Display-Price Sliding

Slide orders that lock or cross the NBBO

U.S. Equities

Display-Price Sliding Overview

Cboe™ Display-Price Sliding allows displayable orders that would normally be canceled automatically because they lock or cross the NBBO when received by Cboe to temporarily "slide" (adjust) to one minimum price variation below the current NBO (National Best Offer) for bids or one minimum price variation above the current NBB (National Best Bid) for offers. This functionality is enabled by default on all Cboe orders. When the NBBO moves such that the order would no longer lock or cross the NBBO, Cboe will automatically "unslide" (re-adjust) the display price to the price previously locking the NBBO.

Display-Price Sliding is also available for Short-Sale Price Sliding. For any security in a short sale circuit breaker, a non-exempt short sale order that cannot be executed or displayed due to applicable short sale restrictions will be permanently re-priced to one minimum price variation above the NBB at the time the order is received and will not be readjusted.

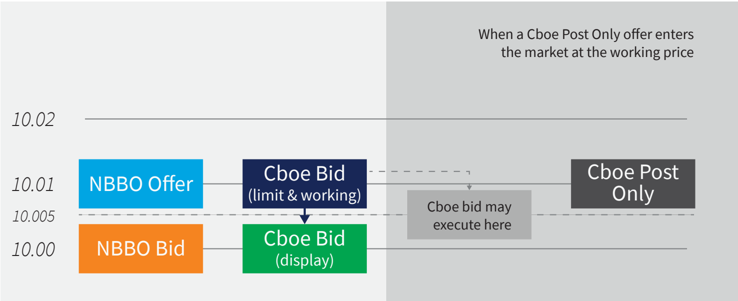
Locking Order

When an order would lock the market on entry, Display-Price Sliding will set the working price of the order to the lock price and temporarily slide the display price of the order to the most aggressive price that does not lock the NBBO. When the NBBO moves such that the order would no longer lock or cross the NBBO, the display price will be unslid to the previous price (working price) that locked the NBBO. With Display-Price Sliding, an order will only be unslid one time.

Example

- **Step 1** – This Cboe 10.01 bid is accepted and works at a price equal to its limit price of 10.01. This order may execute at 10.01.
- **Step 2** – The display price of 10.01 is temporarily slid and displayed at 10.00.
  - **Step 2A** – Should a Cboe Post Only offer display at 10.01, the bid will not be modified and will not be executable at its full working price until all 10.01 offers have been exhausted. The bid may execute at 10.005 against an incoming offer priced more aggressively than 10.01.
- **Step 3** – The bid will be unslid and re-displayed at 10.01 when the NBBO offer lifts to 10.02 or higher.

Opt out results - If the Member opts out of sliding, this order would be rejected.



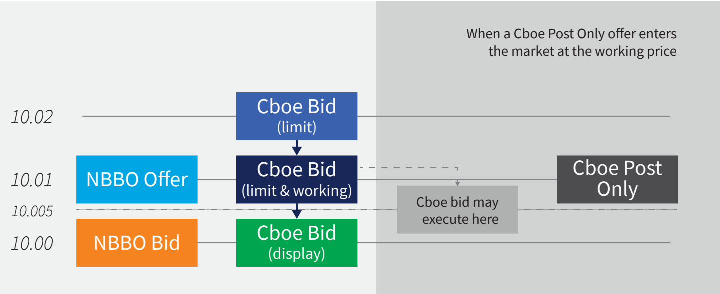
Crossing Order

When an order would cross the market on entry, Display-Price Sliding permanently adjusts the working price of the order on entry to the locking NBBO price, and temporarily slides the displayed price to the most aggressive price that does not lock the NBBO. When the NBBO moves such that the order would no longer lock or cross the NBBO, the display price will be unslid to the "working price."

Example

- **Step 1** – This Cboe 10.02 bid is permanently adjusted to a working price of 10.01 (the locking price). This order may execute at 10.01.
- **Step 2** – The display price of 10.01 is temporarily slid and displayed at 10.00.
  - **Step 2A** – Should a Cboe Post Only offer display at 10.01, the bid will not be modified and will not be executable at its full working price until all 10.01 offers have been exhausted. The bid may execute at 10.005 against an incoming offer priced more aggressively than 10.01.
- **Step 3** – The bid will be unslid and re-displayed at 10.01 when the NBBO offer lifts to 10.02 or higher.

Opt out results - If the Member opts out of sliding, this order would be rejected.



Multiple Display-Price Sliding Overview

Like Display-Price Sliding, Cboe Multiple Display-Price Sliding allows displayable orders that would normally be canceled automatically because they would lock or cross the NBBO when received by Cboe to temporarily “slide” (adjust) to one minimum price variation below the current NBO (National Best Offer) for bids or one minimum price variation above the current NBB (National Best Bid) for offers. When the NBBO moves such that the order would no longer lock or cross the NBBO, Cboe will automatically “unslide” (re-adjust) the order to continue to have the display and working prices adjusted toward the original limit price.

In contrast to Display-Price Sliding, orders are not permanently priced at the locking price upon entry, and thus can unslide multiple times in response to changes to the NBBO. As the NBBO adjusts, orders subject to Multiple Display-Price Sliding are continuously displayed at one minimum price variation below the current NBO (National Best Offer) for bids or one minimum price variation above the current NBB (National Best Bid) for offers. Members must opt-in to Multiple Display-Price Sliding functionality.

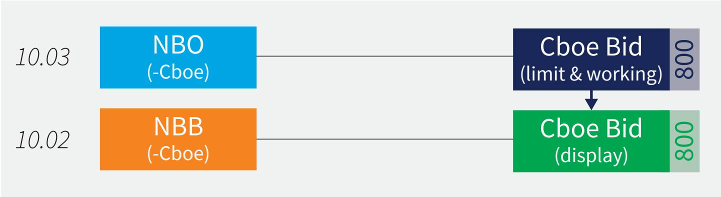
Multiple Display-Price Sliding is also available for Short-Sale Price Sliding. For any security in a short sale circuit breaker, a non-exempt short sale order that cannot be executed or displayed due to applicable short-sale restrictions will be re-priced to one minimum price variation above the NBB at the time the order is received. In contrast to Short-Sale Price Sliding, as described above, if a Member has elected to use Multiple Display- Price Sliding, then as the NBB (National Best Bid) declines, the display price of a non-exempt short sale order will continue to re-price to the lowest permitted price, down to the order’s original limit price. A Member that elects to use Multiple Display-Price Sliding will automatically be subject to this behavior for all types of price sliding, including Short-Sale Price Sliding.

Example

Step 1 – This Cboe 10.03 bid is adjusted to a working price of 10.01, displayed at 10.00 and maintaining its original limit price of 10.03. This order may execute at 10.01.

Step 2 – The NBBO moves to 10.01 x 10.02. The display price of 10.00 is unslid and displayed at 10.01. The working price is adjusted to 10.02.

Step 3 – The NBBO moves to 10.02 x 10.03. The slid order removed 200 shares at 10.03. The displayed price is slid and displayed at 10.02. A Post-Only order would be canceled back, unless removing liquidity—based on applicable fees/rebates—is economically in the best interest of such order.



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