futures, options on stock index futures, and any economically equivalent opposite side of the market positions, assuming no other hedges for these contracts exist, is subtracted from the qualified portfolio; and (3) the market value of the resulting unhedged portfolio is equated to the appropriate number of exempt contracts as follows — the unhedged qualified portfolio is divided by the correspondent closing index value and the quotient is then divided by the index multiplier or 100.

(f) A debit put spread in EDGX Options-traded broad-based index options with European-style exercises is defined as a long put position coupled with a short put position overlying the same broad-based index and having an equivalent underlying aggregate index value, where the short put(s) expires with the long put(s), and the strike price of the long put(s) exceeds the strike price of the short put(s). A debit put spread will be permitted in the cash account as long as it is continuously associated with a qualified portfolio of securities with a current market value at least equal to the underlying aggregate index value of the long side of the debit put spread.

(g) The qualified portfolio must be maintained with either an Options Member, another broker-dealer, a bank, or securities depository.

(h) The spread exemption customer shall agree promptly to provide the Exchange any information requested concerning the dollar value and composition of the customer's stock portfolio, and the current debit put spread positions.

(1) The spread exemption customer shall agree to and any Options Member carrying an account for the customer shall:

(A) comply with all Rules and regulations;

(B) liquidate any debit put spreads prior to or contemporaneously with a decrease in the market value of the qualified portfolio, which debit put spreads would thereby be rendered excessive; and

(C) promptly notify the Exchange of any change in the qualified portfolio or the debit put spread position which causes the debit put spreads maintained in the cash account to be rendered excessive.

(i) If any Options Member carrying a cash account for a spread exemption customer with a debit put spread position dealt in on EDGX Options has a reason to believe that as a result of an opening options transaction the customer would violate this spread exemption, and such opening transaction occurs, then the Options Member has violated this Rule.

(j) Violation of any of these provisions, absent reasonable justification or excuse, shall result in withdrawal of the spread exemption and may form the basis for subsequent denial of an application for a spread exemption hereunder.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 29.13. Disclaimers

(a) Applicability of Disclaimers.

The disclaimers in paragraph (b) below shall apply to the reporting authorities identified in the Interpretations and Policies to Rule 29.2.

(b) Disclaimer.

No reporting authority, and no affiliate of a reporting authority (each such reporting authority, its affiliates, and any other entity identified in this Rule are referred to collectively as a "Reporting Authority"), makes any warranty, express or implied, as to the results to be obtained by any person or entity from the use of an index it publishes, any opening, intraday or closing value therefore, or any data included therein or relating thereto, in connection with the trading of any options contract based thereon or for any other purpose. The Reporting Authority shall obtain information for inclusion in, or for use in the calculation of, such index from sources it believes to be reliable, but the Reporting Authority does not guarantee the accuracy or completeness of such

index, any opening, intra-day or closing value therefore, or any date included therein or related thereto. The Reporting Authority hereby disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to such index, any opening, intra-day, or closing value therefore, any data included therein or relating thereto, or any options contract based thereon. The Reporting Authority shall have no liability for any damages, claims, losses (including any indirect or consequential losses), expenses, or delays, whether direct or indirect, foreseen or unforeseen, suffered by any person arising out of any circumstance or occurrence relating to the person's use of such index, any opening, intra-day or closing value therefore, any data included therein or relating thereto, or any options contract based thereon, or arising out of any errors or delays in calculating or disseminating such index. The foregoing disclaimers shall apply to S&P Dow Jones Indices LLC, a division of S&P Global ("S&P") in respect to the Mini-SPX Index, and Frank Russell Company in respect to the Russell 2000 Index; to the foregoing Reporting Authorities in respect to any other indexes for which they act as the designated Reporting Authority; and to any other Reporting Authority in respect to any index for which it acts as such.

[Adopted August 7, 2015 (SR-EDGX-2015-18); Amended September 27, 2018 (SR-CboeEDGX-2018-035)]

Rule 29.14. Exercise of American-style Index Options

No Options Member may prepare, time stamp or submit an exercise instruction for an American-style index options series if the Options Member knows or has reason to know that the exercise instruction calls for the exercise of more contracts than the then "net long position" of the account for which the exercise instruction is to be tendered. For purposes of this Rule: (a) the term "net long position" shall mean the net position of the account in such option at the opening of business of the day of such exercise instruction, plus the total number of such options purchased that day in opening purchase transactions up to the time of exercise, less the total number of such options sold that day in closing sale transactions up to the time of exercise; (b) the "account" shall be the individual account of the particular customer, market-maker or "noncustomer" (as that term is defined in the By-Laws of the Clearing Corporation) who wishes to exercise; and (c) every transaction in an options series effected by a market-maker in a market-maker's account shall be deemed to be a closing transaction in respect of the market-maker's then positions in such options series. No Options Member may adjust the designation of an "opening transaction" in any such option to a "closing transaction" except to remedy mistakes or errors made in good faith.

[Adopted August 7, 2015 (SR-EDGX-2015-18)]

Rule 29.15. Restrictions on Contracts

Contracts provided for in this Chapter 29 will not be subject to the restriction in Rule 18.12(b).

[Adopted September 27, 2018 (SR-CboeEDGX-2018-035)]