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**NYSE American Rules**

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**Trading of Option Contracts**

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

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**Rule 900.2NY. Definitions.**

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

[(1)] *Affiliate.*

An “affiliate” of, or person “affiliated” with a specific person, is a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.

[(2)] *Aggregate Exercise Price.*

The term “aggregate exercise price” in respect of an option contract means, if the underlying security is a stock or an Exchange-Traded Fund Share, the exercise price of an option contract multiplied by the number of shares of the underlying security[stock or Exchange-Traded Fund Share] covered by such option contract.

[(3)] *Associated Person.*

The term “Associated Person” shall refer to a person who is a partner, officer, director, member of a limited liability company, trustee of a business trust, employee of an ATP Holder or any person directly or indirectly controlling, controlled by or under common control with an ATP Holder.

[(4)] *ATP.*

The term “ATP” shall refer to an American Trading Permit issued by the Exchange for effecting approved securities transactions on the Exchange's Trading Facilities. An ATP may be issued to a natural person, sole proprietor, partnership, corporation, limited liability company or other organization which is a registered broker or dealer pursuant to Section 15

of the Securities Exchange Act of 1934, as amended, and which has been approved by the Exchange. [References to 86 Trinity Permit should be deemed to be references to ATP.]

[(5)] *ATP Holder.*

The term “ATP Holder” shall refer to a natural person, sole proprietorship, partnership, corporation, limited liability company or other organization, in good standing, that has been issued an ATP, and references to “member”, and “member organization” [and “86 Trinity Permit Holder”] as those terms are used in the Rules of the Exchange should be deemed to be references to ATP Holders. An ATP Holder must be a registered broker or dealer pursuant to Section 15 of the Securities Exchange Act of 1934. An ATP Holder shall agree to be bound by the Operating Agreement of the Exchange and by the Rules of the Exchange, and by all applicable rules and regulations of the Securities and Exchange Commission. An ATP Holder shall not have ownership or distribution rights in the Exchange. An ATP Holder will have status as a “member” of the Exchange as that term is defined in Section 3 of the Securities Exchange Act of 1934, as amended.

[(6)] *Authorized Trader.*

The term “Authorized Trader” or “AT” shall mean a person who may submit orders to the Exchange on behalf of his or her ATP Holder or Sponsored Participant.

[(7)(a)] *BBO.*

The term “BBO” [shall refer to]means the best displayed bid or best displayed offer on the [System]the Exchange.

(a) Complex BBO . The term “Complex BBO” means the complex orders with the lowest-priced (i.e., the most aggressive) net debit/credit price on each side of the Consolidated Book for the same complex order strategy.

(b) Derived BBO. The “Derived BBO” is calculated using the BBO from the Consolidated Book for each of the options series comprising a given complex order strategy.

[(8)] *Board or Board of Directors.*

The terms “Board” or Board of Directors[shall] mean the Board of Directors of the Exchange.

[(9)] *Call.*

The term “call” means an option contract under which the holder of the option has the right, in accordance with the terms of the option, to purchase from the Options Clearing Corporation the number of shares of the underlying security[stock or Exchange-Traded Fund Shares] covered by the option contract.

[(10)] *Class of Options or Class.*

The term “class of options” or “class” means all series of options, [contracts]both puts and calls, overlying [of the same type of option covering] the same underlying security[stock or Exchange-Traded Fund Shares].

[(11)] *Clearing Member.*

The term “Clearing Member” means an Exchange ATP Holder [which]that has been admitted to membership in the Options Clearing Corporation pursuant to the provisions of the Rules of the Options Clearing Corporation.

[(12)] *Closing Purchase Transaction.*

The term “closing purchase transaction” means a transaction in a series in which the purchaser intends to reduce or eliminate a short position in such series[an option transaction in which the purchaser’s intention is to reduce or eliminate a short position in the series of options involved in such transaction].

[(13)] *Closing Sale Transaction.*

The term “closing sale transaction” means a transaction in a series in which the seller intends to reduce or eliminate a long position in such series[an option transaction in which the seller’s intention is to reduce or eliminate a long position in the series of options involved in such transaction].

[(14)] *Consolidated Book or Book.*

The term “Consolidated Book” or “Book” means the Exchange’s electronic book of [limit] orders and quotes[for the accounts of Customers and broker-dealers, and Quotes with Size]. All orders and quotes[Quotes with Size] that are entered into the Book will be ranked and maintained in accordance with the rules of priority as provided in Rule 964NY.

[(15)] *Core Trading Hours.*

The term “Core Trading Hours” shall mean the regular trading hours for business set forth in the rules of the primary markets underlying those option classes listed on the Exchange; provided, however, that transactions may be effected on the Exchange until the regular time

set for the normal close of trading in the primary markets with respect to equity option classes and ETF option classes, and 15 minutes after the regular time set for the normal close of trading in the primary markets with respect to index option classes, or such other hours as may be determined by the Exchange from time to time.

[(16)] *Covered.*

The term "covered" in respect of a short position in a call option contract means that the writer's obligation is secured by a "specific deposit" or an "escrow deposit" meeting the condition of Rule 610(f) or 610(h), respectively, of the Rules of the Options Clearing Corporation, or the writer holds in the same account as the short position, on a share-for-share basis [(if the underlying security is a stock or an Exchange-Traded Fund Share)], a long position either in the underlying security or in an option contract of the same class of options where the exercise price of the option contract in such long position is equal to or less than the exercise price of the option contract in such short position. The term "covered" in respect of a short position in a put option contract means that the writer holds in the same account as the short position, on a share-for-share basis [(if the underlying security is a stock or an Exchange-Traded Fund Share)], a long position in an option contract of the same class of options where the exercise price of the option contract in such long position is equal to or greater than the exercise price of the option contract in such short position.

[(17)] *Crowd Participants.*

The term "Crowd Participants" means the Market Makers appointed to an option issue under Rule 923NY, and any Floor Brokers actively representing orders at the best bid or offer on the Exchange[ for a particular option series].

[(18)] *Customer and Professional Customer.*

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

[(18A)] *Professional Customer.*

The term "Professional Customer" means individual or organization that (i) is not a Broker/Dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). A Professional Customer will be treated in the same manner as a Broker/Dealer (or non-Customer) in securities for the purposes of Rules 900.3NY(j)(Facilitation Order), 904G(f) (FLEX Trading Procedures and Principles - Crossing Limitations), 934NY(Crossing), 934.1NY (Facilitation Cross Transactions), 934.2NY(At-Risk Cross Transactions), 934.3NY(Solicitation), 963NY(Priority and Order Allocation Procedures - Open Outcry),

964NY (Display, Priority and Order Allocation - Trading Systems), 964.2NY(b)(1)(iii)(Participation Entitlement of Specialists and e- Specialists), 964.2NY(b)(3)(B)(Allocation Of Participation Entitlement Amongst Specialist Pool), 971.1NY (Single-Leg Electronic Cross Transactions), 971.2NY (Complex Electronic Cross Transactions), 975NY(b)(1) (Obvious Errors and Catastrophic Errors), and 980NY(b) (Electronic Complex Order Trading).

[(A) Calculation of Professional Customer Orders. ]Except as noted below, each order of any order type counts as one order for Professional Customer order counting purposes.

(a)[(1)] Complex Orders:

(1)[(i)] A complex order comprised of eight (8) option legs or fewer counts as a single order;

(2)[(ii)] 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)[(2)] "Parent"/"Child" Orders:

(1)[(i)] 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)[(ii)] 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)[(3)] Cancel/Replace:

(1)[(i)] Except as provided in paragraph (c)[(2)][(3)(ii)] 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)[(ii)] Same Side and Same Series: An order that cancels and replaces any “child” order [resulting from]of 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)[(iii)] Both Sides and/or Multiple Series: An order that cancels and replaces any “child” order [resulting from]of 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)[(iv)] Pegged Orders: Notwithstanding the provisions of paragraph (c)(2)[(3)(ii)] 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.

[(19)] *Directed Order Market Maker.*

The term "Directed Order Market Maker" means a Market Maker that receives a Directed Order.

[(20)] *Electronic Order Capture System or EOC.*

The term “Electronic Order Capture System” or “EOC” means the Exchange's electronic audit trail and order tracking system that provides an accurate time-sequenced record of all orders and transactions on the Exchange [pursuant to Section IV.B.e.(v) of the Commission's order Instituting Public Administrative Proceedings Pursuant to Section 19(h)(1) of the Securities Exchange Act of 1934, Making Findings and Imposing Remedial Sanctions]. EOC records the receipt of an order and documents the life of the order through the process of execution, partial execution, or cancellation. This system includes the electronic communications interface between EOC booth terminals and the Floor Broker Hand Held applications. Each ATP Holder or ATP [Firm’s]Holder’s EOC booth terminal and each Floor Broker Hand Held Terminal contains an electronic order entry screen that displays the terms and conditions of each order received by that ATP Holder [or ATP Firm].

[(21)] Reserved]

[(22)] *Exchange Act.*

“Exchange Act” shall mean the Exchange Act of 1934, as amended.

[(23)] *Exchange Option Transaction and Exchange Transaction.*

The term “Exchange Option Transaction” and the term “Exchange Transaction” means a transaction effected on a national securities exchange which has qualified for participation in Options Clearing Corporation pursuant to the provisions of the Bylaws of Options Clearing Corporation, between members of such exchange or exchanges, for the purchase or sale of an option contract, or for the closing out of a long or short position in an option contract, and as used elsewhere in this Rule means a transaction effected on the Exchange between Exchange ATP Holders for the purchase or sale of an options contract, or for the closing out of a long or short position in an option contract.

*Exchange System or System.*

The term “Exchange System” or “System” shall refer to the Exchange's electronic order delivery, execution and reporting system for designated option issues through which orders and quotes of Users are consolidated for execution and/or display. Market Makers must submit quotes to the System in their appointed classes electronically.

[(24)] *Exchange-Traded Fund Share.*

For purposes of these Rules, the term “Exchange-Traded Fund Share” shall include Exchange-listed securities representing interests in open-end unit investment trusts or open-end management investment companies that hold securities (including fixed income securities) based on an index or a portfolio of securities.

[(25)] *Exercise Price.*

The term “exercise price” in respect of an option contract means the stated price per share at which the underlying security [stock or Exchange-Traded Fund Shares] may be purchased (in the case of a call) or sold (in the case of a put) upon the exercise of such option contract.

[(26)] *Expiration Date.*

Unless separately defined elsewhere in these Rules with regard to a particular option contract, the term “expiration date” in respect of an option contract or Exchange-Traded Fund Share means[: (i) in the case of such an option expiring prior to February 1, 2015, 2:00 P.M. on the Saturday immediately following the third Friday of the expiration month; or (ii) in the case of such an option expiring on or after February 1, 2015,] the third Friday of the expiration month of such option contract, or if such Friday is a day on which the Exchange is not open for business, the preceding day on which the Exchange is open for business; unless, in either case, expiration is accelerated pursuant to Options Clearing Corporation Rule 807. [Notwithstanding the foregoing, in the case of certain long-term options expiring on or after February 1, 2015 that the Options Clearing Corporation has

designated as grandfathered, the term “expiration date” shall mean the Saturday immediately following the third Friday of the expiration month]. For a One Week Option Series the term “expiration date” shall mean the close of business on the next Friday that is a business day. If a Friday is not a business day, the “expiration date” shall be the close of business on the first business day immediately prior to that Friday. For a Quarterly Options Series, the term “expiration date” shall mean the close of business on the last business day of a calendar quarter.

[(27)] *Expiration Month.*

The term “expiration month” in respect of an option contract means the month and year in which such option contract expires.

[(28)] *Firm.*

The term “Firm” means a broker-dealer that is not registered as a dealer-specialist or market maker on a registered national securities exchange or association.

[(29)] *Floor Market Maker.*

The term “Floor Market Maker” shall mean a registered Market Maker who makes transactions as a dealer-specialist while on the Floor of the Exchange.

[(30)] *Floor or, Trading Floor, or Options Trading Floor.*

The terms “Floor,” [and] “Trading Floor,” or “Options Trading Floor” [shall] mean the options trading floor located at 11 Wall Street, New York, NY.

[(31)] *Foreign Broker/Dealer.*

The term “foreign broker/dealer” means any person or entity that is registered, authorized or licensed by a foreign governmental agency or foreign regulatory organization (or should be so registered, authorized or licensed) to perform the function of a broker or dealer in securities, or both. The terms “broker” and “dealer” mean the same as set out in Sections 3(a)(4) and 3(a)(5) of the Securities Exchange Act of 1934, provided that a “broker” or “dealer” may be a bank.

[(32)] *Freely Transferable Security.*

The term “Freely Transferable Security” means any security which, on its face, may be transferred without it being necessary that the Board of Directors of the Exchange approved the transferee.



[(33)] *Good Standing.*

The term “good standing” shall refer to an ATP Holder that is not in violation of any of its agreements with the Exchange or any of the provisions of the Rules or Operating Agreement of the Exchange, and who has maintained all of the conditions for approval of the ATP.

ICE.

The term “ICE” shall mean Intercontinental Exchange, Inc., the ultimate parent company of the Exchange.

[(34)] *Listed or Listed Securities.*

The terms “Listed” or “Listed Securities” means securities admitted to dealings on the Exchange.

[(35)] *Long Position.*

The term “long position” means the number of outstanding option contracts of a given series of options held by a person (purchaser).

[(36)] *Market Center or Trading Center.*

The term “Market Center” or “Trading Center” means a national securities exchange that has qualified for participation in the Options Clearing Corporation pursuant to the provisions of the rules of the Options Clearing Corporation.

[(37)] *Market Maker Authorized Trader or MMAT.*

The term “Market Maker Authorized Trader” or “MMAT” shall mean an authorized trader who performs market making activities pursuant to Rule 920NY on behalf of an ATP Holder registered as a Market Maker.

[(38)] *Market Maker.*

The term “Market Maker” shall refer to an ATP Holder that acts as a Market Maker pursuant to Rule 920NY.

[(39)] *Marketable.*

The term “Marketable” shall mean, for a Limit Order, the price matches or crosses the NBBO on the other side of the market. Market [o]Orders are always considered marketable.

[(40)] *Minimum Price Variation or MPV.*

The term “Minimum Price Variation” or “MPV” means the variations established by the Exchange pursuant to Rule 960NY(a).

[(41)(a)] *NBBO.*

The term “NBBO” [shall refer to]means the national best bid or offer. The terms “NBB” mean the national best bid and “NBO” means the national best offer.

(a) Complex NBBO . The term “Complex NBBO” shall refer to the NBBO for a given complex order strategy as derived from the national best bid and national best offer for each individual component series of a Complex Order.

[(42)] *Non-ATP Firm or Non-ATP Holder Market Maker.*

The terms “Non-ATP Firm or Non-ATP Holder Market Maker” include, but are not limited to, specialists, designated primary market makers, lead market makers, market makers, registered options traders, primary market makers and competitive market makers registered on an exchange other than the Exchange.

[(43)] *Non-Resident Organization.*

The term “non-resident organization” shall mean:

[(A)](a) in the case of an individual, one who resides in or has their principal place of business in any place not subject to the jurisdiction of the United States;

[(B)](b) in the case of a corporation, one incorporated in or having its principal place of business in any place not subject to the jurisdiction of the United States; or

[(C)](c) in the case of a partnership or other unincorporated organization or association, one having its principal place of business in any place not subject to the jurisdiction of the United States.

[(44)] *NOW Recipient.*

The term “NOW Recipient” shall mean any Market Center (1) with which the Exchange maintains an electronic linkage, and (2) that provides instantaneous responses to NOW Orders routed from the System. The Exchange shall designate from time to time those Market Centers that qualify as NOW Recipients and shall periodically publish such information via its website.

[(45)] *NYSE American LLC.*

“NYSE American LLC” shall mean NYSE American LLC, a Delaware limited liability corporation.

[(46)] *Book, Consolidated Book.* The terms “Book” and “Consolidated Book” shall refer to the System's electronic file of orders and quotes, which contains all of the orders in the Display Order Process and the Working Order File and all of the Market Makers' quotes in the Display Order Process.]

[(47)] *NYSE American or NYSE American Options.*

The terms “NYSE American” or “NYSE American Options” shall refer to those aspects of the Self-Regulatory Organization and the Trading Facilities business of NYSE American LLC licensed to trade Options by the Exchange. The terms “NYSE American Options” and “NYSE American” shall have the same meaning as "Exchange" as that term is defined in Rule 11.

[(48)] *Exchange System.* The term “Exchange System” (“System”) shall refer to the Exchange's electronic order delivery, execution and reporting system for designated option issues through which orders and quotes of Users are consolidated for execution and/or display. Market Makers must submit quotes to the System in their appointed classes electronically.]

[(49)] *ICE.* The term “ICE” shall mean Intercontinental Exchange, Inc., the ultimate parent company of the Exchange.]

[(50)] *Short Term Option Series.*

The term "Short Term Option Series" is 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 at the close of business 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. For a series listed pursuant to this section for a Monday expiration,

if a Monday is not a business day, the series shall expire on the first business day immediately following that Monday. Short Term Option Series are P.M. settled, except for Short Term Option Series on indexes. Short Term Option Series on indexes shall be A.M. settled.]

[(51)] *Opening Purchase Transaction.*

The term “opening purchase transaction” means a transaction in a series in which the purchaser intends to create or increase a long position in such series[an option transaction in which the purchaser’s intention is to create or increase a long position in the series of options involved in such transaction].

[(52)] *Opening Writing Transaction.*

The term “opening writing transaction” means transaction in a series in which the seller (writer) intends to create or increase a short position in such series[an option transaction in which the seller’s (writer’s) intention is to create or increase a short position in the series of options involved in such transaction].

[(53)] *Option Contract.*

The term “option contract” means a put or a call issued, or subject to issuance, by the Options Clearing Corporation pursuant to the Rules of the Options Clearing Corporation.

[(54)] *Option Issue.*

The term “option issue” means the option contract overlying a particular underlying security[ or Exchange-Traded Fund Shares].

[(55)] *Options Clearing Corporation or OCC.*

The term “Options Clearing Corporation” or OCC means The Options Clearing Corporation, a subsidiary of the Participating Exchanges.

[(56)] *Options Trading.*

The term “options trading”, when not preceded by the word “Exchange”, means trading in any option contract [issued by the Options Clearing Corporation], whether or not [of a class or series which has been] approved for trading on the Exchange.

[(57)] *Order Flow Provider or OFP.*

The term “Order Flow Provider” (“OFP”) means any ATP Holder that submits, as agent, orders to the Exchange.

[(58)] *Outstanding.*

The term “outstanding” in respect of an option contract means an option contract [which]that has been issued by the Options Clearing Corporation and has [neither]not been the subject of a closing sale transaction, exercised or expired. [on the Exchange or a comparable expiration date.]

[(59)] *Parent.*

A “parent” of a specified person or organization is an affiliate controlling such person or organization directly, or indirectly through one or more intermediaries.

[(60)] *Participant.*

The term “Participant” shall mean any ATP Holder, partner, Approved Person, stockholder associate, registered employee or other full-time employee of an ATP Holder.

[(61)] *Participating Exchange.*

The term “Participating Exchange” means a national securities exchange which has qualified for participation in the Options Clearing Corporation pursuant to the provisions of the Rules of the Options Clearing Corporation.

[(62)] *Primary Market.*

The term “primary market” [in respect of an underlying stock or Exchange-Traded Fund Share] means the principal market in which the underlying security[stock or Exchange-Traded Fund Share] is traded.

[(63)] *Put.*

The term “put” means an option contract under which the holder of the option has the right, in accordance with the terms of the option, to sell to the Options Clearing Corporation the number of shares of the underlying security[stock or Exchange-Traded Fund Shares] covered by the option contract.

[(64)] *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 that expires at the close of business on the last business day of a calendar quarter.

[(65) *Quote with Size*. The term “Quote with Size” means a quotation (as defined in Rule 925.1NY(a)(1)) to buy or sell a specific number of option contracts at a specific price that a Market Maker has submitted to the System through an electronic interface.]

[(66)] *Registered Employee*.

The term “Registered Employee” shall mean any person soliciting or conducting business in securities on behalf of an ATP Holder.

[(67)] *Related Persons*.

“Related persons” shall mean with respect to any ATP Holder

[(A)](a) any broker or dealer with which such ATP Holder is associated;

[(B)](b) any natural person who is an associated person of such ATP Holder;

[(C)](c) any other Person(s) whose beneficial ownership of shares of stock of ICE or its successor with the power to vote on any matter would be aggregated with the ATP Holder's beneficial ownership of such stock or deemed to be beneficially owned by such ATP Holder pursuant to Rules 13d-3 and 13d-5 under the Act;

[(D)](d) any other Person(s) with which such ATP Holder has any agreement, arrangement or understanding (whether or not in writing) to act together for the purpose of acquiring, voting, holding or disposing of shares of the stock of ICE or its successor; and

[(E)](e) with respect to any ATP Holder and any Person described in (1) to (4) above who is a natural person, any relative or spouse of such Person, or any relative of such spouse, who has the same home as such Person or who is a director or officer of ICE or its successor or any of its parents or subsidiaries.

For the avoidance of doubt, “Related Person” as defined above in clause [(C)](c) of this paragraph [(67)] shall include, with respect to any ATP Holder: any other Person beneficially owning pursuant to Rules 13d-3 and 13d-5 under the Exchange Act shares of stock of ICE or its successor with the power to vote on any matter that also are deemed to be beneficially owned by such ATP Holder pursuant to Rules 13d-3 and 13d-5 under the

Exchange Act; any other Person that would be deemed to own beneficially pursuant to Rules 13d-3 and 13d-5 under the Exchange Act shares of stock of ICE or its successor with the power to vote on any matter that are beneficially owned directly or indirectly by such ATP Holder pursuant to Rules 13d-3 and 13d-5 under the Exchange Act; and any additional Person through which such other Person would be deemed to directly or indirectly own beneficially pursuant to Rules 13d-3 and 13d-5 under the Exchange Act shares of stock of ICE or its successor with the power to vote on any matter.

[(68)] *Remote Market Maker.*

The term “Remote Market Maker” shall mean an ATP Holder who is registered with the Exchange for the purpose of making transactions as dealer-specialist from a location off the Floor of the Exchange. Transactions of Remote Market Makers that are executed through the facilities of the Exchange, in accordance with the rules of the Exchange, are deemed to be Market Maker transactions for purposes of Rule 920NY.

[(69)] [*Routing Broker.* The term “Routing Broker” shall mean the broker-dealer affiliate of the Exchange and/or any other non-affiliate third-party broker-dealer that acts as a facility of the Exchange for routing orders entered into the System of ATP Holders and Sponsored Participants to other Market Centers for execution whenever such routing is required by Exchange Rules.]

[(70)] *Rules of the Options Clearing Corporation.*

The term “Rules of the Options Clearing Corporation” means the By-laws and the Rules of the Options Clearing Corporation, and all written interpretations thereof, as the same may be in effect from time to time.

[(71)] *Security.*

The term “security” shall mean any security as defined in Rule 3(a)(10) under the Securities Exchange Act of 1934.

[(72)] *Self-Regulatory Organization (“SRO”).*

The terms “self-regulatory organization” and “SRO” shall have the same meaning as set forth in the provisions of the Securities Exchange Act of 1934 relating to national securities exchanges.

[(73)] *Series of Options, Options Series or Series.*

The term “series of options,” “option series,” or “series” means all option contracts of the same class of options having the same expiration date and exercise price, and the same unit of trading.

[(74)] *Short Position.*

The term “short position” means the number of outstanding option contracts of a given series of options with respect to which a person is obligated as a writer (seller).

[(75)] *Specialist Pool.*

The term “Specialist Pool” shall mean the aggregated size of the best bid and best offer, in a given series, amongst the Specialist and e-Specialists that match in price.

[(76)] *Specialist.*

The term “Specialist” means an individual or entity that has been deemed qualified by the Exchange for the purpose of making transactions on the Exchange in accordance with the provisions of Rule 920NY, and who meets the qualification requirements of Rule 927NY(b). Each Specialist must be registered with the Exchange as a Market Maker. Any ATP Holder registered as a Market Maker with the Exchange is eligible to be qualified as a Specialist.

[(77)] *Sponsored Participant.*

The term “Sponsored Participant” shall mean a person that has entered into a customer agreement with a Sponsoring ATP Holder pursuant to Rule 902.1NY.

[(78)] *Sponsoring ATP Holder.*

The term “Sponsoring ATP Holder” shall mean a broker-dealer that has been issued an ATP by the Exchange who has been designated by a Sponsored Participant to execute, clear and settle transactions executed on the System. The Sponsoring ATP Holder 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.

[(79)] *Sponsorship Provisions.*

The term “Sponsorship Provisions” shall mean the provisions set forth in Rule 902.1NY(c). For a Sponsored Participant to obtain authorized access on the System, the Sponsored Participant and its Sponsoring ATP Holder must enter into a customer agreement which incorporates the Sponsorship Provisions.



[(80)] *Trading Crowd.*

The term “trading crowd” means all Market Makers and Floor Brokers[who hold an appointment in the option classes] at the Trading Zone where such trading crowd is located and all Market Makers who regularly effect transactions in person for their Market Maker accounts at that Trading Zone, but generally will consist of the individuals present at the Trading Zone

[(81)] *Trading Facilities.*

The term “Trading Facilities” shall refer to the Exchange’s facilities for the trading of options [11 Wall Street, New York, NY;], office space provided by the Exchange to ATP Holders in connection with their floor trading activities, and any and all electronic or automated order execution systems and reporting services provided by the Exchange to ATP Holders.

[(82)] *Trading Official.*

A “Trading Official” will be an Exchange employee or officer, who is designated by the Chief Executive Officer, or its designee or by the Chief Regulatory Officer or its designee. Any Exchange employee or officer designated as a Trading Official will from time to time as provided in these rules have the ability to recommend and enforce rules and regulations relating to trading access, order, decorum, health, safety and welfare on the Exchange.

[(83)] *Trading Zone.*

The term “Trading Zone” shall mean the areas on the Floor designated by the Exchange in which issues are assigned for the purposes of open outcry trading.

[(84)] *Type of Option.*

The term “type of option” means the classification of an option contract as either a put or a call.

[(85)] *Uncovered.*

The term “uncovered” in respect of a short position in an option contract means that the short position is not “covered” as defined above.

[(86)] *Underlying Stock or Underlying Security.*

The terms “underlying stock” or “underlying security” in respect of an option contract means the security [or Exchange-Traded Fund Share ]which the Options Clearing Corporation shall be obligated to sell (in the case of a call) or purchase (in the case of a put) upon the valid exercise of such option contract.

[(87)] *User.*

The term “User” shall mean any ATP Holder that is authorized to obtain access to the System pursuant to Rule 902.1NY.

[(88)] *Wholly Owned Subsidiary.*

The term “wholly owned subsidiary” means a subsidiary substantially all of whose outstanding voting securities are owned by its parent and/or the parent's other wholly owned subsidiaries.

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#### **Rule 925NY. Obligations of Market Makers**

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(b) *Obligations in Appointed Classes.* With respect to each class of options in his appointment, a Market Maker is expected to engage, to a reasonable degree under the existing circumstances, in dealings for his own account when there exists, or it is reasonably anticipated that there will exist, a lack of price continuity, a temporary disparity between the supply of and demand for a particular option contract, or a temporary distortion of the price relationships between option contracts of the same class. Without limiting the foregoing, a Market Maker is expected to perform the following activities in the course of maintaining a fair and orderly market.

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(6) In response to a call for a market from a Floor Broker, bidding no more than \$1 lower and/or offering no more than \$1 higher than the last preceding transaction price for the particular option contract. However, this standard shall not ordinarily apply if the price per share (or other unit of trading) of the underlying security [ or Exchange-Traded Fund Share] has changed since the last preceding transaction for the particular option contract, in which event a Market Maker may then bid no lower than or offer no more than \$1 plus the aggregate change in the price per share (or other unit of trading) of the underlying security [ or Exchange-Traded Fund Share] since the time of the last preceding transaction for the particular option contract. This provision applies from one day's close to the next day's opening and from one transaction to the next in intra-day transactions. With respect to inter-day transactions, this provision applies if the closing transaction occurred within one hour of the close and the opening transaction occurred within one hour after the opening. With respect to intra-day transactions, this provision applies to transactions occurring within one hour of one another. A Trading Official may waive the

provisions of this paragraph in an index option when the primary underlying securities market for that index is not trading. Nothing in this subparagraph (b)(6) shall alter the maximum bid/ask differentials established by subparagraph (b)(4)-(5) of Rule 925NY.

(c) *Unusual Conditions - Opening Auction.* If the interest of maintaining a fair and orderly market so requires, a Trading Official may declare that unusual market conditions exist in a particular issue and allow Market Makers in that issue to make auction bids and offers with spread differentials of up to two times, or in exceptional circumstances, up to three times, the legal limits permitted under Rule 925NY. In making such determinations to allow wider markets, the Trading Official should consider the following factors: (A) whether there is pending news, a news announcement or other special events; (B) whether the underlying security[ or Exchange-Traded Fund Share] is trading outside of the bid or offer in such security then being disseminated; (C) whether ATP Holders receive no response to orders placed to buy or sell the underlying security; and (D) whether a vendor quote feed is clearly stale or unreliable.

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**Rule 993NY. Operation of Routing Broker**

(a) The term “Routing Broker” means the broker-dealer affiliate of the Exchange and/or any other non-affiliate that acts as a facility of the Exchange for routing orders submitted to the Exchange to other Market Centers for execution whenever such routing is required by Exchange Rules and federal securities laws.

[(a)](b) Outbound Routing Function

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[(b)](c) Inbound Routing Function

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[(c)](d) Cancellation of Orders and Error Account

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