Cboe BZX Exchange, Inc.

Rules of Cboe BZX Exchange, Inc.

(Updated as of June 25, 2025)

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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 by SR-BatsBZX-2017-55 eff. October 11, 2017)

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) After Hours Trading Session

The term "After Hours Trading Session" shall mean the time between 4:00 p.m. and 8:00 p.m. Eastern Time.

(d) 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.

(e) BZX Book

The term "BZX Book" shall mean the System's electronic file of orders.

(f) Board and Board of Directors

The terms "Board" and "Board of Directors" shall mean the Board of Directors of the Exchange.

(g) Broker

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

(h) Commission

The term "Commission" shall mean the Securities and Exchange Commission.

(i) Dealer

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

(j) 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.

(k) Exchange

The term "Exchange" shall mean Cboe BZX Exchange, Inc., a registered national securities exchange.

(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) Pre-Opening Session

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

(s) 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.

(t) 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.

(u) 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.

(v) 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.

(w) Regular Trading Hours

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

(x) 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.

(y) Sponsoring Member

The term "Sponsoring Member" shall mean a broker-dealer that has been issued a membership by the Exchange who 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.

(z) Statutory Disqualification

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

(aa) 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.

(bb) Top of Book

The term "Top of Book" shall mean the best-ranked order to buy (or sell) in the BZX Book as ranked pursuant to Rule 11.8.

(cc) 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.

(dd) Derivative Security

The term "Derivative Security" means a security that meets the definition of "new derivative securities product" in Rule 19b-4(e) under the Exchange Act.

(ee) UTP Security and UTP Derivative 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, and a "UTP Derivative Security" shall mean any one of the following Derivative Securities that trades on the Exchange pursuant to unlisted trading privileges:

- Equity Linked Notes
- Index Fund Shares listed pursuant to Cboe BZX Exchange, Inc. Rule 14.11(c) or Nasdaq Stock Market LLC Rule 5705(b) and Investment Company Units listed pursuant to NYSE Arca, Inc. Rule 5.2- E(j)(3)
- Index-Linked Exchangeable Notes
- Equity Gold Shares
- Equity Index-Linked Securities
- Commodity-Linked Securities
- Currency-Linked Securities
- Fixed Income Index-Linked Securities
- Futures-Linked Securities
- Multifactor Index-Linked Securities
- Trust Certificates
- Currency and Index Warrants
- Portfolio Depository Receipts
- Trust Issued Receipts
- Commodity-Based Trust Shares
- Currency Trust Shares
- Commodity Index Trust Shares
- Commodity Futures Trust Shares
- Partnership Units
- Paired Trust Shares
- Trust Units
- Managed Fund Shares

- Managed Trust Securities
- Managed Portfolio Shares
- Tracking Fund Shares listed pursuant to Cboe BZX Exchange, Inc. Rule 14.11(m), Active Proxy Portfolio Shares listed pursuant to NYSE Arca, Inc. Rule 8.601-E, and Proxy Portfolio Shares listed pursuant to Nasdaq Stock Market LLC Rule 5750
- Selected Equity-linked Debt Securities ("SEEDS")
- Exchange-Traded Fund Shares

(ff) Early Trading Session

The term "Early Trading Session" shall mean the time between 4:00 a.m. and 8:00 a.m. Eastern Time.

(Amended by SR-BATS-2008-005 eff. September 19, 2008; amended by SR-BATS-2009-012 eff. May 20, 2009; amended by SR-BATS-2016-14 eff. April 13, 2016; amended by SR-CboeBZX-2018-057 eff. August 1, 2018; amended by SR-CboeBZX-2021-041 eff. May 19, 2021; amended by SR-CboeBZX-2025-046 eff. May 1, 2025).

Rule 1.6. Procedures for Exemptions

(a) Application.

(1) *Where to File*. A Member seeking exemptive relief as specifically permitted under any Exchange Rule shall file a written application with the appropriate Exchange department or staff as specified by the Exchange.

(2) *Content*. An application filed pursuant to this Rule shall contain the Member's name and address, the name of a person associated with the Member who will serve as the primary contact for the application, the Rule from which the Member is seeking an exemption, and a detailed statement of the grounds for granting the exemption. If the Member does not want the application or the decision on the application to be publicly available in whole or in part, the Member also shall include in its application a detailed statement, including supporting facts, showing good cause for treating the application or decision as confidential in whole or in part.

(b) Decision.

After considering an application, Exchange staff shall issue a written decision setting forth its findings and conclusions. The decision shall be served on 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 place of business. After the decision is served on the applicant, the application and decision shall be publicly available unless Exchange staff determines that the applicant has shown good cause for treating the application or decision as confidential in whole or in part.

(c) Appeal.

Decisions made under this Rule may be appealed pursuant to Chapter X of the Exchange Rules governing adverse action.

(*Amended by SR-BATS-2009-031 eff. January 26, 2010)*.

CHAPTER II. **MEMBERS OF THE EXCHANGE**

Rule 2.1. Rights, Privileges and Duties of Members

Unless otherwise 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

Except as hereinafter provided, any registered broker or dealer which is 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 BYX Exchange, Inc., Cboe EDGA Exchange, Inc., Cboe EDGX 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 of the Exchange.

(*Amended by SR-BATS-2010-028 eff. October 6, 2010; amended by SR-BATS-2013-059 eff. January 31, 2014; amended by SR-BatsBZX-2016-68 eff. February 28, 2017*).

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. The following Members must participate in mandatory testing of the Exchange's backup systems:

(1) Members that have been determined by the Exchange to contribute a meaningful percentage of the Exchange's overall volume; and

(2) Members that participate as Lead Market Makers (LMMs) with respect to one or more securities listed on the Exchange.

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 or participation as LMM.

(*Amended by SR-BATS-2010-028 eff. October 6, 2010; amended by SR-BATS-2015-86 eff. November 1, 2015; amended by SR-CboeBZX-2019-108 eff. December 13, 2019*).

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 a 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 Qualified 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 authority3
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 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.

.03 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.

.04 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.

.05 *All Registered Representatives and Principals Must Satisfy the Regulatory Element of Continuing Education*. All registered representatives and principals, including those individuals who solely maintain permissive registrations pursuant to Rule 2.5.01(i) shall satisfy the Regulatory Element of continuing education for each representative or principal registration category that they hold as specified in Rule 2.5.01(i). If a person registered with a Member has a continuing education deficiency with respect to that registration as provided under Rule 2.16, such person shall not be permitted to be registered in another registration category under Rule 2.5.01(i) with that Member or to be registered in any registration category under Rule 2.5.01(i), with another Member, until the person has satisfied the deficiency.

.06 *Lapse of Registration and Expiration of SIE.* Any person who was last registered in a representative registration category two or more years immediately preceding the date of receipt by the Exchange of a new application for registration in that registration category shall be required to pass a representative qualification examination appropriate to that registration category as specified in Rule 2.5.01(i), unless the person has maintained his or her qualification status for that registration category in accordance with Rule 2.16(c) or as otherwise permitted by the Exchange.

Any person who last passed the 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 as specified in Rule 2.5.01(i).

Any person who was last registered in a principal registration category two or more years immediately preceding the date of receipt by the Exchange of a new application for registration in that registration category shall be required to pass a principal qualification examination appropriate

to that registration category as specified in Rule 2.5.01(i), unless the person has maintained his or her qualification status for the registration category in accordance with Rule 2.16(c) or as otherwise permitted by the Exchange.

Any person whose registration has been revoked and any person who has a continuing education deficiency for a period of two years as provided under Rule 2.5.01(i) shall be required to pass a representative or principal qualification examination appropriate to his or her category of registration as specified in Rule 2.5.01(i), to be eligible for registration with the Exchange.

For purposes of Interpretation and Policy .06 of this Rule, an application shall not be considered to have been received by the Exchange if that application does not result in a registration.

.07 *Waiver of Examinations for Individuals Working for a Financial Services Industry Affiliate of a Member.* Upon request by a Member, the Exchange shall waive the applicable qualification examination(s) for an individual designated as a participant in, and satisfying the conditions of, the financial services industry affiliate waiver program(s) ("FSA waiver program") of Cboe Options under its Rule 3.30.09, C2 Options under its Chapter 3, Section B, and/or FINRA under its Rule 1210.09:

Effective March 15, 2022, Cboe Options, C2 Options and FINRA will not accept any new initial designations for individuals under their respective FSA waiver programs.

.08 Permissive Registrations. A Member may make application for or maintain the registration as a representative or principal of any associated person of a Member and any individual engaged in the securities business of a foreign securities affiliate or subsidiary of the Member. Individuals maintaining such permissive registrations shall be considered registered persons and subject to all Exchange rules, to the extent relevant to their activities. Consistent with the requirements of the Exchange's supervision rules, Members shall have adequate supervisory systems and procedures reasonably designed to ensure that individuals with permissive registrations do not act outside the scope of their assigned functions. With respect to an individual who solely maintains a permissive registration(s), the individual's direct supervisor shall not be required to be a registered person. However, for purposes of compliance with the Exchange's supervision rules, a Member shall assign a registered supervisor who shall be responsible for periodically contacting such individual's direct supervisor to verify that the individual is not acting outside the scope of his or her assigned functions. If such individual is permissively registered as a representative, the registered supervisor shall be registered as a representative or principal. If the individual is permissively registered as a principal, the registered supervisor shall be registered as a principal. Moreover, the registered supervisor of an individual who solely maintains a permissive registration(s) shall not be required to be registered in the same representative or principal registration category as the permissively-registered individual.

(Amended by SR-BATS-2009-003 eff. January 16, 2009; amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2010-008 eff. July 16, 2010; amended by SR-BATS-2013-046 eff. August 15; amended by SR-BATS-2013-047 eff. August 16, 2013; amended by SR-BATS-2015-07 eff. February 21, 2015; amended by SR-BATS-2015-118 eff. January 4, 2016; amended by SR-BatsBZX-2016-67 eff. November 23, 2016; amended by SR-CboeBZX-2018-071 eff.

October 1, 2018; amended by SR-CboeBZX-2022-022 eff. March 15, 2022; amended by SR-CboeBZX-2023-085 eff. October 19, 2023).

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 U4 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010).

Rule 2.7. Revocation of Membership or Association with a Member

Members or associated persons of Members may effect approved 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 seeking to terminate its rights as a Member must notify the Exchange, prior to the deadline announced by the Exchange and in a form and manner prescribed by the Exchange, that the Member is terminating its rights as a Member at the end of its term. Each terminating Member must promptly (a) make any outstanding filings required under the Rules, and (b) pay any outstanding fees, assessments, charges, fines, or other amounts due to the Exchange, the Commission, or the Securities Investor Protection Corporation.

(Amended by SR-CboeBZX-2024-023 eff. April 18, 2024; amended by SR-CboeBZX-2025-032 eff. March 21, 2025)

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. No Affiliation between Exchange and any 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.

(Amended by SR-BATS-2008-013 eff. December 11, 2008; amended by SR-BatsBZX-2016-68 eff. February 28, 2017; amended by SR-BatsBZX-2017-55 eff. October 11, 2017)

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 11.17 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.

(i) 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.

(ii) 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.

(*Amended by SR-BATS-2010-024 eff. September 9, 2010; amended by SR-BATS-2013-032 eff. June 12, 2013)*.

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 BYX Exchange, Inc., Cboe EDGA Exchange, Inc. or Cboe EDGX Exchange Inc., (each, a "Cboe Exchange"), and Cboe Trading, Inc. in its capacity as a facility of each Cboe Exchange is utilized for the routing of orders from each Cboe Exchange to the Exchange, (such function of Cboe Trading, Inc. is referred to as the "Inbound Router"), 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 ("SRO") to relieve the Exchange of regulatory responsibilities for Cboe Trading, Inc. with respect to rules that are common rules between the Exchange and the non-affiliated SRO, and (B) enter into a regulatory services contract with a non-affiliated SRO to perform regulatory responsibilities for Cboe Trading, Inc. for unique Exchange rules.

(2) The regulatory services contract in paragraph 2.12(a)(1) shall require the Exchange to provide the non-affiliated SRO 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, Inc. is identified as a participant that has potentially violated Exchange or SEC Rules, and shall require that the non-affiliated SRO provide a report, at least quarterly, to the Exchange quantifying all Exceptions in which Cboe Trading, Inc. is identified as a participant that has potentially violated Exchange or SEC Rules.

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

(4) Cboe BZX Exchange, Inc. may furnish to Cboe Trading, Inc. the same information on the same terms that Cboe BZX Exchange, Inc. makes available in the normal course of business to any other User.

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

(*Amended by SR-BATS-2010-024 eff. September 9, 2010; amended by SR-BATS-2011-040 eff. September 29, 2011; amended by SR-BATS-2012-013 eff. April 13, 2012; amended by SR-BATS-2013-059 eff. January 31, 2014; amended by SR-BATS-2014-073 eff. January 12, 2015; amended by SR-CboeBZX-2018-035 eff. June 13, 2018)*.

Rule 2.16. Continuing Education

This rule prescribes requirements regarding the continuing education of registered persons. The requirements shall consist of a Regulatory Element and a Firm Element as set forth below. This Rule also sets forth continuing education programs through which specified persons may maintain their qualification in a representative or principal registration category following the termination of that registration category.

(a) *Regulatory Element*.

(1) *Requirements.* All covered persons shall comply with the requirement to complete the Regulatory Element.

Each covered person in a representative or principal capacity immediately preceding January 1, 2023 shall complete the Regulatory Element for the registration category annually by December 31, 2023 and by December 31 every year thereafter in which the person remains registered, or as otherwise prescribed by the Exchange. Each covered person registering in a representative or principal registration category for the first time on or after January 1, 2023 shall complete the Regulatory Element for the registration category annually by December 31 of the subsequent calendar year following the calendar year in which the person becomes registered and by December 31 of every year thereafter in which the person remains registered, or as otherwise prescribed by the Exchange. Nothing in this paragraph (a) shall prohibit a Member from requiring its covered persons to complete their Regulatory Element for the registration categories at any time during the calendar year. The content of the Regulatory Element shall be appropriate to each representative or principal registration category. A covered person shall complete Regulatory Element content for each registration category that he or she holds. The content of the Regulatory Element for a covered person designated as eligible for a waiver pursuant to Rule 2.5.07, shall be determined based on the person's most recent registration(s), and the Regulatory Element shall be completed based on the same annual cycle had the person remained registered.

(2) *Failure to Complete*. Unless otherwise determined by the Exchange, as provided in this paragraph (a)(2), any covered person, other than a covered person designated as eligible for a waiver pursuant to Rule 2.5.07 who has not completed the Regulatory Element of the program within the prescribed calendar year in which the Regulatory Element is due will have his or her registration(s) deemed inactive until such time as he or she completes all required Regulatory Element, including any Regulatory Element that becomes due while his or her registration(s) is deemed inactive. Any covered person, other than a covered person designated as eligible for a waiver pursuant to Rule 2.5.07, whose registration(s) has been deemed inactive under this paragraph (a)(2) shall cease all activities as a registered person and is prohibited from performing any duties and functioning in any capacity requiring registration. Further, such covered person may not accept or solicit business or receive any compensation for the purchase or sale of securities. However, such covered person may receive trail or residual commissions resulting from transactions completed before the inactive status, unless the Member with which such person is associated has a policy prohibiting such trail or residual commissions. A registration that remains inactive for a period of two consecutive years will be administratively terminated by the Exchange. A person whose registration(s) is so terminated or who otherwise fails to complete required Regulatory Element for two consecutive years may reactivate the registration(s) only by reapplying for registration and meeting the qualification requirements of the applicable provisions of Rules 2.5.01(i). The two-year period under this paragraph (a)(2) is calculated from the date a person's registration(s) is deemed inactive

If a covered person designated as eligible for a waiver pursuant to Rule 2.5.07 fails to complete the Regulatory Element within the prescribed time frames, the person shall no longer be eligible for such a waiver. The Exchange may, upon written application, with supporting documentation, and a showing of good cause, allow for additional time for a covered person to satisfy the Regulatory Element requirements.

(3) *Disciplinary Actions*. A covered person, other than a covered person designated as eligible for a waiver pursuant to Rule 2.5.07, may be required to complete assigned continuing education as prescribed by the Exchange in the event such person:

(A) becomes subject to any statutory disqualification as defined in Section 3(a)(39) of the Exchange Act;

(B) becomes 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

(C) is ordered as a sanction in a disciplinary action to complete continuing education by any securities governmental agency or securities self-regulatory organization.

Such covered person must complete any continuing education required under this paragraph (a)(3) within 120 days of the registered person becoming subject to the statutory disqualification, in the case of (A) above, or the disciplinary action becoming final, in the case of (B) or (C) above.

(4) *Reregistration*. Any covered person who reregisters with the Exchange in a representative or principal registration category shall complete the Regulatory Element content for the registration category annually by December 31 of the subsequent calendar year following the calendar year in which the person becomes reregistered and by December 31 of every year thereafter in which the person remains registered, or as otherwise prescribed by the Exchange, provided that he or she has already completed Regulatory Element content for that registration category for the calendar year in which he or she is reregistering, he or she is reregistering by having passed an examination for that registration category or he or she is reregistering by having obtained an unconditional examination waiver for that registration category. Any covered person who is reregistering with the Exchange in a representative or principal registration category without having completed any Regulatory Element content for that registration category for the calendar year in which he or she is reregistering or without having passed an examination for that registration category or without having obtained an unconditional examination waiver for that registration category shall complete the Regulatory Element content for that registration category annually by December 31 of the calendar year in which he or she reregisters and by December 31 of every year thereafter in which he or she remains registered, or as otherwise prescribed by the Exchange.

If a covered person has not completed any Regulatory Element content for a registration category in the calendar year(s) prior to reregistering, the Exchange would not approve a registration request for that category until he or she completes that Regulatory Element content or he or she passes an examination for that

registration category or he or she obtains an unconditional examination waiver for that registration category, whichever is applicable.

Nothing in this paragraph (a)(4) shall prohibit a Member from requiring covered persons, other than a covered person designated as eligible for a waiver pursuant to Rule 2.5.07, to complete their Regulatory Element for their registration categories at any time during the calendar year.

(5) *Definition of Covered Person.* For purposes of this Rule, the term "covered person" means any person, registered, or registering, with the Exchange as a representative or principal as specified in Rule 2.5.01(i), including any person who is permissively registered as such pursuant to Rule 2.5.08, and any person who is designated as eligible for a waiver pursuant to Rule 2.5.07.

(6) *Delivery of Regulatory Element*. The Regulatory Element set forth in paragraph (a) of this Rule shall be administered through Web-based delivery or such other technological manner and format as specified by the Exchange.

(7) *Regulatory Element Contact Person.* Each Member shall designate and identify to the Exchange (by name and e-mail address) an individual or individuals responsible for receiving e-mail notifications regarding a covered person's completion of his or her Regulatory Element. Each Member shall identify, review, and, if necessary, update the information regarding its Regulatory Element contact person(s) in the manner prescribed by Exchange Rules.

(b) *Firm Element*.

(1) *Persons Subject to the Firm Element*. The requirements of paragraph (b) of this Rule shall apply to any person registered with a Member, including any person who is permissively registered as a representative or principal pursuant to Rule 2.5.08 (collectively, "covered registered persons").

(2) *Standards.*

(A) *General*. Member must maintain a continuing and current education program for its covered registered persons to enhance their securities knowledge, skills and professionalism. At a minimum, each Member shall at least annually evaluate and prioritize its training needs and develop a written training plan. The plan must take into consideration the Member's size, organizational structure, and scope of business activities, as well as regulatory developments and the performance of covered registered persons in the Regulatory Element. If a Member's analysis determines a need for supervisory training for persons with supervisory responsibilities such training must be included in the Member's training plan.

(B) *Minimum Standards for Training Programs*. Programs used to implement a Member's training plan must be appropriate for the business of the Member and, at a minimum, must cover training topics related to the role, activities

or responsibilities of the covered registered person and to professional responsibility.

(C) *Administration of Continuing Education Program*. Each Member must administer its continuing education program under this paragraph (b) in accordance with its annual evaluation and written plan and must maintain records documenting the content of the programs and completion of the programs by covered registered persons.

(D) *Participation in Other Required Training.* A Member may consider a covered registered person's participation in the Member's anti-money laundering compliance training under Rule 5.6 and a covered registered person's participation in the Member's annual compliance training toward satisfying the covered registered person's continuing education requirements under this paragraph (b).

(3) *Participation in the Firm Element*. Covered registered persons of a Member must take all appropriate and reasonable steps to participate in continuing education programs under this paragraph (b) as required by the Member.

(4) *Specific Training Requirements*. The Exchange may require a Member, individually or as part of a larger group, to provide specific training to its covered registered persons in such areas the Exchange deems appropriate. Such a requirement may stipulate the class of covered registered persons for which it is applicable, the time period in which the requirement must be satisfied and, where appropriate, the actual training content.

(c) *Continuing Education Program for Persons Maintaining Their Qualification Following the Termination of a Registration Category.* A person who terminates any of his or her representative or principal registration categories may maintain his or her qualification for any of the terminated registration categories for a period of five years following the termination of the registration category, subject to the following conditions:

(1) The person was registered in the registration category for at least one year immediately preceding the termination of the registration category and the person was not subject to a statutory disqualification as defined in Section 3(a)(39) of the Exchange Act during the registration period;

(2) The person elects to participate in the continuing education program under this paragraph (c) at the time of his or her Form U5 submission or at a later date within two years from the termination of his or her registration category, provided that if the person commences at the later date the person completes within two years from the termination of his or her registration category any continuing education that was due under the program between the time of his or her Form U5 submission and the later date he or she commences participating in the program;

(3) The person completes annually by December 31 of the calendar year in a manner specified by the Exchange all prescribed continuing education during his or her participation in the program under this paragraph (c), provided that the

Exchange may, upon written application by the person, with supporting documentation, and a showing of good cause, allow for additional time for the person to complete the prescribed continuing education;

(4) The person does not have a continuing education deficiency with respect to his or her Regulatory Element for two consecutive years as provided in paragraph (a)(2) of this Rule;

(5) The person does not become subject to a continuing education deficiency with respect to his or her Regulatory Element for two consecutive years as provided in paragraph (a)(2) of this Rule while participating in the program under this paragraph (c); and

(6) The person does not become subject to a statutory disqualification as defined in Section 3(a)(39) of the Exchange Act following the termination of his or her registration category or while participating in the program under this paragraph (c).

Interpretations and Policies

.01 *Eligibility of Other Persons to Participate in the Continuing Education Program Specified in Paragraph (c) of this Rule.* A person registered in a representative or principal registration category within two years immediately preceding March 15, 2022 shall be eligible to participate in the continuing education program under paragraph (c) of this Rule, provided that he or she satisfies the conditions set forth in paragraphs (c)(1) and (c)(3) through (c)(6) of this Rule. In addition, a person participating in the Financial Services Affiliate Waiver Program under FINRA Rule 1210.09 immediately preceding March 15, 2022 shall be eligible to participate in the continuing education program under paragraph (c) of this Rule, provided that he or she satisfies the conditions set forth in paragraphs (c)(3), (c)(5) and (c)(6) of this Rule either (1) by March 15, 2022; or (2) between October 19, 2023, and December 31, 2023. If such persons elect to participate in the continuing education program, their participation period shall also be for a period of five years following the termination of their registration categories, as with other participants under paragraph (c) of this Rule. Individuals enrolled in the continuing education program under this Interpretation and Policy .01 in both 2022 and 2023 who did not complete their prescribed 2022 and 2023 continuing education content as of March 31, 2024, shall be able to complete such content between June 12, 2024, and July 1, 2024, to be eligible to continue their participation in the continuing education program. In addition, any such individuals who will have completed their prescribed 2022 and 2023 continuing education content between March 31, 2024, and June 12, 2024, shall be deemed to have completed such content by July 1, 2024, for purposes of this Interpretation and Policy .01.

.02 *Re-Eligibility to Participate in the Continuing Education Program Specified in Paragraph (c) of this Rule.* A person who previously participated in the continuing education program under paragraph (c) of this Rule may become re-eligible to participate in the program if he or she reregisters with a Member and subsequently satisfies the conditions set forth in paragraphs (c)(1) and (c)(4) of this Rule. In such an event, the person may elect to again participate in the program subject to satisfying the remaining conditions set forth in paragraph (c) of this Rule.

(*Adopted by SR-CboeBZX-2022-022 eff. March 15, 2022, amended by SR-CboeBZX-2023-085 eff. October 19, 2023; amended by SR-CboeBZX-2024-041 eff. June 12, 2024)*.

CHAPTER III. **RULES OF FAIR PRACTICE**

Rule 3.1. Business Conduct of Members

A Member, in the conduct of his 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.

(Amended by SR-BATS-2015-30 eff. May 1, 2015).

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.

(Amended by SR-BATS-2015-77 eff. October 23, 2015).

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 or 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. Reserved

(Amended by SR-BATS-2015-30 eff. May 1, 2015).

Rule 3.21. Customer Disclosures

No Member may accept an order from a customer for execution in the Early Trading, Pre-Opening or After Hours 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 1.5(ee)). 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.

(Amended by SR-BATS-2009-012 eff. May 20, 2009; amended by SR-BATS-2014-057 eff. November 21, 2014; amended by SR-BATS-2016-14 eff. April 13, 2016; amended by SR-CboeBZX-2021-041 eff. May 19, 2021).

Rule 3.22. 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.

(*Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2015-79 eff September 30, 2015)*.

Rule 3.23. 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 (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 pre-acquired account information, the following requirements must be met to evidence express informed consent:

(1) In any telemarketing transaction involving pre-acquired 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 pre-acquired 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:

(i) 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;

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

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

(iv) 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 a 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:

(i) 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

(ii) 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 "pre-acquired 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.

(*Amended by SR-BATS-2012-028 eff. July 6, 2012)*.

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.

(*Amended by SR-BATS-2015-25 eff. April 27, 2015)*.

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 commencement of Phase 2c or Phase 2d (as applicable depending on whether the account involves Eligible Securities that are equities or options), either:

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

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

(iii) 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 commencement of Phase 2c or Phase 2d (as applicable depending on whether the account involves Eligible Securities that are equities or options), 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 commencement of Phase 2c or Phase 2d (as applicable depending on whether the account involves Eligible Securities that are equities or options), 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 commencement of Phase 2c or Phase 2d (as applicable depending on whether the account involves Eligible Securities that are equities or options), 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 commencement of Phase 2c or Phase 2d (as applicable depending on whether the account involves Eligible Securities that are equities or options), the earliest available date; or

(5) with regard to Industry Member proprietary accounts established prior to commencement of Phase 2c or Phase 2d (as applicable depending on whether the account involves Eligible Securities that are equities or options):

(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" means (1) the placement of shares/contracts into the same account for which an order was originally placed; or (2) the placement of shares/contracts into an account based on allocation instructions (e.g., subaccount allocations, delivery versus payment ("DVP") allocations).

(d) "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/contracts are allocated and provides (1) the security that has been allocated; (2) the identifier of the firm reporting the allocation; (3) the price per share/contract of shares/contracts allocated; (4) the side of shares/contracts allocated; (5) the number of shares/contracts allocated to each account; (6) the time of the allocation; (7) Allocation ID, which is the internal allocation identifier assigned to the allocation event by the Industry Member; (8) trade date; (9) settlement date; (10) IB/correspondent CRD Number (if applicable); (11) FDID of new order(s) (if available in the booking system); (12) allocation instruction time (optional); (12) if account meets the definition of institution under FINRA Rule 4512(c); (13) type of allocation (allocation to a custody account, allocation to a DVP account, step-out, correspondent flip, allocation to a firm owned or controlled account, or other non-reportable transactions (e.g., option exercises, conversions); (14) for DVP allocations,

custody broker-dealer clearing number (prime broker) if the custodian is a U.S. broker-dealer, DTCC number if the custodian is a U.S. bank, or a foreign indicator, if the custodian is a foreign entity; and (15) if an allocation was cancelled, a cancel flag indicating that the allocation was cancelled, and a cancel timestamp, which represents the time at which the allocation was cancelled; provided, for the avoidance of doubt, any such Allocation Report shall not be required to be linked to particular orders or executions.

(e) "ATS" means an alternative trading system, as defined in Rule 300(a)(1) of Regulation ATS under the Exchange Act.

(f) "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.

(g) "CAT" means the consolidated audit trail contemplated by SEC Rule 613.

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

(i) "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.

(j) "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.

(k) "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.

(l) "Client Account" means, for the purposes of an Allocation and Allocation Report, any account or subaccount that is not owned or controlled by the Industry Member.

(m) "Compliance Threshold" has the meaning set forth in Rule 4.15(d).

(n) "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).

(o) "Customer Account Information" shall include, but not be limited to, 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"; and

(B) identify the "account type" as a "relationship".

(2) in those circumstances in which the relevant account was established prior to commencement of Phase 2c or Phase 2d (as applicable depending on whether the account involves Eligible Securities that are equities or options), 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.

(p) "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.

(q) "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.

(r) "Eligible Security" includes:

(1) all NMS Securities; and

(2) all OTC Equity Securities.

(s) "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.

(t) "Firm Designated ID" means (1) a unique and persistent identifier for each trading account designated by Industry Members for purposes of providing data to the Central Repository, provided, however, such identifier may not be the account number for such trading account if the trading account is not a proprietary account; (2) a unique and persistent relationship identifier when an Industry Member does not have an account number available to its order handling and/or execution system at the time of order receipt, provided, however, such identifier must be masked; or (3) a unique and persistent entity identifier when an employee of an Industry Member is exercising discretion over multiple client accounts and creates an aggregated order for which a trading account number of the Industry Member is not available at the time of order origination, where each such identifier is unique among all identifiers from any given Industry Member.

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

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

(1) "Phase 2a Industry Member Data" means Industry Member Data required to be reported to the Central Repository commencing in Phase 2a.

(2) "Phase 2b Industry Member Data" means Industry Member Data required to be reported to the Central Repository commencing in Phase 2b.

(3) "Phase 2c Industry Member Data" means Industry Member Data required to be reported to the Central Repository commencing in Phase 2c.

(4) "Phase 2d Industry Member Data" means Industry Member Data required to be reported to the Central Repository commencing in Phase 2d.

(5) "Phase 2e Industry Member Data" means Industry Member Data required to be reported to the Central Repository commencing in Phase 2e. The full scope of Industry Member Data required by the CAT NMS Plan will be required to be reported to the CAT when Phase 2e has been implemented, subject to any applicable exemptive relief or amendments to the CAT NMS Plan.

(w) "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.

(x) "Introducing Industry Member" means a broker-dealer that does not qualify as a Small Industry Member solely because such broker-dealer satisfies Rule 0-10(i)(2) under the Exchange Act in that it introduces transactions on a fully disclosed basis to clearing firms that are not small businesses or small organizations.

(y) "Listed Option" or "Option" have the meaning set forth in Rule 600(b)(35) of Regulation NMS.

(z) "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.

(aa) "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.

(bb) "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.

(cc) "NMS Stock" means any NMS Security other than an option.

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

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

(ff) "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.

(gg) "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.

(hh) "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.

(ii) "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.

(jj) "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.

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

(ll) "Recorded Industry Member Data" has the meaning set forth in Rule 4.7(a)(1).

(mm) "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.

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

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

(pp) "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.

(qq) "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.

(rr) "Transformed Value for individual tax payer identification number ("ITIN")/social security number ("SSN")" means the interim value created by an Industry Member based on a Customer ITIN/SSN.

(Adopted by SR-BatsBZX-2017-08 eff. March 15, 2017; amended by SR-CboeBZX-2020-052 eff. June 22, 2020; amended by SR-CboeBZX-2020-061 eff. July 31, 2020; amended by SR-CboeBZX-2021-013 eff. February 16, 2021).

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 by SR-BatsBZX-2017-08 eff. March 15, 2017).

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:

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

(ii) CAT-Order-ID;

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

(iv) date of order receipt or origination;

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

(vi) Material Terms of the Order;

(vii) the unique identification of any appropriate information barriers in place at the department within the Industry Member where the order was received or originated;

(viii) any request by a Customer that a limit order not be displayed, or that a block size limit order be displayed, pursuant to applicable rules;

(ix) the nature of the department or desk that originated the order, or received the order from a Customer;

(x) the type of account holder for which the order is submitted;

(xi) for an Industry Member that operates an ATS:

(a) the ATS's unique identifier for the order type of the order;

(b) the National Best Bid and National Best Offer (or relevant reference price) at the time of order receipt or origination, and the date and time at which the ATS recorded such National Best Bid and National Best Offer (or relevant reference price);

(c) the identification of the market data feed used by the ATS to record the National Best Bid and National Best Offer (or relevant reference price) for purposes of subparagraph (xi)(2). If for any reason, the ATS uses an alternative market data feed than what was reported on its ATS data submission, the ATS must provide notice to the Central Repository of the fact that an alternative source was used, identify the alternative source, and specify the date(s), time(s) and securities for which the alternative source was used;

(d) the sequence number assigned to the receipt or origination of the order by the ATS's matching engine;

(e) whether the ATS displays subscriber orders outside the ATS (other than to alternative trading system employees). If an ATS does display subscriber orders outside the ATS (other than to alternative trading system employees), indicate whether the order is displayed to subscribers only or through publicly disseminated quotation data.

(B) for the routing of an order:

(i) CAT-Order-ID;

(ii) date on which the order is routed;

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

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

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

(vi) if routed internally at the Industry Member, the identity and nature of the department or desk to which the order is routed, and the unique identification of any appropriate information barriers in place at the department within the Industry Member to which the order was transmitted;

(vii) Material Terms of the Order; and

(viii) for Industry Members that operate ATSs, the sequence number assigned to the routing of the order by the ATS's matching engine.

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

(i) CAT-Order-ID;

(ii) date on which the order is received;

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

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

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

(vi) Material Terms of the Order;

(vii) the unique identification of any appropriate information barriers in place at the department within the Industry Member which received the order;

(viii) the nature of the department or desk that received the order;

(ix) any request by a Customer that a limit order not be displayed, or that a block size limit order be displayed, pursuant to applicable rules; and

(x) for an Industry Member that operates an ATS:

(a) the ATS's unique identifier for the order type of the order;

(b) the National Best Bid and National Best Offer (or relevant reference price) at the time of order receipt, and the date and time at which the ATS recorded such National Best Bid and National Best Offer (or relevant reference price);

(c) the identification of the market data feed used by the ATS to record the National Best Bid and National Best Offer (or relevant reference price) for purposes of subparagraph (x)(b). If for any reason, the ATS uses an alternative market data feed than what was reported on its ATS data submission, the ATS must provide notice to the Central Repository of the fact that an alternative source was used, identify the alternative source, and specify the date(s), time(s) and securities for which the alternative source was used;

(d) the sequence number assigned to the receipt of the order by the ATS's matching engine; and

(e) whether the ATS displays subscriber orders outside the ATS (other than to alternative trading system employees). If an ATS does display subscriber orders outside the ATS (other than to alternative trading system employees), indicate whether the order is displayed to subscribers only or through publicly disseminated quotation data.

(D) if the order is modified or cancelled:

(i) CAT-Order-ID;

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

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

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

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

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

(vii) the unique identification of any appropriate information barriers at the department within the Industry Member which received or originated the modification;

(viii) any request by a Customer that a limit order not be displayed, or that a block size limit order be displayed, pursuant to applicable rules; and

(ix) for an Industry Member that operates an ATS:

(a) the ATS's unique identifier for the order type of the order;

(b) the National Best Bid and National Best Offer (or relevant reference price) at the time of order modification or cancellation, and the date and time at which the ATS recorded such National Best Bid and National Best Offer (or relevant reference price);

(c) the identification of the market data feed used by the ATS to record the National Best Bid and National Best Offer (or relevant reference price) for purposes of subparagraph (ix)(b). If for any reason, the ATS uses an alternative market data feed than what was reported on its ATS data submission, the ATS must provide notice to the Central Repository of the fact that an alternative source was used, identify the alternative source, and specify the date(s), time(s) and securities for which the alternative source was used;

(d) the sequence number assigned to the modification or cancellation of the order by the ATS's matching engine; and

(e) each time the ATS's matching engine re-prices an order or changes the display quantity of an order, the time of such modification and the applicable new price or size.

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

(i) CAT-Order-ID;

(ii) date of execution;

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

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

(v) execution price and size;

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

(vii) 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

(viii) for Industry Members that operate ATSs:

(a) the National Best Bid and National Best Offer (or relevant reference price) at the time of execution, and the date and time at which the ATS recorded such National Best Bid and National Best Offer (or relevant reference price);

(b) the identification of the market data feed used by the ATS to record the National Best Bid and National Best Offer (or relevant reference price) for purposes of subparagraph (viii)(a). If for any reason, the ATS uses an alternative market data feed than what was reported on its ATS data submission, the ATS must provide notice to the Central Repository of the fact that an alternative source was used, identify the alternative source, and specify the date(s), time(s) and securities for which the alternative source was used; and

(c) the sequence number assigned to the execution of the order by the ATS's matching engine.

(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:

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

(ii) 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, Transformed Value for individual tax payer identification number ("ITIN")/social security number ("SSN"), and in accordance with Rule 4.8, Customer Account Information and Customer Identifying Information for the relevant Customer;

(D) An Industry Member that operates an ATS must provide to the Central Repository:

(i) a list of all of its order types twenty (20) days before such order types become effective; and

(ii) any changes to its order types twenty (20) days before such changes become effective.

An identifier shall not be required for market and limit orders that have no other special handling instructions.

(E) If an Industry Member is required to submit and submits a trade report for a trade, and, if the trade is cancelled, a cancellation, to one of FINRA's Trade Reporting Facilities, OTC Reporting Facility or Alternative Display Facility pursuant to applicable SRO rules, and the Industry Member is required to report the corresponding execution and/or cancellation to the Central Repository:

(i) the Industry Member is required to report to the Central Repository the trade identifier reported by the Industry Member to such FINRA facility for the trade when the Industry Member reports the execution of an order pursuant to Rule 4.7(a)(1)(E) or cancellation of an order pursuant to Rule 4.7(a)(1)(D) beginning June 22, 2020 for Large Industry Members and Small Industry OATS Reporters and beginning December 13, 2021 for Small Industry Non-OATS Reporters, and such trade identifier must be unique beginning October 26, 2020 for Large Industry Members and Small Industry OATS Reporters and beginning December 13, 2021 for Small Industry Non-OATS Reporters;

(ii) if the order is executed in whole or in part, and the Industry Member submits the trade report to one of FINRA's Trade Reporting Facilities, OTC Reporting Facility or Alternative Display Facility pursuant to applicable SRO rules, the Industry Member is not required to submit the SRO-Assigned Market Participant Identifier of the clearing broker pursuant to Rule 4.7(a)(2)(A)(ii); provided, however, if the Industry Member does not report the clearing number of the clearing broker to such FINRA facility for a trade, or does not report the unique trade identifier to the Central Repository as required by Rule 4.7(a)(2)(E)(i), then the Industry Member would be required to record and report to the Central Repository the clearing number of the clearing broker as well as information about the contra party to the trade beginning April 26, 2021 for Large Industry Members and Small Industry OATS Reporters and beginning December 13, 2021 for Small Industry Non-OATS Reporters; and

(iii) if the trade is cancelled and the Industry Member submits the cancellation to one of FINRA's Trade Reporting Facilities, OTC Reporting Facility or Alternative Display Facility pursuant to applicable SRO rules, the Industry Member is not required to submit the cancelled trade indicator pursuant to Rule 4.7(a)(2)(B), provided, however, if the Industry Member does not report a cancellation for a canceled trade to such FINRA facility,

or does not report the unique trade identifier as required by Rule 4.7(a)(2)(E)(i), then the Industry Member would be required to record and report to the Central Repository a cancelled trade indicator as well as a cancelled trade timestamp beginning June 22, 2020 for Large Industry Members and Small Industry OATS Reporters and beginning December 13, 2021 for Small Industry Non-OATS Reporters.

(F) an Allocation Report any time the Industry Member performs an Allocation to a Client Account, whether or not the Industry Member was the executing broker for the trade.

(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 Symbology

(1) For each exchange-listed Eligible Security, each Industry Member shall report Industry Member Data to the Central Repository using the symbology 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 symbology 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.

(f) Each Industry Member that operates an ATS that trades OTC Equity Securities shall provide to the Central Repository;

(1) the best bid and best offer for each OTC Equity Security traded on such ATS;

(2) an indication of whether each bid and offer for OTC Equity Securities was solicited or unsolicited; and

(3) the unpriced bids and offers for each OTC Equity Security traded on such ATS.

(Adopted by SR-BatsBZX-2017-08 eff. March 15, 2017; amended by SR-CboeBZX-2020-052 eff. June 22, 2020; amended by SR-CboeBZX-2021-013 eff. February 16, 2021).

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, the Transformed Value for individual tax payer identification number ("ITIN")/social security number ("SSN"), 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 6880.

(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, the Transformed Value for individual tax payer identification

number ("ITIN")/social security number ("SSN"), 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, the Transformed Value for individual tax payer identification number ("ITIN")/social security number ("SSN"), 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, the Transformed Value for individual tax payer identification number ("ITIN")/social security number ("SSN"), 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. Eastern Time on T+3.

(Adopted by SR-BatsBZX-2017-08 eff. March 15, 2017; amended by SR-CboeBZX-2020-052 eff. June 22, 2020).

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 by SR-BatsBZX-2017-08 eff. March 15, 2017).

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 up to nanoseconds; provided, that Industry Members that capture timestamps in increments more granular than nanoseconds must truncate the timestamps after the

nanosecond level for submission to CAT, rather than rounding such timestamps up or down, until April 8, 2025.

(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 by SR-BatsBZX-2017-08 eff. March 15, 2017; amended by SR-CboeBZX-2020-052 eff. June 22, 2020).

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 by SR-BatsBZX-2017-08 eff. March 15, 2017).

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 by SR-BatsBZX-2017-08 eff. March 15, 2017).

Rule 4.13. Consolidated Audit Trail – Development and Testing

(a) Development

(1) Industry Member file submission and data integrity testing for Phases 2a and 2b shall begin in December 2019.

(2) Industry Member testing of the Reporter Portal, including data integrity error correction tools and data submissions, shall begin in February 2020.

(3) The Industry Member test environment shall open with intra-firm linkage validations to Industry Members for both Phases 2a and 2b in April 2020.

(4) The Industry Member test environment shall open to Industry Members with inter-firm linkage validations for both Phases 2a and 2b in July 2020.

(5) The Industry Member test environment shall open to Industry Members with Phase 2c functionality (full representative order linkages) in January 2021.

(6) The Industry Member test environment shall open to Industry Members with Phase 2d functionality (manual options orders, complex options orders, and options allocations) in June 2021.

(7) Participant exchanges that support options market making quoting shall begin accepting Quote Sent Time on quotes from Industry Members no later than April 2020.

(8) The Industry Member test environment (customer and account information) will be open to Industry Members in January 2022.

(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 by SR-BatsBZX-2017-08 eff. March 15, 2017; amended by SR-CboeBZX-2020-052 eff. June 22, 2020).

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 by SR-BatsBZX-2017-08 eff. March 15, 2017).

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 by SR-BatsBZX-2017-08 eff. March 15, 2017).

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) ("Large Industry Member") shall record and report the Industry Member Data to the Central Repository, as follows:

(A) Phase 2a Industry Member Data by June 22, 2020;

(B) Phase 2b Industry Member Data by July 20, 2020;

(C) Phase 2c Industry Member Data by April 26, 2021;

(D) Phase 2d Industry Member Data by December 13, 2021; and

(E) Phase 2e Industry Member Data by July 11, 2022.

(2) Each Industry Member that is a Small Industry Member shall record and report the Industry Member Data to the Central Repository, as follows:

(A) Small Industry Members that are required to record or report information to FINRA's Order Audit Trail System pursuant to applicable SRO rules ("Small Industry OATS Reporter") to report to the Central Repository Phase 2a Industry Member Data by June 22, 2020.

(B) Small Industry Members that are not required to record or report information to FINRA's Order Audit Trail System pursuant to applicable SRO rules ("Small Industry Non-OATS Reporter") to report to the Central Repository Phase 2a Industry Member Data by December 13, 2021.

(C) Small Industry Members to report to the Central Repository Phase 2b Industry Member Data, Phase 2c Industry Member Data, and Phase 2d Industry Member Data by December 13, 2021; and

(D) Small Industry Members to report to the Central Repository Phase 2e Industry Member Data by July 11, 2022.

(3) Introducing Industry Members must comply with the requirements of the CAT NMS Plan applicable to Small Industry Members.

(Adopted by SR-BatsBZX-2017-08 eff. March 15, 2017; amended by SR-CboeBZX-2020-052 eff. June 22, 2020).

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 by SR-BatsBZX-2017-39 eff. August 30, 2017).

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, Non-Public Information

Each Member must establish, maintain and enforce written procedures reasonably designed, taking into consideration the nature of such Member's business, to prevent the misuse of material, non-public information by such Member or persons associated with such 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 for the calendar year end ITSFEA compliance acknowledgements stating that the procedures mandated by this Rule have been established, enforced and maintained. Any Member or associated person of a Member who becomes aware of a possible misuse of material, non-public information must notify the Exchange's Surveillance Department.

Interpretations and Policies

.01 For purposes of this Rule, conduct constituting the misuse of material, non-public information includes, but is not limited to, the following:

(a) 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

(b) 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

(c) 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.

.02 This Rule provides that, at a minimum, each Member establish, maintain, and enforce the following policies and procedures:

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

(b) All associated persons of the Member 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; and

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

(d) 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; the adequacy of each Member's policies and procedures will depend upon the nature of such Member's business.

(*Amended by SR-BATS-2010-003 eff. February 23, 2010)*.

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.

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 by SR-BatsBZX-2017-55 eff. October 11, 2017)

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 be final, 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).

(Amended by SR-CboeBZX-2020-040 eff. June 7, 2020).

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 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.

(Amended by SR-CboeBZX-2020-040 eff. June 7, 2020)

Rule 8.11. Judgment and Sanction

(a) *Sanctions*. Members and persons associated with Members shall (subject to any rule or order of the Securities and Exchange Commission) be appropriately disciplined by the CRO, Hearing Panel or committee of the Board, as applicable, for violations under these Rules by expulsion, suspension, limitation of activities, functions and operations, fine, censure, being suspended or barred from being associated with a Member, suspension or revocation of membership, or any other fitting sanction.

(b) *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.

(c) *Principal Considerations In Determining Sanctions*. To promote consistency and uniformity in the imposition of penalties, the following Principal Considerations in Determining Sanctions should be considered in connection with the imposition of sanctions in all cases in determining appropriate remedial sanctions through the resolution of disciplinary matters through offers of settlement or after formal disciplinary hearings.

(1) Disciplinary sanctions are remedial in nature. The CRO, Hearing Panel or committee of the Board, as applicable, should design sanctions to prevent and deter future misconduct by wrongdoers, to discourage others from engaging in similar misconduct, and to improve overall business standards of Exchange Members. Pursuant to Rule 8.11, the CRO, Hearing Panel or committee of the Board, as applicable, may impose sanctions including expulsion, suspension, limitation of activities, fine, censure, suspension or revocation of one or more Members, or any other fitting sanction.

(2) An important objective of the disciplinary process is to deter future misconduct by imposing progressively escalating sanctions on recidivists. The CRO, Hearing Panel or committee of the Board, as applicable, should consider a party's relevant disciplinary history in determining sanctions.

(3) The CRO, Hearing Panel or committee of the Board, as applicable, should consider prior similar disciplinary decisions (relevant precedent) in determining an appropriate sanction and may consider relevant precedent from other self-regulatory organizations.

(4) The CRO, Hearing Panel or committee of the Board, as applicable, should tailor sanctions to address the misconduct at issue. The CRO, Hearing Panel or committee of the Board, as applicable, should impose sanctions tailored to the misconduct at issue. For example, the CRO, Hearing Panel or committee of the Board, as applicable, may require a Member to, among other things: retain a qualified independent consultant to improve future compliance with regulatory requirements; disclose disciplinary history to new and/or existing clients; implement heightened supervision of certain employees; or requalify by examination in any or all registered capacities.

(5) Aggregation of violations may be appropriate in certain instances for purposes of determining sanctions. The CRO, Hearing Panel or committee of the Board, as applicable, may aggregate individual violations of particular rules and treat such violations as a single offense for purposes of determining sanctions. Aggregation may be appropriate when the Exchange utilizes a comprehensive surveillance program in the detection of potential rules violations. Aggregation may also be appropriate where the Exchange has reviewed activity over an extensive time period during the course of an investigation of matters disclosed either through a

routine examination of the Member or as the result of a complaint. Similarly, where no exceptional circumstances are present, the Exchange may 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.

(6) The CRO, Hearing Panel or committee of the Board, as applicable, should evaluate appropriateness of disgorgement and/or restitution. The CRO, Hearing Panel or committee of the Board, as applicable, should evaluate the appropriateness of disgorgement and/or restitution in those cases where the amount of harm is quantifiable and the harmed party is identifiable.

(7) The CRO, Hearing Panel or committee of the Board, as applicable, should consider contributions or settlements by a respondent or any related Member to the harmed party as it relates to the conduct that is the subject of the disciplinary matter.

(8) The CRO, Hearing Panel or committee of the Board, as applicable, may consider a party's inability to pay in connection with the imposition of monetary sanctions.

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 by SR-BatsBZX-2016-73 eff. November 3, 2016; amended by SR-CboeBZX-2020-040 eff. June 7, 2020).

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 11.19 requirement to identify short sale orders as such.

(c) Rule 11.20 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 11.8(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 BZX Options, as set forth in Rule 25.3 (Penalty for Minor Rule Violations).

Recommended Fine Amount for 8.15.01(i): see paragraph (i) below.

(i) For failures to comply with the Consolidated Audit Trail Compliance Rule requirements of Rules 4.5 through 4.16, the Exchange may impose a minor rule violation fine of up to $2,500.

(Amended by SR-BATS-2008-011 eff. November 25, 2008; amended by SR-BATS-2009-012 eff. May 20, 2009; amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2015-12 eff. March 5, 2015; amended by SR-BATS-2016-08 eff. March 11, 2016; amended by SR-CboeBZX-2020-056 eff. July 9, 2020).

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 sub-paragraph (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 sub-paragraph (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.

(*Amended by SR-BATS-2015-101 eff. February 18, 2016).*

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 by SR-BatsBZX-2016-73 eff. November 3, 2016).

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.

(*Amended by SR-BATS-2015-05 eff. February 13, 2015.)*

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.

(*Amended by SR-BATS-2015-05 eff. February 13, 2015.)*

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.

(*Amended by SR-BATS-2015-05 eff. February 13, 2015.)*

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 NASD 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.

(*Amended by SR-BATS-2015-05 eff. February 13, 2015.)*

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.

(*Amended by SR-BATS-2015-05 eff. February 13, 2015.)*

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.

(*Amended by SR-BATS-2015-05 eff. February 13, 2015.)*

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.

(*Amended by SR-BATS-2015-05 eff. February 13, 2015.)*

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 into the System from 2:30 a.m. until 8:00 p.m. Eastern Time. Orders entered between 2:30 a.m. and 4:00 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. At the commencement of the Early Trading Session, orders entered between 2:30 a.m. and 4:00 a.m. Eastern Time will become eligible for execution ("4:00 a.m. Start"), unless designated as eligible for execution during the Early Trading Session beginning at 7:00 a.m. Eastern Time ("7:00 a.m. Start"). Orders with a 7:00 a.m. Start designation may be entered between 2:30 a.m. and 7:00 a.m. Eastern Time. At each [S]start time that orders may become eligible for execution in the Early Trading Session (4:00 a.m. or 7:00 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 BZX Book, routed, cancelled, or executed in accordance with the terms of the order. The Exchange will not accept the following orders prior to 7:00 a.m. Eastern Time: BZX Post Only Orders, ISOs, BZX Market Orders that are not Stop Orders or Eligible Auction Orders as defined in Rule 11.23(a)(8), Minimum Quantity Orders that also include a Time in Force of Regular Hours Only, and all orders with a Time in Force 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 BZX Book, routed, cancelled, or executed in accordance with the terms of the order. Orders may be executed on the Exchange or routed away from the Exchange during Regular Trading Hours and during the Early Trading, Pre-Opening and After Hours Trading Sessions.

(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 Year's Day, Dr. Martin Luther King Jr. Day, Presidents Day, Good Friday, Memorial Day, Juneteenth National Independence 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.

(Amended by SR-BATS-2009-012 eff. May 20, 2009; amended by SR-BATS-2014-062 eff. November 28, 2014; amended by SR-BATS-2016-17 eff March 30, 2016; amended by SR-BATS-2016-14 eff. April 13, 2016); amended by SR-CboeBZX-2019-098 eff. December 19, 2019; amended by SR-CboeBZX-2020-005 eff. January 17, 2020; amended by SR-CboeBZX-2021-082 eff. December 6, 2021; amended by SR-CboeBZX-2025-046 eff. May 1, 2025).

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.

(Amended by SR-BATS-2015-37 eff. July 2, 2015).

Rule 11.3. Access

(a) *General*. The System shall be available for entry and execution of orders by Users with authorized access. Sponsored Access shall mean an arrangement whereby a Member permits its customer to enter orders into the System that bypass the Member's trading system and are routed directly to the Exchange, including routing through a service bureau or other third party technology provider. 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"). A Sponsored Access arrangement may only be established for the trading of equities.

(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 set forth in paragraphs (1)-(3) below.

(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:

(i) 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

(ii) 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.

(J) The authorized access must comply with Rule 15c3-5 under the Act.

(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.

(Amended by SR-CboeBZX-2023-015 eff. February 28, 2023).

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").

(Amended by SR-BATS-2009-003 eff. January 16, 2009; amended by SR-BATS-2013-046 eff. August 15, 2013; amended by SR-BATS-2015-118 eff. January 4, 2016; amended by SR-CboeBZX-2018-071 eff. October 1, 2018).

Rule 11.5. 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 11.8 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 11.6(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 11.5 or Rules 11.6 or 11.7 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.

(Amended by SR-BATS-2008-005 eff. September 19, 2008; amended by SR-BATS-2015-121 eff. January 28, 2016).

Rule 11.6. 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 the form prescribed by the Exchange.

(Amended by SR-BATS-2008-005 eff. September 19, 2008; amended by SR-BATS-2015-118 eff. January 4, 2016; amended by SR-BATS-2015-121 eff. January 28, 2016).

Rule 11.7. 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 11.7 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 11.7(c) may seek review under Chapter X of Exchange Rules governing adverse action.

(d) Nothing in this Rule 11.7 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 11.7.

(Amended by SR-BATS-2008-005 eff. September 19, 2008; amended by SR-BATS-2015-121 eff. January 28, 2016).

Rule 11.8. 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 11.8 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 11.8. Any

Member aggrieved by any determination under this Rule 11.8 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 BZX 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 of Rule 600 under 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 11.18(b) 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 11.18(b) 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 Marker 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.

(e) Lead Market Maker Program

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

(A) The term "ETP" means any security listed pursuant to Exchange Rule 14.11. An ETP participating in the Competitive Liquidity Provider Program under Exchange Rule 11.8 Interpretation and Policy .02 (the "CLP Program") shall not be eligible for participation in the Lead Market Maker Program under this paragraph (e) until and unless such ETP is no longer participating in the CLP Program. Any ETP listed after implementation of this Rule 11.8(e) shall not be eligible for participation in the CLP Program.

(B) The term "Listed Security" means any ETP or any Primary Equity Security or Closed-End Fund listed on the Exchange pursuant to Rule 14.8 or 14.9.

(C) The term "LMM" means a Market Maker registered with the Exchange for a particular LMM Security that has committed to maintain Minimum Performance Standards in the LMM Security.

(D) The term "LMM Security" means a Listed Security that has an LMM.

(E) The term "Minimum Performance Standards" means a set of standards applicable to an LMM that may be determined from time to time by the Exchange. Such standards will vary between LMM Securities depending on the price, liquidity, and volatility of the LMM Security in which the LMM is registered. The performance measurements will include: (A) percent of time at the NBBO; (B) percent of executions better than the NBBO; (C) average displayed size; and (D) average quoted spread. For Primary Equity Securities and Closed-End Funds, such Minimum Performance Standards will specifically include the following:

(i) For Primary Equity Securities, such Minimum Performance Standards will specifically include the following:

(a) Registration as a market maker in good standing with the Exchange;

(b) Time at the inside requirements, which, for Qualified Securities, require that an LMM maintain quotes at the NBB and the NBO at least 10% of Regular Trading Hours where the security has a consolidated average daily volume equal to or greater than 500,000 shares and at least 20% of Regular Trading Hours where the security has a consolidated average daily volume of less than 500,000 shares. For Enhanced Securities, an LMM must quote at the NBB and the NBO at least 10% of Regular Trading Hours where the security has a consolidated average daily volume equal to or greater than 500,000 shares and at least 20% of Regular Trading Hours where the security has a consolidated average daily volume of less than 500,000 shares;

(c) Auction participation requirements, which, for a Qualified Security, require that the Opening Auction price is within 4% of the last Reference Price, as defined in Rule 11.23(a)(19), and 4% for an Enhanced Security. For a Qualified Security, such requirements provide that the Closing Auction price must be within 3% of the last Reference Price and 3% for an Enhanced Security;

(d) Market-wide NBB and NBO spread and size requirements, which require 300 shares at both the NBB and NBO during at least 50% of Regular Trading Hours for both Qualified Securities and Enhanced Securities. For Qualified Securities, the NBBO spread of such shares must be no wider than 5%. For Enhanced Securities, the NBBO spread of such shares must be no wider than 5%; and

(e) Depth of book requirements requires at least $50,000 of displayed posted liquidity on both the buy and the sell side within the percentages described below during at least 90% of Regular Trading Hours. For Qualified Securities, such liquidity must be within 5% of both the NBB and NBO. For Enhanced Securities, such liquidity must be within 5% of both the NBB and NBO.

(ii) For Closed-End Funds, such Minimum Performance Standards will specifically include the following:

(a) Registration as a market maker in good standing with the Exchange;

(b) Time at the inside requirements, which, for Qualified Securities, require that an LMM maintain quotes at the NBB and the NBO at least 5% of Regular Trading Hours where the security has a

consolidated average daily volume equal to or greater than 500,000 shares and at least 15% of Regular Trading Hours where the security has a consolidated average daily volume of less than 500,000 shares. For Enhanced Securities, an LMM must quote at the NBB and the NBO at least 5% of Regular Trading Hours where the security has a consolidated average daily volume equal to or greater than 500,000 shares and at least 40% of Regular Trading Hours where the security has a consolidated average daily volume of less than 500,000 shares;

(c) Auction participation requirements, which, for a Qualified Security, require that the Opening Auction price is within 4% of the last Reference Price, as defined in Rule 11.23(a)(19), and 2% for an Enhanced Security. For a Qualified Security, such requirements provide that the Closing Auction price must be within 3% of the last Reference Price and 1% for an Enhanced Security;

(d) Market-wide NBB and NBO spread and size requirements, which require 300 shares at both the NBB and NBO during at least 50% of Regular Trading Hours for both Qualified Securities and Enhanced Securities. For Qualified Securities, the NBBO spread of such shares must be no wider than 2% for a security priced equal to or greater than $5 and no wider than 7% for a security priced less than $5. For Enhanced Securities, the NBBO spread of such shares must be no wider than 1% for securities priced equal to or greater than $5 and no wider than 2% for securities priced less than $5; and

(e) Depth of book requirements, which, for securities priced equal to or greater than $5 requires at least $150,000 of displayed posted liquidity on both the buy and the sell side within the percentages described below during at least 90% of Regular Trading Hours and, for securities priced less than $5, at least $50,000 of displayed posted liquidity on both the buy and the sell side within the percentages described below during at least 90% of Regular Trading Hours. For Qualified Securities, such liquidity must be within 2% of both the NBB and NBO for securities priced equal to or greater than $5 and within 7% of both the NBB and NBO for securities priced less than $5. For Enhanced Securities, such liquidity must be within 1% of both the NBB and NBO for securities priced equal to or greater than $5 and within 2% of both the NBB and NBO for securities priced less than $5.

(2) Lead Market Makers.

(A) LMMs shall be selected by the Exchange based on factors including, but not limited to, experience with making markets in the applicable security type, adequacy of capital, willingness to promote the Exchange as a marketplace, issuer

preference, operational capacity, support personnel, and history of adherence to Exchange rules and securities laws.

(B) The Exchange may limit the number of LMMs in a security or modify a previously established limit upon prior written notice to Members.

(C) If an LMM does not meet the Minimum Performance Standards for a given month, fees and credits will revert to standard equities pricing, as provided in the Exchange's fee schedule. If an LMM does not meet the Minimum Performance Standards for three out of the past four months, the LMM is subject to forfeiture of LMM status for that LMM Security, at the Exchange's discretion. An LMM must provide 30 days written notice if it wishes to withdraw its registration as an LMM in an LMM Security, unless it is also withdrawing as a market maker in the LMM Security.

Interpretations and Policies

.01 Reserved.

.02 Competitive Liquidity Provider Program

(a) For purposes of this Rule, a Competitive Liquidity Provider ("CLP") is a Member that electronically enters proprietary orders into the systems and facilities of the Exchange and is obligated to maintain a bid or an offer at the National Best Bid ("NBB") or the National Best Offer ("NBO") in each assigned security in round lots consistent with paragraph (g) below.

(b) *Incentives and Penalties for CLPs*. CLPs are subject to both a daily quoting requirement in order to be eligible to receive financial incentives and a monthly quoting requirement in order to remain qualified as a CLP. Any CLP that meets the daily quoting requirement set forth in paragraph (g) below, will be eligible to receive a daily financial rebate for each day's quoting activity. The details of the financial benefits to CLPs are included in paragraph (k) below. A CLP that does not meet the CLP monthly quoting requirement is subject to the non-regulatory penalty provision described in paragraph (j) below ("Non-Regulatory Penalties").

(c) *Qualifications of a CLP*. To qualify as a CLP, a Member must be a registered Market Maker in good standing with the Exchange consistent with Rules 11.5 through 11.8 and must have:

(1) Adequate technology to support electronic trading through the systems and facilities of the Exchange;

(2) One or more unique identifiers that identify to the Exchange CLP trading activity in assigned CLP securities. A Member may not use such unique identifiers for trading activity at the Exchange in assigned CLP securities that is not CLP trading activity, but may use the same unique identifiers for trading activity in securities not assigned to a CLP. If a Member does not identify to the Exchange the

unique identifier to be used for CLP trading activity, the Member will not receive credit for such CLP trading;

(3) Adequate trading infrastructure to support CLP trading activity, which includes support staff to maintain operational efficiencies in the CLP program and adequate administrative staff to manage the Member's participation in the CLP program;

(4) Quoting and volume performance that demonstrates an ability to meet the CLP quoting requirement in each assigned security on a daily and monthly basis; and

(5) A disciplinary history that is consistent with just and equitable business practices.

(d) *Securities Eligible for the CLP Program*.

(1) Corporate Issues. Any Exchange-listed security that is listed on the Exchange pursuant to Rule 14.8 (relating to Tier I securities) or Rule 14.9 (relating to Tier II securities) shall be eligible for the CLP Program unless and until such security has had a consolidated average daily volume ("CADV") of equal to or greater than 2 million shares for two (2) consecutive calendar months during the first three (3) years the security is subject to the CLP Program; or (2) has been subject to the CLP Program for three (3) years.

(2) Exchange Traded Products. Any Exchange-listed security that is listed on the Exchange pursuant to Rule 14.11 (relating to exchange traded funds and other exchange traded products (collectively, "ETPs")) prior to the implementation of Rule 11.8(e), entitled Lead Market Maker Program and is participating in the CLP Program, shall remain eligible for the CLP Program until the first of: (1) such security has had a CADV of equal to or greater than 2 million shares for two (2) consecutive calendar months during the first three (3) years the security is subject to the CLP Program, provided, however, that any ETP initially listed on the Exchange shall be eligible for the CLP Program for the first six months that it is listed on the Exchange, regardless of the ETP's CADV; (2) such security has been subject to the CLP Program for three (3) years; or (3) December 31, 2014. ETPs listed on the Exchange after the implementation of the Lead Market Maker Program will not be eligible for participation in the CLP Program.

(e) *Application Process*.

(1) To become a CLP, a Member must submit a CLP application form with all supporting documentation to the Exchange.

(2) The Exchange will determine whether an applicant is qualified to become a CLP based on the qualifications described in paragraph (c) above ("Qualifications of a Competitive Liquidity Provider").

(3) After an applicant submits a CLP application to the Exchange, with supporting documentation, the Exchange shall notify the applicant Member of its decision.

(4) If an applicant is approved by the Exchange to receive CLP status, such applicant must establish connectivity with relevant Exchange systems before such applicant will be permitted to trade as a CLP on the Exchange.

(5) In the event an applicant is disapproved by the Exchange, such applicant may seek review under Chapter X of the Exchange's Rules governing adverse action and/or reapply for CLP status at least three (3) calendar months following the month in which the applicant received the disapproval notice from the Exchange.

(f) *Voluntary Withdrawal of CLP Status*. A CLP may withdraw from the status of a CLP by giving notice to the Exchange. Such withdrawal shall become effective when those securities assigned to the withdrawing CLP are reassigned to another CLP. After the Exchange receives the notice of withdrawal from the withdrawing CLP, the Exchange will reassign such securities as soon as practicable but no later than thirty (30) days after the date said notice is received by the Exchange. In the event the reassignment of securities takes longer than the 30-day period, the withdrawing CLP will have no obligations under this Interpretation and Policy .02 and will not be held responsible for any matters concerning its previously assigned CLP securities upon termination of this 30-day period.

(g) *CLP Quoting Requirements*.

(1) The Exchange will measure the performance of a CLP in assigned securities by calculating Size Event Tests ("SETs") between 9:25 a.m. and 4:05 p.m. on every day on which the Exchange is open for business. The Exchange will measure each CLP's quoted size, excluding odd lots, at the NBB and NBO at least once per second to determine SETs. The three CLPs with the greatest aggregate size at the NBB at the time of each SET (a "Bid SET") will be considered to have a winning Bid SET (a "Winning Bid SET"). In the event of a tie, all CLPs with the same aggregate size at the NBB will be considered to have a Winning Bid SET if there are two or less CLPs that have greater aggregate size at the NBB. Of the CLPs with a Winning Bid SET for a particular Bid SET, all CLPs with the greatest aggregate size at the NBB will receive three (3) Bid SET credits ("Bid SET Credits"); all CLPs with the second greatest aggregate size at the NBB will receive two (2) Bid SET Credits; and all CLPs with the third greatest aggregate size at the NBB will receive one (1) Bid SET Credit. Separately, the three CLPs with the greatest aggregate size at the NBO at the time of each SET (an "Offer SET") will be considered to have a winning Offer SET (a "Winning Offer SET"). In the event of a tie, all CLPs with the same aggregate size at the NBO will be considered to have a Winning Offer SET if there are two or less CLPs that have greater aggregate size at the NBO. Of the CLPs with a Winning Offer SET for a particular Offer SET, the CLPs with the greatest aggregate size at the NBO will receive three (3) Offer SET credits ("Offer SET Credits"); the CLPs with the second greatest aggregate size at

the NBO will receive two (2) Offer SET Credits; and the CLPs with the third greatest aggregate size at the NBO will receive one (1) Offer SET Credit.

(A) Daily Quoting Requirement. A CLP must have Winning Bid SETs or Winning Offer SETs equal to at least 10% of the total Bid SETs or total Offer SETs, respectively, on any trading day in order to meet its daily quoting requirement and to be eligible for the daily rebates (each such CLP an "Eligible CLP") for a security, as described in sub-paragraph (k)(1). Eligible CLPs will be ranked according to the number of Bid SET Credits and Offer SET Credits each trading day, and only the Eligible CLP or Eligible CLPs ranked number one, and in some cases as described in paragraph (k)(1), the Eligible CLP ranked number two, in each of the Bid SET Credits and Offer SET Credits will receive the daily rebate.

(B) Monthly Quoting Requirement. A CLP must be quoting at the NBB or the NBO 10% of the time the Exchange calculates SETs to meet its monthly quoting requirement.

(2) For purposes of calculating whether a CLP is in compliance with its CLP quoting requirements, the CLP must post displayed liquidity in round lots in its assigned securities at the NBB or the NBO.

(3) A CLP may post non-displayed liquidity; however, such liquidity will not be counted as credit towards the CLP quoting requirements.

(4) The CLP shall not be subject to any minimum or maximum quoting size requirement in assigned securities apart from the requirement that an order be for at least one round lot; however, the CLP must be quoting, at a minimum, the number of shares in five round lots (usually 500 shares), excluding odd lots, at the NBB or NBO at the time of a SET in order to have a Winning Bid SET or Winning Offer SET, respectively. The CLP quoting requirements will be measured by utilizing the unique identifiers that the Member has identified for CLP trading activity.

(5) In order for a CLP to have a Winning Bid SET during Regular Trading Hours, the CLP must also be quoting at least a displayed round lot offer, excluding odd lots, at a price at or within 1.2% of the CLP's bid at the time of the SET. For a CLP to have a Winning Offer SET during Regular Trading Hours, the CLP must also be quoting at least a displayed round lot bid, excluding odd lots, at a price at or within 1.2% of the CLP's offer at the time of the SET.

(h) *Assignment of Securities*.

(1) The Exchange, in its discretion, will assign to the CLP one or more securities consisting of Exchange-listed securities for CLP trading purposes. The Exchange shall determine the number of Exchange-listed securities within the group of securities assigned to each CLP.

(2) The Exchange, in its discretion, will assign one (1) or more CLPs to each security subject to the CLP Program, depending upon the trading activity of the security. The Exchange will restrict the CLPs assigned to any newly issued security that is listed on the Exchange pursuant to Rule 14.11, which relates to ETPs, to those Members that have actively participated in the development or funding of such product. This restriction will remain in effect for six (6) months following the initial offering of the ETP on the Exchange after which time there will be no limitation on the Members that can be assigned as CLPs for such a product.

(i) *Entry of Orders by CLPs*. CLPs may only enter orders electronically directly into Exchange systems and facilities designated for this purpose. All CLP orders must only be for the proprietary account of the CLP Member.

(j) *Non-Regulatory Penalties*.

(1) If a CLP fails to meet the CLP quoting requirements set forth in paragraph (g), the following non-regulatory penalties may be imposed by the Exchange:

(A) If, between 9:25 a.m. and 4:05 p.m. on any day on which the Exchange is open for business, fails to meet its daily quoting requirement as set forth in sub-paragraph (g)(1)(A) above by failing to have at least 10% of the winning SETs for that trading day, the CLP will not be eligible to receive a financial rebate for that day's quoting activity in that particular assigned security in accordance with sub-paragraph (k)(1); and

(B) If a CLP fails to meet its monthly quoting requirement as set forth in sub-paragraph (g)(1)(B) above for three (3) consecutive months in any assigned security, the CLP will be at risk of losing its CLP status, and the Exchange may, in its discretion, take the following non-regulatory actions:

(i) revoke the assignment of the affected security(ies) and/or one or more additional unaffected securities; or

(ii) subject to sub-paragraph (j)(2) below, disqualify a Member's status as a CLP.

(2) The Exchange shall determine if and when a Member is disqualified from its status as a CLP. One (1) calendar month prior to any such determination, the Exchange will notify the CLP of such impending disqualification in writing. If the CLP fails to meet the monthly quoting requirements set forth in sub-paragraph (g)(1)(B) above (for a third consecutive month) in a particular security, the CLP may be disqualified from CLP status. When disqualification determinations are made, the Exchange will provide a disqualification notice to the Member informing such Member that it has been disqualified as a CLP.

(3) In the event a Member is determined to be ineligible for a financial rebate pursuant to sub-paragraph (i)(2)(A) or is disqualified from its status as a CLP

pursuant to sub-paragraph (i)(1)(B), such Member may seek review under Chapter X of the Exchange's Rules governing adverse action. Any Member disqualified from its status as a CLP pursuant to sub-paragraph (i)(1)(B)(ii) may re-apply for CLP status in accordance with paragraph (e) ("Application Process") above. Such application process shall occur at least three (3) calendar months following the month in which such Member received its disqualification notice.

(k) *Financial Incentives for CLPs*.

(1) *Daily Rebates*. Eligible CLPs, as defined in sub-paragraph (g)(1)(A) above, shall compete for daily financial rebates based on each day's quoting activity as follows:

Class of Security	Amount of Total Daily Rebate	Allocation of Daily Rebate*
Tier I Securities Listed on the Exchange Pursuant to Rule 14.8 for Six Months Commencing from the Date of Initial Listing on the Exchange	$500 per day: $250 for Bid SETs and $250 for Offer SETs	CLPs with highest and second highest number of Bid SET Credits** will receive a daily financial rebate of $150 and $100, respectively; CLPs with highest and second highest number of Offer SET Credits will receive a daily financial rebate of $150 and $100, respectively
Tier I Securities Listed on the Exchange Pursuant to Rule 14.8 for Remaining Time Subject to CLP Program	$250 per day: $125 for Bid SETs and $125 for Offer SETs	CLPs with highest and second highest number of Bid SET Credits will receive a daily financial rebate of $75 and $50, respectively; CLPs with highest and second highest number of Offer SET Credits will receive a daily financial rebate of $75 and $50, respectively
Tier II Securities Listed on the Exchange Pursuant to Rule 14.9	$100 per day: $50 for Bid SETs and $50 for Offer SETs	100% to CLP with highest number of Bid SET Credits; 100% to CLP with highest number of Offer SET Credits

ETPs Listed Pursuant to Rule 14.11	$250 per day: $125 for Bid SETs and $125 for Offer SETs	CLPs with highest and second highest number of Bid SET Credits will receive a daily financial rebate of $75 and $50, respectively; CLPs with highest and second highest number of Offer SET Credits will receive a daily financial rebate of $75 and $50, respectively

* In the event only one CLP is eligible for the daily rebate, 100% of such rebate will be provided to such CLP. In the event that multiple CLPs have an equal number of Bid SET Credits or Offer SET Credits, the CLP with the highest executed volume in the security will be awarded the applicable daily rebate.

** Size Event Tests, or SETs, are defined in paragraph (g) above.

.03 Supplemental Competitive Liquidity Provider Program for Exchange Traded Products

(a) Overview. The Supplemental Competitive Liquidity Provider Program for Exchange Traded Products ("ETP CLP Program") is a voluntary program designed to promote market quality in certain securities listed on the Exchange. A CLP Company, as defined below, may list an eligible CLP Security, as defined below, on the Exchange, and in addition to the standard listing fee set forth in the fee schedule, a Sponsor, as defined below, may pay a fee (a "CLP Fee") in order for the CLP Company to participate in the ETP CLP Program on behalf of an eligible CLP Security. The CLP Fee will be used for the purpose of incentivizing one or more ETP CLPs, as defined below, to enhance the market quality of the CLP Security. Subject to the conditions set forth in this rule, this incentive (the "CLP Rebate") will be credited from the General Fund of the Exchange to one or more ETP CLPs that make a quality market in the CLP Security pursuant to the ETP CLP Program.

(b) *Definitions.* For purposes of this Rule, the terms set forth below shall have the following meanings:

(1) The term "ETP CLP" means a Member that electronically enters proprietary orders into the systems and facilities of the Exchange and is obligated to maintain a bid or an offer at the NBBO in each assigned CLP Security in round lots consistent with paragraph (i) below.

(2) The term "CLP Company" means the trust or company housing the ETP or, if the ETP is not a series of a trust or company, then the ETP itself. For ETPs housed by CLP Companies that have Sponsors, CLP Fees for CLP Securities will be paid by the Sponsors associated with the CLP Companies.

(3) The term "CLP Security" means an issue of or series of ETP securities issued by a CLP Company that meets all of the requirements to be listed on the Exchange as an ETP.

(4) The term "ETP" includes Portfolio Depository Receipts, Index Fund Shares, Trust Issued Receipts, and Managed Fund Shares, as defined in Rule 14.11(b), 14.11(c), 14.11(f), and 14.11(i), respectively.

(5) The term "Sponsor" means the registered investment adviser that provides investment management services to a CLP Company or any of such adviser's parents or subsidiaries.

(c) Application and withdrawal of CLP Companies.

(1) Application. An entity wishing to participate in the ETP CLP Program must submit an application in the form prescribed by the Exchange.

(2) Withdrawal.

(A) After a CLP Company, on behalf of a CLP Security, is in the ETP CLP Program for not less than two consecutive quarters, but less than one year, it may voluntarily withdraw from the ETP CLP Program on a quarterly basis. The CLP Company must notify the Exchange in writing not less than one month prior to withdrawing from the ETP CLP Program. Notwithstanding, the Exchange may determine to allow a CLP Company to withdraw from the ETP CLP Program earlier. In making this determination, the Exchange may take into account the volume and price movements in the CLP Security; the liquidity, size quoted, and quality of the market in the CLP Security; and any other relevant factors.

(B) After a CLP Company, on behalf of a CLP Security, is in the ETP CLP Program for one year or more, it may voluntarily withdraw from the ETP CLP Program on a monthly basis. The CLP Company must notify the Exchange in writing not less than one month prior to withdrawing from the ETP CLP Program.

(3) After a CLP Company, on behalf of a CLP Security, is in the ETP CLP Program for one year, the ETP CLP Program and all obligations and requirements of the ETP CLP Program will automatically continue on an annual basis unless: (1) the Exchange terminates the ETP CLP Program by providing not less than one month prior notice of intent to terminate or the pilot ETP CLP Program is not extended or made permanent pursuant to a proposed rule change subject to filing with or approval by the Commission under Section 19(b) of the Exchange Act; (2) the CLP Company withdraws from the ETP CLP Program pursuant to subsection (c)(2) of this rule; or (3) the CLP Company is terminated from the ETP CLP Program pursuant to subsection (n) of this rule.

(d) CLP Company Participation and Fee Liability.

(1) For a CLP Company, on behalf of a CLP Security, to be eligible to participate in the ETP CLP Program, the following conditions must be satisfied:

(A) The Exchange must have accepted the ETP CLP Program application of the CLP Company with respect to a CLP Security, and must have accepted the ETP CLP Program application of at least one ETP CLP in the same CLP Security;

(B) The CLP Security must meet all requirements to be listed on the Exchange as an ETP;

(C) The CLP Security must meet all Exchange requirements for continued listing at all times the CLP Security participates in the ETP CLP Program; and

(D) During such time that a CLP Company lists a CLP Security, the CLP Company must, on a product-specific website for each product, indicate that the product is in the ETP CLP Program and provide a link to the Exchange's ETP CLP Program website.

(2) CLP Fees.

(A) A CLP Company participating in the ETP CLP Program shall incur an annual basic CLP Fee of $5,000 per CLP Security. The basic CLP Fee must be paid to the Exchange prospectively on a quarterly basis.

(B) A CLP Company may also incur an annual supplemental CLP Fee per CLP Security. The basic CLP Fee and supplemental CLP Fee, when combined, may not exceed $100,000 per year. The supplemental CLP Fee is a fee selected by a CLP Company on an annual basis, if at all. The supplemental CLP Fee must be paid to the Exchange prospectively on a quarterly basis.

(i) The amount of the supplemental CLP Fee, if any, will be determined by the CLP Company initially per CLP Security and will remain the same for the period of a year.

(ii) The Exchange will provide notification on its website regarding the amount, if any, of any supplemental CLP Fee determined by a CLP Company per CLP Security.

(C) The CLP Fee is in addition to the standard (non-ETP CLP Program) Exchange listing fee applicable to the CLP Security and does not offset such standard listing fee.

(i) For a CLP Security housed by a CLP Company that has a Sponsor or Sponsors, the CLP Fee with respect to a CLP Security shall be paid by the Sponsor or Sponsors of such CLP Security.

(D) The Exchange will prospectively bill each CLP Company for the quarterly CLP Fee for each CLP Security.

(E) CLP Fees (basic and supplemental) will be credited to the General Fund of the Exchange.

(3) Exchange Traded Products. Any CLP Company, on behalf of a CLP Security, shall be eligible for the ETP CLP Program unless and until such CLP Security has had a CADV of equal to or greater than one million shares for three (3) consecutive calendar months. Any CLP Security initially listed on the Exchange shall be eligible for the ETP CLP Program for the first six months that it is listed on the Exchange, regardless of the ETP's CADV. Notwithstanding the foregoing, an ETP participating in the Competitive Liquidity Provider Program under Exchange Rule 11.8 Interpretation and Policy .02 (the ".02 Program") shall not be eligible for participation in this ETP CLP Program until and unless such ETP is no longer participating in the .02 Program.

(4) A CLP Company that, on behalf of a CLP Security, is approved to participate in the ETP CLP Program shall issue a press release to the public when the CLP Company, on behalf of a CLP Security, commences or ceases participation in the ETP CLP Program. The press release shall be in a form and manner prescribed by the Exchange, and, if practicable, shall be issued at least two days before commencing or ceasing participation in the ETP CLP Program. The CLP Company shall dedicate space on its website, or, if it does not have a website, on the website of the Sponsor of the CLP Security, that (i) includes any such press releases, and (ii) provides a hyperlink to the dedicated page on the Exchange's website that describes the ETP CLP Program, as described in paragraph (o) below.

(e) *Incentives and Penalties for ETP CLPs*. ETP CLPs are subject to both a daily quoting requirement in order to be eligible to receive financial incentives and a monthly quoting requirement in order to remain qualified as an ETP CLP. Any ETP CLP that meets the daily quoting requirement set forth in paragraph (i) below, will be eligible to receive a CLP Rebate for each day's quoting activity. The details of the financial benefits to ETP CLPs are included in paragraph (m) below. An ETP CLP that does not meet the ETP CLP monthly quoting requirement is subject to the non-regulatory penalty provision described in paragraph (l) below ("Non-Regulatory Penalties").

(f) *Qualifications of an ETP CLP*. To qualify as an ETP CLP, a Member must be a registered Market Maker in good standing with the Exchange consistent with Rules 11.5 through 11.8 and must have:

(1) Adequate technology to support electronic trading through the systems and facilities of the Exchange;

(2) One or more unique identifiers that identify to the Exchange ETP CLP trading activity in assigned CLP Securities. A Member may not use such unique identifiers for trading activity at the Exchange in assigned CLP Securities

that is not ETP CLP trading activity, but may use the same unique identifiers for trading activity in securities not assigned to an ETP CLP. If a Member does not identify to the Exchange the unique identifier to be used for ETP CLP trading activity, the Member will not receive credit for such ETP CLP trading;

(3) Adequate trading infrastructure to support ETP CLP trading activity, which includes support staff to maintain operational efficiencies in the ETP CLP Program and adequate administrative staff to manage the Member's participation in the ETP CLP Program;

(4) Quoting and volume performance that demonstrates an ability to meet the ETP CLP quoting requirement in each assigned CLP Security on a daily and monthly basis; and

(5) A disciplinary history that is consistent with just and equitable business practices.

(g) *Application Process.*

(1) To become an ETP CLP, a Member must submit an ETP CLP application form with all supporting documentation to the Exchange.

(2) The Exchange will determine whether an applicant is qualified to become an ETP CLP based on the qualifications described in paragraph (f) above ("Qualifications of an ETP CLP").

(3) After an applicant submits an ETP CLP application to the Exchange, with supporting documentation, the Exchange shall notify the applicant Member of its decision.

(4) If an applicant is approved by the Exchange to receive ETP CLP status, such applicant must establish connectivity with relevant Exchange systems before such applicant will be permitted to trade as an ETP CLP on the Exchange.

(5) In the event an applicant is disapproved by the Exchange, such applicant may seek review under Chapter X of the Exchange's Rules governing adverse action and/or reapply for ETP CLP status at least three (3) calendar months following the month in which the applicant received the disapproval notice from the Exchange.

(h) *Voluntary Withdrawal of ETP CLP Status.* An ETP CLP may withdraw from the status of an ETP CLP by giving written notice to the Exchange. Such withdrawal shall become effective when those CLP Securities assigned to the withdrawing ETP CLP are reassigned to another ETP CLP. After the Exchange receives the notice of withdrawal from the withdrawing ETP CLP, the Exchange will reassign such CLP Securities as soon as practicable but no later than thirty (30) days after the date said notice is received by the Exchange. In the event the reassignment of CLP Securities takes longer than the 30-day period, the withdrawing ETP CLP will have no obligations under this Interpretation and Policy .03

and will not be held responsible for any matters concerning its previously assigned CLP Securities upon termination of this 30-day period.

(i) *ETP CLP Quoting Requirements.*

(1) The Exchange will measure the performance of an ETP CLP in assigned CLP Securities by calculating Size Event Tests ("SETs") between 9:25 a.m. and 4:05 p.m. on every day on which the Exchange is open for business. The Exchange will measure each ETP CLP's quoted size, excluding odd lots, at the NBB and NBO at least once per second to determine SETs. The three ETP CLPs with the greatest aggregate size at the NBB at the time of each SET (a "Bid SET") will be considered to have a winning Bid SET (a "Winning Bid SET"). In the event of a tie, all ETP CLPs with the same aggregate size at the NBB will be considered to have a Winning Bid SET if there are two or less CLPs that have greater aggregate size at the NBB. Of the ETP CLPs with a Winning Bid SET for a particular Bid SET, the ETP CLPs with the greatest aggregate size at the NBB will receive three (3) Bid SET credits ("Bid SET Credits"); the ETP CLPs with the second greatest aggregate size at the NBB will receive two (2) Bid SET Credits; and the ETP CLPs with the third greatest aggregate size at the NBB will receive one (1) Bid SET Credit. Separately, the three ETP CLPs with the greatest aggregate size at the NBO at the time of each SET (an "Offer SET") will be considered to have a winning Offer SET (a "Winning Offer SET"). In the event of a tie, all ETP CLPs with the same aggregate size at the NBO will be considered to have a Winning Offer SET if there are two or less CLPs that have greater aggregate size at the NBO. Of the ETP CLPs with a Winning Offer SET for a particular Offer SET, the ETP CLPs with the greatest aggregate size at the NBO will receive three (3) Offer SET credits ("Offer SET Credits"); the ETP CLPs with the second greatest aggregate size at the NBO will receive two (2) Offer SET Credits; and the ETP CLPs with the third greatest aggregate size at the NBO will receive on (1) Offer SET Credit.

(A) Daily Quoting Requirement. An ETP CLP must have Winning Bid SETs or Winning Offer SETs equal to at least 10% of the total Bid SETs or total Offer SETs, respectively, on any trading day in order to meet its daily quoting requirement and to be eligible for the CLP Rebate (each such ETP CLP an "Eligible ETP CLP") for a CLP Security, as described in sub-paragraph (m)(1). Eligible ETP CLPs will be ranked according to the number of Bid SET Credits and Offer SET Credits each trading day, and only the Eligible ETP CLP or Eligible ETP CLPs ranked number one and the Eligible ETP CLP or Eligible ETP CLPs ranked number two in each of the Bid SET Credits and Offer SET Credits will receive the CLP Rebate.

(B) Monthly Quoting Requirement. An ETP CLP must be quoting at the NBB or the NBO 10% of the time the Exchange calculates SETs to meet its monthly quoting requirement.

(2) For purposes of calculating whether an ETP CLP is in compliance with its ETP CLP quoting requirements, the ETP CLP must post displayed liquidity in round lots in its assigned CLP Securities at the NBB or the NBO.

(3) An ETP CLP may post non-displayed liquidity; however, such liquidity will not be counted as credit towards the ETP CLP quoting requirements.

(4) The ETP CLP shall not be subject to any minimum or maximum quoting size requirement in assigned CLP Securities apart from the requirement that an order be for at least one round lot; however, the ETP CLP must be quoting, at a minimum, the number of shares in five round lots (usually 500 shares), excluding odd lots, at the NBB or NBO at the time of a SET in order to have a Winning Bid SET or Winning Offer SET, respectively. The ETP CLP quoting requirements will be measured by utilizing the unique identifiers that the Member has identified for ETP CLP trading activity.

(5) In order for an ETP CLP to have a Winning Bid SET during Regular Trading Hours, the ETP CLP must also be quoting at least a displayed round lot offer, excluding odd lots, at a price at or within 1.2% of the ETP CLP's bid at the time of the SET. For an ETP CLP to have a Winning Offer SET during Regular Trading Hours, the ETP CLP must also be quoting at least a displayed round lot bid, excluding odd lots, at a price at or within 1.2% of the ETP CLP's offer at the time of the SET.

(j) *Assignment of CLP Securities.*

(1) The Exchange, in its discretion, will assign to the ETP CLP one or more CLP Securities for ETP CLP trading purposes. The Exchange shall determine the number of CLP Securities assigned to each ETP CLP.

(2) The Exchange, in its discretion, will assign one (1) or more ETP CLPs to each CLP Security subject to the ETP CLP Program, depending upon the trading activity of the CLP Security.

(k) *Entry of Orders by ETP CLPs.* ETP CLPs may only enter orders electronically directly into Exchange systems and facilities designated for this purpose. All ETP CLP orders must only be for the proprietary account of the ETP CLP Member.

(l) *Non-Regulatory Penalties.*

(1) If an ETP CLP fails to meet the ETP CLP quoting requirements set forth in paragraph (i), the following non-regulatory penalties may be imposed by the Exchange:

(A) If, between 9:25 a.m. and 4:05 p.m. on any day on which the Exchange is open for business, an ETP CLP fails to meet its daily quoting requirement as set forth in sub-paragraph (i)(1)(A) above by failing to have at least 10% of the Winning Bid SETs or Winning Offer SETs for that trading day, the ETP

CLP will not be eligible to receive a CLP Rebate for that day's quoting activity in that particular assigned CLP Security in accordance with sub-paragraph (m)(1); and

(B) If an ETP CLP fails to meet its monthly quoting requirement as set forth in sub-paragraph (i)(1)(B) above for three (3) consecutive months in any assigned CLP Security, the ETP CLP will be at risk of losing its ETP CLP status, and the Exchange may, in its discretion, take the following non-regulatory actions:

(i) revoke the assignment of the affected CLP Security(ies) and/or one or more additional unaffected CLP Securities; or

(ii) subject to sub-paragraph (l)(2) below, disqualify a Member's status as an ETP CLP.

(2) The Exchange shall determine if and when a Member is disqualified from its status as an ETP CLP. One (1) calendar month prior to any such determination, the Exchange will notify the ETP CLP of such impending disqualification in writing. If the ETP CLP fails to meet the monthly quoting requirements set forth in sub-paragraph (i)(1)(B) above (for a third consecutive month) in a particular CLP Security, the ETP CLP may be disqualified from ETP CLP status. When disqualification determinations are made, the Exchange will provide a disqualification notice to the Member informing such Member that it has been disqualified as an ETP CLP.

(3) In the event a Member is determined to be ineligible for the CLP Rebate pursuant to sub-paragraph (l)(1)(A) or is disqualified from its status as an ETP CLP pursuant to sub-paragraph (l)(1)(B), such Member may seek review under Chapter X of the Exchange's Rules governing adverse action. Any Member disqualified from its status as an ETP CLP pursuant to sub-paragraph (l)(1)(B)(ii) may re-apply for ETP CLP status in accordance with paragraph (g) ("Application Process") above. Such application process shall occur at least three (3) calendar months following the month in which such Member received its disqualification notice.

(m) *Financial Incentives for ETP CLPs.*

(1) *CLP Rebates.* Eligible ETP CLPs, as defined in sub-paragraph (i)(1)(A) above, shall compete for CLP Rebates based on each day's quoting activity as follows:

Class of Security	Amount of Total Daily CLP Rebate	Allocation of Daily CLP Rebate*
CLP Securities Listed Pursuant to Rule 14.11(b), (c), (f), and (i)	One quarter of total annual CLP Fees for the CLP Security divided by the number of trading	For CLP Securities in which the CLP Fee is equal to or greater than $40,000 and for which there are three Eligible ETP CLPs, the ETP CLPs with the highest,

	days in the current quarter	second highest, and third highest number of Bid Set Credits** will receive 50%, 30%, and 20%, respectively, of half of the daily CLP Rebate for the CLP Security; For all other CLP Securities, ETP CLPs with highest and second highest number of Bid SET Credits will receive 60% and 40%, respectively, of half of the daily CLP Rebate for the CLP Security; For CLP Securities in which the CLP Fee is equal to or greater than $40,000 and for which there are three Eligible ETP CLPs, the ETP CLPs with the highest, second highest, and third highest number of Offer Set Credits will receive 50%, 30%, and 20%, respectively, of half of the daily CLP Rebate for the CLP Security; For all other CLP Securities, ETP CLPs with highest and second highest number of Offer SET Credits will receive 60% and 40%, respectively, of half of the daily CLP Rebate for the CLP Security.

* In the event only one ETP CLP is eligible for the bid or offer portion of the CLP Rebate, 100% of such rebate will be provided to such ETP CLP. In the event that multiple ETP CLPs have an equal number of Bid SET Credits or Offer SET Credits, the ETP CLP with the highest executed volume in the CLP Security will be awarded the applicable portion of the CLP Rebate. Where no ETP CLPs are eligible for the bid or offer portion of the CLP Rebate, no CLP Rebate will be awarded to any ETP CLP and no refund will be provided to the applicable CLP Company or its Sponsor.

** Size Event Tests, or SETs, are defined in paragraph (i) above.

(n) Termination.

(1) The ETP CLP Program will terminate with respect to a CLP Security under the following circumstances:

(A) A CLP Security sustains a CADV of one million shares or more for three (3) consecutive months, however, any CLP Security initially listed on the Exchange shall be eligible for the ETP CLP Program for the first six months that it is listed on the Exchange, regardless of the CLP Security's CADV;

(B) A CLP Company, on behalf of a CLP Security, withdraws from the ETP CLP Program, is no longer eligible to be in the ETP CLP Program pursuant to this rule, or its Sponsor ceases to make CLP Fee payments to the Exchange;

(C) A CLP Security is delisted or is no longer eligible for the ETP CLP Program;

(D) A CLP Security does not, for two consecutive quarters, have at least one ETP CLP that is eligible for a CLP Rebate.

(2) Termination of a CLP Company, CLP Security, or ETP CLP does not preclude the Exchange from allowing re-entry into the ETP CLP Program where the Exchange deems proper.

(o) The Exchange will provide notification on its website regarding the following:

(1) Acceptance of a CLP Company, on behalf of a CLP Security, and an ETP CLP into the ETP CLP Program;

(2) The total number of CLP Securities that any one CLP Company may have in the ETP CLP Program;

(3) The names of CLP Securities and the ETP CLP(s) in each CLP Security, the dates that a CLP Company, on behalf of a CLP Security, commences participation in and withdraws or is terminated from the ETP CLP Program, and the name of each CLP Company and the associated CLP Securities on behalf of which it is participating in the ETP CLP Program;

(4) A statement about the ETP CLP Program that sets forth a general description of the ETP CLP Program as implemented on a pilot basis and a fair and balanced summation of the potentially positive aspects of the ETP CLP Program (e.g. enhancement of liquidity and market quality in CLP Securities) as well as the potentially negative aspects and risks of the ETP CLP Program (e.g. possible lack of liquidity and negative price impact on CLP Securities that are withdrawn or are terminated from the ETP CLP Program), and indicates how interested parties can get additional information about CLP Securities in the ETP CLP Program; and

(5) The intent of a CLP Company, on behalf of a CLP Security, or ETP CLP to withdraw from the ETP CLP Program, and the date of actual withdrawal or termination from the ETP CLP Program.

(p) The ETP CLP Program will be effective for a pilot period set to expire on July 31, 2017.

(Amended by SR-BATS-2008-005 eff. September 19, 2008; amended by SR-BATS-2009-002 eff. January 15, 2009; amended by SR-BATS-2009-012 eff. May 20, 2009; amended by SR-BATS-2010-025 eff. December 6, 2010; amended by Amendment 1 to SR-BATS-2010-025 eff. December 6, 2010; amended by SR-BATS-2011-016 eff. August 8, 2011; amended by Amendment 1 to SR-BATS-2011-016 eff. August 8, 2011; amended by SR-BATS-2011-051 eff. February 2, 2012; amended by SR-BATS-2012-011 eff. February 8, 2012; amended by SR-BATS-2012-036 eff. August 31, 2012; amended by SR-BATS-2013-005 eff. March 20, 2013; amended by SR-BATS-2013-037 eff. June 20, 2013; amended by SR-BATS-2013-050 eff. September 12, 2013; amended by SR-BATS-2013-057 eff. December 1, 2013; amended by SR-BATS-2014-002 eff. February 3, 2014; amended by SR-BATS-2014-015 eff. April 25, 2014; amended by SR-BATS-2014-022 eff. July 28, 2014; amended by SR-BATS-2014-072 eff. December 17, 2014; amended by SR-BATS-2015-55 eff. July 23, 2015; amended by SR-BATS-2015-96 eff. October 27, 2015; amended by SR-BATS-2015-121 eff. January 28, 2016; amended by SR-BATS-2016-12 eff. January 28, 2016; amended by SR-BatsBZX-2016-11 eff. April 22, 2016; amended by SR-BatsBZX-2016-46 eff. July 28, 2016; amended by SR-BatsBZX-2016-71 eff. October 28, 2016; amended by SR-BatsBZX-2016-75 eff. November 7, 2016; amended by SR-CboeBZX-2020-032 eff. April 8, 2020; amended by SR-CboeBZX-2024-012 eff. February 1, 2024).

Rule 11.9. Orders and Modifiers

Users may enter into the System the types of orders listed in this Rule 11.9, subject to the limitations set forth in this Rule or elsewhere in these Rules.

(a) *General Order Types*.

(1) 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 (Bid) for the security.

(2) BZX Market Order. An order to buy or sell a stated amount of a security that is to be executed at the NBBO when the order reaches the Exchange. BZX market orders shall not trade through Protected Quotations. A BZX market order that is designated as BZX Only with a time-in-force of Day will be cancelled if, when reaching the Exchange, it cannot be executed on the System in accordance with Rule 11.13(a)(4) unless the reason that such BZX market order cannot be executed is because it is entered into the System and the NBO (NBB) is greater (less) than the Upper (Lower) Price Band, in which case such order will be posted by the System to the BZX Book, displayed at the Upper (Lower) Price Band, and re-priced as set forth in Rule 11.18(e)(5)(B). A BZX market order to sell with a time-in-force of Day that is marked short that cannot be executed because of the existence of a Short Sale Circuit Breaker will be posted by the System to the BZX Book subject to the price sliding process as set forth in paragraph (g) below. A BZX market order will default to a time-in-force of Day unless otherwise specified by a User. A BZX market order that is designated as BZX Only with a time-in-force other than Day will be cancelled if, when reaching the Exchange, it cannot be executed on the System in accordance with Rule 11.13(a)(4). BZX market orders that are designated as BZX Post Only are rejected. BZX market orders that are not designated as BZX

Only and that cannot be executed in accordance with Rule 11.13(a)(4) on the System when reaching the Exchange will be eligible for routing away pursuant to Rule 11.13(b). Any portion of a BZX 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. BZX Market Orders are not eligible for execution during the Early Trading Session, Pre-Opening Session or the After Hours Trading Session.

(b) *Time-in-Force*. Orders must have one of the following time-in-force terms.

(1) Immediate-or-Cancel ("IOC") Order. A limit order that 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 BZX Book. IOC limit orders that are not designated as "BZX Only" and that cannot be executed in accordance with Rule 11.13(a)(4) on the System when reaching the Exchange will be eligible for routing away pursuant to Rule 11.13(b).

(2) Day Order. A limit 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 of business on the Exchange as determined pursuant to Rule 11.1, or after the closing of Regular Trading Hours, will be rejected.

(3) Good 'til Cancel ("GTC") Order. A limit order to buy or sell which, if not executed, will be cancelled by the close of Regular Trading Hours.

(4) Good 'til Day ("GTD") Order. A limit order to buy or sell which, if not executed, will be cancelled at the expiration time assigned to the order, which can be no later than the close of the After Hours Trading Session.

(5) Good 'til Extended Day ("GTX") Order. A limit order to buy or sell which, if not executed, will be cancelled by the close of the After Hours Trading Session.

(6) Fill-or-Kill ("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 11.13(b).

(7) Regular Hours Only ("RHO"). A limit or market order that is designated for execution only during Regular Trading Hours, which includes the Opening Auction, the Closing Auction, and IPO/Halt Auctions for BZX listed securities and the Opening Process for non-BZX-listed securities (as such terms are defined in Rule 11.23 and 11.24). Any portion of a market RHO order will be cancelled immediately following any auction in which it is not executed.

(8) 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.

(9) 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 After Hours Session. Any portion not executed expires at the end of the After Hours Session.

(10) Pre-Opening Session 'til Day ("PTD"). A limit order that is designated for execution during the Pre-Opening Session, Regular Trading Hours, and the After Hours 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 After Hours Trading Session.

(c) *Other Types of Orders.*

(1) *Reserve Order*. A limit order with a portion of the quantity displayed ("Display Quantity") and with a reserve portion of the quantity ("Reserve Quantity") that is not displayed. Both the Display Quantity and the Reserve Quantity are available for execution against incoming orders. If the Display Quantity of an order is reduced to less than a round lot, 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 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 a Reserve Order, which is also used to determine the replenishment amount, as set forth below. A Reserve Order that is to be re-routed pursuant to the Post to Away routing option set forth in Rule 11.13(b)(3)(H) will be identified as a Reserve Order when routed to an away Trading Center.

(A) Random Replenishment. An instruction that a User may attach to an order with Reserve Quantity 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 a Max Floor. The initial Display Quantity will be the Max Floor. The Display Quantity of an order when replenished will be determined by the System randomly selecting a round lot 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 any order for which Random Replenishment has not been selected the System will replenish the Display Quantity of an order to the Max Floor designated by the User.

(2) *Odd Lot Order*. An order to buy or sell an odd lot. Odd Lot Orders are only eligible to be Protected Quotations if aggregated to form a round lot.

(3) *Mixed Lot Order*. An order to buy or sell a mixed lot. Odd lot portions of Mixed Lot Orders are only eligible to be Protected Quotations if aggregated to form a round lot.

(4) *BZX Only Order*. An order that is to be ranked and executed on the Exchange pursuant to Rule 11.12 and Rule 11.13(a)(4) or cancelled, without routing away to another trading center. A BZX Only Order will be subject to the price sliding process as set forth in paragraph (g) below unless a User has entered instructions not to use the price sliding process.

(5) Minimum Quantity Order. A limit order to buy or sell that will only execute if a specified minimum quantity of shares can be obtained. By default, a Minimum Quantity Order 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 BZX Book. If there are such orders, but there are also orders that do not satisfy the minimum quantity condition, the Minimum Quantity Order will execute against orders resting on the BZX Book in accordance with Rule 11.12, Priority of Orders, 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 BZX 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 BZX Book, the order will either be posted to the BZX 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 BZX Book at its limit price. However, a Minimum Quantity Order will be cancelled where, if posted, it would cross the displayed price of an order on the BZX Book. A Minimum Quantity Order to buy (sell) that is ranked in the BZX 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 Minimum Quantity Order; 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 Minimum Quantity Order. However, a Minimum Quantity Order that crosses an order on the BZX 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. A Minimum Quantity Order 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 BZX Book, the order may only execute against individual incoming orders with a size that satisfies the minimum quantity condition. A Minimum Quantity Order 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 Minimum Quantity Order to buy (sell), 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 Quantity Order shall be equal to the number of shares remaining. The Exchange will only honor a specified minimum quantity on BZX Only Orders that are non-displayed or IOCs and will disregard a minimum quantity on any other order. Minimum Quantity Orders are not eligible to be routed to another Trading Center in accordance with Rule 11.13.

(6) *BZX Post Only Order*. An order that is to be ranked and executed on the Exchange pursuant to Rule 11.12 and Rule 11.13(a)(4) or cancelled, as appropriate, without routing away to another trading center except that the order will not remove liquidity from the BZX Book, other than as described below. A BZX Post Only Order will remove contra-side liquidity from the BZX 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 BZX 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 BZX 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. A BZX Post Only Order will be subject to the price sliding process as set forth in paragraph (g) below unless a User has entered instructions not to use the price sliding process.

(7) Reserved.

(8) *Pegged Order*. A limit order that after entry into the System, the price of the order is automatically adjusted by the System in response to changes in the NBBO. A Pegged Order will peg to the NBB or NBO or a certain amount away from the NBB or NBO, as described below. Pegged Orders are not eligible for routing pursuant to Rule 11.13(b). A new timestamp is created for a Pegged Order each time it is automatically adjusted.

(A) Primary Pegged Order. A User entering a Pegged Order can specify that such order's price will offset the inside quote on the same side of the market by an amount (the "Primary Offset Amount") set by the User (a "Primary Pegged Order"). Primary Pegged Orders are eligible to be displayed or non-displayed on the Exchange, however, the Primary Offset Amount for a displayed Primary Pegged Order must result in the price of such order being inferior to or equal to the inside quote on the same side of the market. A displayed Primary Pegged Order with a Primary Offset Amount shall only include a time-in-force of RHO, or if entered during Regular Trading Hours, a time-in-force of Day.

(B) Market Pegged Order. A User entering a Pegged Order can specify that such order's price will offset the inside quote on the contra side of the market

by an amount (the "Offset Amount") set by the User (a "Market Pegged Order"). Market Pegged Orders are not eligible to be displayed on the Exchange.

(9) *Mid-Point Peg Order*. A limit order that after entry into the System, the price of the order is automatically adjusted by the System in response to changes in the NBBO to be pegged to the mid-point 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. Upon instruction from a User, a Mid-Point Peg Order will not be eligible to execute when the NBBO is locked. All Mid-Point Peg Orders are ineligible to execute when the NBBO is crossed. Mid-Point Peg Orders are not eligible for routing pursuant to Rule 11.13(b), and are not displayed on the Exchange. A new timestamp is created for the order each time it is automatically adjusted.

(10) *Discretionary Order*. A limit order with a displayed or non-displayed ranked price and size and an additional non-displayed "discretionary price". The discretionary price is a non-displayed upward offset at which a User is willing to buy, if necessary, or a non-displayed downward offset at which a User is willing to sell, if necessary. A Discretionary Order is available for execution against opposing limit orders at its displayed or ranked price or within the discretionary range (i.e., at the discretionary price or at a price that is between the displayed or non-displayed ranked price and the discretionary price). Discretionary Orders will be executed at a price that uses the minimum amount of discretion necessary to execute the order against an incoming order. To the extent a Discretionary Order's displayed or non-displayed ranked price is equal to an incoming BZX Post Only Order that does not remove liquidity on entry pursuant to Rule 11.9(c)(6) [or Rule 11.9(c)(7), respectively], the Discretionary Order will remove liquidity against such incoming order. Any contra-side order that executes against a resting Discretionary Order at its displayed or non-displayed ranked price or that contains a time-in-force of IOC or FOK and a price in the discretionary range will remove liquidity against the Discretionary Order. Any contra-side order with a time-in-force other than IOC or FOK and a price in the discretionary range but not at the displayed or non-displayed ranked price will be posted to the BZX Book and then the Discretionary Order will remove liquidity against such posted order. A Discretionary Order that is eligible for routing away pursuant to Rule 11.13(b) will be routed away from the Exchange at its full discretionary price.

(11) *Non-Displayed Order*. A market or limit order that is not displayed on the Exchange. A Non-Displayed Order that is to be re-routed pursuant to the Post to Away routing option set forth in Rule 11.13(b)(3)(H) will be identified as a Non-Displayed Order when routed to an away Trading Center.

(12) Non-Displayed Swap ("NDS") Order. An instruction on an order resting on the BZX Book that, when locked by an incoming BZX Post Only Order that does not remove liquidity pursuant to paragraph (c)(6) of this Rule, causes such order to be converted to an executable order that removes liquidity against such incoming order. An NDS instruction may only be included on a limit order that is

not displayed on the Exchange or a Mid-Point Peg Order. An order with an NDS instruction is not eligible for routing pursuant to Rule 11.13.

(13) *Attributable Order*. An order that is designated for display (price and size) including the User's market participant identifier ("MPID").

(14) *Non-Attributable Order*. An order that is designated for display (price and size) on an anonymous basis by the Exchange.

(15) *Market Maker Peg Order.* A limit order that, upon entry or at the beginning of Regular Trading Hours, as applicable, the bid or offer is automatically priced by the System at the Designated Percentage (as defined in Rule 11.8) 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 11.8(d). Users may submit Market Maker Peg Orders to the Exchange starting at the beginning of Early Trading Session, but the order will not be executable or automatically priced until the beginning of Regular Trading Hours and will expire at the end of Regular Trading Hours. Upon reaching the Defined Limit (as defined in Rule 11.8), the price of a Market Maker Peg Order bid or offer will be adjusted by the System to the Designated Percentage away from the then current NBB and NBO, or, if no NBB or NBO, the order will, by default, be 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 towards the then current NBB or NBO, which number of percentage points will be determined and published in a circular distributed to Members from time to time, the price of such bid or offer will be adjusted to the Designated Percentage away from the then current NBB and NBO. If no NBB or NBO, the order will be adjusted to the Designated Percentage away from the last reported sale from the responsible single plan processor. If, after entry, the Market Maker Peg Order is priced based on the last reported sale from the single plan processor 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 NBO is established by a national securities exchange. Market Maker Peg Orders are not eligible for routing pursuant to Rule 11.13(b) and are always displayed on the Exchange. Notwithstanding the availability of Market Maker Peg Order functionality, a Market Maker remains responsible for entering, monitoring, and re-submitting, as applicable, quotations that meet the requirements of Rule 11.8(d). A new timestamp is created for the order each time that it is automatically adjusted. For purposes of this paragraph, the Exchange will apply the Designated Percentage and Defined Limit as set forth in Rule 11.8, subject to the following exceptions. For all NMS stocks with a price less than $1 per share that are not included in the S&P 500® Index, Russell 1000® Index, and a pilot list of Exchange Traded Products, the Exchange will use the Designated Percentage and Defined Limit applicable to NMS stocks equal to or greater than $1 per share that are not included in the S&P 500® Index, Russell 1000® Index, and a pilot list of Exchange

Traded Products. Market Maker Peg Orders may only be entered by a registered Market Maker. Market Maker Peg Orders will expire at the end of Regular Trading Hours.

(16) *Stop Order.* A Stop Order is an order that becomes a BZX market order when the stop price is elected. A Stop Order to buy is elected when the consolidated last sale in the security occurs at, or above, the specified stop price. A Stop Order to sell is elected when the consolidated last sale in the security occurs at, or below, the specified stop price.

(17) *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 when the consolidated last sale in the security occurs at, or above, the specified stop price. A Stop Limit Order to sell becomes a sell limit order when the consolidated last sale in the security occurs at, or below, the specified stop price.

(18) *Supplemental Peg Order.* A non-displayed limit order that posts to the BZX Book, and thereafter is eligible for execution at the NBB for buy orders and NBO for sell orders against routable orders that are 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 BZX Book and do not take liquidity. A User may specify a minimum execution quantity for a Supplemental Peg Order. A minimum execution quantity on a Supplemental Peg Order will no longer apply where the number of shares remaining after a partial execution are less than the minimum execution quantity. Supplemental Peg Orders are eligible for execution in a given security during the Early Trading Session, Pre-Opening Session, Regular Trading Hours, and After Hours Trading Session. Supplemental Peg Orders are not eligible for execution in the Opening Process. A Supplemental Peg Order does not execute at a price that is inferior to a Protected Quotation, and is not permitted to execute if the NBBO is locked or crossed. Any and all remaining, unexecuted Supplemental Peg Orders are cancelled at the conclusion of the After Hours Trading Session.

(d) *Intermarket Sweep Orders*. The System will accept incoming Intermarket Sweep Orders ("ISO") (as such term is defined in Regulation NMS). In order to be eligible for treatment as an Intermarket Sweep Order, the limit order must be marked "ISO" and the User entering the order must simultaneously route one or more additional limit orders marked "ISO," as necessary, to away markets 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 Intermarket Sweep Order 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 markets consistent with Regulation NMS (*i.e.*, may trade through such quotations). The Exchange relies on the marking of an order 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 of Regulation NMS relating to Intermarket Sweep Orders. ISOs are not eligible for routing pursuant to Rule 11.13(b).

(e) *Cancel/Replace Messages*. A User may, by appropriate entry in the System, 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 time-in-force term other than IOC or FOK and if the order has not yet been executed.

(2) If an order has been routed to another trading center, the order will be placed in a "Pending" state until the routing process is completed. Executions that are completed when the order is in the "Pending" state will be processed normally.

(3) Other than changing a limit order to a market order, only the price, stop price, the sell long or sell short indicator, Max Floor of a Reserve Order, and size of the order may be changed by a Replace Message. An order may also change from sell long to sell short exempt (or vice versa) or sell short exempt to sell short (or vice versa) using 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) *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 market participant identifier ("MPID"), Exchange Member identifiers, trading group identifier, Exchange Sponsored Participant identifier, affiliate identifier, or Multiple Access identifier (any such identifier, a "Unique Identifier"). The affiliate identifier is available to Users that demonstrate affiliation by: (i) greater than 50% ownership identified on a User's Form BD; and (ii) execution of an affidavit stating that a control relationship exists between Users. 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. The Multiple Access identifier is available to Users that demonstrate: (i) the User maintains a Membership on the Exchange through which it directly submits orders to the System; and (ii) the User also operates as a Sponsored Participant and submits orders to the System through Sponsored Access.

(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 BZX Book.

(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 BZX Book.

(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 BZX 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.

(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).

(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 book.

(g) *Price Sliding.* The System will process orders, subject to a User's instructions, pursuant to the "price sliding process," as defined below.

(1) Display-Price Sliding.

(A) An order eligible for display by the Exchange that, at the time of entry, would create a violation of Rule 610(d) of Regulation NMS by locking or crossing a Protected Quotation of an external market will be ranked at the locking price in the BZX Book and displayed by the System at one minimum price variation below the current NBO (for bids) or to one minimum price variation above the current NBB (for offers) ("display-price sliding"). A User may elect to have the System only apply display-price sliding to the extent a display-eligible order at the time of entry would create a violation of Rule 610(d) of Regulation NMS by locking a Protected Quotation of an external market. For Users that select this order handling, any order will be cancelled if, upon entry, such order would create a violation of Rule 610(d) of Regulation NMS by crossing a Protected Quotation of an external market.

(B) An order subject to display-price sliding 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 display-price sliding would not lock or cross a Protected Quotation of an external market, 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 display-price sliding will retain their priority as compared to other orders subject to display-price sliding based upon the time such orders were initially received by the Exchange. Following the initial ranking and display of an order subject to display-price sliding, 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 is locked or crossed by a Protected Quotation of an external market. Such event will not result in a change in priority for the order at its displayed price.

(C) The ranked and displayed prices of an order subject to display-price sliding 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 process 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 has been locked or crossed by a Protected Quotation of an external market 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.

(D) Any display-eligible BZX Post Only Order that locks or crosses a Protected Quotation displayed by the Exchange upon entry will be executed as set forth in Rule 11.9(c)(6) or cancelled. Depending on User instructions, a display-eligible BZX Post Only Order that locks or crosses a Protected Quotation displayed by an external market upon entry will be subject to the display-price sliding process described in this paragraph (g)(1). In the event the NBBO changes such that a BZX Post Only Order subject to display-price sliding would be ranked at a price at which it could remove displayed liquidity from the BZX Book, the order will be executed as set forth in Rule 11.9(c)(6) or cancelled.

(E) BZX Post Only Orders will be permitted to post and be displayed opposite the ranked price of orders subject to display-price sliding. In the event an order subject to display-price sliding is ranked on the BZX 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 11.13(a)(4)(D).

(2) Price Adjust.

(A) An order eligible for display by the Exchange that, at the time of entry, would create a violation of Rule 610(d) of Regulation NMS by locking or crossing a Protected Quotation of an external market will be ranked and displayed

by the System at one minimum price variation below the current NBO (for bids) or to one minimum price variation above the current NBB (for offers) ("Price Adjust").

(B) In the event the NBBO changes such that an order subject to Price Adjust would not lock or cross a Protected Quotation, the order will receive a new timestamp, and will be displayed at the price that originally locked the NBO (for bids) or NBB (for offers) on entry. All orders that are re-ranked and re-displayed 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 of an order subject to Price Adjust, an order will only be re-ranked and re-displayed to the extent it achieves a more aggressive price.

(C) 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.

(D) Any display-eligible BZX Post Only Order that locks or crosses a Protected Quotation displayed by the Exchange upon entry will be executed as set forth in Rule 11.9(c)(6) or cancelled. Depending on User instructions, a display-eligible BZX Post Only Order that locks or crosses a Protected Quotation displayed by an external market upon entry will be subject to the Price Adjust process described in this paragraph (g)(2). In the event the NBBO changes such that a BZX Post Only Order subject to the Price Adjust process would be ranked at a price at which it could remove displayed liquidity from the BZX Book, the order will be executed as set forth in Rule 11.9(c)(6) or cancelled.

(3) *Display of Orders Subject to Display-Price Sliding and Price Adjust*. In the event the NBBO changes such that display eligible orders subject to display-price sliding and Price Adjust would not lock or cross a Protected Quotation and are eligible to be displayed at a more aggressive price, the System will first display all orders subject to display-price sliding at their ranked price followed by orders subject to Price Adjust, which will be re-ranked and re-displayed as set forth above.

(4) *Non-Displayed Order Sliding.* In order to avoid potentially trading through Protected Quotations of external markets, the Exchange offers price sliding for Non-Displayed Orders that upon entry cross a Protected Quotation of an external market that is functionally equivalent to the handling of displayable orders pursuant to the display-price sliding process except that such orders will not have a displayed price. Non-Displayed Orders that are subject to display-price sliding or Price Adjust are ranked at the locking price on entry. Similarly, in the event the NBBO changes such that a Non-Displayed Order subject to display-price sliding or Price Adjust 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 a Non-Displayed Order has been re-priced by the System pursuant to this sub-paragraph (4), such Non-Displayed order is not re-priced by the System unless it is again crossing a Protected Quotation of an external market.

(5) Short Sale Price Sliding.

(A) A short sale order 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 one minimum price variation above the current NBB ("Permitted Price"). The Exchange's default short sale sliding 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 a short sale order at the Permitted Price down to the order's original limit price. In the event the NBB changes such that the price of a Non-Displayed Order subject to Rule 201 of Regulation SHO would lock or cross the NBB, the order will receive a new timestamp, and will be re-priced by the System at the Permitted Price. The re-pricing described in this sub-paragraph (A) constitutes "short sale price sliding," and together with display-price sliding, is referred to as the "price sliding process."

(B) When a short sale price test restriction under Rule 201 of Regulation SHO is in effect, the System may execute a displayed short sale order at a price below the Permitted Price if, at the time of initial display of the short sale order, the order was at a price above the then current NBB.

(C) Orders marked "short exempt" will not be subject to short sale price sliding.

(6) *Applicability of Short Sale Price Sliding*. If an order is eligible for either the display-price sliding process or Price Adjust, it will be subject to short sale price sliding.

(Amended by SR-BATS-2008-003 eff. September 12, 2008; amended by SR-BATS-2008-005 eff. September 19, 2008; amended by SR-BATS-2009-001 eff. January 12, 2009; amended by SR-BATS-2009-006 eff. February 20, 2009; amended by SR-BATS-2009-012 eff. May 20, 2009; amended by SR-BATS-2009-014 eff. May 22, 2009; amended by SR-BATS-2009-020 eff. June 29, 2009; amended by SR-BATS-2009-022 eff. July 6, 2009; amended by SR-BATS-2009-025 eff. July 20, 2009; amended by SR-BATS-2009-028 eff. September 1, 2009; amended by SR-BATS-2010-006 eff. April 1, 2010; amended by SR-BATS-2010-011 eff. May 14, 2010; amended by SR-BATS-2011-002 eff. February 23, 2011; amended by SR-BATS-2011-015 eff. June 27, 2011; amended by SR-BATS-2012-016 eff. April 25, 2012; amended by SR-BATS-2012-018 eff. May 23, 2012; amended by SR-BATS-2012-035 eff. August 14, 2012; amended by SR-BATS-2012-026 eff. August 29, 2012; amended by SR-BATS-2013-007 eff. January 25, 2013; amended by SR-BATS-2013-022 eff. March 22, 2013; amended by SR-BATS-2014-027 eff. July 9, 2014; amended by SR-BATS-2014-034 eff. August 11, 2014; amended by SR-BATS-2014-041 eff. September 12, 2014; amended by SR-BATS-2014-042 eff. September 15, 2014; amended by SR-BATS-2014-038 eff. October 15, 2014; amended by SR-BATS-2014-052 eff. October 17, 2014; amended by SR-BATS-2014-037 eff. October 30, 2014; amended by SR-BATS-2014-068 eff. December 10, 2014; amended by SR-BATS-2015-09 eff. April 16, 2015; amended by SR-BATS-2015-47 eff. June 16, 2015; amended by SR-BATS-2016-18 eff. March 11, 2016; amended by SR-BATS-2016-14 eff. April 13, 2016; amended by SR-BatsBZX-2017-62 eff. October 26, 2017; amended by SR-CboeBZX-2017-008 eff. November 29, 2017; amended by SR-CboeBZX-2018-022 eff. April 13, 2018; amended by SR-

CboeBZX-2018-042 eff. June 28, 2018; amended by SR-CboeBZX-2020-005 eff. January 17, 2020; amended by SR-CboeBZX-2022-053 eff. October 27, 2022; amended by SR-CboeBZX-2023-012 eff. February 15, 2023; amended SR-CboeBZX-2023-054 eff. September 15, 2023).

Rule 11.10. Units of Trading

One hundred (100) shares shall constitute a "round lot," any amount less than 100 shares shall constitute an "odd lot," and any amount greater than 100 shares that is not a multiple of a round lot shall constitute a "mixed lot."

Rule 11.11. Price Variations

(a) Bids, offers, orders or indications of interests in securities traded on the Exchange shall not be made in an increment smaller than:

(1) $0.01 if those bids, offers or indications of interests are priced equal to or greater than $1.00 per share; or

(2) $0.0001 if those bids, offers or indications of interests are priced less than $1.00 per share and the security is an NMS stock pursuant to Commission Rule 600(b)(46) and is trading on the Exchange; or

(3) Any other increment established by the Commission for any security which has been granted an exemption from the minimum price increments requirements of Commission Rule 612(a) or 612(b).

Rule 11.12. Priority of Orders

(a) *Ranking.* Orders of Users shall be ranked and maintained in the BZX Book based on the following priority:

(1) Price. The highest-priced order to buy (or lowest-priced order to sell) shall have priority over all other orders to buy (or orders to sell) in all cases.

(2) Time. Subject to the execution process described in Rule 11.13(a) below, where orders to buy (or sell) are made 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. The System shall rank equally priced trading interest within the System in time priority in the following order:

(A) Displayed size of limit orders;

(B) Non-Displayed limit orders;

(C) Non-Displayed Pegged Orders;

(D) Mid-Point Peg Orders;

(E) Reserve size of orders;

(F) Discretionary portion of Discretionary Orders as set forth in Rule 11.9(c)(9);

(G) Supplemental Peg Orders.

(3) Match Trade Prevention. Pursuant to Rule 11.9(f), 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) In the event an order has been modified via a Replace Message in accordance with Rule 11.9(e) above, such order only retains time priority if such modification involves: (i) a decrease in the size of the order; (ii) a change to Max Floor of a Reserve Order; (iii) a change to the stop price of a Stop Order or Stop Limit Order; (iv) a change in position from sell long to sell short exempt (or vice versa); or (v) if no short sale price test restriction pursuant to Rule 201 of Regulation SHO is in effect, a change in position from sell long to sell short (or vice versa) or a change in position from sell short exempt to sell short (or vice versa). 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 BZX Book and the timestamp for such order being revised to reflect the time of the modification.

(5) Except as provided in subparagraphs (a)(6) and (a)(7) below, in the event that an order is executed against an incoming order in accordance with Rule 11.13 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) The Display Quantity of a Reserve Order shall have time priority as of the time of display. A new timestamp is created both for the Display Quantity and the Reserve Quantity of the order each time it is refreshed from reserve.

(7) If a Supplemental Peg Order is executed in part, the remaining portion of the order shall continue to be eligible for execution but shall be assigned a new timestamp after each partial execution.

(b) *Dissemination.* The best-ranked order(s) to buy and the best-ranked order(s) to sell that are displayable in the BZX 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.

(Amended by SR-BATS-2008-005 eff. September 19, 2008; amended by SR-BATS-2009-006 eff. February 20, 2009; amended by SR-BATS-2009-020 eff. June 29, 2009; amended by SR-BATS-2014-027 eff. July 9, 2014; amended by SR-BATS-2014-042 eff. September 15, 2014; amended by

SR-BATS-2015-09 eff. April 16, 2015; amended by SR-CboeBZX-2023-012 eff. February 15, 2023).

Rule 11.13. Order Execution and Routing

Subject to the restrictions under these Exchange Rules or the Act and the rules and regulations thereunder, orders shall be matched for execution and routed in accordance with this Rule 11.13.

(a) Execution Against BZX Book.

For purposes of this Rule 11.13 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 11.13(b) below and cannot be posted to the BZX Book.

(1) *Compliance with Regulation SHO.* For any execution of a short sale order to occur on the Exchange when a short sale price test restriction is in effect, the price must be better than the 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 and Trade-Through Protection.

(A) Regular Trading Hours. 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.

(B) Other Trading Sessions. For any execution to occur during the Early Trading Session, Pre-Opening Session or the After Hours Trading Session, the price must be equal to or better than the highest Protected Bid or lowest Protected Offer, unless the order is marked ISO or a Protected Bid is crossing a Protected Offer.

(C) Crossed Markets. Notwithstanding sub-paragraphs (A) and (B) above, 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. To the extent an incoming order is executable because a Protected Bid is crossing a Protected Offer but such incoming order is eligible for routing and there is a Protected Bid or Protected Offer available at another Trading Center 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 11.13(b).

(3) *Compliance with the Limit Up-Limit Down Plan.* For any executions to occur during Regular Trading Hours, such executions must comply with the Plan, as set forth in Rule 11.18(e) below.

(4) *Execution against BZX Book*. An incoming order shall first attempt to be matched for execution against orders in the BZX Book, as described below, unless the User instructs the System to bypass the BZX 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 BZX 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 BZX 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 BZX 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 BZX Book.

(C) Consistent with Rule 11.9, based on User instructions, certain orders are permitted to post and rest on the BZX 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, would execute at the price of a displayed order on the same side of the market, such order will be cancelled or posted to the BZX Book and ranked in accordance with Rule 11.12.

(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 the displayed order, 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.

(b) *Routing to Away Trading Centers*. Depending on the instructions set by the User when the incoming order was originally entered, if a market or marketable limit order has not been executed in its entirety pursuant to paragraph (a) above, the order shall be eligible for additional processing under one or more of the routing options listed under paragraph (b)(3) below.

(1) Regulation SHO. Unless a User selects a routing option set forth under paragraph (b)(3) of this Rule that will post to an away trading center, an order marked "short" when a short sale price test restriction 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 price test restriction and such order is an IOC order, then the order will be cancelled. If an order is ineligible for routing due to a short sale price test restriction pursuant to Rule 201 of Regulation SHO and such order is a limit order, the Exchange will post the unfilled balance of the order to the BZX Book, subject to the price sliding process as defined in paragraph (g) of Rule 11.9.

(2) Routing Process. With respect to an order that is eligible for routing, the System will designate orders as IOCs and will cause such orders to be routed 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. 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 BZX Book, subject to the price sliding process as defined in paragraph (g) of Rule 11.9;

(C) repeat the process described in paragraph (a)(4) above and this paragraph (b)(2) by executing against the BZX Book and/or routing orders to other Trading Centers 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 in the BZX Book if the order's limit price is reached;

(D) repeat the process described in paragraph (a)(4) above and this paragraph (b)(2) by executing against the BZX Book and/or routing orders to other Trading Centers, provided that the System will check the BZX Book for liquidity at the order's limit price only one time pursuant to paragraph (a)(4), then route orders at that limit price to other Trading Centers pursuant to this paragraph (b)(2), and then cancel any unfilled balance of the order back to User; 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 a Trading Center against which the Exchange has declared self-help pursuant to paragraph (d) below.

(3) *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 trading venues 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) Parallel D. Parallel D 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. The System may route to multiple destinations at a single price level simultaneously through Parallel D routing.

(B) Parallel 2D. Parallel 2D 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. The System may route to multiple destinations and at multiple price levels simultaneously through Parallel 2D routing.

(C) Parallel T. Parallel T is a routing option under which an order checks the System for available displayed shares and then is sent to destinations on the System routing table. Pursuant to Parallel T, orders route only to Protected Quotations and only for displayed size. The System may route to multiple destinations and at multiple price levels simultaneously through Parallel T routing.

(D) 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.

(E) 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.

(F) 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 an away trading center specified by the User. It is the entering Member's responsibility, not the Exchange's responsibility, to comply with the requirements of Regulation NMS relating to Intermarket Sweep Orders.

(G) Other Routing Strategies. The following are routing options under which an order checks the System for available shares if so instructed by the entering User and then is sent to destinations on the applicable System routing table. The entering User may select either Route To Improve ("RTI") or Route To Fill ("RTF") with any order designated pursuant to routing strategies (i) or (ii) below. 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. In connection with routing strategy (v) below, a User may designate that an order first routes to Cboe BYX Exchange, Inc., checks the System for available shares, and then routes to other destinations on the System routing table.

(i) ROUT
(ii) ROUX
(iii) ROUZ
(iv) TRIM
(v) SLIM

(H) Post to Away. In addition to instructions to cancel an order back to a User or post to the BZX 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, ROUX, ROUZ, and RDOT.

(I) SWPA. SWPA is a routing option under which an order checks the System for available displayed shares and then is sent to destinations on the System routing table. Pursuant to SWPA, orders route only to Protected Quotations and only for displayed size. The System may route to multiple destinations and at multiple price levels simultaneously through SWPA routing. A SWPA order will be routed to destinations on the System routing table even 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. In connection with the Limit Up-Limit Down Plan described in Rule 11.18(e) below, 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.

(J) Reserved.

(K) 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. If shares remain unexecuted after routing, they are posted to the NYSE, unless otherwise instructed by the User.

(L) Reserved.

(M) A User may designate their order for participation in the reopening (following a halt, suspension, or pause) of a primary listing market other than the Exchange if received before the reopening time of such market. If shares remain unexecuted after attempting to execute in the re-opening process, they are either posted to the BZX Book, executed, or routed to destinations on the System routing table.

(N) 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 other than the Exchange 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 BZX Book, executed, or routed to destinations on the System routing table.

(O) ALLB. ALLB is a routing option under which an order checks the System for available shares and is then sent to Cboe BYX Exchange, Inc., Cboe EDGA Exchange, Inc., and/or Cboe EDGX Exchange, Inc. in accordance with the System routing table. If shares remain unexecuted after routing, they are posted on the BZX Book, unless otherwise instructed by the User.

(4) 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 (b)(3) above.

(A) Aggressive. To the extent the unfilled balance of a routable order has been posted to the BZX Book pursuant to paragraph (b)(2) above, should the order subsequently be locked or crossed by another accessible Trading Center, the System shall route the order to the locking or crossing Trading Center if the User has selected the Aggressive Re-Route instruction. Any routable non-displayed limit order posted to the BZX Book that is locked or crossed by another accessible Trading Center will be automatically routed to the locking or crossing Trading Center.

(B) Super Aggressive. To the extent the unfilled balance of a routable order has been posted to the BZX Book pursuant to paragraph (b)(2) above, should the order subsequently be locked or crossed by another accessible Trading Center, the System shall route the order to the locking or crossing Trading Center if the User has selected the Super Aggressive Re-Route instruction. A User may instruct the Exchange to apply the Super Aggressive Re-Route instruction solely to routable orders posted to the BZX Book with remaining size of less than one round lot.

(C) Re-Route Against Incoming Orders. Consistent with the Super Aggressive Re-Route instruction described above, when any order with a Super Aggressive Re-Route instruction is locked by an incoming BZX Post Only Order that is designated as eligible for display and that does not remove liquidity pursuant to Rule 11.9(c)(6), the Re-Route order is converted to an executable order and will remove liquidity against such incoming order. Notwithstanding the foregoing, if an order displayed on the BZX Book does not contain a Super Aggressive Re-Route instruction and maintains higher priority than one or more Super Aggressive Re-Route eligible orders, the Re-Route eligible order(s) with lower priority will not be converted, as described above, and the incoming BZX Post Only Order will be posted or cancelled in accordance with Rule 11.9(c)(6).

(5) *Priority of Routed Orders*. Orders that have been routed by the System to other markets are not ranked and maintained in the BZX Book pursuant to Rule 11.12(a), and therefore are not available to execute against incoming orders pursuant to paragraph (a) 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 timestamp 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 BZX Book in accordance with the terms of such order under Rule 11.12 and such order shall be eligible for execution under this Rule 11.13.

(6) *Fractional Penny Executions on Away Trading Centers.* The Exchange currently accepts and ranks orders priced below $1.00 in $0.0001 increments, in accordance with Rule 11.11(a)(2). In order to process executions which occur in fractional pennies (i.e., $0.00001 and finer) on away Trading Centers, the Exchange's routing broker will perform an adjustment to each fractional penny execution. For all buy executions received from an away Trading Center in fractional pennies, the routing broker will round down to the nearest $0.0001. For all sell executions received from an away Trading Center in fractional pennies, the routing broker will round up to the nearest $0.0001. For any buy execution received from an away Trading Center where rounding down would result in a price of $0.0000, the routing broker will instead round up to the minimum price of $0.0001.

(c) *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. The Exchange shall communicate to Users its procedures concerning a change from automated to "manual quotations" (as defined in Regulation NMS).

(d) *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.

(e) *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.

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, market orders during continuous trading, market orders during auctions, short sales, ISOs and Directed ISOs);

(d) controls to restrict the types of securities transacted (including restricted securities, easy to borrow securities, and hard 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

.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 11.15, 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 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.

(Amended by SR-BATS-2008-005 eff. September 19, 2008; amended by SR-BATS-2008-007 eff. October 10, 2008; amended by SR-BATS-2009-013 eff. May 12, 2009; amended by SR-BATS-2009-012 eff. May 20, 2009; amended by SR-BATS-2009-015 eff. May 19, 2009; amended by SR-BATS-2009-014 2009 eff. May 22, 2009; amended by Amendment 1 to SR-BATS-2009-014 eff. May 29, 2009; amended by SR-BATS-2009-028 eff. September 1, 2009; amended by SR-BATS-2010-017 eff. June 30, 2010; amended by SR-BATS-2010-022 eff. August 30, 2010; amended by SR-BATS-2010-029 eff. October 13, 2010; amended by SR-BATS-2011-005 eff. February 14, 2011; amended by SR-BATS-2011-002 eff. February 23, 2011; amended by SR-BATS-2011-015 eff. June 27, 2011; amended by SR-BATS-2011-021 eff. July 12, 2011; amended by SR-BATS-2012-007 eff. February 1, 2012; amended by SR-BATS-2012-024 eff. June 15, 2012; amended by SR-BATS-2012-035 eff. August 14, 2012; amended by SR-BATS-2013-041 eff. September 3, 2013; amended by SR-BATS-2014-033 eff. August 11, 2014; amended by SR-BATS-2014-044 eff. September 25, 2014; amended by SR-BATS-2014-052 eff. October 17, 2014; amended by SR-BATS-2015-17 eff. February 20, 2015; amended by SR-BATS-2015-09 eff. April 16, 2015; amended by SR-BATS-2015-87 eff. October 9, 2015; amended by SR-BATS-2015-97 eff. November 9, 2015; amended by SR-BATS-2015-112 eff. December 2, 2015; amended by SR-BATS-2016-14 eff. April 13, 2016; amended by SR-BatsBZX-2016-13 eff. May 2, 2016; amended by SR-BatsBZX-2016-28 eff. July 23, 2016; amended by SR-BatsBZX-2016-65 eff. November 11, 2016; amended by SR-BatsBZX-2016-77 eff. November 23, 2016; amended by SR-BatsBZX-2017-24 eff. May 24, 2017; amended by SR-BatsBZX-2017-57 eff. October 6, 2017; amended by SR-CboeBZX-2018-051 eff. July 11, 2018; amended by SR-CboeBZX-2018-074 eff. September 28, 2018; amended by SR-CboeBZX-2019-037 eff. April 29, 2019; amended by SR-CboeBZX-2020-005 eff. January 17, 2020; amended by SR-CboeBZX-2020-006 eff. April 8, 2020; amended by SR-CboeBZX-2020-044 eff. May 28, 2020; amended by SR-CboeBZX-2021-018 eff. March 1, 2021; amended by SR-CboeBZX-2021-076 eff. January 12, 2022; amended by SR-CboeBZX-2023-012 eff. February 15, 2023; amended by SR-CboeBZX-2023-050 eff. October 13, 2023; amended by SR-CboeBZX-2024-037 eff. June 18, 2024; amended by SR-CboeBZX-2025-070 eff. May 15, 2025).

Rule 11.14. Trade Execution and Reporting

(a) Executions occurring as a result of orders matched against the BZX 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.

Rule 11.15. Clearance and Settlement; Anonymity

(a) All transactions through the facilities of the Exchange shall be cleared and settled through a Qualified 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 Qualified 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 Qualified 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 11.13 with the Clearing Member that clears transactions on behalf of the User.

(Amended by SR-BATS-2015-07 eff. February 13, 2015; amended by SR-BatsBZX-2017-24 eff. May 24, 2017; amended by SR-CboeBZX-2020-006 eff. April 8, 2020).

Rule 11.16. 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) 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.

(Amended by SR-BATS-2008-008 eff. October 20, 2008; amended by SR-BATS-2014-045 eff. October 7, 2014; amended by SR-BatsBZX-2016-77 eff. November 23, 2016)

Rule 11.17. Clearly Erroneous Executions

(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. Executions as a result of a Halt Auction under Rule 11.23(d) are not eligible for a request to review as clearly erroneous under paragraph (b) of this Rule.

(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 guidelines set forth in this Rule, the counterparty to the trade, if any, 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) *Clearly erroneous review*.

(1) *Review of transactions occurring during Regular Trading Hours*. If the execution time of the transaction(s) under review is during Regular Trading

Hours, the transaction will not be reviewable as clearly erroneous unless the transaction:

(A) is in an NMS Stock that is not subject to the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act (the "Limit Up-Limit Down Plan" or "LULD Plan"). In such case, the Numerical Guidelines set forth in paragraph (c)(2) of this Rule will be applicable to such NMS Stock;

(B) was executed at a time when Price Bands under the LULD Plan were not available, or is the result of an Exchange technology or systems issue that results in the transaction occurring outside of the applicable LULD Price Bands pursuant to paragraph (g), or is executed after the primary listing market for the security declares a regulatory trading halt, suspension, or pause pursuant to paragraph (i). A transaction subject to review pursuant to this paragraph 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, described in paragraph (d) below, by an amount that equals or exceeds the applicable Percentage Parameter defined in Appendix A to the LULD Plan ("Percentage Parameters"); or

(C) involved, in the case of (1) a corporate action or new issue or (2) a security that enters a Trading Pause pursuant to the LULD Plan and resumes trading without an auction, a Reference Price that is determined to be erroneous by an Officer of the Exchange because it clearly deviated from the theoretical value of the security. In such circumstances, the Exchange may use a different Reference Price pursuant to paragraph (d)(2) of this Rule. A transaction subject to review pursuant to this paragraph 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 new Reference Price, described in paragraph (d)(2) below, by an amount that equals or exceeds the Numerical Guidelines or Percentage Parameters, as applicable depending on whether the security is subject to the LULD Plan.

(2) Review of transactions occurring during Early Trading, Pre-Opening, After Hours Session, or eligible for review pursuant to paragraph (c)(1)(A).

(A) Subject to the additional factors described in paragraph (c)(2)(C) below, a transaction executed during the Early Trading, Pre-Opening or After Hours Session, or eligible for review pursuant to paragraph (c)(1)(A), 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.

Reference Price, Circumstance or Product	Regular Trading Hours Numerical Guidelines for transactions eligible for review pursuant to paragraph	Early Trading, Pre-Opening and After Hours Trading Session Numerical Guidelines (Subject transaction's %

	(c)(1)(A) (Subject transaction's % difference from the Reference Price):	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 within a period of five minutes or less	10%	10%
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)(B) below	30%, subject to the terms of paragraph (c)(2)(B) below
Leveraged ETF/ETN securities	N/A	Regular Trading Hours Numerical Guidelines multiplied by the leverage multiplier (*i.e.* 2x)

(B) Multi-Stock Events Involving Twenty or More Securities. Multi-Stock Events involving twenty or more securities may be reviewable as clearly erroneous if they occur during Early Trading, Pre-Opening, or After Hours Session or are eligible for review pursuant to paragraph (c)(1)(A). During Multi-Stock Events, 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.

(C) 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, provided the execution occurred during Early Trading, Pre-Opening, or After Hours Session or are eligible for review pursuant to paragraph (c)(1)(A). Such additional factors include but are 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 or After Hours 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 during Early Trading, Pre-Opening, or After Hours Session or are eligible for review pursuant to paragraph (c)(1)(A), 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.

(i) An "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)(2) of this Rule.

(ii) If the execution price of the security in question is not within the Outlier Transaction parameters set forth in paragraph (c)(2)(D)(i) of this Rule but breaches the 52-week high or 52-week low, the Exchange may consider Additional Factors as outlined in paragraph (c)(2)(C), in determining if the transaction qualifies for further review or if the Exchange shall decline to act.

(d) *Reference Price.* The Reference Price referred to in paragraphs (c)(1) and (c)(2) above will be equal to the consolidated last sale immediately prior to the execution(s) under review except for:

(1) in the case of Multi-Stock Events involving twenty or more securities, as described in paragraph (c)(2)(B) above;

(2) in the case of an erroneous Reference Price, as described in paragraph (c)(1)(C) above. In the case of (c)(1)(C)(1), the Exchange would consider a number of factors to determine a new Reference Price that is based on the theoretical value of the security, including but not limited to, the offering price of the new issue, the ratio of the stock split applied to the prior day's closing price, the theoretical price derived from the numerical terms of the corporate action transaction such as the exchange ratio and spin-off terms, and for an OTC up-listing, the price of the security as provided in the prior day's FINRA Trade Dissemination Service final closing report. In the case of (c)(1)(C)(2), the Reference Price will be the last effective Price Band that was in a limit state before the Trading Pause; or

(3) 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, provided that such circumstances occurred during Early Trading, Pre-Opening, or After-Hours Session, or are eligible for review pursuant to paragraph (c)(1)(A).

(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 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 (g) of this Rule regarding transactions that occurred outside of the applicable Price Bands disseminated pursuant to the LULD Plan, 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 be comprised 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 After Hours Trading 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) *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 transactions occurring during Early Trading, Pre-Opening, or After Hours Sessions, or that are eligible for review pursuant to paragraph (c)(1), 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 such other senior level employee designee will rely on the provisions of paragraph (c)(1) and (c)(2) of this Rule. 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 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.

(g) *Transactions Occurring Outside of LULD Plan Price Bands*. If as a result of an Exchange technology or systems issue any transaction occurs outside of the applicable Price Bands disseminated pursuant to the LULD 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 paragraph (c)(1)(B) above.

(h) *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 Percentage Parameters or 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.

(i) *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 Percentage Parameters or 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.

(Amended by SR-BATS-2008-005 eff. September 19, 2008; amended by SR-BATS-2008-010 eff. November 19, 2008; amended by SR-BATS-2009-030 eff. October 5, 2009; amended by SR-BATS-2010-016 eff. September 10, 2010; amended by SR-BATS-2010-036 eff. December 9, 2010; amended by SR-BATS-2011-010 eff. April 1, 2011; amended by SR-BATS-2011-026 eff. August 8, 2011; amended by SR-BATS-2011-028 eff. August 8, 2011; amended by SR-BATS-2012-002 eff. January 19, 2012; amended by SR-BATS-2012-032 eff. July 27, 2012; amended by SR-BATS-2013-008 eff. January 30, 2013; amended by SR-BATS-2013-053 eff. September 24, 2013; amended by SR-BATS-2014-008 eff. March 18, 2014; amended by SR-BATS-2014-014 eff. June 19, 2014; amended by SR-BATS-2015-76 eff October 21, 2015; amended by SR-BATS-2016-14 eff. April 13, 2016; amended by SR-BatsBZX-2016-61 eff. January 26, 2017); amended by SR-CboeBZX-2019-022 eff. April 2, 2019; amended by SR-CboeBZX-2019-089 eff. October 18, 2019; amended by SR-CboeBZX-2020-026 eff. April 17, 2020); amended by SR-CboeBZX-2020-077 eff. October 19, 2020; amended by SR-CboeBZX-2021-027 eff. April 5, 2021; amended by SR-CboeBZX-2021-070 eff. October 14, 2021; amended by SR-CboeBZX-2022-028 eff. April 18, 2022; amended by SR-CboeBZX-2022-039 eff. July 14, 2022; amended by SR-CboeBZX-2022-037 eff. October 3, 2022).

Rule 11.18. Trading Halts Due to Extraordinary Market Volatility

(a) The Exchange shall halt trading in all stocks and shall not reopen for the time periods specified 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 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., the Exchange shall halt trading in all stocks for 15 minutes after a Level 1 or Level 2 Market Decline. The Exchange shall halt trading based on a Level 1 or Level 2 Market Decline only once per trading day. The Exchange will not halt trading 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, the Exchange shall halt trading in all stocks for the remainder of the trading day.

(c) If a primary listing market halts trading in all stocks, the Exchange will halt trading in all 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 reopen 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 11.18 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.

(A) The term "Plan" or "Limit Up-Limit Down Plan" means the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act, as amended from time to time.

(B) 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, FOK Orders and IOC Orders. The System will only execute BZX market orders, FOK Orders or IOC Orders at or within the Price Bands. If a BZX market order with a time-in-force other than Day, FOK Order or IOC Order cannot be fully executed at or within the Price Bands, the System shall cancel any unexecuted portion of the order without posting such order to the Exchange's order book. A BZX market order to buy (sell) with a time-in-force of Day that is posted to the BZX 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.

(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 re-priced interest is at or within the Price Bands and a User has opted into the Exchange's optional multiple price sliding process, as described in Rule 11.9(g), the System shall re-price 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. Pegged interest 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 11.13, provided that the System shall not route buy (sell) interest at a price above (below) the Upper (Lower) Price Band.

(E) Sell Short Orders. During a Short Sale Price Test, as defined in Rule 11.19(b)(2), Short Sale Orders 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 11.9(g)(2)(A).

(F) Auction Orders. Eligible Auction Orders are not price slid or cancelled due to applicable Price Bands.

(6) (Reserved.)

(7) Trading Pause during a Straddle State. The Exchange may declare a Trading Pause for a NMS Stock listed on the Exchange when (i) the National Best Bid (Offer) is below (above) the Lower (Upper) Price Band and the NMS Stock is not in a Limit State; and (ii) trading in that NMS Stock deviates from normal trading characteristics.

(8) Re-opening of Trading following a Trading Pause. At the end of the Trading Pause, the Exchange shall re-open the security in a manner similar to the procedures set forth in Rule 11.23.

(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 BZX Book.

(g) All times referenced in this Rule 11.18 shall be Eastern Time.

(h) Market-Wide Circuit Breaker ("MWCB") Testing.

(1) The Exchange will participate in all industry-wide tests of the MWCB mechanism. Members designated pursuant to paragraph (b) of Rule 2.4 to participate in Mandatory Participation in Testing of Backup Systems are required to participate in at least one industry-wide MWCB test each year and to verify their participation in that test by attesting that they are able to or have attempted to:

(A) receive and process MWCB halt messages from the securities information processors ("SIPs");

(B) receive and process resume messages from the SIPs following a MWCB halt;

(C) receive and process market data from the SIPs relevant to MWCB halts; and

(D) send orders following a Level 1 or Level 2 MWCB halt in a manner consistent with their usual trading behavior.

(2) To the extent that a Member participating in a MWCB test is unable to receive and process any of the messages identified in paragraph (h)(1)(A)-(D) of

this Rule, its attestation should notify the Exchange which messages it was unable to process and, if known, why.

(3) Members not designated pursuant to standards established in paragraph (b) of Rule 2.4 are permitted to participate in any MWCB test.

(i) In the event that a halt is triggered under this Rule following a Level 1, Level 2, or Level 3 Market Decline, the Exchange, together with other SROs and industry representatives (the "MWCB Working Group"), will review such event. The MWCB Working Group will prepare a report that documents its analysis and recommendations and will provide that report to the Commission within 6 months of the event.

(j) In the event that there is (1) a Market Decline of more than 5%, or (2) an SRO implements a rule that changes its reopening process following a MWCB Halt, the Exchange, together with the MWCB Working Group, will review such event and consider whether any modifications should be made to this Rule. If the MWCB Working Group recommends that a modification should be made to this Rule, the MWCB Working Group will prepare a report that documents its analysis and recommendations and provide that report to the Commission.

(Amended by SR-BATS-2008-005 eff. September 19, 2008; amended by SR-BATS-2010-014 eff. June 10, 2010; amended by SR-BATS-2010-018 eff. September 10, 2010; amended by SR-BATS-2010-037 eff. December 9, 2010; amended by SR-BATS-2011-011 eff. April 1, 2011; amended by SR-BATS-2011-016 eff. August 8, 2011; amended by Amendment 1 to SR-BATS-2011-016 eff. August 8, 2011; amended by SR-BATS-2011-027 eff. August 8, 2011; amended by SR-BATS-2011-048 eff. November 23, 2011; amended by SR-BATS-2012-001 eff. January 19, 2012; amended by SR-BATS-2012-031 eff. July 27, 2012; amended by SR-BATS-2013-010 eff. January 30, 2013; amended by SR-BATS-2013-009 eff. January 30, 2013; amended by SR-BATS-2013-015 eff. February 28, 2013; amended by SR-BATS-2013-015 eff. March 5, 2013; amended by SR-BATS-2014-027 eff. July 9, 2014; amended by SR-BATS-2014-037 eff. October 30, 2014; amended by SR-BATS-2014-068 eff. December 10, 2014); amended by SR-CboeBZX-2019-028 eff. April 12, 2019; amended by SR-CboeBZX-2019-088 eff. October 15, 2019; amended by SR-CboeBZX-2020-025 eff. March 17, 2020; amended by SR-CboeBZX-2020-074 eff. October 6, 2020; amended by SR-CboeBZX-2021-071 eff. October 14, 2021; amended by SR-CboeBZX-2022-023 eff. March 17, 2022; amended by SR-CboeBZX-2022-027 eff. April 11, 2022).

Rule 11.19. Short Sales

(a) Marking. All short sale orders shall be identified as "short" or "short exempt" when entered into the System. If marked "short exempt," 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 marking of an order as "short exempt" 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 marking of orders as "short exempt."

(b) Short Sale Price Test Pursuant to Rule 201 of Regulation SHO.

(1) Definitions. For purposes of this Rule, the terms "covered security", "listing market", and "national best bid" shall have the same meaning as in Rule 201 of Regulation SHO.

(2) Short Sale Price Test. The System (as defined in Rule 1.5) shall not execute or display a short sale order with respect to a covered security at a price that is less than or equal to the current national best bid if the price of that security decreases by 10% or more, as determined by the listing market for the security, from the security's closing price on the listing market as of the end of Regular Trading Hours on the prior day ("Trigger Price").

(3) Determination of Trigger Price. For covered securities for which the Exchange is the listing market, the System shall determine whether a transaction in a covered security has occurred at a Trigger Price and shall immediately notify the responsible single plan processor.

(A) The System will not calculate the Trigger Price of a covered security outside of Regular Trading Hours.

(B) If a covered security did not trade on the Exchange on the prior trading day (due to a trading halt, trading suspension, or otherwise), the Exchange's determination of the Trigger Price shall be based on the last sale price on the Exchange for that security on the most recent day on which the security traded.

(4) Duration of Short Sale Price Test. If the Short Sale Price Test is triggered by the listing market with respect to a covered security, the Short Sale Price Test shall remain in effect until the close of trading on the next trading day, as provided for in Regulation SHO Rule 201(b)(1)(ii) (the "Short Sale Period").

(A) If the Exchange determines pursuant to Rule 11.17 that the Short Sale Price Test for a covered security was triggered because of a clearly erroneous execution, the Exchange may lift the Short Sale Price Test before the Short Sale Period ends for securities for which the Exchange is the listing market or, for securities listed on another market, notify the other market of the Exchange's determination that the triggering transaction was a clearly erroneous execution. The Exchange may also lift the Short Sale Price Test before the Short Sale Period ends, for a covered security for which the Exchange is the listing market, if the Exchange has been informed by another exchange or a self-regulatory organization ("SRO") that a transaction in the covered security that occurred at the Trigger Price was a clearly erroneous execution, as determined by the rules of that exchange or SRO.

(B) If the Exchange determines that the prior day's closing price for a listed security is incorrect in the System and resulted in an incorrect determination of the Trigger Price, the Exchange may correct the prior day's closing price and lift the Short Sale Price Test before the Short Sale Period ends.

(Amended by SR-BATS-2011-002 eff. February 23, 2011; amended by SR-BATS-2012-019 eff. May 24, 2012).

Rule 11.20. Locking or Crossing Quotations in NMS Stocks

(a) *Definitions*. For purposes of this Rule 11.20, the following definitions shall apply:

(1) The terms automated quotation, effective national market system plan, intermarket sweep order, manual quotation, NMS stock, protected quotation, regular trading hours, and trading center shall have the meanings set forth in Rule 600(b) of Regulation NMS.

(2) The term crossing quotation shall mean the display of a bid for an NMS stock during regular trading hours at a price that is higher than 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 during regular trading hours at a price that is lower than the price of a bid for such NMS stock previously disseminated pursuant to an effective national market system plan.

(3) The term locking quotation shall mean the display of a bid for an NMS stock during regular trading hours 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 during regular trading hours at a price that equals the price of a bid for such NMS stock previously disseminated pursuant to an effective national market system plan.

(b) *Prohibition*. Except for quotations that fall within the provisions of paragraph (d) 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.

(c) *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 intermarket sweep order to execute against the full displayed size of the locked or crossed quotation.

(d) *Exceptions*.

(1) The locking 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 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 or crossing quotation was an automated quotation, and the User displaying such automated quotation simultaneously routed an intermarket

sweep order to execute against the full displayed size of any locked or crossed protected quotation.

(4) The locking 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 intermarket sweep order to execute against the full displayed size of the locked or crossed manual quotation.

(Amended by SR-BATS-2008-005 eff. September 19, 2008).

Rule 11.21. Input of Accurate Information

Members of the Exchange shall input accurate information into the System, including, but not limited to, whether the Member acted in a Principal, Agent, or Riskless Principal capacity for each order entered.

(Amended by SR-BATS-2011-007 eff. April 4, 2011).

The below amendment to Rule 11.22(i) was approved by the Commission on January 17, 2018 (SR-BatsBZX-2017-34). The approved new text is underlined. The implementation date of the below change to Rule 11.22(i) will be publicly announced by the Exchange via a trading notice.

Rule 11.22. Data Products

The Exchange offers the following data products free of charge, except as otherwise noted in the Exchange's fee schedule:

(a) TCP Depth. TCP Depth is an uncompressed data feed that provides depth of book quotations and execution information based on equity orders entered into the System.

(b) Cboe Premium Exchange Tools. Cboe Premium Exchange Tools is a web-based tool designed to give a subscribing user the ability to track certain latency statics of the user's logical order entry ports or execution information of the Member or a Sponsored Participant of the Member. A user may obtain historical reports of such execution information.

(c) Multicast Depth. Multicast depth is an uncompressed data feed that offers depth of book quotations and execution information based on equity orders entered into the System.

(d) Top. Top is an uncompressed data feed that offers top of book quotations and execution information based on equity orders entered into the System.

(e) DROP. DROP is an uncompressed data feed that offers information regarding the equities 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.

(f) US Equity Short Volume & Trades Report. The US Equity Short Volume & Trades Report contains an end-of-day report that summarizes certain equity trading activity on the Exchange, and includes trade date, total volume, sell short volume, and sell short exempt

volume, by symbol. The US Equity Short Volume & Trades Report also contains an end-of-month report that includes a trade-by-trade record of all short sale transactions executed on the Cboe U.S. exchanges, and includes trade date and time, trade size, trade price, and type of short sale execution, by symbol and exchange.

(g) Last Sale. Last Sale is an uncompressed data feed that offers only execution information based on equity orders entered into the System.

(h) Historical Data. Historical Data is a data product that offers historical equities data.

(i) Cboe Auction Feed. The Cboe 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 as well as the total size of all buy and sell orders matched via Cboe Market Close described in Rule 11.28.

(j) Cboe 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, consolidated volume, the primary listing market's official opening and closing price, and the current day consolidated high and low price 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. Cboe One Feed recipients may also elect to receive aggregated two-sided quotations from the Exchange and each of its affiliated exchanges for five (5) price levels. The Cboe One Feed will also disseminate the Cboe One Opening and Closing Price. For BZX Listed securities, the Cboe One Opening Price shall be the BZX Official Opening Price as defined in Rule 11.23(a)(5) and the Cboe One Closing Price shall be the BZX Official Closing Price as defined in Rule 11.23(a)(3). For non-BZX listed securities, 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.

(k) BZX Book Viewer. BZX 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.

(l) IPO Auction Viewer. IPO Auction Viewer is a data feed that is available to designated associated persons of a Member that is acting as the Stabilizing Agent for an IPO Security. Beginning with the start of the Quote Only Period and updated every five seconds thereafter till the completion of the IPO Auction for an IPO Security, IPO Auction Viewer will provide aggregated buying and selling interest information for the IPO Security, reflecting all orders on the BZX Book, and consisting of the aggregate size of all orders at each permissible price level. Access to IPO Auction Viewer shall terminate immediately upon the completion of the IPO Auction for the IPO Security.

(1) Compliance requirements

(A) With respect to information provided by Exchange through IPO Auction Viewer, the Stabilizing Agent shall maintain and enforce written policies and procedures reasonably designed to:

(i) restrict electronic access to such information only to associated persons of the Stabilizing Agent who need to know the information in connection with establishing the opening price of an IPO Security and Stabilizing the IPO Security;

(ii) except as may be required for purposes of maintaining books and records for regulatory purposes, prevent the retention of such information following the completion of the IPO Auction for the IPO Security; and

(iii) prevent persons with access to the information from engaging in transactions in the IPO Security other than transactions in the IPO Auction; transactions on behalf of a customer; or Stabilizing.

(B) The information provided through IPO Auction Viewer shall be available solely for display on the screen of a computer for which an entitlement has been provided by the Exchange. Under no circumstances shall a Member redirect such information to another computer or reconfigure it for use in a non-displayed format, including, without limitation, in any trading algorithm.

(C) A member must report promptly to the Exchange any violation of the restrictions contained in this rule.

(D) Nothing contained in this Rule shall be construed to prohibit the member acting as the Stabilizing Agent from:

(i) engaging in Stabilizing consistent with that role; or

(ii) using the information provided from IPO Auction Viewer to respond to inquiries from any person, including, without limitation, other members, customers, or associated persons of the Stabilizing Agent, regarding the expectations of the member acting as the Stabilizing Agent with regard to the possibility of executing stated quantities of an IPO Security at stated prices in the IPO Auction.

(2) Definitions

(A) "IPO Security" is a BZX listed security in an initial public offering for which the initial pricing procedures described in Rule 11.23(d) are available.

(B) "IPO Auction" means the initial pricing procedures described in Rule 11.23(d).

(C) "Stabilizing" means Stabilizing as defined in Rule 100 of Regulation M of the Securities Exchange Act of 1934, including engaging in syndicate covering transactions.

(D) "Stabilizing Agent" means a Member that will engage in Stabilizing with respect to an IPO Security on the day of its initial public offering.

(m) BZX Summary Depth. BZX 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. BZX Summary Depth also contains the individual last sale information, Market Status, Trading Status, and Trade Break messages.

(n) Short Interest Report. The Short Interest Report contains a summary of consolidated market short interest positions in all BZX-listed securities.

(o) Cboe Timestamping Service. The Cboe Timestamping Service will consist of two optional reports:

(1) Missed Liquidity Report. The Missed Liquidity Report contains historical data from the prior trading day and will be available after the end of the trading day on a T+1 basis. It provides time details for executions of orders that rest on the book where the Member receiving the report attempted to execute against a resting order within an Exchange-determined period of time (not to exceed 1 millisecond) after receipt of the first attempt to execute against that resting order and within an Exchange-determined period of time (not to exceed 100 microseconds) before receipt of the first attempt to execute against that resting order.

(2) Cancels Report. The Cancels Report contains historical data from the prior trading day and will be available after the end of the trading day on a T+1 basis. It provides liquidity response time details for executions of orders that rest on the book where the Member receiving the report attempted to cancel a resting order within an Exchange-determined period of time (not to exceed 1 millisecond) after receipt of the first attempt to execute against that resting order and within an Exchange-determined period of time (not to exceed 100 microseconds) before receipt of the first attempt to execute against that resting order.

(Amended by SR-BATS-2011-017 eff. May 9, 2011; amended by SR-BATS-2011-020 eff. July 5, 2011; amended by SR-BATS-2011-032 eff. October 25, 2011; amended by SR-BATS-2013-050 eff. September 12, 2013; amended by SR-BATS-2014-055 eff. December 23, 2014; amended by SR-2015-15 eff. February 18, 2015; amended by SR-BATS-2015-29 eff. April 6, 2015; amended August 7, 2015 by SR-BATS-2015-62; amended by SR-BATS-2015-119 eff. January 22, 2016; amended by SR-BatsBZX-2016-27 eff. July 17, 2016; amended by SR-BatsBZX-2016-50 eff. September 11, 2016; amended by SR-BatsBZX-2016-77 eff. November 23, 2016; amended by SR-BatsBZX-2017-25 eff. May 28, 2017; amended by SR-CboeBZX-2020-050 eff. July 10, 2020; amended by SR-CboeBZX-2021-046 eff. July 16, 2021; amended by SR-CboeBZX-2021-047 eff. August 31, 2021; amended by SR-CboeBZX-2022-044 eff. August 9, 2022; amended by SR-CboeBZX-2023-024 eff. April 5, 2023; amended by SR-CboeBZX-2023-059 eff. August 8, 2023;

amended by SR-CboeBZX-2023-102 eff. December 11, 2023; amended by SR-CboeBZX-2024-077 eff. September 16, 2024).

The below amendment to Rule 11.23(a)(15) was approved by the Commission on January 17, 2018 (SR-BatsBZX-2017-34). The approved new text is underlined. The implementation date of the below change to Rule 11.22(a)(15) will be publicly announced by the Exchange via a trading notice.

Rule 11.23. Auctions

(a) Definitions

(1) The term "Auction Book" shall mean all Eligible Auction Orders on the BZX Book.

(2) The term "Auction Only Price" shall mean the price at which the most shares from the Auction Book would match. In the event of a volume based tie at multiple price levels, the Auction Only Price will be the price which results in the minimum total imbalance. In the event of a volume based tie and a tie in minimum total imbalance at multiple price levels, the Auction Only Price will be the price closest to the Volume Based Tie Breaker.

(3) The term "BZX Official Closing Price" shall mean the price disseminated to the consolidated tape as the market center closing trade.

(4) The term "BZX Official IPO Opening Price" shall mean the price disseminated to the consolidated tape as the market center opening trade for an initial public offering of a BZX listed security.

(5) The term "BZX Official Opening Price" shall mean the price disseminated to the consolidated tape as the market center opening trade.

(6) The term "Collar Price Range" shall mean the range from a set percentage below the Collar Midpoint (as defined below) to above the Collar Midpoint, such set percentage being dependent on the value of the Collar Midpoint at the time of the auction, as described below. The Collar Midpoint will be the Volume Based Tie Breaker for all applicable auctions, except for IPO Auctions in ETPs (as defined in Rule 11.8, Interpretation and Policy .02(d)(2)), for which the Collar Midpoint will be the issue price. Specifically, the Collar Price Range will be determined as follows: where the Collar Midpoint is $25.00 or less, the Collar Price Range shall be the range from 10% below the Collar Midpoint to 10% above the Collar Midpoint; where the Collar Midpoint is greater than $25.00 but less than or equal to $50.00, the Collar Price Range shall be the range from 5% below the Collar Midpoint to 5% above the Collar Midpoint; and where the Collar Midpoint is greater than $50.00, the Collar Price Range shall be the range from 3% below the Collar Midpoint to 3% above the Collar Midpoint.

(7) The term "Continuous Book" shall mean all orders on the BZX Book that are not Eligible Auction Orders.

(8) The term "Eligible Auction Order" shall mean any MOO, LOO, LLOO, MOC, LOC, or LLOC order that is entered in compliance with its respective cutoff for an Opening or Closing Auction, any RHO order prior to the Opening Auction, any limit or market order not designated to exclusively participate in the Closing Auction entered during the Quote-Only Period of an IPO Auction subject to the below restrictions, and any limit or market order not designated to exclusively participate in the Opening or Closing Auction entered during the Quote-Only Period of a Halt Auction.

With regard to an IPO Auction in a BZX listed corporate security, the restrictions on Eligible Auction Orders in paragraphs (A), (B), and (C) below would apply.

(A) The following types of orders shall not be eligible to participate in an IPO Auction and will be rejected:

(i) Stop Orders and Stop Limit Orders;

(ii) Pegged Orders, Mid-Point Peg Orders, Market Maker Peg Orders and Supplemental Peg Orders;

(iii) Minimum Quantity Orders and Discretionary Orders;

(iv) MOC, LOC and LLOC orders; and

(v) Orders with a time-in-force of FOK and orders with a time-in-force of GTD with an expiration time earlier than 4:00 p.m. Eastern Time.

(B) The following types of orders entered to participate in an IPO Auction will be converted as follows:

(i) Market Orders with a time-in-force of IOC will be converted to MOOs and Limit Orders with a time-in-force of IOC will be converted to LOOs;

(ii) Orders with a time-in-force of RHO will be converted to orders with a time-in-force of Day; and

(iii) any orders eligible to be routed will be converted to BZX Only Orders.

(C) The following modifiers on an order that has been entered to participate in an IPO Auction will not be applied in an IPO Auction and will be permanently ignored with respect to an order unless otherwise specified below:

(i) MTP Modifiers will not be applied until the IPO Auction is complete but will be applied in the event any unexecuted portion is placed on the BZX Book;

(ii) an instruction to treat an order as an Attributable Order;

(iii) an ISO instruction or a Post Only instruction included with a Limit Order; and

(iv) the replenishment range of a Reserve Order with a Random Replenishment instruction.

(9) The term "Final Last Sale Eligible Trade" shall mean the last round lot trade occurring during Regular Trading Hours on the Exchange if the trade was executed within the last one second prior to either the Closing Auction or, for Halt Auctions, trading in the security being halted. Where the trade was not executed within the last one second, the last round lot trade reported to the consolidated tape received by the Exchange during Regular Trading Hours and, where applicable, prior to trading in the security being halted will be used. If there is no qualifying trade for the current day, the BZX Official Closing Price from the previous trading day will be used.

(10) The term "Indicative Price" shall mean the price at which the most shares from the Auction Book and the Continuous Book would match. In the event of a volume based tie at multiple price levels, the Indicative Price will be the price which results in the minimum total imbalance. In the event of a volume based tie and a tie in minimum total imbalance at multiple price levels, the Indicative Price will be the price closest to the Volume Based Tie Breaker.

(11) The term "Late-Limit-On-Close" or "LLOC" shall mean a BZX limit order that is designated for execution only in the Closing Auction. To the extent a LLOC bid or offer received by the Exchange has a limit price that is more aggressive than the NBB or NBO, the price of such bid or offer is adjusted to be equal to the NBB or NBO, respectively, at the time of receipt by the Exchange. Where the NBB or NBO becomes more aggressive, the limit price of the LLOC bid or offer will be adjusted to the more aggressive price, only to the extent that the more aggressive price is not more aggressive than the original User entered limit price. The limit price will not be adjusted to a less aggressive price, unless otherwise provided by Exchange Rules. If there is no NBB or NBO, the LLOC bid or offer, respectively, will assume its entered limit price.

(12) The term "Late-Limit-On-Open" or "LLOO" shall mean a BZX limit order that is designated for execution only in the Opening Auction. To the extent a LLOO bid or offer received by the Exchange has a limit price that is more aggressive than the NBB or NBO, the price of such bid or offer is adjusted to be equal to the NBB or NBO, respectively, at the time of receipt by the Exchange. Where the NBB or NBO becomes more aggressive, the limit price of the LLOO bid or offer will be

adjusted to the more aggressive price, only to the extent that the more aggressive price is not more aggressive than the original User entered limit price. The limit price will not be adjusted to a less aggressive price, unless otherwise provided by Exchange Rules. If there is no NBB or NBO, the LLOO bid or offer, respectively, will assume its entered limit price. Notwithstanding the foregoing, a LLOO order entered during the Quote-Only Period of an IPO will be converted to a limit order with a limit price equal to the original User entered limit price and any LLOO orders not executed in their entirety during the IPO Auction will be cancelled upon completion of the IPO Auction.

(13) The term "Limit-On-Close" or "LOC" shall mean a BZX limit order that is designated for execution only in the Closing Auction.

(14) The term "Limit-On-Open" or "LOO" shall mean a BZX limit order that is designated for execution only in the Opening Auction. Notwithstanding the foregoing, a LOO order entered during the Quote-Only Period of an IPO will be converted to a limit order and any LOO orders not executed in their entirety during the IPO Auction will be cancelled upon completion of the IPO Auction.

(15) The term "Market-On-Close" or "MOC" shall mean a BZX market order that is designated for execution only in the Closing Auction or Cboe Market Close.

(16) The term "Market-On-Open" or "MOO" shall mean a BZX market order that is designated for execution only in the Opening Auction. Notwithstanding the foregoing, a MOO order entered during the Quote-Only Period of an IPO will be converted to a market order and any MOO orders not executed in their entirety during the IPO Auction will be cancelled upon completion of the IPO Auction.

(17) The term "Quote-Only Period" shall mean a designated period of time prior to a Halt Auction, a Volatility Closing Auction, or an IPO Auction during which Users may submit orders to the Exchange for participation in the auction.

(18) The term "Reference Buy Shares" shall mean the total number of shares associated with buy-side Eligible Auction Orders that are priced equal to or greater than the Reference Price.

(19) The term "Reference Price" shall mean the price within the Reference Price Range that maximizes the number of Eligible Auction Order shares associated with the lesser of the Reference Buy Shares and the Reference Sell Shares as determined at each price level within the Reference Price Range, that minimizes the absolute difference between Reference Buy Shares and Reference Sell Shares, and minimizes the distance from the Volume Based Tie Breaker.

(20) The term "Reference Price Range" shall mean the range from the NBB to the NBO for a particular security. In the event that there is either no NBB or NBO for the security, the price of the Final Last Sale Eligible Trade will be used.

(21) The term "Reference Sell Shares" shall mean the total number of shares associated with sell-side Eligible Auction Orders that are priced equal to or less than the Reference Price.

(22) Reserved.

(23) The term "Volume Based Tie Breaker" shall mean the midpoint of the NBBO for a particular security where the NBBO is a Valid NBBO. A NBBO is a Valid NBBO where: (i) there is both a NBB and NBO for the security; (ii) the NBBO is not crossed; and (iii) the midpoint of the NBBO is less than the Maximum Percentage away from both the NBB and the NBO. The Maximum Percentage will be determined by the Exchange and will be published in a circular distributed to Members with reasonable advance notice prior to initial implementation and any change thereto. Where the NBBO is not a Valid NBBO, the price of the Final Last Sale Eligible Trade will be used.

(b) *Opening Auction*

(1) Order Entry and Cancellation Before Opening Auction

(A) Users may submit orders to the Exchange as set forth in Rule 11.1. Any Eligible Auction Orders designated for the Opening Auction will be queued until 9:30 a.m. at which time they will be eligible to be executed in the Opening Auction. Users may submit LOO and MOO orders until 9:28 a.m., at which point any additional LOO and MOO orders submitted to the Exchange will be rejected. RHO market orders will also be rejected between 9:28 a.m. and 9:30 a.m. Users may submit LLOO orders between 9:28 a.m. and 9:30 a.m. Any LLOO orders submitted before 9:28 a.m. or after 9:30 a.m. will be rejected. RHO limit orders submitted between 9:28 a.m. and 9:30 a.m. will be treated as LLOO orders until the Opening Auction has concluded.

(B) Eligible Auction Orders designated for the Opening Auction may not be cancelled or modified between 9:28 a.m. and 9:30 a.m. except that RHO limit orders designated for the Opening Auction may be modified, but not cancelled, between 9:28 a.m. and 9:30 a.m. Any such RHO limit orders modified between 9:28 a.m. and 9:30 a.m. will be treated as LLOO orders until the Opening Auction has concluded.

(C) Orders eligible for execution in the Early Trading Session or Pre-Opening Session may be cancelled or modified at any time prior to execution.

(2) Opening Auction Process. The Exchange will conduct an Opening Auction for all BZX listed securities.

(A) Publication of BZX Auction Information. Beginning at 8:00 a.m. and updated every five seconds thereafter, the Reference Price, Indicative Price, Auction Only Price, Reference Buy Shares, and Reference Sell Shares associated with the Opening Auction will be disseminated via electronic means.

(B) Determination of BZX Official Opening Price. The Opening Auction price will be established by determining the price level within the Collar Price Range that maximizes the number of shares executed between the Continuous Book and Auction Book in the Opening Auction. In the event of a volume based tie at multiple price levels, the Opening Auction price will be the price which results in the minimum total imbalance. In the event of a volume based tie and a tie in minimum total imbalance at multiple price levels, the Opening Auction price will be the price closest to the Volume Based Tie Breaker. The Opening Auction price will be the BZX Official Opening Price. In the event that there is no Opening Auction for an issue, the BZX Official Opening Price will be the price of the Final Last Sale Eligible Trade, which will be the previous BZX Official Closing Price.

(C) Execution Priority. MOO and market RHO orders have priority over all other Opening Auction Eligible Orders. To the extent there is executable contra side interest, such MOO and market RHO orders will execute at the BZX Official Opening Price in accordance with time priority. After the execution of all MOO and market RHO orders, the remaining orders priced at or more aggressively than the BZX Official Opening Price on the Auction Book and the Continuous Book will be executed on the basis of price priority. Equally priced trading interest shall execute in time priority in the following order:

(i) the displayed portion of limit orders, LOO orders, LLOO orders, and limit RHO orders (all such orders to have equal priority after execution of all orders identified in paragraph (C) above);

(ii) non-displayed orders; and

(iii) the reserve portion of limit orders.

(3) Transition to Regular Trading Hours

(A) Limit order shares on the Continuous Book that are not executed in the Opening Auction will remain on the Continuous Book during Regular Trading Hours, subject to the User's instructions.

(B) RHO order shares that are not executed in the Opening Auction will be added to the Continuous Book at the conclusion of the Opening Auction, subject to the User's instructions. However, where the Opening Auction would have occurred at a price level but for such price level being greater than (less than) the high (low) range of the Collar Price Range, all buy (sell) limit RHO orders with a limit price more aggressive than the BZX Official Opening Price that are not executed in the Opening Auction will be cancelled.

(C) LOO, LLOO, and MOO orders that are not executed in the Opening Auction will be cancelled immediately at the conclusion of the Opening Auction.

(c) *Closing Auction*

(1) Order Entry and Cancellation Before Closing Auction

(A) Users may submit orders to the Exchange as set forth in Rule 11.1. Any Eligible Auction Orders designated for the Closing Auction will be queued until 4:00 p.m. at which time they will be eligible to be executed in the Closing Auction. Users may submit LOC until 3:59 p.m., at which point any additional LOC orders submitted will be rejected. Users may submit MOC orders until 3:55 p.m., at which time any additional MOC orders submitted will be rejected. Unlike in the Opening Auction, User submitted Market RHO orders will be accepted immediately prior to the Closing Auction. Users may submit LLOC orders between 3:59 p.m. and 4:00 p.m. Any LLOC orders submitted before 3:59 p.m. or after 4:00 p.m. will be rejected.

(B) MOC orders may not be cancelled or modified after 3:55 p.m. LOC and LLOC orders may not be cancelled or modified between 3:59 p.m. and 4:00 p.m.

(C) Orders eligible for execution during Regular Trading Hours may be cancelled at any time prior to execution.

(2) Closing Auction Process. The Exchange will conduct a Closing Auction for all BZX listed securities.

(A) Publication of BZX Auction Information. Between 3:00 p.m. and 3:59 p.m., and updated every five seconds thereafter, the Reference Price, Indicative Price, Auction Only Price, Reference Buy Shares, and Reference Sell Shares associated with the Closing Auction will be disseminated via electronic means. Subsequently, between 3:59 p.m. and 4:00 p.m., and updated every 1 second thereafter, the Reference Price, Indicative Price, Auction Only Price, Reference Buy Shares, and Reference Sell Shares associated with the Closing Auction will be disseminated via electronic means.

(B) Determination of BZX Official Closing Price. The Closing Auction price will be established by determining the price level within the Collar Price Range that maximizes the number of shares executed between the Continuous Book and Auction Book in the Closing Auction. In the event of a volume based tie at multiple price levels, the Closing Auction price will be the price which results in the minimum total imbalance. In the event of a volume based tie and a tie in minimum total imbalance at multiple price levels, the Closing Auction price will be the price closest to the Volume Based Tie Breaker. For a BZX-listed corporate security, the Closing Auction price will be the BZX Official Closing Price. In the event that there is no Closing Auction for a BZX-listed corporate security, the BZX Official Closing Price will be the price of the Final Last Sale Eligible Trade. The BZX Official Closing Price for all other BZX-listed securities will be determined as follows:

(i) Where at least one round lot is executed in the Closing Auction, Closing Auction price will be the BZX Official Closing Price;

(ii) In the event that the BZX Official Closing Price cannot be determined under paragraph (B)(i) of this Rule, the BZX Official Closing Price for such security will depend on when the last consolidated last-sale

eligible trade occurs. If a trade that would qualify as a Final Last Sale Eligible Trade occurred:

(a) within the final five minutes before the end of Regular Trading Hours, the Final Last Sale Eligible Trade will be the BZX Official Closing Price; or

(b) prior to five minutes before the end of Regular Trading Hours, the time-weighted average price of the NBBO midpoint measured over the last 5 minutes before the end Regular Trading Hours will be the BZX Official Closing Price. For purposes of this paragraph (b), the Exchange will exclude a quote from the NBBO midpoint calculation if the spread of the quote is greater than 10% of the midpoint price. A Crossed NBBO would also be excluded from the calculation; or

(iii) If the BZX Official Closing Price cannot be determined under paragraphs (B)(i) or (B)(ii) of this Rule, the Final Last Sale Eligible Trade will be the BZX Official Closing Price.

(C) Execution Priority. MOC orders have priority over all other Closing Auction Eligible Orders. To the extent there is executable contra side interest, such MOC orders will be executed at the BZX Official Closing Price according to time priority. After the execution of all MOC orders, the remaining orders priced at or more aggressively than the BZX Official Closing Price on the Auction Book and the Continuous Book will be executed on the basis of price priority. Equally priced trading interest shall execute in time priority in the following order:

(i) the displayed portion of limit orders, LOC orders, LLOC orders, and limit RHO orders (all such orders to have equal priority after execution of all orders identified in paragraph (C) above);

(ii) non-displayed orders; and

(iii) the reserve portion of limit orders.

(3) Transition to After Hours Trading Session

(A) Limit order shares on the Continuous Book that are not executed in the Closing Auction will remain on the Continuous Book during the After Hours Trading Session, subject to the User's instructions.

(B) RHO, LOC, LLOC, and MOC order shares that are not executed in the Closing Auction will be cancelled at the conclusion of the Closing Auction.

(d) *IPO and Halt Auctions.* For trading in a BZX listed security in an initial public offering (an "IPO") or following a Regulatory Halt in that security, other than a Regulatory

Halt initiated pursuant to Rule 11.18(b)(2) following a Level 3 Market Decline, the Exchange will conduct an IPO or Halt Auction, as described below.

(1) Order Entry and Cancellation Before an IPO or Halt Auction.

(A) The Quote-Only Period with respect to a Halt Auction shall commence five (5) minutes prior to such Halt Auction. The Quote-Only Period with respect to an IPO Auction for ETPs shall commence at 8:00 a.m. The Quote Only Period with respect to an IPO Auction in a BZX listed corporate security shall commence at a time announced in advance by the Exchange that shall be between fifteen (15) and thirty (30) minutes plus a short random period prior to such IPO Auction. There are no IPO or Halt Auction specific order types. Any Eligible Auction Orders associated with an IPO or Halt Auction will be queued until the end of the Quote-Only Period at which time they will be eligible to be executed in the associated auction. All orders associated with IPO or Halt Auctions must be received prior to the end of the Quote-Only Period in order to participate in the auction.

(B) Eligible Auction Orders associated with an IPO or Halt Auction may be cancelled at any time prior to execution.

(2) IPO and Halt Auction Process.

(A) Publication of BZX Auction Information. Coinciding with the beginning of the Quote-Only Period for a security and updated every five seconds thereafter, the Reference Price, Indicative Price, Auction Only Price, Halt Auction Reference Price, Halt Auction Collars, and the lesser of Reference Buy Shares and Reference Sell Shares associated with the IPO or Halt Auction will be disseminated via electronic means.

(B) (B) Extending the Quote-Only Period for IPO Auctions. The Quote-Only Period may be extended where:

(i) there are unmatched market orders on the Auction Book associated with the auction;

(ii) the underwriter requests an extension;

(iii) where the Indicative Price moves the greater of 10% or fifty (50) cents in the fifteen (15) seconds prior to the auction; or

(iv) in the event of a technical or systems issue at the Exchange that may impair the ability of Users to participate in the IPO Auction or of the Exchange to complete the IPO Auction.

(C) Incremental Quote Period Extensions for Halt Auctions Following a Regulatory Halt. Pursuant to paragraph (d)(1)(A) above, the Quote-Only Period with respect to a Halt Auction shall commence five (5) minutes prior to such Halt Auction. The Quote-Only Period shall be extended for an additional five (5) minutes

should a Halt Auction be unable to be performed due to unmatched market orders on the Auction Book associated with the auction, or the Indicative Price, before being adjusted for Halt Auction Collars, is outside the applicable Halt Auction Collars set forth in subparagraphs (i) and (ii) below (either, an "Impermissible Price") ("Initial Extension Period"). After the Initial Extension Period, the Quote-Only Period shall be extended for additional five (5) minute periods should a Halt Auction be unable to be performed due to an Impermissible Price ("Additional Extension Period") until a Halt Auction occurs. The Exchange shall attempt to conduct a Halt Auction during the course of each Additional Extension Period. The Halt Auction shall be cancelled at 3:50 p.m. eastern time, at which time the auction for the security shall be conducted pursuant to the Volatility Closing Auction process under section (e) of this Rule.

(i) Initial Halt Auction Collars shall be calculated as follows:

(A) For Halt Auctions following a Trading Pause, the Halt Auction Reference Price shall equal the price of the Upper or Lower Price Band that triggered the halt. If the Halt Auction Reference Price is the Lower (Upper) Price Band, the initial lower (upper) Halt Auction Collar shall be five (5) percent less (greater) than the Halt Auction Reference Price, rounded to the nearest minimum price variation and the upper (lower) Halt Auction Collar shall be the Upper (Lower) Price Band. For securities with a Halt Auction Reference Price of $3.00 or less, the initial lower (upper) Halt Auction Collar shall be $0.15 less (greater) than the Halt Auction Reference Price, rounded to the nearest minimum price variation and the upper(lower) Halt Auction Collar shall be the Upper (Lower) Price Band.

(B) For Halt Auctions following Non-LULD Regulatory Halts, the Halt Auction Reference Price shall equal the price of the Final Last Sale Eligible Trade. The initial lower (upper) Halt Auction Collar shall be five (5) percent less (greater) than the Halt Auction Reference Price, rounded to the nearest minimum price variation. For securities with a Halt Auction Reference Price of $3.00 or less, the initial lower (upper) Halt Auction Collar shall be $0.15 less (greater) than the Halt Auction Reference Price, rounded to the nearest minimum price variation.

(ii) At the beginning of the Initial Extension Period the upper (lower) Halt Auction Collar shall be increased (decreased) by five (5) percent in the direction of the Impermissible Price, rounded to the nearest minimum price variation. For securities with a Halt Auction Reference Price of $3.00 or less, the Halt Auction

Collar shall be increased (decreased) in $0.15 increments in the direction of the Impermissible Price. At the beginning of each Additional Extension Period, the Halt Auction Collar shall be widened in accordance with this paragraph by the same amount as the Initial Extension Period.

(D) Notification of Extensions of the Quote-Only Period. In the event of any extension to the Quote-Only Period as set forth in paragraph (B) or (C) above, the Exchange will notify market participants regarding the circumstances and length of the extension.

(E) Determination of BZX IPO and Halt Auction Price. Orders will be executed at the price that maximizes the number of shares executed in the auction. For IPO Auctions, orders will be executed at the price level within the Collar Price Range that maximizes the number of shares executed in the auction. For Halt Auctions following a Regulatory Halt, orders will be executed at the price level within the Halt Auction Collars that maximizes the number of shares executed in the auction. In the event of a volume based tie at multiple price levels, the price level that results in the minimum total imbalance will be used. In the event of a volume based tie and a tie in minimum total imbalance at multiple price levels, the price level closest to the issuing price will be used for IPO Auctions and the price level closest to the Final Last Sale Eligible Trade will be used for Halt Auctions. The IPO Auction price will be BZX Official IPO Opening Price.

(F) Notification of Trading Pauses. If a Trading Pause is triggered by the Exchange or if the Exchange is unable to reopen trading at the end of the Trading Pause due to a systems or technology issue, the Exchange will immediately notify the single plan processor responsible for consolidation of information for the security pursuant to Rule 603 of Regulation NMS under the Securities Exchange Act of 1934.

(3) Transition to Normal Trading.

(A) If any orders are not executed in their entirety during the IPO or Halt Auction, then the remaining shares from such orders that are not automatically cancelled shall be executed in accordance with Rule 11.13 after the completion of the IPO or Halt Auction.

(B) After the completion of the IPO or Halt Auction, the Exchange will open for trading in the security in accordance with Chapter 11 of the Exchange's Rules.

(e) *Volatility Closing Auction*. Where a security is halted between 3:50 p.m. and 4:00 p.m. pursuant to Rule 11.18 or the Quote-Only Period of a Halt Auction for a security halted before 3:50 p.m. pursuant to Rule 11.18 would otherwise be extended by the Exchange

after 3:50 p.m., no Closing Auction or Halt Auction for the security will occur. Instead, the Exchange will conduct a Volatility Closing Auction at 4:00 p.m. as described below.

(1) Order Entry and Cancellation Before a Volatility Closing Auction.

(A) The Quote-Only Period with respect to a Volatility Closing Auction shall commence at the time a security is halted between 3:50 p.m. and 4:00 p.m. and will end at 4:00 p.m. During the Quote-Only Period of a Volatility Closing Auction the Exchange will accept limit and market orders as well as any Eligible Auction Orders applicable to a Closing Auction on the Exchange.

(B) Eligible Auction Orders associated with a Volatility Closing Auction may be cancelled at any time prior to execution.

(2) Volatility Closing Auction Process.

(A) Publication of BZX Auction Information. Coinciding with the beginning of the Quote-Only Period for a security and updated every five seconds thereafter, the Reference Price, Indicative Price, Auction Only Price, and the lesser of Reference Buy Shares and Reference Sell Shares associated with the Volatility Closing Auction will be disseminated via electronic means.

(B) Determination of Closing Price. Orders will be executed at the price level within the most recently widened Halt Auction Collar calculated pursuant to Rule 11.23(d)(1)(C) that maximizes the number of shares executed in the auction. In the event of a volume based tie at multiple price levels, the price level that results in the minimum total imbalance will be used. In the event of a volume based tie and a tie in minimum total imbalance at multiple price levels, the price level closest to the Final Last Sale Eligible Trade will be used for Volatility Closing Auctions. The Volatility Closing Auction price will be the BZX Official Closing Price.

(C) Execution Priority. Market orders have priority over all other Volatility Closing Auction Eligible Orders. To the extent there is executable contra side interest, such market orders will be executed at the BZX Official Closing Price according to time priority. After the execution of all market orders, the remaining orders priced at or more aggressively than the BZX Official Closing Price will be executed on the basis of price/time priority.

(3) Transition to After Hours Trading Session.

(A) Limit order shares that are not executed in the Volatility Closing Auction will remain on the Continuous Book during the After Hours Trading Session, subject to paragraph (B) below and the User's instructions.

(B) RHO, LOC, LLOC, MOC and market order shares that are not executed in the Volatility Closing Auction will be cancelled at the conclusion of the Volatility Closing Auction.

(f) Whenever, in the judgment of the Exchange, the interests of a fair and orderly market so require, the Exchange may adjust the timing of or suspend the auctions set forth in this Rule with prior notice to Users.

(g) For purposes of Rule 611(b)(3) of Regulation NMS, orders executed pursuant to the Opening Auction, Closing Auction, Halt Auction, and Volatility Closing Auction may trade-through any other Trading Center's Manual or Protected Quotations if the transaction that constituted the trade-through was a single-priced opening, reopening, or closing transaction by the trading center.

(h) For purposes of this Rule, all references to a.m. and p.m. times shall refer to Eastern Time.

(i) Closing Contingency Procedures. When a determination to implement Closing Contingency Procedures has been made by the Chief Executive Officer of the Exchange or any Executive Officer designated by the Chief Executive Officer, the Exchange shall publicly announce this determination at the earliest possible time via system status alerts, Trade Desk Notices, and email notification directories. The following procedures shall apply:

(1) If the Exchange determines to follow Closing Contingency Procedures for one or more securities at or before 3:00 p.m. Eastern Time, the Exchange will designate an alternate exchange and the Exchange's Official Closing Price for those securities will be:

(A) the official closing price established for such security under the rules of the designated alternate exchange; or

(B) if there is no official closing price in a security on the designated alternate exchange, the Exchange's Official Closing Price will be the Volume-Weighted Average Price ("VWAP") of the consolidated last-sale eligible prices of the last five minutes of trading during regular trading hours, including any closing transactions on an exchange and any trade breaks or corrections up to the time the VWAP is processed; or

(C) if there were no consolidated last-sale eligible trades in the last five minutes of trading during regular trading hours, the Exchange's Official Closing Price of such security will be the last consolidated last-sale eligible trade for such security during regular trading hours on that trading day; or

(D) if there were no consolidated last-sale eligible trades the Exchange's Official Closing Price of such security will be the prior day's Official Closing Price; or

(E) if no Official Closing Price for a security can be determined under subsections (A), (B), (C) or (D) above, the Exchange would not publish an Official Closing Price for such security.

(2) If the Exchange determines to follow Closing Contingency Procedures for one or more securities after 3:00 p.m. Eastern Time, the Exchange's Official Closing Price for those securities will be:

(A) the VWAP of the consolidated last-sale eligible prices of the last five minutes of trading during regular trading hours, including any closing transactions on an exchange and any trade breaks or corrections up to the time the VWAP is processed;

(B) if there were no consolidated last-sale eligible trades in the last five minutes of trading during regular trading hours, the Exchange's Official Closing Price of such security will be the last consolidated last-sale eligible trade for such security during regular trading hours on that trading day;

(C) if there were no consolidated last-sale eligible trades on the day in question, the Exchange's Official Closing Price of such security will be the prior day's Official Closing Price; or

(D) if no Official Closing Price for a security can be determined under subsections (A), (B) or (C) above, the Exchange would not publish an Official Closing Price for such security.

(1) The Exchange shall cancel all open interest designated for the Exchange's close residing in the Exchange's systems to give members the opportunity to route their orders to alternative execution venues.

(2) After hours trading shall begin either as scheduled at 4:00 p.m. Eastern Time or upon resolution of the disruption that triggered the Exchange to operate the Closing Contingency Procedures.

(Amended by SR-BATS-2011-032 eff. October 25, 2011; amended by SR-BATS-2012-009 eff. February 3, 2012; amended by SR-BATS-2012-046 eff. January 31, 2013; amended by SR-BATS-2013-066, as modified by Amendment 1 to SR-BATS-2013-066 eff. February 6, 2014; amended by SR-BATS-2014-037 eff. October 30, 2014; amended by SR-BATS-2015-31 eff. May 1, 2015; amended by SR-BATS-2016-24 eff. February 25, 2016; amended by SR-BATS-2016-17 eff. March 30, 2016; amended by SR-BATS-2016-14 eff. April 13, 2016; amended by SR-BatsBZX-2016-47 eff. September 2, 2016; amended by SR-BatsBZX-2016-81 eff. December 30, 2016; amended by SR-BatsBZX-2016-81 eff. December 30, 2016; amended by SR-BatsBZX-2016-61 and SR-BatsBZX-2016-61 eff. January 26, 2017; amended by SR-CboeBZX-2018-079 eff. December 6, 2018; amended by SR-CboeBZX-2018-090 eff. January 17, 2019; amended by SR-CboeBZX-2019-008 eff. February 5, 2019; amended by SR-CboeBZX-2019-095 eff. November 12, 2019; amended by SR-CboeBZX-2020-005 eff. January 17, 2020; amended by SR-CboeBZX-2020-025 eff. March 17, 2020; amended by SR-CboeBZX-2021-023 eff. May 18, 2021; amended by SR-CboeBZX-2021-073 eff. November 9, 2021; amended by SR-CboeBZX-2025-058 eff. June 6, 2025).

Rule 11.24. Opening Process for Non-BZX-Listed Securities

(a) Order Entry and Cancellation before the Opening Process. Prior to the beginning of Regular Trading Hours, Users who wish to participate in the Opening Process may enter orders to buy or sell that are designated as RHO orders. Orders cancelled before the Opening Process will not participate in the Opening Process. Any order that is not designated as RHO will not be eligible for participation in the Opening Process.

(1) All non-RHO orders and ISOs designated RHO entered between 9:30 a.m. Eastern Time and the completion of the Opening Process may execute against eligible Pre-Opening Session contra-side interest resting on the BZX Book. 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 are designated as RHO may participate in the Opening Process except BZX Post Only Orders, ISOs not modified by Rule 11.24(a)(1) above, and Minimum Quantity Orders. Limit orders with a Reserve Quantity may participate to the full extent of their displayed size and Reserve Quantity. Discretionary Orders may participate only up to their ranked price for buy orders or down to their ranked price for sell orders. The discretionary range of such orders will not be eligible for participation in the Opening Process. All Pegged Orders and Mid-Point Peg Orders, as defined in Rule 11.9(c)(8) and (9), 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. 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 MTP modifiers, as defined in Rule 11.9(f), will be ignored as it relates to executions occurring as part of 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 BZX Book, cancelled, executed, or routed to other away Trading Centers in accordance with Rule 11.13(a)(2). If no matches can be made, the Opening Process will conclude with all orders that participated in the Opening Process being placed in the BZX Book, cancelled, executed, or routed to away Trading Centers in accordance with Rule 11.13(a)(2).

(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 is 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 except for the Exchange, 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 11.24(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 BZX Book, routed, cancelled, or executed in accordance with the terms of the order.

(e) Re-Opening After a Halt. While a non-BZX-listed security is subject to a halt, suspension, or pause in trading, other than a halt initiated pursuant to Rule 11.18(b)(2) following a Level 3 Market Decline, the Exchange will accept orders 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:

(A) Non-RHO orders will be eligible for participation in the Re-Opening Process, but IOC, FOK, BZX Post Only Orders, and Minimum Quantity Orders will be cancelled or rejected, as applicable, and any ISO that is not IOC or FOK will be converted into a non-ISO and be queued for participation in the Re-Opening Process;

(B) During Regular Trading Hours, 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) NBBO when the first two-sided quotation is 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; and

(C) During the Early Trading Session, Pre-Opening Session, or After Hours Trading Session, the Re-Opening Process will occur at the midpoint of the NBBO after one second has passed following: (i) for Tape A securities, the Exchange's receipt of the first NBBO following the resumption of trading after a halt, suspension, or pause; or (ii) for Tape B and C securities, the publication of the first two-sided quotation by the listing exchange following the resumption of trading after a halt, suspension, or pause.

(2) Where the conditions required to establish the price of the Re-Opening Process in paragraph (e)(1)(B) or (C) above have not 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.

(Amended by SR-BATS-2014-037 eff. October 30, 2014; amended by SR-BatsBZX-2016-19 eff. May 13, 2016; amended by SR-BatsBZX-2016-25 eff. June 9, 2016; amended by SR-BatsBZX-2017-57 eff. October 6, 2017; amended by SR-CboeBZX-2020-025 eff. March 17, 2020; amended by SR-CboeBZX-2020-083 eff. December 28, 2020; amended by SR-CboeBZX-2021-035 eff. June 24, 2021).

Rule 11.25. Retail Order Attribution Program

(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*.

(7) 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.

(8) 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.

(9) 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) *Attribution*. A Retail Member Organization may designate a Retail Order to be identified as Retail on the proprietary data feeds under Rule 11.22 either on an order-by-order basis or on a port-by-port basis.

(Amended by SR-BATS-2014-043 eff. September 18, 2014; amended by SR-BATS-2014-058 eff. November 17, 2014; amended by SR-BATS-2015-90 eff. November 13, 2015.)

Rule 11.26. 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
BYX	Direct Feed	CQS/UQDF
EDGA	Direct Feed	CQS/UQDF
EDGX	Direct Feed	CQS/UQDF
FINRA ADF	CQS/UQDF	n/a
IEX	CQS/UQDF	n/a
LTSE	CQS/UQDF	n/a
MEMX	Direct Feed	CQS/UQDF
MIAX PEARL	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 Texas	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.

(Amended by SR-BATS-2015-04 eff. January 7, 2015; amended by SR-BATS-2015-65 eff. August 18, 2015; amended by SR-BatsBZX-2016-37 eff. August 4, 2016; amended by SR-BatsBZX-2017-57 eff. October 6, 2017; amended by SR-CboeBZX-2020-031 eff. April 6, 2020; amended by SR-CboeBZX-2020-067 eff. August 19, 2020; amended by SR-CboeBZX-2020-068 eff. September 24, 2020; amended by SR-CboeBZX-2023-010 eff. May 25, 2023; amended by SR-CboeBZX-2025-070 eff. May 15, 2025).

Rule 11.27. 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 11.11, Price Variations.

(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:

(i) Trading may occur at the midpoint between the NBBO or the PBBO;

(ii) Retail Investor Orders may be provided with price improvement that is at least $0.005 better than the PBBO;

(iii) Negotiated Trades may trade in increments less than $0.05; and

(iv) 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:

(i) Trading may occur at the midpoint between the NBBO or PBBO;

(ii) Retail Investor Orders may be provided with price improvement that is at least $0.005 better than the PBBO;

(iii) Negotiated Trades may trade in increments less than $0.05; and

(iv) 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:

(i) 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.

(ii) 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 bond 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 11.27 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) BZX Market Orders. For purposes of determining whether a BZX Market Order's execution price is more than 5 percent worse than the NBBO under Rule 11.9(a)(2), the execution price for a buy (sell) order will be rounded down (up) to the nearest permissible increment.

(2) Market Pegged Orders. The System will not accept Market Pegged Orders, regardless of price.

(3) Mid-Point Peg Orders. Mid-Point Peg Orders may not be alternatively pegged to one minimum price variation inside the same side of the NBBO as the order.

(4) Discretionary Orders. The System will not accept Discretionary Orders, regardless of price.

(5) Market Maker Peg Orders. Pursuant to Rule 11.9(c)(16), a Market Maker Peg Order is automatically priced by the System at the Designated Percentage (as defined in Rule 11.8) 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 11.8(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 BZX 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 Non-Displayed Order is resting on the BZX Book at the price to which the order subject to Display-Price Sliding would be adjusted.

(Adopted by SR-BATS-2015-102 eff. February 10, 2016; amended by SR-BATS-2015-108 eff. March 3, 2016; amended by SR-BATS-2016-27 eff. April 1, 2016; amended by SR-BatsBZX-2016-55 eff. August 26, 2016, amended by SR-BatsBZX 2016-29 eff. September 1, 2016; amended by SR-BatsBZX-2016-77 eff. November 23, 2016; amended by SR-BatsBZX-2016-82 eff. November 30, 2016; amended by SR-BatsBZX-2017-15 eff. February 28, 2017; amended by SR-BatsBZX-2017-27 eff. April 28, 2017).

Rule 11.28. Cboe Market Close, a Closing Match Process for Non-BZX-Listed Securities

The System will seek to match all buy and sell MOC orders designated for participation in Cboe Market Close at the official closing price for such security published by the primary listing market, as described below.

(a) Order Entry. Beginning at 6:00 a.m. Eastern Time ("ET"), Members may enter, cancel or replace MOC orders designated for participation in up to four Cboe Market Close ("CMC") matching sessions: 3:15 p.m. ET; 3:30 p.m. ET; 3:49 p.m. ET; and 3:54 p.m. ET (the 3:54 p.m. ET session applies only to Nasdaq-listed securities) (each a "MOC Cut-Off Time", and collectively "MOC Cut-Off Times"). Members may specify on their MOC order instructions which MOC Cut-Off Time(s) they wish to participate in. For MOC orders that specify they are willing to participate in multiple MOC Cut-Off Times, any unfilled quantity from an earlier session will carry forward to the next MOC Cut-Off Time(s). Any unfilled quantity remaining after a Member's latest specified MOC Cut-Off Time will be cancelled back to the Member. [beginning at 6:00 a.m. Eastern Time up to 3:49 p.m. Eastern Time ("MOC Cut-Off Time").] MOC orders designated for participation in CMC cannot be entered, cancelled or replaced after each MOC Cut-Off Time.

(b) Closing Match Process. At each MOC Cut-Off Time, the System will match for execution all buy and sell MOC orders entered into the System based on time priority. For orders that specify they are willing to match during multiple CMC sessions, any unfilled quantity from an earlier session will carry forward to the next session(s). Any remaining balance of unmatched shares after a Member's specified final matching session will be cancelled back to the Member at their last designated MOC Cut-Off Time. All matched buy and sell MOC orders will remain in the System until the publication of the official closing price by the primary listing market. Upon publication of the official closing price by the primary listing market, the System will execute all previously matched buy and sell MOC orders at the official closing price published by the primary listing market.

(c) Publication of Closing Match Process Information. At each MOC Cut-OffTime, the System will disseminate via the Cboe Auction Feed, as described in Rule 11.22(i), the total size of all buy and sell orders matched via CMC. The disseminated total size of all buy and sell orders matched via CMC will only be for that particular CMC matching session and would not include the size of matched buy and sell orders from any prior MOC Cut-Off Time.

Interpretations and Policies

.01 The Exchange will utilize the official closing price published by the exchange designated by the primary listing market in the case where the primary listing market suffers an impairment and is unable to perform its closing action process.

.02 Handling of CMC Orders In Event of Matching Engine Impairment

If an Exchange matching engine responsible for a CMC matching session is impaired (i.e., has crashed or become unresponsive and Member orders cannot be processed) i) prior to an MOC Cut-Off Time, or ii) after an MOC Cut-Off Time but prior to completion of CMC's closing match process in a security, the manner in which a Member's MOC order(s) designated for participation in CMC is as follows:

(a) If a Member has elected to cancel all its open MOC order(s) in the event an Exchange matching engine responsible for the CMC matching session is impaired, then the Member's MOC order(s) designated for participation in CMC will be cancelled, even if the Member designated the MOC order(s) for participation in multiple MOC Cut-Off Times; or

(b) If a Member has elected to have its MOC order(s) remain open when an Exchange matching engine responsible for the CMC matching sessions is impaired, then the Member's open MOC order(s) will remain open while the Exchange performs a matching unit failover; provided, however, if the matching engine impairment persists for more than five minutes, then the Member's open MOC order(s) will be cancelled. Moreover, even where a Member has elected to keep its MOC order(s) open during an Exchange matching engine impairment, a Member may still cancel their MOC order(s), and such cancel request will be processed post matching engine failover. By way of illustration:

(i) A Member has elected to keep its MOC order(s) open if an Exchange matching engine responsible for the CMC matching session process is impaired. The Member has also designated its MOC order(s) to participate in a single CMC MOC Cut-Off Time (e.g., 3:15 p.m.). If the Exchange experiences a matching engine impairment prior to 3:15 p.m., or after 3:15 p.m. but prior to the completion of the closing match process in the subject security, the Member's MOC order(s) will remain open during matching engine failover, and the Exchange will conduct the 3:15 p.m. CMC matching session and attempt to match the Member's MOC order(s). However, should the matching engine failover exceed five-minutes, the Member's MOC order(s) will be cancelled

(ii) A Member has elected to keep its MOC order(s) open if an Exchange matching engine responsible for the CMC matching session is impaired. The Member has also designated its MOC order(s) to participate in multiple CMC MOC Cut-Off Times (e.g., 3:15 p.m., and 3:30 p.m.). If the Exchange experiences a matching engine impairment prior to 3:15 p.m., or after 3:15 p.m. but prior to the completion of the closing match process in the

subject security, the Member's MOC order(s) will remain open during the matching engine failover, and the Exchange will conduct the 3:15 p.m. CMC matching session and attempt to match the Member's MOC order(s). Should the Member's 3:15 p.m. MOC order(s) not be matched, or only partially filled, the Member's MOC order(s) will proceed to the 3:30 p.m. matching session. However, should the matching engine failover exceed five-minutes, the Member's MOC order(s) will be cancelled.

(c) If an Exchange matching engine responsible for the CMC matching process becomes impaired, the Exchange will not accept new MOC orders.

(d) If an Exchange matching engine responsible for the CMC matching process becomes impaired after completing the closing match process in a security, it will retain all matched MOC orders and execute those orders at the official closing price once the impairment is resolved.

.03 Up until the closing of the applicable securities information processor at 8:00 p.m. Eastern Time, the Exchange intends to monitor for the initial publication of the official closing price, and any subsequent changes to the published official closing price and adjust the price of such trades accordingly. If there is no initial official closing price published by 8:00 p.m. Eastern Time for any security, the Exchange would cancel all matched MOC orders in such security.

.04 All short sale MOC orders designated for participation in the Cboe Market Close must be identified as "short" or "short exempt" pursuant to Rule 11.19(a). MOC orders marked short will be rejected. MOC orders marked short exempt will be accepted and processed in accordance with this Rule 11.28.

(*Adopted by SR-BatsBZX-2017-34 eff. January 21, 2020; amended by SR-CboeBZX-2020-015 eff. March 5, 2020; amended by SR-CboeBZX-2022-038 eff. February 16, 2023; amended by SR-CboeBZX-2024-032 eff. January 31, 2025).*

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:

(1) execute any transaction in such security which involves no change in the beneficial ownership thereof, or

(2) 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

(3) 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 under of the Securities and Exchange Commission's 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 in 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 a 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.

(*Amended by SR-BATS-2013-056 eff. November 27, 2013.*)

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:

(1) the name of the account, with names of all participants and their respective interests in profits and losses;

(2) a statement regarding the purpose of the account;

(3) the name of the Member carrying and clearing the account; and

(4) 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 establish, increase, decrease or liquidate an inventory position in a security or a derivative of such 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.

(*Amended by SR-BATS-2010-003 eff. February 23, 2010)*.

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.

(Amended by SR-BATS-2015-16 eff. March 3, 2015).

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.

(*Amended by SR-BATS-2015-101 eff. February 18, 2016.)*

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.

(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. Failure to Deliver and Failure to Receive

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 and 203 of Regulation SHO, to Exchange Rule 13.2, as if they were fully set forth herein.

Rule 13.3. Forwarding of Proxy and Other Issuer-Related Materials; Proxy Voting

(a) A Member when so requested by an issuer and upon being furnished with: (1) sufficient copies of proxy material, 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.

(Amended by SR-BATS-2011-036 eff. September 30, 2011; amended by SR-BATS-2015-110 eff. December 2, 2015.)

Rule 13.4. Reserved

(Amended by SR-BATS-2015-14 eff. March 14, 2015.)

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

(a) 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 acting as agent to effect any transaction otherwise than on this Exchange with another person (except when such Member also is acting as agent for such other person in such transaction) in any equity security listed on this Exchange or to which unlisted trading privileges on this Exchange have been extended.

(b) 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.

(Amended by SR-CboeBZX-2021-066 eff. September 29, 2021)

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 Exchange Act. 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 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. 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.

(Amended by SR-BATS-2015-40 eff. May 27, 2015.)

CHAPTER XIV. **CBOE BZX EXCHANGE LISTING RULES**

Chapter XIV contains rules related to the qualification, listing and delisting of Companies on the Exchange.

- *Rule 14.1 contains definitions for the rules related to the qualification, listing and delisting of Companies on the Exchange.*
- *Rule 14.2 discusses the Exchange's general regulatory authority.*
- *Rules 14.3 sets forth the procedures and prerequisites for gaining a listing on the Exchange.*
- *Rules 14.4 and 14.5 contain the listing requirements for Units.*
- *Rule 14.6 sets forth the disclosure obligations of listed Companies.*
- *Rule 14.7 describes Direct Registration Program requirements*
- *Rules 14.8 and 14.9 contain the specific and quantitative listing requirements for listing on the Exchange.*
- *Rule 14.10 contains the corporate governance requirements applicable to all Companies.*
- *Rule 14.11 contains special listing requirements for securities other than common or preferred stock and warrants.*
- *Rule 14.12 contains the consequences of a failure to meet the Exchange's listing standards.*
- *Rule 14.13 contains Exchange listing fees.*

The Exchange exercises other authorities important to listed Companies pursuant to Chapters 1 through 13 of these Rules. For example, the Exchange may close markets upon request of the SEC (see Rule 11.1(c)). It may also halt the trading of a Company's securities under certain circumstances and pursuant to established procedures (see Rule 11.18).

Rule 14.1. The Qualification, Listing, and Delisting of Companies - Definitions

(a) Definitions

The following is a list of definitions used throughout the Exchange's Listing Rules. Other definitions used throughout the Exchange's Listing Rules are set forth in Rule 1.5. This section also lists various terms together with references to other rules where they are specifically defined. Unless otherwise specified by the Rules, these terms shall have the meanings set forth below. Defined terms are capitalized throughout the Listing Rules.

(1) "Best efforts offering" means an offering of securities by members of a selling group under an agreement that imposes no financial commitment on the

members of such group to purchase any such securities except as they may elect to do so.

(2) "Bid Price" means the closing bid price.

(3) "Company" means the issuer of a security listed or applying to list on the Exchange. For purposes of Chapter XIV, the term "Company" includes an issuer that is not incorporated, such as, for example, a limited partnership.

(4) "Country of Domicile" means the country under whose laws a Company is organized or incorporated.

(5) "Covered Security" means a security described in Section 18(b) of the Securities Act of 1933.

(6) "Direct Registration Program" means any program by a Company, directly or through its transfer agent, whereby a Shareholder may have securities registered in the Shareholder's name on the books of the Company or its transfer agent without the need for a physical certificate to evidence ownership.

(7) "Dually-Listed Security" means a security, listed on the Exchange, which is also listed on the New York Stock Exchange or the NASDAQ Stock Market.

(8) "EDGAR System" means the SEC's Electronic Data Gathering, Analysis, and Retrieval system.

(9) "ESOP" means employee stock option plan.

(10) "Executive Officer" is defined in Rule 14.10(c)(1)(A).

(11) "Filed with the Exchange" means submitted to the Exchange directly or filed with the Commission through the EDGAR System.

(12) "Firm Commitment Offering" means an offering of securities by participants in a selling syndicate under an agreement that imposes a financial commitment on participants in such syndicate to purchase such securities.

(13) "Family Member" is defined in Rule 14.10(c)(1)(B).

(14) "Financial Reporting Measures" means measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are also financial reporting measures. A financial reporting measure need not be presented within the financial statements or included in a filing with the Commission.

(15) "Foreign Private Issuer" shall have the same meaning as under Rule 3b-4 under the Act.

(16) "Incentive-based Compensation" means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a financial reporting measure.

(17) "Independent Director" is defined in Rule 14.10(c)(1)(B).

(18) "Index Warrants" is defined in Rule 14.11(g)(1).

(19) "Listed Securities" means securities listed on the Exchange or another national securities exchange.

(20) "Market Maker" means a dealer that, with respect to a security, holds itself out (by entering quotations into the Exchange) as being willing to buy and sell such security for its own account on a regular and continuous basis and that is registered as such.

(21) "Market Value" means the consolidated closing bid price multiplied by the measure to be valued (e.g., a Company's Market Value of Publicly Held Shares is equal to the consolidated closing bid price multiplied by a Company's Publicly Held Shares).

(22) "Other Regulatory Authority" means: (i) in the case of a bank or savings authority identified in Section 12(i) of the Act, the agency vested with authority to enforce the provisions of Section 12 of the Act; or (ii) in the case of an insurance company that is subject to an exemption issued by the Commission that permits the listing of the security, notwithstanding its failure to be registered pursuant to section 12(b), the Commissioner of Insurance (or other officer or agency performing a similar function) of its domiciliary state.

(23) "Primary Equity Security" means a Company's first class of Common Stock, Ordinary Shares, Shares or Certificates of Beneficial Interest of Trust, Limited Partnership Interests or American Depositary Receipts ("ADRs") or Shares ("ADSs").

(24) "Publicly Held Shares" means shares not held directly or indirectly by an officer, director or any person who is the beneficial owner of more than 10 percent of the total shares outstanding. Determinations of beneficial ownership in calculating publicly held shares shall be made in accordance with Rule 13d-3 under the Act.

(25) "Public Holders" means holders of a security that includes both beneficial holders and holders of record, but does not include any holder who is, either directly or indirectly, an Executive Officer, director, or the beneficial holder of more than 10% of the total shares outstanding.

(26) "Round Lot" or "Normal Unit of Trading" means 100 shares of a security unless, with respect to a particular security, the Exchange determines that a normal unit of trading shall constitute other than 100 shares. If a normal unit of trading is other than 100 shares, a special identifier shall be appended to the Company's Exchange symbol.

(27) "Round Lot Holder" means a holder of a Normal Unit of Trading. The number of beneficial holders will be considered in addition to holders of record.

(28) "Shareholder" means a record or beneficial owner of a security listed or applying to list. For purposes of Chapter XIV, the term "Shareholder" includes, for example, a limited partner, the owner of a depository receipt, or unit.

(29) "Substantial Shareholder" is defined in Rule 14.10(i)(5)(C).

(30) "Substitution Listing Event" means: a reverse stock split, re-incorporation or a change in the Company's place of organization, the formation of a holding company that replaces a listed Company, reclassification or exchange of a Company's listed shares for another security, the listing of a new class of securities in substitution for a previously-listed class of securities, or any technical change whereby the Shareholders of the original Company receive a share-for-share interest in the new Company without any change in their equity position or rights.

(31) "Tier I" is a distinct tier of the Exchange comprised of securities that satisfies the applicable requirements of Rules 14.3 through 14.7, meets the criteria set forth in Rule 14.8 or, in the case of certain other types of securities, the criteria set forth in Rule 14.11, and are listed as Tier I securities.

(32) "Tier I security" means any security listed on the Exchange that (1) satisfies all applicable requirements of Rules 14.3 through 14.7 and meets the criteria set forth in Rule 14.8; (2) is a right to purchase such security; (3) is a warrant to subscribe to such security; (4) is an Index Warrant which meets the criteria set forth in Rule 14.11(g); or (5) is another type of security that meets the criteria of another paragraph of Rule 14.11.

(33) "Tier II" is a distinct tier of the Exchange comprised of securities that satisfies the applicable requirements of Rules 14.3 through 14.7, meets the criteria set forth in Rule 14.9, and are listed as Tier II securities.

(34) "Tier II security" means any security listed on the Exchange as a Tier II security that (1) satisfies all applicable requirements of Rules 14.3 through 14.7 and Rule 14.9 but that is not a Tier I security; (2) is a right to purchase such security; or (3) is a warrant to subscribe to such security.

(35) "Total Holders" means holders of a security that includes both beneficial holders and holders of record.

(*Amended by SR-BATS-2011-018 eff. August 30, 2011; amended by SR-BATS-2011-047 eff. November 23, 2011; amended by SR-CboeBZX-2023-013 eff. June 9, 2023*).

Rule 14.2. Regulatory Authority of Exchange

The Exchange is entrusted with the authority to preserve and strengthen the quality of and public confidence in its market. The Exchange stands for integrity and ethical business practices in order to enhance investor confidence, thereby contributing to the financial health of the economy and supporting the capital formation process. Exchange Companies, from new public Companies to Companies of international stature, are publicly recognized as sharing these important objectives.

The Exchange, therefore, in addition to applying the enumerated criteria set forth in Chapter XIV, has broad discretionary authority over the initial and continued listing of securities on the Exchange in order to maintain the quality of and public confidence in its market, to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and to protect investors and the public interest. The Exchange may use such discretion to deny initial listing, apply additional or more stringent criteria for the initial or continued listing of particular securities, or suspend or delist particular securities based on any event, condition, or circumstance that exists or occurs that makes initial or continued listing of the securities on the Exchange inadvisable or unwarranted in the opinion of the Exchange, even though the securities meet all enumerated criteria for initial or continued listing on the Exchange. In all circumstances where the Listing Qualifications Department (as defined in Rule 14.12) exercises its authority under Rule 14.2, the Listing Qualifications Department shall issue a Staff Delisting Determination under Rule 14.12(f)(1), and in all circumstances where an Adjudicatory Body (as defined in Rule 14.12) exercises such authority, the use of the authority shall be described in the written decision of the Adjudicatory Body.

(a) Use of Discretionary Authority.

To further Companies' understanding of this Rule, the Exchange has adopted this paragraph (a) as a non-exclusive description of the circumstances in which the Rule is generally invoked.

The Exchange may use its authority under this Rule to deny initial or continued listing to a Company when an individual with a history of regulatory misconduct is associated with the Company. Such individuals are typically an officer, director, Substantial Shareholder (as defined in Rule 14.10(i)(5)(C)), or consultant to the Company. In making this determination, the Exchange will consider a variety of factors, including:

- the nature and severity of the conduct, taken in conjunction with the length of time since the conduct occurred;
- whether the conduct involved fraud or dishonesty;
- whether the conduct was securities-related;
- whether the investing public was involved;

- how the individual has been employed since the violative conduct;
- whether there are continuing sanctions (either criminal or civil) against the individual;
- whether the individual made restitution;
- whether the Company has taken effective remedial action; and
- the totality of the individual's relationship to the Company, giving consideration to:
    - the individual's current or proposed position;
    - the individual's current or proposed scope of authority;
    - the extent to which the individual has responsibility for financial accounting or reporting; and
    - the individual's equity interest.

Based on this review, the Exchange may determine that the regulatory history rises to the level of a public interest concern, but may also consider whether remedial measures proposed by the Company, if taken, would allay that concern. Examples of such remedial measures could include any or all of the following, as appropriate:

- the individual's resignation from officer and director positions, and/or other employment with the Company;
- divestiture of stock holdings;
- terminations of contractual arrangements between the Company and the individual; or
- the establishment of a voting trust surrounding the individual's shares.

The Exchange staff is willing to discuss with Companies, on a case-by-case basis, what remedial measures may be appropriate to address public interest concerns, and for how long such remedial measures would be required. Alternatively, the Exchange may conclude that a public interest concern is so serious that no remedial measure would be sufficient to alleviate it. In the event that the Exchange staff denies initial or continued listing based on such public interest considerations, the Company may seek review of that determination through the procedures set forth in Rule 14.12. On consideration of such appeal, a listing qualifications panel comprised of persons independent of the Exchange may accept, reject or modify the staff's recommendations by imposing conditions.

The Exchange may also use its discretionary authority, for example, when a Company files for protection under any provision of the federal bankruptcy laws or comparable foreign laws, when a Company's independent accountants issue a disclaimer opinion on financial statements required to be audited, or when financial statements do not contain a required certification.

In addition, pursuant to its discretionary authority, the Exchange will review the Company's past corporate governance activities. This review may include activities taking place while the Company is listed on the Exchange or an exchange that imposes corporate governance requirements, as well as activities taking place after a formerly listed company is no longer listed on the Exchange or such an exchange. Based on such review, and in accordance with Rule 14.12, the Exchange may take any appropriate action, including placing restrictions on or additional requirements for listing, or denying listing of a security, if the Exchange determines that there have been violations or evasions of such corporate governance standards. Such determinations will be made on a case-by-case basis as necessary to protect investors and the public interest.

Although the Exchange has broad discretion under this Rule to impose additional or more stringent criteria, this Rule does not provide a basis for the Exchange to grant exemptions or exceptions from the enumerated criteria for initial or continued listing, which may be granted solely pursuant to rules explicitly providing such authority.

(b) Listing of Companies Whose Business Plan is to Complete One or More Acquisitions.

Generally, the Exchange will not permit the initial or continued listing of a Company that has no specific business plan or that has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies.

However, in the case of a Company whose business plan is to complete an initial public offering and engage in a merger or acquisition with one or more unidentified companies within a specific period of time, the Exchange will permit the listing if the Company meets all applicable initial listing requirements, as well as the conditions described below.

(1) At least 90% of the gross proceeds from the initial public offering and any concurrent sale by the company of equity securities must be deposited in a trust account maintained by an independent trustee, an escrow account maintained by an "insured depository institution," as that term is defined in Section 3(c)(2) of the Federal Deposit Insurance Act or in a separate bank account established by a registered broker or dealer (collectively, a "deposit account").

(2) Within 36 months of the effectiveness of its initial public offering registration statement, or such shorter period that the company specifies in its registration statement, the Company must complete one or more business combinations having an aggregate fair market value of at least 80% of the value of the deposit account (excluding any deferred underwriters fees and taxes payable on the income earned on the deposit account) at the time of the agreement to enter into the initial combination.

(3) Until the Company has satisfied the condition in paragraph (2) above, each business combination must be approved by a majority of the Company's Independent Directors.

(4) Until the Company has satisfied the condition in paragraph (2) above, each business combination must be approved by a majority of the shares of common stock voting at the meeting at which the combination is being considered.

(5) Until the Company has satisfied the condition in paragraph (2) above, public Shareholders voting against a business combination must have the right to convert their shares of common stock into a pro rata share of the aggregate amount then in the deposit account (net of taxes payable and amounts distributed to management for working capital purposes) if the business combination is approved and consummated. A Company may establish a limit (set no lower than 10% of the shares sold in the initial public offering) as to the maximum number of shares with respect to which any Shareholder, together with any affiliate of such Shareholder or any person with whom such shareholder is acting as a "group" (as such term is used in Sections 13(d) and 14(d) of the Act), may exercise such conversion rights. For purposes of this paragraph (5), public Shareholder excludes officers and directors of the Company, the Company's sponsor, the founding Shareholders of the Company, and any Family Member or affiliate of any of the foregoing persons.

Until the Company completes a business combination where all conditions in paragraph (2) above are met, the Company must notify the Exchange on the appropriate form about each proposed business combination. Following each business combination, the combined Company must meet the requirements for initial listing. If the Company does not meet the requirements for initial listing following a business combination or does not comply with one of the requirements set forth above, the Exchange will issue a Staff Delisting Determination under Rule 14.12(c) to delist the Company's securities.

(c) Change of Control, Bankruptcy, Liquidation, and Reverse Mergers

(1) Business Combinations with non-Exchange Entities Resulting in a Change of Control.

A Company must apply for initial listing in connection with a transaction whereby the Company combines with a non-Exchange entity, resulting in a change of control of the Company and potentially allowing the non-Exchange entity to obtain an Exchange Listing. In determining whether a change of control has occurred, the Exchange shall consider all relevant factors including, but not limited to, changes in the management, board of directors, voting power, ownership, and financial structure of the Company. The Exchange shall also consider the nature of the businesses and the relative size of the Exchange Company and non-Exchange entity. The Company must submit an application for the post-transaction entity with sufficient time to allow the Exchange to complete its review before the transaction is completed. If the Company's application for initial listing has not been approved prior to consummation of the transaction, the Exchange will issue a Staff Delisting Determination and begin delisting proceedings pursuant to Rule 14.12.

(2) Bankruptcy and Liquidation.

The Exchange may use its discretionary authority under paragraph (a) of this Rule to suspend or terminate the listing of a Company that has filed for protection under any provision of the federal bankruptcy laws or comparable foreign laws, or has announced that liquidation has been authorized by its board of directors and that it is committed to proceed, even though the Company's securities otherwise meet all enumerated criteria for continued listing on the Exchange. In the event that the Exchange determines to continue the listing of such a Company during a bankruptcy reorganization, the Company shall nevertheless be required to satisfy all requirements for initial listing, including the payment of initial listing fees, upon emerging from bankruptcy proceedings.

(3) Reverse Mergers

(A) "Reverse Merger" means any transaction whereby an operating company becomes an Exchange Act reporting company by combining, either directly or indirectly, with a shell company which is an Exchange Act reporting company, whether through a reverse merger, exchange offer, or otherwise. However, a Reverse Merger does not include the acquisition of an operating company by a listed company satisfying the requirements of 14.2(b) or a business combination described in Rule 14.2(c)(1). In determining whether a Company is a shell company, the Exchange will look to a number of factors, including but not limited to: whether the Company is considered a "shell company" as defined in Rule 12b-2 under the Act; what percentage of the Company's assets are active versus passive; whether the Company generates revenues and, if so, whether the revenues are passively or actively generated; whether the Company's expenses are reasonably related to the revenues being generated; how many employees support the Company's revenue-generating business operations; how long the Company has been without material business operations; and whether the Company has publicly announced a plan to begin operating activities or generate revenues, including through a near-term acquisition or transaction.

(B) A Company that is formed by a Reverse Merger (a "Reverse Merger Company") shall be eligible to submit an application for initial listing only if the combined entity has, immediately preceding the filing of the initial listing application:

(i) traded for at least one year in the U.S. over-the-counter market, on another national securities exchange, or on a regulated foreign exchange, following the filing with the Commission or Other Regulatory Authority of all required information about the transaction, including audited financial statements for the combined entity; and

(ii) maintained a closing price of $4 per share or higher for a sustained period of time, but in no event for less than 30 of the most recent 60 trading days.

(C) In addition to satisfying all of the Exchange's other initial listing requirements, a Reverse Merger Company will only be approved for listing if, at the time of approval, it has:

(i) timely filed all required periodic financial reports with the Commission or Other Regulatory Authority (Forms 10-Q, 10-K, or 20-F) for the prior year, including at least one annual report. The annual report must contain audited financial statements for a full fiscal year commencing after filing the information described in paragraph (B)(i) above; and

(ii) maintained a closing price of $4 per share or higher for a sustained period of time, but in no event for less than 30 of the most recent 60 trading days prior to approval.

(D) A Reverse Merger Company will not be subject to the requirements of this Rule if, in connection with its listing, it completes a firm commitment underwritten public offering where the gross proceeds to the Reverse Merger Company will be at least $40 million. In addition, a Reverse Merger Company will no longer be subject to the requirements of this Rule once it has satisfied the one-year trading requirement contained in paragraph (B)(i) above and has filed at least four annual reports with the Commission or Other Regulatory Authority containing all required audited financial statements for a full fiscal year commencing after filing the information described in that paragraph. In either case described in this paragraph (D), the Reverse Merger Company must satisfy all applicable requirements for initial listing, including the minimum price requirement and the requirement contained in Rule 14.3(b)(5) that the Company not be delinquent in its filing obligation with the Commission or Other Regulatory Authority.

(*Amended by SR-BATS-2011-018 eff. August 30, 2011; amended by SR-BATS-2012-023 eff. August 17, 2012*).

Rule 14.3. General Procedures and Prerequisites for Initial and Continued Listing on the Exchange.

(a) The Applications and Qualifications Process.

(1) To apply for listing on the Exchange, a Company shall execute a Listing Agreement and a Listing Application on the forms designated by the Exchange providing the information required by Section 12(b) of the Act.

(2) A Company's compliance with the initial listing criteria will be determined on the basis of the Company's most recent information filed with the Commission or Other Regulatory Authority and information provided to the Exchange. The Company shall certify, at or before the time of listing, that all applicable listing criteria have been satisfied.

(3) A Company's qualifications will be determined on the basis of financial statements that are either: (i) prepared in accordance with U.S. generally

accepted accounting principles; or (ii) reconciled to U.S. generally accepted accounting principles as required by the Commission's rules; or (iii) prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, for Companies that are permitted to file financial statements using those standards consistent with the Commission's rules.

(4) A Company that has applied for initial listing on the Exchange shall file with the Exchange all reports and other documents filed or required to be filed with the Commission or Other Regulatory Authority. This requirement is satisfied by publicly filing documents through the EDGAR System. All required reports must be filed with the Exchange on or before the date they are required to be filed with the Commission or Other Regulatory Authority. Annual reports filed with the Exchange shall contain audited financial statements.

(5) The Exchange may request any information or documentation, public or non-public, deemed necessary to make a determination regarding a security's initial listing, including, but not limited to, any material provided to or received from the Commission or Other Regulatory Authority. A Company's security may be denied listing if the Company fails to provide such information within a reasonable period of time or if any communication to the Exchange contains a material misrepresentation or omits material information necessary to make the communication to the Exchange not misleading.

(6) All forms and applications relating to listing of securities on the Exchange referenced in Chapter XIV are available from the Exchange's Listings Qualifications Department.

(7) The computation of Publicly Held Shares and Market Value of Publicly Held Shares shall be as of the date of application of the Company.

(8) An account of a Member that is beneficially owned by a customer will be considered a holder of a security upon appropriate verification by the Member.

(b) Prerequisites for Applying to List on the Exchange:

All Companies applying to list on the Exchange must meet the following prerequisites:

(1) Registration under 12(b) of the Act. A security shall be eligible for listing on the Exchange provided that it is:

(A) registered pursuant to Section 12(b) of the Act; or

(B) subject to an exemption issued by the Commission that permits the listing of the security notwithstanding its failure to be registered pursuant to Section 12(b).

(2) Auditor Registration. Each Company applying for initial listing must be audited by an independent public accountant that is registered as a public accounting firm with the Public Company Accounting Oversight Board, as provided for in Section 102 of the Sarbanes-Oxley Act of 2002 [15 U.S.C. 7212].

(3) Direct Registration Program. All securities initially listing on the Exchange, except securities which are book-entry only, must be eligible for a Direct Registration Program operated by a clearing agency registered under Section 17A of the Act. A foreign issuer, as defined under Rule 3b-4 under the Act, including a Foreign Private Issuer, shall not be subject to this requirement if it submits to the Exchange a written statement from an independent counsel in such Company's home country certifying that a law or regulation in the home country prohibits compliance.

(4) Fees. The Company is required to pay all applicable fees as described in Rule 14.13.

(5) Good Standing. No security shall be approved for listing that is delinquent in its filing obligation with the Commission or Other Regulatory Authority or suspended from trading by the Commission pursuant to Section 12(k) of the Act or by the appropriate regulatory authorities of the Company's country of domicile.

(6) Exchange Certification. Upon approval of a listing application, the Exchange shall certify to the Commission, pursuant to Section 12(d) of the Act and the rules thereunder, that it has approved the security for listing and registration. Listing can commence only upon effectiveness of the security's registration pursuant to Section 12(d).

(7) Security Depository.

(A) "Securities Depository" means a securities depository registered as a clearing agency under Section 17A of the Act.

(B) For initial listing, a security shall have a CUSIP number or foreign equivalent identifying the securities included in the file of eligible issues maintained by a Securities Depository in accordance with the rules and procedures of such securities depository. This subparagraph shall not apply to a security if the terms of the security do not and cannot be reasonably modified to meet the criteria for depository eligibility at all Securities Depositories.

(C) A Security Depository's inclusion of a CUSIP number or foreign equivalent identifying a security in its file of eligible issues does not render the security "depository eligible" until:

(1) in the case of any new issue distributed by an underwriting syndicate on or after the date a Securities Depository system for monitoring repurchases of distributed shares by the underwriting syndicate is available,

the date of the commencement of trading in such security on the Exchange; or

(2) in the case of any new issue distributed by an underwriting syndicate prior to the date a Securities Depository system for monitoring repurchases of distributed shares by the underwriting syndicate is available where the managing underwriter elects not to deposit the securities on the date of the commencement of trading in such security on the Exchange, such later date designated by the managing underwriter in a notification submitted to the Securities Depository; but in no event more than three (3) months after the commencement of trading in such security on the Exchange.

(8) Limited Partnerships. No security issued in a limited partnership rollup transaction (as defined by Section 14(h) of the Act), shall be eligible for listing unless:

(A) the rollup transaction was conducted in accordance with procedures designed to protect the rights of limited partners as provided in Section 6(b)(9) of the Act, as it may from time to time be amended, and

(B) a broker-dealer that is a member of a national securities association subject to Section 15A(b)(12) of the Act participates in the rollup transaction.

The Company shall further provide an opinion of counsel stating that such broker-dealer's participation in the rollup transaction was conducted in compliance with the rules of a national securities association designed to protect the rights of limited partners, as specified in the Limited Partnership Rollup Reform Act of 1993.

In addition to any other applicable requirements, each limited partnership listed on the Exchange shall have a corporate general partner or co-general partner that satisfies the Independent Director and audit committee requirements set forth in Rule 14.10.

Note: The only currently existing national securities association subject to Section 15A(b)(12) of the Act is FINRA. Its rules designed to protect the rights of limited partners, pursuant to the Limited Partnership Rollup Reform Act of 1993, are specified in FINRA Rule 2310.

(9) Reverse Mergers

A security issued by a Company formed by a Reverse Merger shall be eligible for initial listing only if the conditions set forth in Rule 14.2(c)(3) are satisfied.

(c) American Depositary Receipts

(1) Eligibility

American Depositary Receipts can be listed on the Exchange provided they represent shares in a non-Canadian foreign Company.

(2) Computations

In the case of American Depositary Receipts, annual income from continuing operations and Stockholders' Equity shall relate to the foreign issuer and not to any depositary or any other person deemed to be an issuer for purposes of Form S-12 under the Securities Act of 1933. The underlying security will be considered when determining annual income from continuing operations, Publicly Held Shares, Market Value of Publicly Held Shares, Stockholders' Equity, Round Lot or Public Holders, operating history, Market Value of Listed Securities, and total assets and total revenue.

(d) Dually-Listed Securities

Pursuant to Rule 600 of Regulation NMS under the Act, those securities for which transaction reporting is required by an effective transaction reporting plan are designated as national market system securities.

(e) Additional Requirements for Securities Issued by the Exchange or its Affiliates

(1) For purposes of this Rule, the terms below are defined as follows:

(A) "BZX 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.

(B) "Affiliate Security" means any security issued by a BZX Affiliate or any Exchange-listed option on any such security, with the exception of Portfolio Depository Receipts as defined in Rule 14.11(b) and Index Fund Shares as defined in Rule 14.11(c).

(2) Affiliate Securities Listed on the Exchange, excluding Affiliate Securities that are Exchange-listed options:

(A) 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.

(B) 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:

(i) the Affiliate Security's compliance with the Exchange's minimum share price requirement; and

(ii) the Affiliate Security's compliance with each of the quantitative continued listing requirements.

(C) 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.

(D) In the event that the Exchange determines that the BZX 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 non-compliance. 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.

(3) 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.

(4) Upon request, a copy of the reports required by sub-paragraphs (2) and (3) will be forwarded promptly to the Commission.

Interpretations and Policies

.01 Impact of Non-Designation of Dually Listed Securities

To foster competition among markets and further the development of the national market system, the Exchange shall permit Companies whose securities are listed on another national securities exchange to apply also to list those securities on the Exchange. The Exchange shall make an independent determination of whether such Companies satisfy all applicable listing requirements and shall require Companies to enter into a dual listing agreement with the Exchange.

While the Exchange shall certify such dually listed securities for listing on the Exchange, the Exchange shall not exercise its authority under Rule 14.3(d) separately to designate or register

such dually listed securities as Exchange national market system securities within the meaning of Section 11A of the Act or the rules thereunder. As a result, these securities, which are already designated as national market system securities under the Consolidated Quotation Service ("CQS") and Consolidated Tape Association national market system plans ("CQ and CTA Plans") or the Nasdaq Unlisted Trading Privileges national market system plan ("UTP Plan"), as applicable, shall remain subject to those plans. For purposes of the national market system, such securities shall continue to trade under their current ticker symbol. The Exchange shall continue to send all quotations and transaction reports in such securities to the processor for the CTA Plan or UTP Plan, as applicable.

Through this interpretation, the Exchange also resolves any potential conflicts that arise under Exchange rules as a result of a single security being both a security subject to the CQ and CTA Plans (a "CQS security") or a security subject to the UTP Plan (a "UTP security"), either of which is subject to one set of rules, and a listed Exchange security, which is subject to a different set of rules. Specifically, dually listed securities shall be Exchange securities for purposes of rules related to listing and delisting, and shall remain as CQS securities or UTP securities under all other Exchange rules. Treating dually listed securities as CQS securities or UTP securities under the Exchange rules is consistent with their continuing status securities under the CTA, CQ, and/or UTP Plans, as described above. This interpretation also preserves the status quo and avoids creating potential confusion for investors and market participants that currently trade these securities on the Exchange.

For example, the Exchange shall continue to honor the trade halt authority of the primary market under the CQ and CT Plans and the UTP Plan. Exchange Rule 11.18(a)(2) and (3) governing CQS or UTP securities shall apply to dually listed securities, whereas the Exchange Rule 11.18, paragraphs (a)(1), (4), (5), (6), and (7) shall not.

(*Amended by SR-BATS-2011-018 eff. August 30, 2011; amended by SR-BATS-2012-012 eff. March 13, 2012; amended by SR-BATS-2012-023 eff. August 17, 2012; amended by SR-BatsBZX-2016-08 eff. April 13, 2016; amended by SR-CboeBZX-2019-073 eff. September 5, 2019; amended by SR-CboeBZX-2024-010 eff. January 29, 2024*).

Rule 14.4. Listing Requirements for Units – Tier I

(a) Initial and Continued Listing Requirements

(1) All units shall have at least one equity component. All components of such units shall satisfy the requirements for initial and continued listing as Tier I securities, or, in the case of debt components, satisfy the requirements of paragraph (a)(2) below.

(2) All debt components of a unit, if any, shall meet the following requirements:

(A) the debt issue must have an aggregate market value or principal amount of at least $5 million;

(B) the issuer of the debt security must have equity securities listed on the Exchange as a Tier I security; and

(C) in the case of convertible debt, the equity into which the debt is convertible must itself be subject to real-time last sale reporting in the United States, and the convertible debt must not contain a provision which gives the company the right, at its discretion, to reduce the conversion price for periods of time or from time to time unless the company establishes a minimum period of ten business days within which such price reduction will be in effect.

(3) All components of the unit shall be issued by the same issuer. All units and issuers of such units shall comply with the initial and continued listing requirements of Tier I.

(b) Minimum Listing Period and Notice of Withdrawal

In the case of units, the minimum listing period of the units shall be 30 days from the first day of listing, except the period may be shortened if the units are suspended or withdrawn for regulatory purposes. Companies and underwriters seeking to withdraw units from listing must provide the Exchange with notice of such intent at least 15 days prior to withdrawal.

(c) Disclosure Requirements for Units

Each Exchange issuer of units shall include in its prospectus or other offering document used in connection with any offering of securities that is required to be filed with the Commission under the federal securities laws and the rules and regulations promulgated thereunder a statement regarding any intention to delist the units immediately after the minimum inclusion period. The issuer of a unit shall further provide information regarding the terms and conditions of the components of the unit (including information with respect to any original issue discount or other significant tax attributes of any component) and the ratio of the components comprising the unit. A Company shall also disclose when a component of the unit is separately listed on the Exchange. These disclosures shall be made on the Company's website, or if it does not maintain a website, in its annual report provided to unit holders. A Company shall also immediately make a public announcement by filing a Form 8-K, where required by SEC rules, or by issuing a press release disclosing, any change in the terms of the unit, such as changes to the terms and conditions of any of the components (including changes with respect to any original issue discount or other significant tax attributes of any component), or to the ratio of the components within the unit. Such public announcement shall be made as soon as practicable in relation to the effective date of the change.

(d) Market Makers

(1) For initial inclusion, a unit shall have at least three registered and active Market Makers.

(2) For continued listing, a unit shall have at least two registered and active Market Makers, one of which may be a Market Maker entering a stabilizing bid.

(*Amended by SR-BATS-2011-018 eff. August 30, 2011*).

Rule 14.5. Listing Requirements for Units – Tier II

(a) Units Issued by a Domestic or Canadian Company

(1) In the case of units, all component parts shall meet the requirements for initial and continued listing.

(2) In the case of units, the minimum period for listing of the units shall be 30 days from the first day of listing, except the period may be shortened if the units are suspended or withdrawn for regulatory purposes. Companies and underwriters seeking to withdraw units from listing must provide the Exchange with notice of such intent at least 15 days prior to withdrawal.

(3) The issuer of units shall include in its prospectus or other offering document used in connection with any offering of securities that is required to be filed with the Commission under the federal securities law and the rules and regulations thereunder a statement regarding any intention to delist the units immediately after the minimum listing period.

(b) In the case of units issued by a non-Canadian foreign Company, all component parts shall meet the requirements for initial and continued listing.

(c) Market Makers

(1) For initial inclusion, a unit shall have at least three registered and active Market Makers.

(2) For continued listing, a unit shall have at least two registered and active Market Makers, one of which may be a Market Maker entering a stabilizing bid.

(*Amended by SR-BATS-2011-018 eff. August 30, 2011*).

Rule 14.6. Obligations for Companies Listed on the Exchange

(a) Obligation to Provide Information to the Exchange

(1) The Exchange may request any additional information or documentation, public or non-public, deemed necessary to make a determination regarding a Company's continued listing, including, but not limited to, any material provided to or received from the Commission or Other Regulatory Authority. A Company may be denied continued listing if it fails to provide such information within a reasonable period of time or if any communication to the Exchange contains a material misrepresentation or omits material information necessary to make the communication to the Exchange not misleading. The Company shall provide full and prompt responses to requests by the Exchange for information related to unusual

market activity or to events that may have a material impact on trading of its securities in the Exchange.

(2) As set forth in Rule 14.10(g), a Company must provide the Exchange with prompt notification after an Executive Officer of the Company becomes aware of any material noncompliance by the Company with the requirements of Rule 14.10.

(b) Obligation to Make Public Disclosure

(1) Disclosure of Material Information

Except in unusual circumstances, an Exchange-listed Company shall make prompt disclosure to the public through any Regulation FD compliant method (or combination of methods) of disclosure of any material information that would reasonably be expected to affect the value of its securities or influence investors' decisions. The Company shall, prior to the release of the information, provide notice of such disclosure to the Exchange's Surveillance Department at least ten minutes prior to public announcement if the information involves any of the events set forth in Interpretation and Policy .01 to this Rule and the public release of the material information is made during the Exchange market hours. If the public release of the material information is made outside of the Exchange market hours, the Exchange Companies must notify the Exchange's Surveillance Department of the material information prior to 6:50 a.m. ET. As described in Interpretation and Policy .01, prior notice to the Exchange's Surveillance Department must be made through the electronic disclosure submission system available at the Exchange's Web site, except in emergency situations.

(2) Disclosure of Notification of Deficiency

As set forth in Rule 14.12(e), a Company that receives a notification of deficiency from the Exchange is required to make a public announcement by filing a Form 8-K, where required by SEC rules, or by issuing a press release disclosing receipt of the notification and the Rule(s) upon which the deficiency is based. However, note that in the case of a deficiency related to the requirement to file a periodic report contained in Rule 14.6(c)(1) or (2), the Company is required to make the public announcement by issuing a press release. As described in Rule 14.6(b)(1) above and Interpretation and Policy .01 below, the Company must notify the Exchange's Surveillance Department about the announcement through the electronic disclosure submission system available on the Exchange's Web site, except in emergency situations when notification may instead be provided by telephone or facsimile. If the public announcement is made during the Exchange market hours, the Company must notify the Exchange's Surveillance Department at least ten minutes prior to the announcement. If the public announcement is made outside of the Exchange market hours, the Company must notify the Exchange's Surveillance Department of the announcement prior to 6:50 a.m. ET.

(3) Disclosure of Third Party Director and Nominee Compensation

Companies must disclose all agreements and arrangements in accordance with this rule by no later than the date on which the Company files or furnishes a proxy or information statement subject to Regulation 14A or 14C under the Act in connection with the Company's next shareholders' meeting at which directors are elected (or, if they do not file proxy or information statements, no later than when the Company files its next Form 10-K or Form 20-F).

(A) A Company shall disclose either on or through the Company's website or in the proxy or information statement for the next shareholders' meeting at which directors are elected (or, if the Company does not file proxy or information statements, in its Form 10-K or 20-F), the material terms of all agreements and arrangements between any director or nominee for director, and any person or entity other than the Company (the "Third Party"), relating to compensation or other payment in connection with such person's candidacy or service as a director of the Company. A Company need not disclose pursuant to this rule agreements and arrangements that:

(i) relate only to reimbursement of expenses in connection with candidacy as a director;

(ii) existed prior to the nominee's candidacy (including as an employee of the other person or entity) and the nominee's relationship with the Third Party has been publicly disclosed in a proxy or information statement or annual report (such as in the director or nominee's biography); or

(iii) have been disclosed under Item 5(b) of Schedule 14A of the Act or Item 5.02(d)(2) of Form 8-K in the current fiscal year.

Disclosure pursuant to Commission rule shall not relieve a Company of its annual obligation to make disclosure under subparagraph (B).

(B) A Company must make the disclosure required in subparagraph (A) at least annually until the earlier of the resignation of the director or one year following the termination of the agreement or arrangement.

(C) If a Company discovers an agreement or arrangement that should have been disclosed pursuant to subparagraph (A) but was not, the Company must promptly make the required disclosure by filing a Form 8-K or 6-K, where required by SEC rules, or by issuing a press release. Remedial disclosure under this subparagraph, regardless of its timing, does not satisfy the annual disclosure requirements under subparagraph (B).

(D) A Company shall not be considered deficient with respect to this paragraph for purposes of Rule 14.12 if the Company has undertaken reasonable efforts to identify all such agreements or arrangements, including asking each director or nominee in a manner designed to allow timely disclosure, and makes the disclosure required by subparagraph (C) promptly upon discovery of the agreement

or arrangement. In all other cases, the Company must submit a plan sufficient to satisfy Exchange staff that the Company has adopted processes and procedures designed to identify and disclose relevant agreements or arrangements.

(E) A Foreign Private Issuer may follow its home country practice in lieu of the requirements of Rule 14.6(b)(3) by utilizing the process described in Rule 14.10(e)(1)(C) and Interpretation and Policy .12 to Rule 14.10.

(c) Obligation to File Periodic Financial Reports

(1) A Company shall timely file all required periodic financial reports with the Commission through the EDGAR System or with the Other Regulatory Authority. A Company that does not file through the EDGAR System shall supply to the Exchange two (2) copies of all reports required to be filed with the Other Regulatory Authority or email an electronic version of the report to the Exchange at *continuedlisting@batstrading.com*. All required reports must be filed with the Exchange on or before the date they are required to be filed with the Commission or Other Regulatory Authority. Annual reports filed with the Exchange shall contain audited financial statements.

(2) Foreign Private Issuer Interim Reports

Each Foreign Private Issuer shall submit on a Form 6-K an interim balance sheet and income statement as of the end of its second quarter. This information, which must be presented in English, but does not have to be reconciled to U.S. GAAP, must be provided no later than six months following the end of the Company's second quarter. In the case of a Foreign Private Issuer that is a limited partnership, such information shall be distributed to limited partners if required by statute or regulation in the jurisdiction in which the limited partnership is formed or doing business or by the terms of the partnership's limited partnership agreement.

(3) Auditor Registration

Each listed Company shall be audited by an independent public accountant that is registered as a public accounting firm with the Public Company Accounting Oversight Board, as provided for in Section 102 of the Sarbanes-Oxley Act of 2002 [15 U.S.C. 7212].

(d) Distribution of Annual and Interim Reports

(1) Distribution of Annual Reports. Each Company (including a limited partnership) shall make available to Shareholders an annual report containing audited financial statements of the Company and its subsidiaries (which, for example, may be on Form 10-K, 20-F, 40-F or N-CSR) within a reasonable period of time following the filing of the annual report with the Commission. A Company may comply with this requirement either:

(A) by mailing the report to Shareholders;

(B) by satisfying the requirements for furnishing an annual report contained in Rule 14a-16 under the Act; or

(C) by posting the annual report to Shareholders on or through the Company's website (or, in the case of a Company that is an investment company that does not maintain its own website, on a website that the Company is allowed to use to satisfy the website posting requirement in Rule 16a-3(k) under the Act), along with a prominent undertaking in the English language to provide Shareholders, upon request, a hard copy of the Company's annual report free of charge. A Company that chooses to satisfy this requirement pursuant to this paragraph (C) must, simultaneous with this posting, issue a press release stating that its annual report has been filed with the Commission (or Other Regulatory Authority). This press release shall also state that the annual report is available on the Company's website and include the website address and that Shareholders may receive a hard copy free of charge upon request. A Company must provide such hard copies within a reasonable period of time following the request.

(2) Distribution of Interim Reports. Exchange Companies that distribute interim reports to Shareholders should distribute such reports to both registered and beneficial Shareholders. Exchange Companies are also encouraged to consider additional technological methods to communicate such information to Shareholders in a timely and less costly manner as such technology becomes available.

(3) Access to Quarterly Reports.

(A) Each Company that is not a limited partnership (limited partnerships are governed by paragraph (B) below) and is subject to Rule 13a-13 under the Act shall make available copies of quarterly reports including statements of operating results to Shareholders either prior to or as soon as practicable following the Company's filing of its Form 10-Q with the Commission. If the form of such quarterly report differs from the Form 10-Q, the Company shall file one copy of the report with the Exchange in addition to filing its Form 10-Q pursuant to Rule 14.6(c)(1). The statement of operations contained in quarterly reports shall disclose, at a minimum, any substantial items of an unusual or non-recurrent nature and net income before and after estimated federal income taxes or net income and the amount of estimated federal taxes.

(B) Each Company that is limited partnership and is subject to Rule 13a-13 under the Act shall make available copies of quarterly reports including statements of operating results to limited partners either prior to or as soon as practicable following the partnership's filing of its Form 10-Q with the Commission. Such reports shall be distributed to limited partners if required by statute or regulation in the state in which the limited partnership is formed or doing business or by the terms of the partnership's limited partnership agreement. If the form of such quarterly report differs from the Form 10-Q, the Company shall file one copy of the report with the Exchange in addition to filing its Form 10-Q pursuant to Rule 14.6(c)(1). The statement of operations contained in quarterly reports shall disclose,

at a minimum, any substantial items of an unusual or non-recurrent nature and net income before and after estimated federal income taxes or net income and the amount of estimated federal taxes.

(4) Access to Interim Reports

(A) Each Company that is not a limited partnership and is not subject to Rule 13a-13 under the Act and that is required to file with the Commission, or Other Regulatory Authority, interim reports relating primarily to operations and financial position, shall make available to Shareholders reports which reflect the information contained in those interim reports. Such reports shall be made available to Shareholders either before or as soon as practicable following filing with the appropriate regulatory authority. If the form of the interim report provided to Shareholders differs from that filed with the regulatory authority, the Company shall file one copy of the report to Shareholders with the Exchange in addition to the report to the regulatory authority that is filed with the Exchange pursuant to Rule 14.6(c)(1).

(B) Each Company that is a limited partnership that is not subject to Rule 13a-13 under the Act and is required to file with the Commission, or Other Regulatory Authority, interim reports relating primarily to operations and financial position, shall make available to limited partners reports which reflect the information contained in those interim reports. Such reports shall be distributed to limited partners if required by statue or regulation in the state in which the limited partnership is formed or doing business or by the terms of the partnership's limited partnership agreement. Such reports shall be distributed to limited partners either before or as soon as practicable following filing with the appropriate regulatory authority. If the form of the interim report provided to limited partners differs from that filed with the regulatory authority, the Company shall file one copy of the report to limited partners with the Exchange in addition to the report to the regulatory authority that is filed with the Exchange pursuant to Rule 14.6(c)(1).

(5) A Foreign Private Issuer may follow its home country practice in lieu of the requirements of Rule 14.6(d)(1), (2), (3) or (4) or by utilizing the process described in Rule 14.10(e)(1)(C).

(6) The Company shall comply with any obligation of any person regarding filing or disclosure of information material to the Company or the security, whether such obligation arises under the securities laws of the United States or the Company's country of domicile, or other applicable federal or state statutes or rules.

(e) *Exchange Notification Requirements*. Various corporate events resulting in material changes will trigger the requirement for Companies to submit certain forms and applicable fees to the Exchange as specified below. All applicable forms can be found on the Exchange's Web site.

(1) Change in Number of Shares Outstanding. The Company shall file, on a form designated by the Exchange no later than 10 days after the occurrence, any aggregate increase or decrease of any class of securities listed on the Exchange that exceeds 5% of the amount of securities of the class outstanding.

(2) Listing of Additional Shares. A Company shall be required to notify the Exchange, except for a Company solely listing American Depositary Receipts, at least 15 calendar days prior to:

(A)

(i) establishing or materially amending a stock option plan, purchase plan or other equity compensation arrangement pursuant to which stock may be acquired by officers, directors, employees, or consultants without shareholder approval;

(ii) the Exchange recognizes that when a Company makes an equity grant to induce an individual to accept employment, as permitted by the exception contained in Rule 14.10(i)(3)(D), it may not be practical to provide the advance notice otherwise required by this Rule. Therefore, when a Company relies on that exception to make such an inducement grant without shareholder approval, it is sufficient to notify the Exchange about the grant and the use of the exception no later than the earlier of: (x) five calendar days after entering into the agreement to issue the securities; or (y) the date of the public announcement of the award required by Rule 14.10(i)(3)(D); or

(B) issuing securities that may potentially result in a change of control of the Company; or

(C) issuing any common stock or security convertible into common stock in connection with the acquisition of the stock or assets of another company, if any officer or director or Substantial Shareholder of the Company has a 5% or greater interest (or if such persons collectively have a 10% or greater interest) in the Company to be acquired or in the consideration to be paid; or

(D) issuing any common stock, or any security convertible into common stock in a transaction that may result in the potential issuance of common stock (or securities convertible into common stock) greater than 10% of either the total shares outstanding or the voting power outstanding on a pre-transaction basis.

The notifications required by this paragraph must be made on the Notification Form: Listing of Additional Shares and the Exchange encourages Companies to file this form as soon as practicable, even if all of the relevant terms are not yet known. The Exchange reviews these forms to determine compliance with applicable Exchange rules, including the shareholder approval requirements. Therefore, if a Company fails to file timely the form required by this paragraph, the Exchange may issue either a Public Reprimand Letter or a Delisting Determination (pursuant to Rule 14.12).

(3) Record Keeping Change

(A) The Company shall file on a form designated by the Exchange notification of any corporate name change no later than 10 days after the change.

(B) The Company shall also notify the Exchange promptly in writing, absent any fees, of any change in the general character or nature of its business and any change in the address of its principal executive offices.

(4) Substitution Listing. The Company shall notify the Exchange of a Substitution Listing Event (other than a re-incorporation or a change to a Company's place of organization) no later than 15 calendar days prior to the implementation of such event by filing the appropriate form as designated by the Exchange. For a re-incorporation or change to a Company's place of organization, a Company shall notify the Exchange as soon as practicable after such event has been implemented by filing the appropriate form as designated by the Exchange.

(5) Transfer Agent, Registrar, ADR Bank Changes. The issuer of any class of securities listed on the Exchange, except for American Depositary Receipts, shall notify the Exchange promptly in writing of any change in the Company's transfer agent or registrar.

(6) Dividend Action or Stock Distribution. In the case of any dividend action or action relating to a stock distribution of a listed stock the Company shall, no later than 10 calendar days prior to the record date of such action:

(A) Notify the Exchange by filing the appropriate form as designated by the Exchange; and

(B) Provide public notice using a Regulation FD compliant method.

Notice to the Exchange should be given as soon as possible after declaration and, in any event, no later than simultaneously with the public notice.

Interpretations and Policies

.01 Disclosure of Material Information

(a) General Disclosure Requirements

Rule 14.6(b)(1) requires that, except in unusual circumstances, Exchange Companies disclose promptly to the public through any Regulation FD compliant method (or combination of methods) of disclosure any material information that would reasonably be expected to affect the value of their securities or influence investors' decisions. Exchange Companies must notify the Exchange at least ten minutes prior to the release to the public of material information that involves any of the events set forth below when the public release of the information is made during Exchange market hours (7:00 a.m. to 8:00 pm. ET). If the public release of the material information is made outside of the Exchange market hours, the Exchange Companies must notify the

Exchange's Surveillance Department of the material information prior to 6:50 a.m. ET. Under unusual circumstances Companies may not be required to make public disclosure of material events; for example, where it is possible to maintain confidentiality of those events and immediate public disclosure would prejudice the ability of the Company to pursue its legitimate corporate objectives. However, the Exchange Companies remain obligated to disclose this information to the Exchange upon request pursuant to Rule 14.6(a).

Whenever unusual market activity takes place in an Exchange Company's securities, the Company normally should determine whether there is material information or news which should be disclosed. If rumors or unusual market activity indicate that information on impending developments has become known to the investing public, or if information from a source other than the Company becomes known to the investing public, a clear public announcement may be required as to the state of negotiations or development of Company plans. Such an announcement may be required, even though the Company may not have previously been advised of such information or the matter has not yet been presented to the Company's Board of Directors for consideration. In certain circumstances, it may also be appropriate to publicly deny false or inaccurate rumors, which are likely to have, or have had, an effect on the trading in its securities or would likely have an influence on investment decisions.

(b) Notification to the Exchange's Surveillance Department

Companies must notify the Exchange's Surveillance Department prior to the distribution of certain material news at least ten minutes prior to public announcement of the news when the public release of the information is made during the Exchange market hours (7:00 a.m. to 5:00 pm. ET). If the public release of the material information is made outside of the Exchange market hours, The Exchange must notify the Exchange's Surveillance Department of the material information prior to 6:50 a.m. ET. Except in emergency situations, this notification must be made through the Exchange's electronic disclosure submission system available on the Exchange's Web site. In emergency situations, Companies may instead provide notification by telephone or facsimile. Examples of an emergency situation include: lack of computer or internet access; technical problems on the Exchange and a material development such that no draft disclosure document exists, but immediate notification to the Exchange's Surveillance Department is important based on the material event.

If a Company repeatedly fails to either notify the Exchange at least ten minutes prior to the distribution of material news during market hours or prior to 6:50 a.m. ET for material news distributed outside of market hours, or repeatedly fails to use the electronic disclosure submission system when the Exchange finds no emergency situation existed, the Exchange may issue a Public Reprimand Letter (as defined in Rule 14.12(b)(9)) or, in extreme cases, a Staff Delisting Determination (as defined in Rule 14.12(b)(11)). In determining whether to issue a Public Reprimand Letter, the Exchange will consider whether the Company has demonstrated a pattern of failures, whether the Company has been contacted concerning previous violations, and whether the Company has taken steps to assure that future violations will not occur.

(c) Trading Halts

A trading halt benefits current and potential Shareholders by halting all trading in any Exchange securities until there has been an opportunity for the information to be disseminated to the public. This decreases the possibility of some investors acting on information known only to them. A trading halt provides the public with an opportunity to evaluate the information and consider it in making investment decisions. It also alerts the marketplace to the fact that news has been released.

The Exchange's Surveillance Department monitors real time trading in all Exchange securities during the trading day for price and volume activity. In the event of certain price and volume movements, the Exchange's Surveillance Department may contact a Company and its Market Makers in order to ascertain the cause of the unusual market activity. The Exchange's Surveillance Department treats the information provided by the Company and other sources in a highly confidential manner, and uses it to assess market activity and assist in maintaining fair and orderly markets. An Exchange listing includes an obligation to disclose to the Exchange's Surveillance Department information that the Company is not otherwise disclosing to the investing public or the financial community. On, occasion, changes in market activity prior to the Company's release of material information may indicate that the information has become known to the investing public. Changes in market activity also may occur when there is a release of material information by a source other than the Company, such as when an Exchange Company is subject to an unsolicited take-over bid by another company. Depending on the nature of the event and the Company's views regarding the business advisability of disclosing the information, the Exchange's Surveillance Department may work with the Company to accomplish a timely release of the information. Furthermore, depending on the materiality of the information and the anticipated affect of the information on the price of the Company's securities, the Exchange's Surveillance Department may advise the Company that a temporary trading halt is appropriate to allow for full dissemination of the information and to maintain an orderly market. The institution of a temporary trading halt pending the release of information is not a reflection on the value of the securities halted. Such trading halts are instituted, among other reasons, to insure that material information is fairly and adequately disseminated to the investing public and the marketplace, and to provide investors with the opportunity to evaluate the information in making investment decisions. A trading halt normally lasts one half hour but may last longer if a determination is made that news has not been adequately disseminated or that the original or an additional basis under Rule 11.18 exists for continuing the trading halt.

The Exchange's Surveillance Department is required to keep non-public information, confidential and to use such information only for regulatory purposes.

Companies are required to notify the Exchange's Surveillance Department of the release of material information included in the following list of events at least ten minutes prior to the release of such information to the public when the public release of the information is made during Exchange market hours (7:00 a.m. to 8:00 pm. ET):

(1) Financial-related disclosures, including quarterly or yearly earnings, earnings restatements, pre-announcements or "guidance."

(2) Corporate reorganizations and acquisitions, including mergers, tender offers, asset transactions and bankruptcies or receiverships.

(3) New products or discoveries, or developments regarding customers or suppliers (e.g., significant developments in clinical or customer trials, and receipt or cancellation of a material contract or order).

(4) Senior management changes of a material nature or a change in control.

(5) Resignation or termination of independent auditors, or withdrawal of a previously issued audit report.

(6) Events regarding the Company's securities — e.g., defaults on senior securities, calls of securities for redemption, repurchase plans, stock splits or changes in dividends, changes to the rights of security holders, or public or private sales of additional securities.

(7) Significant legal or regulatory developments. Regulation FD

(8) Any event requiring the filing of a Form 8-K.

If the public release of the material information is made outside of Exchange market hours, Exchange Companies must notify the Exchange's Surveillance Department of the material information prior to 6:50 a.m. ET. It should also be noted that every development that might be reported to the Exchange in these areas would not necessarily be deemed to warrant a trading halt. In addition to the list of events set forth above, the Exchange encourages Companies to avail themselves of the opportunity for advance notification to the Exchange's Surveillance Department in situations where they believe, based upon their knowledge of the significance of the information, that a temporary trading halt may be necessary or appropriate.

.02 Use of Regulation FD Compliant Methods in the Disclosure of Material Information

Regardless of the method of disclosure that a Company chooses to use, Companies are required to notify the Exchange's Surveillance Department of the release of material information that involves any of the events set forth above at least ten minutes prior to its release to the public when the public release of the information is made during Exchange market hours (7:00 a.m. to 8:00 pm. ET). If the public release of the material information is made outside of Exchange market hours, Exchange Companies must notify the Exchange's Surveillance Department of the material information prior to 6:50 a.m. ET. When a Company chooses to utilize a Regulation FD compliant method for disclosure other than a press release or Form 8-K, the Company will be required to provide prior notice to the Exchange's Surveillance Department of: 1) the press release announcing the logistics of the future disclosure event; and 2) a descriptive summary of the material information to be announced during the disclosure event if the press release does not contain such a summary.

Depending on the materiality of the information and the anticipated effect of the information on the price of the Company's securities, the Exchange's Surveillance Department may advise the Company that a temporary trading halt is appropriate to allow for full dissemination of the information and to maintain an orderly market. The Exchange's Surveillance Department will assess with Companies using methods of disclosure other than a press release or Form 8-K the

timing within the disclosure event when the Company will cover the material information so that the halt can be commenced accordingly. Companies will be responsible for promptly alerting the Exchange's Surveillance Department of any significant changes to the previously outlined disclosure timeline. Companies are reminded that the posting of information on the company's website may not by itself be considered a sufficient method of public disclosure under Regulation FD and SEC guidance and releases thereunder, and as a result, under Exchange rules.

.03 Disclosure of Third Party Director and Nominee Compensation

Rule 14.6(b)(3) requires listed companies to publicly disclose the material terms of all agreements and arrangements between any director or nominee and any person or entity (other than the Company) relating to compensation or other payment in connection with that person's candidacy or service as a director. The terms "compensation" and "other payment" as used in this rule are not limited to cash payments and are intended to be construed broadly.

Subject to exceptions provided in the rule, the disclosure must be made on or through the Company's website or in the proxy or information statement for the next shareholders' meeting at which directors are elected in order to provide shareholders with information and sufficient time to help them make meaningful voting decisions. A Company posting the requisite disclosure on or through its website must make it publicly available no later than the date on which the Company files a proxy or information statement in connection with such shareholders' meeting (or, if they do not file proxy or information statements, no later than when the Company files its next Form 10-K or Form 20-F). Disclosure made available on the Company's website or through it by hyperlinking to another website, must be continuously accessible. If the website hosting the disclosure subsequently becomes inaccessible or that hyperlink inoperable, the company must promptly restore it or make other disclosure in accordance with this rule.

Rule 14.6(b)(3) does not separately require the initial disclosure of newly entered into agreements or arrangements, provided that disclosure is made pursuant to this rule for the next shareholders' meeting at which directors are elected. In addition, for publicly disclosed agreements and arrangements that existed prior to the nominee's candidacy and thus not required to be disclosed in accordance with Rule 14.6(b)(3)(A)(ii) but where the director or nominee's remuneration is thereafter materially increased specifically in connection with such person's candidacy or service as a director of the Company, only the difference between the new and previous level of compensation or other payment obligation needs be disclosed.

All references in this rule to proxy or information statements are to the definitive versions thereof.

(*Amended by SR-BATS-2011-018 eff. August 30, 2011; amended by SR-BATS-2016-14 eff. April 13, 2016; amended by SR-CboeBZX-2018-057 eff. August 1, 2018; amended by SR-CboeBZX-2024-010 eff. January 29, 2024*).

Rule 14.7. Direct Registration Program

(a) Except as indicated in paragraph (c) below, all securities listed on the Exchange (except securities which are book-entry only) must be eligible for a Direct Registration Program operated by a clearing agency registered under Section 17A of the Act.

(b) If a Company establishes or maintains a Direct Registration Program for its Shareholders, the Company shall, directly or through its transfer agent, participate in an electronic link with a clearing agency registered under Section 17A of the Act to facilitate the electronic transfer of securities held pursuant to such program.

(c) Exemption

A foreign issuer, as defined under Rule 3b-4 under the Act, including a Foreign Private Issuer, shall not be subject to this requirement if it submits to the Exchange a written statement from an independent counsel in such Company's home country certifying that a law or regulation in the home country prohibits compliance.

(*Amended by SR-BATS-2011-018 eff. August 30, 2011; amended by SR-CboeBZX-2024-010 eff. January 29, 2024*).

Rule 14.8. General Listings Requirements – Tier I

(a) Background

This section contains the initial and continued listing requirements and standards for listing a Company's Primary Equity Security on the Exchange. This section also contains the initial and continued listing requirements for Rights and Warrants, and Preferred and Secondary Classes of Common Stock, and closed-end management investment companies registered under the Investment Company Act of 1940 ("Closed-End Funds") on the Exchange.

In addition to meeting the quantitative requirements in this section, a Company must meet the requirements of Rule 14.2, the disclosure obligations set forth in Rules 14.3 to 14.6, the Corporate Governance requirements set forth in Rule 14.10, and pay any applicable fees in Rule 14.13. A Company's failure to meet any of the continued listing requirements will be processed in accordance with the provisions set forth in Rule 14.12.

Companies that meet the requirements of Rule 14.9, but are not listed as Tier I securities, are listed as Tier II securities.

For the requirements relating to other securities listed on the Exchange, see Rule 14.11.

(b) Initial Listing Requirements and Standards for Primary Equity Securities

A Company applying to list its Primary Equity Security on the Exchange shall meet all of the requirements set forth in paragraph (b)(1) below and at least one of the Standards in paragraph (b)(2) below.

(1) Initial Listing Requirements for Primary Equity Securities:

(A) Minimum bid price of at least $4 per share;

(B) At least 1,100,000 Publicly Held Shares; and

(C) At least 400 Round Lot Holders.

(2) Initial Listing Standards for Primary Equity Securities:

(A) Income Standard

(i) Annual income from continuing operations before income taxes of at least $1,000,000 in the most recently completed fiscal year or in two of the three most recently completed fiscal years;

(ii) Stockholders' equity of at least $15 million;

(iii) Market Value of Publicly Held Shares of at least $8 million; and

(iv) At least three registered and active Market Makers.

(B) Equity Standard

(i) Stockholders' equity of at least $30 million;

(ii) Two-year operating history;

(iii) Market Value of Publicly Held Shares of at least $18 million; and

(iv) At least three registered and active Market Makers.

(C) Market Value Standard

A Company listed under this paragraph does not also need to be in compliance with the quantitative criteria for initial listing in Rule 14.9.

(i) Market Value of Listed Securities of $75 million (current publicly traded Companies must meet this requirement and the $4 bid price requirement for 90 consecutive trading days prior to applying for listing if qualifying to list only under the Market Value Standard);

(ii) Market Value of Publicly Held Shares of at least $20 million; and

(iii) At least four registered and active Market Makers.

(D) Total Assets/Total Revenue Standard

A Company listed under this paragraph does not also need to be in compliance with the quantitative criteria for initial listing in Rule 14.9.

(i) Total assets and total revenue of $75 million each for the most recently completed fiscal year or two of the three most recently completed fiscal years;

(ii) Market Value of Publicly Held Shares of at least $20 million; and

(iii) At least four registered and active Market Makers.

(c) Initial Listing Requirements for Rights and Warrants

For initial listing, the rights or warrants must meet all the requirements below:

(1) At least 450,000 rights or warrants issued;

(2) The underlying security must be listed on the Exchange as a Tier I security or be a Covered Security;

(3) There must be at least three registered and active Market Makers; and

(4) In the case of warrants, there must be at least 400 Round Lot Holders (except that this requirement will not apply to the listing of warrants in connection with the initial firm commitment underwritten public offering of such warrants).

(d) Initial Listing Requirements for Preferred Stock and Secondary Classes of Common Stock.

(1) When the Primary Equity Security of the Company is listed on the Exchange as a Tier I security or is a Covered Security, the preferred stock or secondary class of common stock must meet all of the requirements set forth in (A) through (E) below.

(A) At least 200,000 Publicly Held Shares;

(B) Market Value of Publicly Held Shares of at least $4,000,000;

(C) Minimum bid price of at least $4 per share;

(D) At least 100 Round Lot Holders; and

(E) At least three registered and active Market Makers.

(2) When the Company's Primary Equity Security is not listed on the Exchange as a Tier I security or is not a Covered Security, the preferred stock and/or secondary class

of common stock may be listed on the Exchange so long as it satisfies the initial listing criteria for Primary Equity Securities set forth in Rule 14.8(b).

(e) Initial Listing Requirements for Closed-End Funds

(1) Definitions.

(A) The term "Public Shareholders" shall include both shareholders of record and beneficial holders, but is exclusive of the holdings of officers, directors, controlling shareholders, and other concentrated (i.e. 10% or greater), affiliated or family holdings.

(B) The term "Public Distribution" shall mean the public distribution including only Public Shareholders.

(2) For initial listing, a Closed-End Fund must meet the requirements of either paragraph (A) or (B) below:

(A) An individual Closed-End Fund must have:

(i) A Public Distribution of:

(a) At least 500,000 shares where there are at least 800 Public Shareholders, except that companies that are not banks whose securities are concentrated in a limited geographical area, or whose securities are largely held in block by institutional investors, are normally not considered eligible for listing unless the Public Distribution appreciably exceeds 500,000 shares; or

(b) At least 1,000,000 shares where there are at least 400 Public Shareholders;

(ii) A Public Distribution with a market value or net assets of at least $20 million;

(iii) Minimum bid price of at least $4 per share; and

(iv) At least four registered and active Market Makers.

(B) Group of Closed-End Funds. A Closed-End Fund which is part of a group of Closed-End Funds which are or will be listed on the Exchange, and which are managed by a common investment adviser or investment advisers who are "affiliated persons" as defined in Section 2(a)(3) of the Investment Company Act of 1940 as amended (the "Group"), is subject to the following criteria:

(i) The Group has a Public Distribution with a market value or net assets of at least $75 million;

(ii) The Closed-End Funds in the Group have a Public Distribution with an average market value or average net assets of at least $15 million;

(iii) Each Closed-End Fund in the Group has a Public Distribution with a market value or net assets of at least $10 million; and

(iv) Each Closed-End Fund in the Group has:

(a) A Public Distribution of:

(1) At least 500,000 shares where there are at least 800 Public Shareholders, except that companies that are not banks whose securities are concentrated in a limited geographical area, or whose securities are largely held in block by institutional investors, are normally not considered eligible for listing unless the Public Distribution appreciably exceeds 500,000 shares; or

(2) At least 1,000,000 shares where there are at least 400 Public Shareholders;

(b) Minimum bid price of at least $4 per share; and

(c) At least four registered and active Market Makers.

(f) Continued Listing Requirements and Standards for Primary Equity Securities

A Company that has its Primary Equity Security listed on the Exchange as a Tier I security must continue to substantially meet all of the requirements set forth in paragraph (f)(1) below and at least one of the Standards in paragraph (f)(2) below. Failure to meet any of the continued listing requirements will be processed in accordance with the provisions set forth in Rule 14.12. A security maintaining its listing under paragraph (f)(2)(C) need not also be in compliance with the quantitative maintenance criteria in Rule 14.9.

(1) Continued Listing Requirements for Primary Equity Securities:

(A) Minimum bid price of $1 per share; and

(B) At least 400 Total Holders.

(2) Continued Listing Standards for Primary Equity Securities:

(A) Equity Standard

(i) Stockholders' equity of at least $10 million;

(ii) At least 750,000 Publicly Held Shares;

(iii) Market Value of Publicly Held Shares of at least $5 million; and

(iv) At least two registered and active Market Makers.

(B) Market Value Standard

(i) Market Value of Listed Securities of at least $50 million;

(ii) At least 1,100,000 Publicly Held Shares;

(iii) Market Value of Publicly Held Shares of at least $15 million; and

(iv) At least four registered and active Market Makers.

(C) Total Assets/Total Revenue Standard

(i) Total assets and total revenue of at least $50 million each for the most recently completed fiscal year or two of the three most recently completed fiscal years;

(ii) At least 1,100,000 Publicly Held Shares;

(iii) Market Value of Publicly Held Shares of at least $15 million; and

(iv) At least four registered and active Market Makers.

(g) Continued Listing Requirements for Rights and Warrants

For continued listing, the rights or warrants must meet all the requirements below:

(1) The underlying security must continue to be listed on the Exchange as a Tier I security or be a Covered Security; and

(2) There must be at least two registered and active Market Makers, one of which may be a Market Maker entering a stabilizing bid.

(h) Continued Listing Requirements for Preferred Stock and Secondary Classes of Common Stock

(1) When the Company's Primary Equity Security of the Company is listed on the Exchange as a Tier I security or is a Covered Security, the preferred stock or secondary class of common stock must meet all of the requirements set forth in (A) through (E) below.

(A) At least 100,000 Publicly Held Shares;

(B) A Market Value of Publicly Held Shares of at least $1,000,000;

(C) Minimum bid price of at least $1 per share;

(D) At least 100 Public Holders; and

(E) At least two registered and active Market Makers.

(2) When the Primary Equity Security of the Company is not listed on the Exchange as a Tier I security or is not a Covered Security, the preferred stock and/or secondary class of common stock may continue to be listed on the Exchange so long as it satisfies the continued listing criteria for Primary Equity Securities set forth in Rule 14.8(f).

(i) Continued Listing Requirements for Closed-End Funds

The Exchange will consider the suspension of trading in and will initiate delisting proceedings (and such Closed-End Fund will not be eligible to follow the cure procedures outlined in Rule 14.12) for a Closed-End Fund where:

(1) The market value of the Public Distribution and net assets each are less than $5,000,000 for more than 60 consecutive days;

(2) The Closed-End Fund no longer qualifies as a closed-end fund under the Investment Company Act of 1940 (unless the resultant entity otherwise qualifies for listing);

(3) The Public Distribution is less than 200,000;

(4) The total number of Public Shareholders is less than 300;

(5) The Public Distribution has a market value of less than $1,000,000 for more than 90 consecutive days;

(6) The bid price is less than $1 per share; or

(7) There are fewer than four registered and active Market Makers.

(*Amended by SR-BATS-2011-018 eff. August 30, 2011; amended by SR-CboeBZX-2018-047, eff. October 5, 2018*).

Rule 14.9. General Listings Requirements – Tier II

(a) Background

This section contains the initial and continued listing requirements and standards for listing a Company's Primary Equity Security as a Tier II security. This section also contains the initial and continued listing requirements for Rights and Warrants; Preferred and Secondary Classes of Common Stock; and Convertible Debt, Rights and Warrants as a Tier II security.

In addition to meeting the quantitative requirements in this section, a Company must meet the requirements of Rule 14.2, the disclosure obligations set forth in Rule 14.3 to 14.6, the Corporate Governance requirements set forth in Rule 14.10, and pay any applicable fees in Rule 14.13. A Company's failure to meet any of the continued listing requirements will be processed in accordance with the provisions set forth in Rule 14.12.

Companies that meet these requirements, but are not listed as Tier I securities, are listed as Tier II securities.

(b) Initial Listing of Primary Equity Securities

A Company applying to list its Primary Equity Security on the Exchange as a Tier II security must meet all of the requirements set forth in paragraph (b)(1) below and at least one of the Standards in paragraph (b)(2) below.

(1) Initial Listing Requirements for Primary Equity Securities:

(A) Minimum bid price of $4 per share;

(B) At least 1,000,000 Publicly Held Shares;

(C) At least 300 Round Lot Holders;

(D) At least three registered and active Market Makers;

(E) In the case of ADRs, at least 400,000 issued.

(2) Initial Listing Standards for Primary Equity Securities:

(A) Equity Standard

(i) Stockholders' equity of at least $5 million;

(ii) Market Value of Publicly Held Shares of at least $15 million; and

(iii) Two year operating history.

(B) Market Value of Listed Securities Standard

(i) Market Value of Listed Securities of at least $50 million (current publicly traded Companies must meet this requirement and the $4 bid price requirement for 90 consecutive trading days prior to applying for listing if qualifying to list only under the Market Value of Listed Securities Standard);

(ii) Stockholders' equity of at least $4 million; and

(iii) Market Value of Publicly Held Shares of at least $15 million.

(C) Net Income Standard

(i) Net income from continuing operations of $750,000 in the most recently completed fiscal year or in two of the three most recently completed fiscal years;

(ii) Stockholders' equity of at least $4 million; and

(iii) Market Value of Publicly Held Shares of at least $5 million.

(c) Initial Listing Requirements for Preferred Stock and Secondary Classes of Common Stock

(1) When the Primary Equity Security is listed on the Exchange as a Tier II security or is a Covered Security, a Company's preferred stock or secondary class of common stock must meet all of the requirements set forth in (A) through (E) below in order to be listed.

(A) Minimum bid price of at least $4 per share;

(B) At least 100 Round Lot Holders;

(C) At least 200,000 Publicly Held Shares;

(D) Market Value of Publicly Held Shares of at least $3.5 million; and

(E) At least three registered and active Market Makers.

(2) In the event the Company's Primary Equity Security is not listed on the Exchange as a Tier II security or is not a Covered Security, the preferred stock and/or secondary class of common stock may be listed on the Exchange as a Tier II security so long as it satisfies the initial listing criteria for Primary Equity Securities set forth in paragraph (b) of this Rule.

(d) Initial Listing Requirements for Rights, Warrants, and Convertible Debt

The following requirements apply to a Company listing convertible debt, rights or warrants as Tier II securities on the Exchange.

(1) For initial listing, rights, warrants and put warrants (that is, instruments that grant the holder the right to sell to the issuing company a specified number of shares of the Company's common stock, at a specified price until a specified period of time) must meet the following requirements:

(A) At least 400,000 issued;

(B) The underlying security must be listed on the Exchange or be a Covered Security;

(C) At least three registered and active Market Makers; and

(D) In the case of warrants, at least 400 Round Lot Holders (except that this requirement will not apply to the listing of rights or warrants in connection with the initial firm commitment underwritten public offering of such warrants).

(2) For initial listing, a convertible debt security must meet the requirements set forth in (A) through (C) below, and one of the conditions in (D) below must be satisfied:

(A) Principal amount outstanding of at least $10 million;

(B) Current last sale information must be available in the United States with respect to the underlying security into which the bond or debenture is convertible;

(C) At least three registered and active Market Makers; and

(D) Other Conditions:

(i) the issuer of the debt must have an equity security that is listed on the Exchange, the NASDAQ Stock Market, the American Stock Exchange or the New York Stock Exchange;

(ii) an issuer whose equity security is listed on the Exchange, the NASDAQ Stock Market, the American Stock Exchange or the New York Stock Exchange, directly or indirectly owns a majority interest in, or is under common control with, the issuer of the debt security, or has guaranteed the debt security;

(iii) a nationally recognized securities rating organization (an "NRSRO") has assigned a current rating to the debt security that is no lower than an S&P Corporation "B" rating or equivalent rating by another NRSRO; or

(iv) if no NRSRO has assigned a rating to the issue, an NRSRO has currently assigned: (1) an investment grade rating to an immediately senior issue; or (2) a rating that is no lower than an S&P Corporation "B" rating, or an equivalent rating by another NRSRO, to a pari passu or junior issue.

(3) In the case of Index Warrants, the requirements established in Rule 14.11(g) for Tier I securities apply.

(e) Continued Listing of Primary Equity Securities

A Company that has its Primary Equity Security listed on the Exchange as a Tier II security must continue to meet all of the requirements set forth in paragraph (e)(1) below and at least one

of the Standards set forth in paragraph (e)(2) below. Failure to meet any of the continued listing requirements will be processed in accordance with the provisions set forth in Rule 14.12.

(1) Continued Listing Requirements for Primary Equity Securities:

(A) At least two registered and active Market Makers, one of which may be a Market Maker entering a stabilizing bid;

(B) Minimum bid price of at least $1 per share;

(C) At least 300 Public Holders;

(D) At least 500,000 Publicly Held Shares; and

(E) Market Value of Publicly Held Shares of at least $1 million.

(2) Continued Listing Standards for Primary Equity Securities:

(A) Equity Standard: Stockholders' equity of at least $2.5 million;

(B) Market Value of Listed Securities Standard: Market Value of Listed Securities of at least $35 million; or

(C) Net Income Standard: Net income from continuing operations of $500,000 in the most recently completed fiscal year or in two of the three most recently completed fiscal years.

(f) Continued Listing Requirements for Preferred Stock and Secondary Classes of Common Stock

(1) When the Primary Equity Security is listed on the Exchange as a Tier II security or is a Covered Security, a Company's preferred stock or secondary class of common stock must meet all of the requirements in (A) through (E) below in order to be listed. Failure to meet any of the continued listing requirements will be processed in accordance with the provisions set forth in the Rule 14.12.

(A) Minimum bid price of at least $1 per share;

(B) At least 100 Public Holders;

(C) At least 100,000 Publicly Held Shares;

(D) Market Value of Publicly Held Shares of at least $1 million; and

(E) At least two registered and active Market Makers, one of which may be a Market Maker entering a stabilizing bid.

(2) In the event the Company's Primary Equity Security is not listed on the Exchange as a Tier II security or is not a Covered Security, the preferred stock and/or

secondary class of common stock may be listed on the Exchange as a Tier II security so long as the security satisfies the continued listing criteria for Primary Equity Securities set forth in paragraph (e) above.

(g) Continued Listing Requirements for Rights, Warrants, and Convertible Debt

(1) For rights, warrants, and put warrants (that is, instruments that grant the holder the right to sell to the issuing company a specified number of shares of the Company's common stock, at a specified price until a specified period of time), the underlying security must remain listed on the Exchange or be a Covered Security, and there must be at least two registered and active Market Makers, one of which may be a Market Maker entering a stabilizing bid.

(2) A convertible debt security must meet the following requirements for continued listing:

(A) A principal amount outstanding of at least $5 million;

(B) At least two registered and active Market Makers, one of which may be a Market Maker entering a stabilizing bid; and

(C) Current last sale information must be available in the United States with respect to the underlying security into which the bond or debenture is convertible.

(*Amended by SR-BATS-2011-018 eff. August 30, 2011*).

Rule 14.10. Corporate Governance Requirements

(a) In addition to meeting applicable quantitative requirements in Rules 14.3 through 14.9, Companies applying to list and listed on the Exchange must meet the qualitative requirements outlined in this Rule. These requirements include rules relating to a Company's board of directors, including audit committees and Independent Director oversight of executive compensation and the director nomination process; code of conduct; shareholder meetings, including proxy solicitation and quorum; review of related party transactions; shareholder approval, including voting rights; and compensation recovery policy. Exemptions to these rules, including phase-in schedules, are set forth in paragraph (e) below.

The Exchange maintains a website that provides guidance on the applicability of the corporate governance requirements by FAQs and published summaries of anonymous versions of previously issued staff interpretative letters. Companies are encouraged to contact Listing Qualifications to discuss any complex issues or transactions. Companies can also submit a request for a written interpretation pursuant to paragraph (b) below.

(b) Written Interpretations of the Exchange Listing Rules

(1) A Company listed on the Exchange may request from the Exchange a written interpretation contained in Chapter XIV. In connection with such a request, the Company must submit to the Exchange a non-refundable fee of $15,000.

(2) A response to a request for a written interpretation generally will be provided within four weeks from the date the Exchange receives all information necessary to respond to the request, although if a Company requires a response by a specific date it should state the date in its request for the written interpretation and the Exchange will attempt to respond by that date.

(3) An applicant to the Exchange that has submitted the applicable entry fee under Rule 14.13(b) will not also be required to submit a fee in connection with a request for a written interpretation involving the applicant's initial listing on the Exchange. In addition, a Company is not required to submit a fee in connection with a request for an exception from the Exchange shareholder approval rules pursuant to the financial viability exception as described in Rule 14.10(i)(6).

(4) The Exchange Board of Directors or its designee may, in its discretion, defer or waive all or any part of the written interpretation fee prescribed herein.

(5) The Exchange shall publish on its website a summary of each interpretation within 90 days from the date such interpretation is issued.

(6) A Company is eligible to request a written interpretation from the Exchange pursuant to paragraphs (1) or (2) above, subject to payment of the appropriate fee, if it has a class of securities that has been suspended or delisted from the Exchange, but the suspension or delisting decision is under review pursuant to Rule 14.12.

(c) Board of Directors and Committees

(1) Definitions

(A) "Executive Officer" means those officers covered in Rule 16a-1(f) under the Act.

(B) "Independent Director" means a person other than an Executive Officer or employee of the Company or any other individual having a relationship which, in the opinion of the Company's board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. For purposes of this rule, "Family Member" means a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home. The following persons shall not be considered independent:

(i) a director who is, or at any time during the past three years was, employed by the Company;

(ii) a director who accepted or who has a Family Member who accepted any compensation from the Company in excess of $120,000 during any period of twelve consecutive months within the three years preceding the determination of independence, other than the following:

(a) compensation for board or board committee service;

(b) compensation paid to a Family Member who is an employee (other than an Executive Officer) of the Company; or

(c) benefits under a tax-qualified retirement plan, or non-discretionary compensation.

Provided, however, that in addition to the requirements contained in this paragraph (ii), audit committee members are also subject to additional, more stringent requirements under Rule 14.10(c)(3)(B).

(iii) a director who is a Family Member of an individual who is, or at any time during the past three years was, employed by the Company as an Executive Officer;

(iv) a director who is, or has a Family Member who is, a partner in, or a controlling Shareholder or an Executive Officer of, any organization to which the Company made, or from which the Company received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenues for that year, or $200,000, whichever is more, other than the following:

(a) payments arising solely from investments in the Company's securities; or

(b) payments under non-discretionary charitable contribution matching programs.

(v) a director of the Company who is, or has a Family Member who is, employed as an Executive Officer of another entity where at any time during the past three years any of the Executive Officers of the Company serve on the compensation committee of such other entity; or

(vi) a director who is, or has a Family Member who is, a current partner of the Company's outside auditor, or was a partner or employee of the Company's outside auditor who worked on the Company's audit at any time during any of the past three years.

(vii) in the case of an investment company, in lieu of paragraphs (i)-(vi), a director who is an "interested person" of the Company as defined in Section 2(a)(19) of the Investment Company Act of 1940, other than in

his or her capacity as a member of the board of directors or any board committee.

(2) Independent Directors

(A) Majority Independent Board. A majority of the board of directors must be comprised of Independent Directors as defined in Rule 14.10(c)(1)(B). The Company must disclose in its annual proxy (or, if the Company does not file a proxy, in its Form 10-K or 20-F) those directors that the board of directors has determined to be independent under Rule 14.10(c)(1)(B).

(i) Cure Period for Majority Independent Board. If a Company fails to comply with this requirement due to one vacancy, or one director ceases to be independent due to circumstances beyond their reasonable control, the Company shall regain compliance with the requirement by the earlier of its next annual shareholders meeting or one year from the occurrence of the event that caused the failure to comply with this requirement; provided, however, that if the annual shareholders meeting occurs no later than 180 days following the event that caused the failure to comply with this requirement, the Company shall instead have 180 days from such event to regain compliance. A Company relying on this provision shall provide notice to the Exchange immediately upon learning of the event or circumstance that caused the noncompliance.

(B) Executive Sessions

Independent Directors must have regularly scheduled meetings at which only Independent Directors are present ("executive sessions").

(3) Audit Committee Requirements

(A) *Audit Committee Charter*. Each Company must certify that it has adopted a formal written audit committee charter and that the audit committee will review and reassess the adequacy of the formal written charter on an annual basis. The charter must specify:

(i) the scope of the audit committee's responsibilities, and how it carries out those responsibilities, including structure, processes, and membership requirements;

(ii) the audit committee's responsibility for ensuring its receipt from the outside auditors of a formal written statement delineating all relationships between the auditor and the Company, actively engaging in a dialogue with the auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor and for taking, or recommending that the full board take, appropriate action to oversee the independence of the outside auditor;

(iii) the committee's purpose of overseeing the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company; and

(iv) the specific audit committee responsibilities and authority set forth in Rule 14.10(c)(3)(C).

(B) *Audit Committee Composition*

(i) Each Company must have, and certify that it has and will continue to have, an audit committee of at least three members, each of whom must:

(a) be an Independent Director as defined under Rule 14.10(c)(1)(B);

(b) meet the criteria for independence set forth in Rule 10A-3(b)(1) under the Act (subject to the exemptions provided in Rule 10A-3(c) under the Act);

(c) not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years; and

(d) be able to read and understand fundamental financial statements, including a Company's balance sheet, income statement, and cash flow statement.

Additionally, each Company must certify that it has, and will continue to have, at least one member of the audit committee who has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

(ii) Non-Independent Director for Exceptional and Limited Circumstances. Notwithstanding sub-paragraph (i)(a) above, one director who:

(a) is not an Independent Director as defined in Rule 14.10(c)(1)(B);

(b) meets the criteria set forth in Section 10A(m)(3) under the Act and the rules thereunder; and

(c) is not a current officer or employee or a Family Member of such officer or employee, may be appointed to the audit

committee, if the board, under exceptional and limited circumstances, determines that membership on the committee by the individual is required by the best interests of the Company and its Shareholders.

A Company, other than a Foreign Private Issuer, that relies on this exception must comply with the disclosure requirements set forth in Item 407(d)(2) of Regulation S-K. A Foreign Private Issuer that relies on this exception must disclose in its next annual report (e.g., Form 20-F or 40-F) the nature of the relationship that makes the individual not independent and the reasons for the board's determination. A member appointed under this exception may not serve longer than two years and may not chair the audit committee.

(C) *Audit Committee Responsibilities and Authority*. The audit committee must have the specific audit committee responsibilities and authority necessary to comply with Rule 10A-3(b)(2), (3), (4) and (5) under the Act (subject to the exemptions provided in Rule 10A-3(c) under the Act), concerning responsibilities relating to: (i) registered public accounting firms, (ii) complaints relating to accounting, internal accounting controls or auditing matters, (iii) authority to engage advisers, and (iv) funding as determined by the audit committee. Audit committees for investment companies must also establish procedures for the confidential, anonymous submission of concerns regarding questionable accounting or auditing matters by employees of the investment adviser, administrator, principal underwriter, or any other provider of accounting related services for the investment company, as well as employees of the investment company.

(D) *Cure Periods for Audit Committee*

(i) If a Company fails to comply with the audit committee composition requirement under Rule 10A-3(b)(1) under the Act and Rule 14.10(c)(3)(B) because an audit committee member ceases to be independent for reasons outside the member's reasonable control, the audit committee member may remain on the audit committee until the earlier of its next annual shareholders meeting or one year from the occurrence of the event that caused the failure to comply with this requirement. A Company relying on this provision must provide notice to the Exchange immediately upon learning of the event or circumstance that caused the noncompliance.

(ii) If a Company fails to comply with the audit committee composition requirement under Rule 14.10(c)(3)(B) due to one vacancy on the audit committee, and the cure period in paragraph (i) is not otherwise being relied upon for another member, the Company will have until the earlier of the next annual shareholders meeting or one year from the occurrence of the event that caused the failure to comply with this requirement; provided, however, that if the annual shareholders meeting

occurs no later than 180 days following the event that caused the vacancy, the Company shall instead have 180 days from such event to regain compliance. A Company relying on this provision must provide notice to the Exchange immediately upon learning of the event or circumstance that caused the noncompliance.

(E) *Exception*. At any time when a Company has a class of common equity securities (or similar securities) that is listed on another national securities exchange or national securities association subject to the requirements of Rule 10A-3 under the Act, the listing of classes of securities of a direct or indirect consolidated subsidiary or an at least 50% beneficially owned subsidiary of the Company (except classes of equity securities, other than non-convertible, non-participating preferred securities, of such subsidiary) shall not be subject to the requirements of Rule 14.10(c)(3).

(4) Compensation Committee Requirements

(A) *Compensation Committee Charter.* Each Company must certify that it has adopted a formal written compensation committee charter and that the compensation committee will review and reassess the adequacy of the formal written charter on an annual basis. The charter must specify:

(i) the scope of the compensation committee's responsibilities, and how it carries out those responsibilities, including structure, processes and membership requirements;

(ii) the compensation committee's responsibility for determining, or recommending to the board for determination, the compensation of the chief executive officer and all other Executive Officers of the Company;

(iii) that the chief executive officer may not be present during voting or deliberations on his or her compensation; and

(iv) the specific compensation committee responsibilities and authority set forth in Rule 14.10(c)(4)(D).

(B) *Compensation Committee Composition.* Each Company must have, and certify that it has and will continue to have, a compensation committee of at least two members. Each committee member must be an Independent Director as defined under Rule 14.10(c)(1)(B). In addition, in affirmatively determining the independence of any director who will serve on the compensation committee of a board of directors, the board of directors must consider all factors specifically relevant to determining whether a director has a relationship to the Company which is material to that director’s ability to be independent from management in connection with the duties of a compensation committee member, including, but not limited to:

(i) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director; and

(ii) whether such director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

(C) *Non-Independent Committee Member under Exceptional and Limited Circumstances.* Notwithstanding paragraph 14.10(c)(4)(B) above, if the compensation committee is comprised of at least three members, one director who does not meet the requirements of paragraph 14.10(c)(4)(B) and is not currently an Executive Officer or employee or a Family Member of an Executive Officer, may be appointed to the compensation committee if the board, under exceptional and limited circumstances, determines that such individual's membership on the committee is required by the best interests of the Company and its Shareholders. A Company that relies on this exception must disclose either on or through the Company's website or in the proxy statement for the next annual meeting subsequent to such determination (or, if the Company does not file a proxy, in its Form 10-K or 20-F), the nature of the relationship and the reasons for the determination. In addition, the Company must provide any disclosure required by Instruction 1 to Item 407(a) of Regulation S-K regarding its reliance on this exception. A member appointed under this exception may not serve longer than two years.

(D) *Compensation Committee Responsibilities and Authority.* As required by Rule 10C-1(b)(2), (3) and (4)(i)-(vi) under the Act, the compensation committee must have the following specific responsibilities and authority.

(i) The compensation committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser.

(ii) The compensation committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the compensation committee.

(iii) The Company must provide for appropriate funding, as determined by the compensation committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other adviser retained by the compensation committee.

(iv) The compensation committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the compensation committee, other than in-house legal counsel, only after taking into consideration the following factors:

(a) the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;

(b) the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;

(c) the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;

(d) any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the compensation committee;

(e) any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and

(f) any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an Executive Officer of the Company.

Nothing in this Rule shall be construed: (i) to require the compensation committee to implement or act consistently with the advice or recommendations of the compensation consultant, legal counsel or other adviser to the compensation committee; or (ii) to affect the ability or obligation of a compensation committee to exercise its own judgment in fulfillment of the duties of the compensation committee.

The compensation committee is required to conduct the independence assessment outlined in this Rule with respect to any compensation consultant, legal counsel or other adviser that provides advice to the compensation committee, other than in-house legal counsel. However, nothing in this Rule requires a compensation consultant, legal counsel or other compensation adviser to be independent, only that the compensation committee consider the enumerated independence factors before selecting, or receiving advice from, a compensation adviser. Compensation committees may select, or receive advice from, any compensation adviser they prefer, including ones that are not independent, after considering the six independence factors outlined above.

For purposes of this Rule, the compensation committee is not required to conduct an independence assessment for a compensation adviser that acts in a role limited to the following activities for which no disclosure is required under Item 407(e)(3)(iii) of Regulation S-K: (a) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of Executive Officers or

directors of the Company, and that is available generally to all salaried employees; and/or (b) providing information that either is not customized for a particular issuer or that is customized based on parameters that are not developed by the adviser, and about which the adviser does not provide advice.

(E) *Cure Period for Compensation Committee.* If a Company fails to comply with the compensation committee composition requirement under Rule 14.10(c)(4)(B) due to one vacancy, or one compensation committee member ceases to be independent due to circumstances beyond the member's reasonable control, the Company shall regain compliance with the requirement by the earlier of its next annual shareholders meeting or one year from the occurrence of the event that caused the failure to comply with this requirement; provided, however, that if the annual shareholders meeting occurs no later than 180 days following the event that caused the failure to comply with this requirement, the Company shall instead have 180 days from such event to regain compliance. A Company relying on this provision shall provide notice to the Exchange immediately upon learning of the event or circumstance that caused the noncompliance.

(F) *Smaller Reporting Companies.* A Smaller Reporting Company, as defined in Rule 12b-2 under the Act, is not subject to the requirements of Rule 14.10(c)(4), except that a Smaller Reporting Company must have, and certify that it has and will continue to have, a compensation committee of at least two members, each of whom must be an Independent Director as defined under Rule 14.10(c)(1)(B). A Smaller Reporting Company may rely on the exception in Rule 14.10(c)(4)(C) and the cure period in Rule 14.10(c)(4)(E). In addition, a Smaller Reporting Company must certify that it has adopted a formal written compensation committee charter or board resolution that specifies the content set forth in Rule 14.10(c)(4)(A)(i)-(iii). A Smaller Reporting Company does not need to include in its formal written compensation committee charter or board resolution the specific compensation committee responsibilities and authority set forth in Rule 14.10(c)(4)(D).

(5) Independent Director Oversight of Director Nominations

(A) Director nominees must either be selected, or recommended for the Board's selection, either by:

(i) Independent Directors constituting a majority of the Board's Independent Directors in a vote in which only Independent Directors participate, or

(ii) a nominations committee comprised solely of Independent Directors.

(B) Each Company must certify that it has adopted a formal written charter or board resolution, as applicable, addressing the nominations process and such related matters as may be required under the federal securities laws.

(C) Non-Independent Committee Member under Exceptional and Limited Circumstances. Notwithstanding paragraph (A)(ii) above, if the nominations committee is comprised of at least three members, one director, who is not an Independent Director as defined in Rule 14.10(c)(1)(B) and is not a current officer or employee or a Family Member of an officer or employee, may be appointed to the nominations committee if the board, under exceptional and limited circumstances, determines that such individual's membership on the committee is required by the best interests of the Company and its Shareholders. A Company that relies on this exception must disclose either on or through the Company's website or in the proxy statement for next annual meeting subsequent to such determination (or, if the Company does not file a proxy, in its Form 10-K or 20-F), the nature of the relationship and the reasons for the determination. In addition, the Company must provide any disclosure required by Instruction 1 to Item 407(a) of Regulation S-K regarding its reliance on this exception. A member appointed under this exception may not serve longer than two years.

(D) Independent Director oversight of director nominations shall not apply in cases where the right to nominate a director legally belongs to a third party. However, this does not relieve a Company's obligation to comply with the committee composition requirements under paragraphs (c)(3), (4) and (5) of this Rule.

(E) Paragraph (c)(5) of this Rule is not applicable to a Company if the Company is subject to a binding obligation that requires a director nomination structure inconsistent with this rule and such obligation pre-dates the approval date of this rule.

(d) Code of Conduct

Each Company shall adopt a code of conduct applicable to all directors, officers and employees, which shall be publicly available. A code of conduct satisfying this rule must comply with the definition of a "code of ethics" set out in Section 406(c) of the Sarbanes-Oxley Act of 2002 ("the Sarbanes-Oxley Act") and any regulations promulgated thereunder by the Commission. See 17 C.F.R. 228.406 and 17 C.F.R. 229.406. In addition, the code must provide for an enforcement mechanism. Any waivers of the code for directors or Executive Officers must be approved by the Board. Companies, other than Foreign Private Issuers, shall disclose such waivers within four business days by filing a current report on Form 8-K with the Commission or, in cases where a Form 8-K is not required, by distributing a press release. Foreign Private Issuers shall disclose such waivers either by distributing a press release or including disclosure in a Form 6-K or in the next Form 20-F or 40-F. Alternatively, a Company, including a Foreign Private Issuer, may disclose waivers on the Company's website in a manner that satisfies the requirements of Item 5.05(c) of Form 8-K.

(e) Exemptions from Certain Corporate Governance Requirements

This Rule provides the exemptions from the corporate governance rules afforded to certain types of Companies, and sets forth the phase-in schedules for initial public offerings, Companies

emerging from bankruptcy, Companies transferring from other markets, and Companies ceasing to be Smaller Reporting Companies. This Rule also describes the applicability of the corporate governance rules to Controlled Companies and sets forth the phase-in schedule afforded to Companies ceasing to be Controlled Companies.

(1) Exemptions to the Corporate Governance Requirements

(A) Asset-backed Issuers and Other Passive Issuers. The following are exempt from the requirements relating to:

(i) Majority Independent Board (Rule 14.10(c)(2)(A)), Audit Committee (Rule 14.10(c)(3)), Compensation Committee (Rule 14.10(c)(4)), Director Nominations (Rule 14.10(c)(5)), the Controlled Company Exemption (Rule 14.10(e)(3)(B)), and Code of Conduct (Rule 14.10(d)):

(a) asset-backed issuers; and

(b) issuers, such as unit investment trusts, including Portfolio Depository Receipts, which are organized as trusts or other unincorporated associations that do not have a board of directors or persons acting in a similar capacity and whose activities are limited to passively owning or holding (as well as administering and distributing amounts in respect of) securities, rights, collateral or other assets on behalf of or for the benefit of the holders of the listed securities.

(ii) Shareholder Approval [Rule 14.10(i)(1)]: issuers, of Portfolio Depository Receipts as defined in Rule 14.11(b), shall not be required to comply with Rule 14.10(i)(1) in connection with the acquisition of the stock or assets of an affiliated registered investment company in a transaction that complies with Rule 17a-8 under the Investment Company Act of 1940 and does not otherwise require shareholder approval under the Investment Company Act of 1940 and the rules thereunder or any other Exchange rule.

(iii) Compensation Recovery Policy (Rule 14.10(k)): any security issued by a unit investment trust, as defined in 15 U.S.C 80a-4(2), is exempt from the compensation recovery policy requirements under Rule 14.10(k).

(B) Cooperatives

Cooperative entities, such as agricultural cooperatives, that are structured to comply with relevant state law and federal tax law and that do not have a publicly traded class of common stock are exempt from Rules 14.10(c)(2), 14.10(c)(4), 14.10(c)(5) and 14.10(e)(3)(B). However, such entities must comply with all federal securities laws, including without limitation those rules required by Section 10A(m) of the Act and Rule 10A-3 thereunder.

(C) Foreign Private Issuers

(i) A Foreign Private Issuer may follow its home country practice in lieu of the requirements of Rule 14.10, the requirements to disclose third party director and nominee compensation set forth in Rule 14.6(b)(3), and the requirement to distribute annual and interim reports set forth in Rule 14.6(d), provided, however, that such a Company shall: comply with the Notification of Noncompliance requirement (Rule 14.10(g)), the Voting Rights requirement (Rule 14.10(j)), have an audit committee that satisfies Rule 14.10(c)(3)(C), and ensure that such audit committee's members meet the independence requirement in Rule 14.10(c)(3)(B)(i)(b). Except as provided in this paragraph, a Foreign Private Issuer must comply with the requirements of Chapter XIV.

(ii) Disclosure Requirements. A Foreign Private Issuer that follows a home country practice in lieu of one or more of the Listing Rules shall disclose in its annual reports filed with the Commission each requirement that it does not follow and describe the home country practice followed by the Company in lieu of such requirements. Alternatively, a Foreign Private Issuer that is not required to file its annual report with the Commission on Form 20-F may make this disclosure only on its website. A Foreign Private Issuer that follows a home country practice in lieu of the requirements of Rule 14.10(c)(4)(B) to have an independent compensation committee must disclose in its annual reports filed with the Commission the reasons that it does not have such an independent committee.

(iii) A Foreign Private Issuer making its initial public offering or first U.S. listing on the Exchange shall disclose in its registration statement or on its website each requirement that it does not follow and describe the home country practice followed by the Company in lieu of such requirements.

(D) Limited Partnerships. A limited partnership is not subject to the requirements of Rule 14.10, except as provided in this paragraph (D). A limited partnership may request a written interpretation pursuant to Rule 14.10(b). No provision of this Rule shall be construed to require any foreign Company that is a partnership to do any act that is contrary to a law, rule or regulation of any public authority exercising jurisdiction over such Company or that is contrary to generally accepted business practices in the Company's country of domicile. The Exchange shall have the ability to provide exemptions from applicability of these provisions as may be necessary or appropriate to carry out this intent.

(i) *Corporate General Partner*. Each Company that is a limited partnership shall maintain a corporate general partner or co-general partner, which shall have the authority to manage the day-to-day affairs of the partnership.

(ii) *Independent Directors/Audit Committee*. The corporate general partner or co-general partner shall maintain a sufficient number of Independent Directors on its board to satisfy the audit committee requirements set forth in Rule 14.10(c)(3).

(iii) *Partner Meetings*. A Company that is a limited partnership shall not be required to hold an annual meeting of limited partners unless required by statute or regulation in the state in which the limited partnership is formed or doing business or by the terms of the partnership's limited partnership agreement.

(iv) *Quorum*.

(a) In the event that a meeting of limited partners is required pursuant to paragraph (iii), the quorum for such meeting shall be not less than 33-1/3 percent of the limited partnership interests outstanding.

(b) Notwithstanding the quorum requirements in paragraph (a) above, the Exchange will accept any quorum requirement for a non-U.S. Company, that is not a Foreign Private Issuer, if the Company's home country law mandates such quorum for the shareholders' meeting and prohibits the Company from establishing a higher quorum required by paragraph (a) above. A Company relying on this provision shall submit to the Exchange a written statement from an independent counsel in such Company's home country describing the home country law that conflicts with the Exchange's quorum requirement and certifying that, as the result, the Company is prohibited from complying with the quorum requirements in paragraph (a) above and cannot obtain an exemption or waiver from that law. Any Company relying on this exception from the quorum requirements must:

(1) make a public announcement as promptly as possible but not more than four business days following the submission of the independent counsel's statement to the Exchange, as described above, on or through the Company's website and either by filing a Form 8-K, where required by SEC rules, or by issuing a press release explaining the Company's reliance on the exception;

(2) maintain the website disclosure for the period of time the Company continues to rely on this exception from the quorum requirements; and

(3) update the website disclosure at least annually to indicate that the Company is prohibited under its home country law from complying with the Exchange's quorum requirements as of such date.

(v) *Solicitation of Proxies*. In the event that a meeting of limited partners is required pursuant to paragraph (iii), the Company shall provide all limited partners with proxy or information statements and if a vote is required, shall solicit proxies thereon.

(vi) *Review of Related Party Transactions*. Each Company that is a limited partnership shall conduct an appropriate review of all related party transactions on an ongoing basis and shall utilize the Audit Committee or a comparable body of the Board of Directors for the review of potential material conflict of interest situations where appropriate.

(vii) *Shareholder Approval*. Each Company that is a limited partnership must obtain shareholder approval when a stock option or purchase plan is to be established or materially amended or other equity compensation arrangement made or materially amended, pursuant to which stock may be acquired by officers, directors, employees, or consultants, as would be required under Rule 14.10(i)(3) and Rule 14.10, Interpretation and Policy .16.

(viii) *Auditor Registration*. Each Company that is a limited partnership must be audited by an independent public accountant that is registered as a public accounting firm with the Public Company Accounting Oversight Board, as provided for in Section 102 of the Sarbanes-Oxley Act of 2002 [15 U.S.C. 7212].

(ix) *Notification of Noncompliance*. Each Company that is a limited partnership must provide the Exchange with prompt notification after an Executive Officer of the Company, or a person performing an equivalent role, becomes aware of any noncompliance by the Company with the requirements of Rule 14.10.

(E) Management Investment Companies. Management investment companies (including business development companies) are subject to all the requirements of Rule 14.10, except that management investment companies registered under the Investment Company Act of 1940 are exempt from the requirements relating to:

(i) Independent Directors (as set forth in Rule 14.10(c)(2)), Compensation Committees (as set forth in Rule 14.10(c)(4)), Independent Director Oversight of Director Nominations (as set forth in Rule 14.10(c)(5), and Codes of Conduct (as set forth in Rule 14.10(d).

(ii) Management investment companies that are Index Fund Shares (as set forth in Rule 14.11(c)), Managed Fund Shares (as set forth in Rule 14.11(i)), Managed Portfolio Shares (as set forth in Rule 14.11(k)), ETF Shares (as set forth in Rule 14.11(l)), and Tracking Fund Shares (as set forth in Rule 14.11(m)) shall not be required to comply with Rule

14.10(i)(1) in connection with the acquisition of the stock or assets of an affiliated registered investment company in a transaction that complies with Rule 17a-8 under the Investment Company Act of 1940 and does not otherwise require shareholder approval under the Investment Company Act of 1940 and the rules thereunder or any other Exchange rule. Management investment companies defined as Derivative Securities under Rule 14.10(e)(1)(F)(ii) are exempt from additional requirements of Exchange Rule 14.10 as outlined in Exchange Rule 14.10(e)(1)(F)(i) below.

(iii) Any security issued by a management company, as defined in 15 U.S.C. 80a-4(3), that is registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8), if such management company has not awarded Incentive-based Compensation to any Executive Officer of the Company in any of the last three fiscal years, or in the case of a Company that has been listed for less than three fiscal years, since the listing of the Company, is exempt from the compensation recovery policy requirements under Rule 14.10(k).

(F) Issuers of Non-Voting Preferred Securities, Debt Securities and Derivative Securities.

(i) Issuers whose only securities listed on the Exchange are non-voting preferred securities, debt securities or Derivative Securities, are exempt from the requirements relating to Independent Directors (as set forth in Rule 14.10(c)(2)), Compensation Committees (as set forth in Rule 14.10(c)(4)), Director Nominations (as set forth in Rule 14.10(c)(5)), Code of Conduct (as set forth in Rule 14.10(d)), and Meetings of Shareholders (as set forth in Rule 14.10(f)). In addition, these issuers are exempt from the requirements relating to Audit Committees (as set forth in Rule 14.10(c)(3)), except for the applicable requirements of SEC Rule 10A-3. Notwithstanding, if the issuer also lists its common stock or voting preferred stock, or their equivalent on the Exchange it will be subject to all the requirements of Exchange Rule 14.10.

(ii) For the purposes of this Rule 14.10 only, the term "Derivative Securities" is defined as the following: Commodity Futures Trust Shares (Rule 14.11(e)(7)), Commodity Index Trust Shares (Rule 14.11(e)(6)), Commodity-Based Trust Shares (Rule 14.11(e)(4)), Commodity-Linked Securities (Rule 14.11(d)(K)(ii)), Currency Trust Shares (Rule 14.11(e)(5)), Equity Gold Shares (Rule 14.11(e)(2), Equity Index-Linked Securities (Rule 14.11(d)(K)(i)), ETF Shares (Rule 14.11(l)), Fixed Income Index-Linked Securities (Rule 14.11(d)(K)(iii)), Futures-Linked Securities (Rule 14.11(d)(K)(iv)), Index Fund Shares (Rule 14.11(c)), Index-Linked Exchangeable Notes (Rule 14.11(e)(1), Managed Fund Shares (Rule 14.11(i)), Managed Portfolio Shares (Rule 14.11(k)), Managed Trust Securities (Rule 14.11(e)(10)), Multifactor Index-Linked Securities (Rule 14.11(d)(K)(v)), Partnership Units (Rule 14.11(e)(8)),

Portfolio Depository Receipts (Rule 14.11(b)), SEEDS (Rule 14.11(e)(12)), Tracking Fund Shares (Rule 14.11(m)), Trust Certificates (Rule 14.11(e)(3), and Trust Issued Receipts (Rule 14.11(f)). Derivative Securities are subject to certain exemptions to the Rule 14.10 as described in Exchange Rule 14.10(e)(1)(F).

(2) Phase-In Schedules

(A) *Initial Public Offerings.* A Company listing in connection with its initial public offering shall be permitted to phase in its compliance with the independent committee requirements set forth in Rules 14.10(c)(4)(B) and 14.10(c)(5)(A)(ii) on the same schedule as it is permitted to phase in its compliance with the independent audit committee requirement pursuant to Rule 10A-3(b)(1)(iv)(A) under the Act. Accordingly, a Company listing in connection with its initial public offering shall be permitted to phase in its compliance with the independent committee requirements set forth in Rule 14.10(c)(4)[[(A) and]](B) and 14.10(c)(5)(A)(ii) as follows: (1) one member must satisfy the requirement at the time of listing; (2) a majority of members must satisfy the requirement within 90 days of listing; and (3) all members must satisfy the requirement within one year of listing. Furthermore, a Company listing in connection with its initial public offering shall have twelve months from the date of listing to comply with the majority independent board requirement in Rule 14.10(c)(2)(A). It should be noted, however, that pursuant to Rule 10A-3(b)(1)(iii) under the Act investment companies are not afforded the exemptions under Rule 10A-3(b)(1)(iv) under the Act. Companies may choose not to adopt a nomination committee and may instead rely upon a majority of the Independent Directors to discharge responsibilities under Rule 14.10(c)(2)(A). For purposes of Rule 14.10 other than Rules 14.10(c)(3)(B)(i) and 14.10(g), a Company shall be considered to be listing in conjunction with an initial public offering if, immediately prior to listing, it does not have a class of common stock registered under the Act. For purposes of Rule 14.10(c)(3)(B) and Rule 14.10(g), a Company shall be considered to be listing in conjunction with an initial public offering only if it meets the conditions in Rule 10A-3(b)(1)(iv)(A) under the Act, namely, that the Company was not, immediately prior to the effective date of a registration statement, required to file reports with the Commission pursuant to Section 13(a) or 15(d) of the Act.

(B) *Companies Emerging from Bankruptcy*. Companies that are emerging from bankruptcy shall be permitted to phase-in independent nomination and compensation committees and majority independent boards on the same schedule as Companies listing in conjunction with their initial public offering.

(C) *Transfers from other Markets*. Companies transferring from other markets with a substantially similar requirement shall be afforded the balance of any grace period afforded by the other market. Companies transferring from other listed markets that do not have a substantially similar requirement shall be afforded one year from the date of listing on the Exchange. This transition period is not intended to supplant any applicable requirements of Rule 10A-3 under the Act.

(D) *Phase-In Schedule for a Company Ceasing to be a Smaller Reporting Company.* Pursuant to Rule 12b-2 under the Act, a Company tests its status as a Smaller Reporting Company on an annual basis as of the last business day of its most recently completed second fiscal quarter (for purposes of this Rule, the "Determination Date"). A Company which ceases to meet the requirements for Smaller Reporting Company status as of the Determination Date will cease to be a Smaller Reporting Company as of the beginning of the fiscal year following the Determination Date (the "Start Date").

By six months from the Start Date, a Company must comply with Rule 14.10(c)(4)(D) and certify to the Exchange that: (i) it has complied with the requirement in Rule 14.10(c)(4)(A) to adopt a formal written compensation committee charter including the content specified in Rule 14.10(c)(4)(A)(i)-(iv); and (ii) it has complied, or within the applicable phase-in schedule will comply, with the additional requirements in Rule 14.10(c)(4)(B) regarding compensation committee composition.

A Company shall be permitted to phase in its compliance with the additional compensation committee eligibility requirements of Rule 14.10(c)(4)(B) relating to compensatory fees and affiliation as follows: (i) one member must satisfy the requirements by six months from the Start Date; (ii) a majority of members must satisfy the requirements by nine months from the Start Date; and (iii) all members must satisfy the requirements by one year from the Start Date.

Since a Smaller Reporting Company is required to have a compensation committee comprised of at least two Independent Directors, a Company that has ceased to be a Smaller Reporting Company may not use the phase-in schedule for the requirements of Rule 14.10(c)(4)(B) relating to minimum committee size or that the committee consist only of Independent Directors as defined under Rule 14.10(c)(1)(B).

During this phase-in schedule, a Company that has ceased to be a Smaller Reporting Company must continue to comply with 14.10(c)(4)(F).

(3) How the Rules Apply to a Controlled Company

(A) *Definition*. A Controlled Company is a Company of which more than 50% of the voting power for the election of directors is held by an individual, a group or another company.

(B) *Exemptions Afforded to a Controlled Company*. A Controlled Company is exempt from the requirements of Rules 14.10(c)(2), (c)(3) and (c)(4), except for the requirements of subsection (c)(2)(B) which pertain to executive sessions of Independent Directors. A Controlled Company relying upon this exemption must disclose in its annual meeting proxy statement (or, if the Company does not file a proxy, in its Form 10-K or 20-F) that it is a Controlled Company and the basis for that determination.

(C) *Phase-In Schedule for a Company Ceasing to be a Controlled Company*. A Company that has ceased to be a Controlled Company within the meaning of Rule 14.10(e)(3)(A) shall be permitted to phase-in its independent nomination and compensation committees and majority independent board on the same schedule as Companies listing in conjunction with their initial public offering. It should be noted, however, that a Company that has ceased to be a Controlled Company within the meaning of Rule 14.10(e)(3)(A) must comply with the audit committee requirements of Rule 14.10(c)(3) as of the date it ceased to be a Controlled Company. Furthermore, the executive sessions requirement of Rule 14.10(c)(2)(B) applies to Controlled Companies as of the date of listing and continues to apply after it ceases to be controlled.

(f) Meetings of Shareholders

(1) Each Company listing common stock or voting preferred stock, and their equivalents, shall hold an annual meeting of Shareholders no later than one year after the end of the Company's fiscal year-end, unless such Company is a limited partnership that meets the requirements of Rule 14.10(e)(1)(D)(iii).

(2) Proxy Solicitation

Each Company that is not a limited partnership shall solicit proxies and provide proxy statements for all meetings of Shareholders and shall provide copies of such proxy solicitation to the Exchange. Limited partnerships that are required to hold an annual meeting of partners are subject to the requirements of Rule 14.10(e)(1)(D)(v).

(3) Quorum

(i) Each Company that is not a limited partnership shall provide for a quorum as specified in its by-laws for any meeting of the holders of common stock; provided, however, that in no case shall such quorum be less than 33 1/3 % of the outstanding shares of the Company's common voting stock. Limited partnerships that are required to hold an annual meeting of partners are subject to the requirements of Rule 14.10(e)(1)(D)(iv).

(ii) Notwithstanding the quorum requirements in paragraph (i) above, the Exchange will accept any quorum requirement for a non-U.S. Company, that is not a Foreign Private Issuer, if the Company's home country law mandates such quorum for the shareholders' meeting and prohibits the Company from establishing a higher quorum required by paragraph (i) above, and the Company cannot obtain an exemption or waiver from that law. A Company relying on this provision shall submit to the Exchange a written statement from an independent counsel in such Company's home country describing the home country law that conflicts with the Exchange's quorum requirement and certifying that, as the result, the Company is prohibited from complying with the quorum requirements in paragraph (i) above, and the Company cannot obtain an exemption or waiver from that law. Any Company relying on this exception from the quorum requirements must:

(a) make a public announcement as promptly as possible but not more than four business days following the submission of the independent counsel's statement to the Exchange, as described above, on or through the Company's website and either by filing a Form 8-K, where required by SEC rules, or by issuing a press release explaining the Company's reliance on the exception;

(b) maintain the website disclosure for the period of time the Company continues to rely on this exception from the quorum requirements; and

(c) update the website disclosure at least annually to indicate that the Company is prohibited under its home country law from complying with the Exchange's quorum requirements as of such date.

(g) Notification of Noncompliance

A Company must provide the Exchange with prompt notification after an Executive Officer of the Company becomes aware of any noncompliance by the Company with the requirements of this Rule.

(h) Review of Related Party Transactions

(1) Each Company that is not a limited partnership shall conduct an appropriate review and oversight of all related party transactions for potential conflict of interest situations on an ongoing basis by the Company's audit committee or another independent body of the board of directors. For purposes of this rule, the term "related party transaction" shall refer to transactions required to be disclosed pursuant to Item 404 of Regulation S-K under the Act. However, in the case of non-U.S. issuers, the term "related party transactions" shall refer to transactions required to be disclosed pursuant to Form 20-F, Item 7.B.

(2) Limited partnerships shall comply with the requirements of Rule 14.10(e)(1)(D).

(i) Shareholder Approval

This Rule sets forth the circumstances under which shareholder approval is required prior to an issuance of securities in connection with: (1) the acquisition of the stock or assets of another company; (2) a change of control; (3) equity-based compensation of officers, directors, employees or consultants; and (4) transactions other than public offerings. General provisions relating to shareholder approval are set forth in Rule 14.10(i)(5), and the financial viability exception to the shareholder approval requirement is set forth in Rule 14.10(i)(6). Exchange-listed Companies and their representatives are encouraged to use the interpretative letter process described in Rule 14.10(b).

(1) Acquisition of Stock or Assets of Another Company

Shareholder approval is required prior to the issuance of securities in connection with the acquisition of the stock or assets of another company if:

(A) where, due to the present or potential issuance of common stock, including shares issued pursuant to an earn-out provision or similar type of provision, or securities convertible into or exercisable for common stock, other than a public offering for cash:

(1) the common stock has or will have upon issuance voting power equal to or in excess of 20% of the voting power outstanding before the issuance of stock or securities convertible into or exercisable for common stock; or

(2) the number of shares of common stock to be issued is or will be equal to or in excess of 20% of the number of shares of common stock outstanding before the issuance of the stock or securities; or

(B) any director, officer or Substantial Shareholder (as defined by Rule 14.10(i)(5)(C)) of the Company has a 5% or greater interest (or such persons collectively have a 10% or greater interest), directly or indirectly, in the Company or assets to be acquired or in the consideration to be paid in the transaction or series of related transactions and the present or potential issuance of common stock, or securities convertible into or exercisable for common stock, could result in an increase in outstanding common shares or voting power of 5% or more.

(2) Change of Control

Shareholder approval is required prior to the issuance of securities when the issuance or potential issuance will result in a change of control of the Company.

(3) Equity Compensation

Shareholder approval is required prior to the issuance of securities when a stock option or purchase plan is to be established or materially amended or other equity compensation arrangement made or materially amended, pursuant to which stock may be acquired by officers, directors, employees, or consultants, except for:

(A) warrants or rights issued generally to all security holders of the Company or stock purchase plans available on equal terms to all security holders of the Company (such as a typical dividend reinvestment plan);

(B) tax qualified, non-discriminatory employee benefit plans (e.g., plans that meet the requirements of Section 401(a) or 423 of the Internal Revenue Code) or parallel nonqualified plans, provided such plans are approved by the Company's independent compensation committee or a majority of the Company's Independent Directors; or plans that merely provide a convenient way to purchase shares on the open market or from the Company at Market Value;

(C) plans or arrangements relating to an acquisition or merger as permitted under Rule 14.10, Interpretation and Policy .16; or

(D) issuances to a person not previously an employee or director of the Company, or following a bona fide period of non-employment, as an inducement material to the individual's entering into employment with the Company, provided such issuances are approved by either the Company's independent compensation committee or a majority of the Company's Independent Directors. Promptly following an issuance of any employment inducement grant in reliance on this exception, a Company must disclose in a press release the material terms of the grant, including the recipient(s) of the grant and the number of shares involved.

(4) Transactions other than Public Offerings

(A) For purposes of this Rule 14.10(i)(4):

(i) "Minimum Price" means a price that is the lower of: (a) the BZX Official Closing Price (as reflected on Cboe.com); or (b) the average BZX Official Closing Price of the common stock (as reflected on Cboe.com) for the five trading days immediately preceding the signing of the binding agreement.

(ii) "20% Issuance" means a transaction, other than a public offering as defined in and Rule 14.10, Interpretation and Policy .18, involving the sale, issuance or potential issuance by the Company of common stock (or securities convertible into or exercisable for common stock), which alone or together with sales by officers, directors or Substantial Shareholders of the Company, equals 20% or more of the common stock or 20% or more of the voting power outstanding before the issuance.

(B) Shareholder approval is required prior to a 20% Issuance at a price that is less than the Minimum Price.

(5) Definitions and Computations Relating to the Shareholder Approval Requirements

(A) For purposes of making any computation in this paragraph, when determining the number of shares issuable in a transaction, all shares that could be issued are included, regardless of whether they are currently treasury shares. When determining the number of shares outstanding, only shares issued and outstanding are considered. Treasury shares, shares held by a subsidiary, and unissued shares reserved for issuance upon conversion of securities or upon exercise of options or warrants are not considered outstanding.

(B) Voting power outstanding as used in this Rule refers to the aggregate number of votes which may be cast by holders of those securities outstanding which

entitle the holders thereof to vote generally on all matters submitted to the Company's security holders for a vote.

(C) An interest consisting of less than either 5% of the number of shares of common stock or 5% of the voting power outstanding of a Company or party shall not be considered a substantial interest or cause the holder of such an interest to be regarded as a "Substantial Shareholder."

(D) Where shareholder approval is required, the minimum vote that will constitute shareholder approval shall be a majority of the total votes cast on the proposal.. These votes may be cast in person, by proxy at a meeting of Shareholders or by written consent in lieu of a special meeting to the extent permitted by applicable state and federal law and rules (including interpretations thereof), including, without limitation, Regulations 14A and 14C under the Act. Nothing contained in this Rule 14.10(i)(5) shall affect a Company's obligation to hold an annual meeting of Shareholders as required by Rule 14.10(f)(1).

(E) Shareholder approval shall not be required for any share issuance if such issuance is part of a court-approved reorganization under the federal bankruptcy laws or comparable foreign laws.

(6) Financial Viability Exception

An exception applicable to a specified issuance of securities may be made upon prior written application to the Exchange's Listing Qualifications Department when:

(A) the delay in securing stockholder approval would seriously jeopardize the financial viability of the enterprise; and

(B) reliance by the Company on this exception is expressly approved by the audit committee or a comparable body of the board of directors comprised solely of independent, disinterested directors. The Listing Qualifications Department shall respond to each application for such an exception in writing.

A Company that receives such an exception must mail to all Shareholders not later than ten days before issuance of the securities a letter alerting them to its omission to seek the shareholder approval that would otherwise be required. Such notification shall disclose the terms of the transaction (including the number of shares of common stock that could be issued and the consideration received), the fact that the Company is relying on a financial viability exception to the stockholder approval rules, and that the audit committee or a comparable body of the board of directors comprised solely of independent, disinterested directors has expressly approved reliance on the exception. The Company shall also make a public announcement by filing a Form 8-K, where required by SEC rules, or by issuing a press release disclosing the same information as promptly as possible, but no later than ten days before the issuance of the securities.

(j) Voting Rights

Voting rights of existing Shareholders of publicly traded common stock registered under Section 12 of the Act cannot be disparately reduced or restricted through any corporate action or issuance. Examples of such corporate action or issuance include, but are not limited to, the adoption of time-phased voting plans, the adoption of capped voting rights plans, the issuance of super-voting stock, or the issuance of stock with voting rights less than the per share voting rights of the existing common stock through an exchange offer.

(k) *Compensation Recovery Policy.*

In accordance with Rule 10D-1 under the Act, each Company must: (i) adopt the compensation recovery policy required by this Rule no later than 60 days following October 2, 2023 (the "effective date"); (ii) comply with that recovery policy for all Incentive-based Compensation received (as such term is defined in Interpretation and Policy .21 to Rule 14.10) by Executive Officers on or after the effective date; and (iii) provide the disclosures required by this Rule and in the applicable Commission filings required on or after the effective date.

(1) Each Company must adopt and comply with a written recovery policy providing that the Company will recover reasonably promptly the amount of erroneously awarded Incentive-based Compensation in the event that the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period, as required by Section 10D-1 under the Act. Specifically:

(A) The Company's recovery policy must apply to all Incentive-based Compensation received by a person:

(i) After beginning service as an Executive Officer;

(ii) Who served as an Executive Officer at any time during the performance period for that Incentive-based Compensation;

(iii) While the Company has a class of securities listed on a national securities exchange or national securities association; and

(iv) During the three completed fiscal years immediately preceding the date that the Company is required to prepare an accounting restatement as described in paragraph (k)(1) of this Rule. In addition to these last three completed fiscal years, the recovery policy must apply to any transition period (that results from a change in the Company's fiscal year) within or immediately following those three completed fiscal years. However, a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months would be deemed a completed

fiscal year. A Company's obligation to recover erroneously awarded compensation is not dependent on if or when the restated financial statements are filed.

(B) For purposes of determining the relevant recovery period, the date that a Company is required to prepare an accounting restatement as described in paragraph (k)(1) of this Rule is the earlier to occur of:

(i) The date the Company's board of directors, a committee of the board of directors, or the officer or officers of the Company authorized to take such action if board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an accounting restatement as described in paragraph (k)(1) of this Rule; or

(ii) The date a court, regulator, or other legally authorized body directs the Company to prepare an accounting restatement as described in paragraph (k)(1) of this Rule.

(C) The amount of Incentive-based Compensation that must be subject to the Company's recovery policy ("erroneously awarded compensation") is the amount of Incentive-based Compensation received that exceeds the amount of Incentive-based Compensation that otherwise would have been received had it been determined based on the restated amounts, and must be computed without regard to any taxes paid. For Incentive-based Compensation based on stock price or total shareholder return, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in an accounting restatement:

(i) The amount must be based on a reasonable estimate of the effect of the accounting restatement on the stock price or total shareholder return upon which the Incentive-based Compensation was received; and

(ii) The Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to the Exchange.

(D) The Company must recover erroneously awarded compensation in compliance with its recovery policy except to the extent that the conditions of paragraphs (k)(1)(D)(i), (ii), or (iii) of this Rule 14.10 are met, and the Company's committee of Independent Directors responsible for executive compensation decisions, or in the absence of such a committee, a majority of the independent directors serving on the board, has made a determination that recovery would be impracticable.

(i) The direct expense paid to a third party to assist in enforcing the policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of erroneously awarded compensation based on expense of enforcement, the Company must make

a reasonable attempt to recover such erroneously awarded compensation, document such reasonable attempt(s) to recover, and provide that documentation to the Exchange.

(ii) Recovery would violate home country law where that law was adopted prior to November 28, 2022. Before concluding that it would be impracticable to recover any amount of erroneously awarded compensation based on violation of home country law, the Company must obtain an opinion of home country counsel, acceptable to the Exchange, that recovery would result in such a violation, and must provide such opinion to the Exchange.

(iii) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the registrant, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

(E) The Company is prohibited from indemnifying any Executive Officer or former Executive Officer against the loss of erroneously awarded compensation.

(2) Each Company must file all disclosures with respect to the recovery policy in accordance with the requirements of Federal securities laws, including the disclosure required by the applicable Commission filings.

Interpretations and Policies

.01 Definition of Independence — Rule 14.10(c)(1)(B)

It is important for investors to have confidence that individuals serving as Independent Directors do not have a relationship with the listed Company that would impair their independence. The board has a responsibility to make an affirmative determination that no such relationships exist through the application of Rule 14.10(c)(1)(B). Rule 14.10(c)(1)(B) also provides a list of certain relationships that preclude a board finding of independence. These objective measures provide transparency to investors and Companies, facilitate uniform application of the rules, and ease administration. Because the Exchange does not believe that ownership of Company stock by itself would preclude a board finding of independence, it is not included in the aforementioned objective factors. It should be noted that there are additional, more stringent requirements that apply to directors serving on audit committees, as specified in Rule 14.10(c)(3).

The Rule's reference to the "Company" includes any parent or subsidiary of the Company. The term "parent or subsidiary" is intended to cover entities the Company controls and consolidates with the Company's financial statements as filed with the Commission (but not if the Company reflects such entity solely as an investment in its financial statements). The reference to Executive Officer means those officers covered in Rule 16a-1(f) under the Act. In the context of the definition of Family Member under Rule 14.10(c)(1)(B), the reference to marriage is intended to capture relationships specified in the Rule (parents, children and siblings) that arise as a result of marriage, such as "in-law" relationships.

The three year look-back periods referenced in paragraphs (i), (iii), (v) and (vi) of the Rule commence on the date the relationship ceases. For example, a director employed by the Company is not independent until three years after such employment terminates.

For purposes of paragraph (i) of the Rule, employment by a director as an Executive Officer on an interim basis shall not disqualify that director from being considered independent following such employment, provided the interim employment did not last longer than one year. A director would not be considered independent while serving as an interim officer. Similarly, for purposes of paragraph (ii) of the Rule, compensation received by a director for former service as an interim Executive Officer need not be considered as compensation in determining independence after such service, provided such interim employment did not last longer than one year. Nonetheless, the Company's board of directors still must consider whether such former employment and any compensation received would interfere with the director's exercise of independent judgment in carrying out the responsibilities of a director. In addition, if the director participated in the preparation of the Company's financial statements while serving as an interim Executive Officer, Rule 14.10(c)(3)(B)(i) would preclude service on the audit committee for three years.

Paragraph (ii) of the Rule is generally intended to capture situations where a compensation is made directly to (or for the benefit of) the director or a Family Member of the director. For example, consulting or personal service contracts with a director or Family Member of the director would be analyzed under paragraph (ii) of the Rule. In addition, political contributions to the campaign of a director or a Family Member of the director would be considered indirect compensation under paragraph (ii). Non-preferential payments made in the ordinary course of providing business services (such as payments of interest or proceeds related to banking services or loans by a Company that is a financial institution or payment of claims on a policy by a Company that is an insurance company), payments arising solely from investments in the Company's securities and loans permitted under Section 13(k) of the Act will not preclude a finding of director independence as long as the payments are non-compensatory in nature. Depending on the circumstances, a loan or payment could be compensatory if, for example, it is not on terms generally available to the public.

Paragraph (iv) of the Rule is generally intended to capture payments to an entity with which the director or Family Member of the director is affiliated by serving as a partner, controlling Shareholder or Executive Officer of such entity. Under exceptional circumstances, such as where a director has direct, significant business holdings, it may be appropriate to apply the corporate measurements in paragraph (iv), rather than the individual measurements of paragraph (ii). Issuers should contact the Exchange if they wish to apply the Rule in this manner. The reference to a partner in paragraph (iv) is not intended to include limited partners. It should be noted that the independence requirements of paragraph (iv) of the Rule are broader than Rule 10A-3(e)(8) under the Act.

Under paragraph (iv), a director who is, or who has a Family Member who is, an Executive Officer of a charitable organization may not be considered independent if the Company makes payments to the charity in excess of the greater of 5% of the charity's revenues or $200,000. However, the Exchange encourages Companies to consider other situations where a director or their Family Member and the Company each have a relationship with the same charity when assessing director independence.

For purposes of determining whether a lawyer is eligible to serve on an audit committee, Rule 10A-3 under the Act generally provides that any partner in a law firm that receives payments from the issuer is ineligible to serve on that issuer's audit committee. In determining whether a director may be considered independent for purposes other than the audit committee, payments to a law firm would generally be considered under Rule 14.10(c)(1)(B), which looks to whether the payment exceeds the greater of 5% of the recipient's gross revenues or $200,000; however, if the firm is a sole proprietorship, Rule 14.10(c)(1)(B), which looks to whether the payment exceeds $120,000, applies.

Paragraph (vii) of the Rule provides a different measurement for independence for investment companies in order to harmonize with the Investment Company Act of 1940. In particular, in lieu of paragraphs (i)-(vi), a director who is an "interested person" of the Company as defined in Section 2(a)(19) of the Investment Company Act of 1940, other than in his or her capacity as a member of the board of directors or any board committee, shall not be considered independent.

.02 Majority Independent Board

Majority Independent Board. Independent Directors (as defined in Rule 14.10(c)(1)(B)) play an important role in assuring investor confidence. Through the exercise of independent judgment, they act on behalf of investors to maximize shareholder value in the Companies they oversee and guard against conflicts of interest. Requiring that the board be comprised of a majority of Independent Directors empowers such directors to carry out more effectively these responsibilities.

.03 Executive Sessions of Independent Directors

Regularly scheduled executive sessions encourage and enhance communication among Independent Directors. It is contemplated that executive sessions will occur at least twice a year, and perhaps more frequently, in conjunction with regularly scheduled board meetings.

.04 Audit Committee Charter

Each Company is required to adopt a formal written charter that specifies the scope of its responsibilities and the means by which it carries out those responsibilities; the outside auditor's accountability to the audit committee; and the audit committee's responsibility to ensure the independence of the outside auditor. Consistent with this, the charter must specify all audit committee responsibilities set forth in Rule 10A-3(b)(2), (3), (4) and (5) under the Act. Rule 10A-3(b)(3)(ii) under the Act requires that each audit committee must establish procedures for the confidential, anonymous submission by employees of the listed Company of concerns regarding questionable accounting or auditing matters. The rights and responsibilities as articulated in the audit committee charter empower the audit committee and enhance its effectiveness in carrying out its responsibilities.

Rule 14.10(c)(3)(C) imposes additional requirements for investment company audit committees that must also be set forth in audit committee charters for these Companies.

.05 Audit Committee Composition

Audit committees are required to have a minimum of three members and be comprised only of Independent Directors. In addition to satisfying the Independent Director requirements under Rule 14.10(c)(1)(B), audit committee members must meet the criteria for independence set forth in Rule 10A-3(b)(1) under the Act (subject to the exemptions provided in Rule 10A-3(c) under the Act): they must not accept any consulting, advisory, or other compensatory fee from the Company other than for board service, and they must not be an affiliated person of the Company. As described in Rule 10A-3(d)(1) and (2), a Company must disclose reliance on certain exceptions from Rule 10A-3 and disclose an assessment of whether, and if so, how, such reliance would materially adversely affect the ability of the audit committee to act independently and to satisfy the other requirements of Rule 10A-3. It is recommended also that a Company disclose in its annual proxy (or, if the Company does not file a proxy, in its Form 10-K or 20-F) if any director is deemed eligible to serve on the audit committee but falls outside the safe harbor provisions of Rule 10A-3(e)(1)(ii) under the Act. A director who qualifies as an audit committee financial expert under Item 407(d)(5)(ii) and (iii) of Regulation S-K is presumed to qualify as a financially sophisticated audit committee member under Rule 14.10(c)(3)(B)(i).

.06 The Audit Committee Responsibilities and Authority

Audit committees must have the specific audit committee responsibilities and authority necessary to comply with Rule 10A-3(b)(2), (3), (4) and (5) under the Act (subject to the exemptions provided in Rule 10A-3(c) under the Act), concerning responsibilities relating to registered public accounting firms; complaints relating to accounting; internal accounting controls or auditing matters; authority to engage advisers; and funding. Audit committees for investment companies must also establish procedures for the confidential, anonymous submission of concerns regarding questionable accounting or auditing matters by employees of the investment adviser, administrator, principal underwriter, or any other provider of accounting related services for the investment company, as well as employees of the investment company.

.07 Independent Director Oversight of Executive Compensation

Independent oversight of executive officer compensation helps assure that appropriate incentives are in place, consistent with the board’s responsibility to act in the best interests of the corporation. Compensation committees are required to have a minimum of two members and be comprised only of Independent Directors as defined under Rule 14.10(c)(1)(B).

In addition, Rule 14.10(c)(4)(B) includes an additional independence test for compensation committee members. When considering the sources of a director's compensation for this purpose, the board should consider whether the director receives compensation from any person or entity that would impair the director's ability to make independent judgments about the Company's executive compensation. Similarly, when considering any affiliate relationship a director has with the Company, a subsidiary of the Company, or an affiliate of a subsidiary of the Company, in determining independence for purposes of compensation committee service, the board should consider whether the affiliate relationship places the director under the direct or indirect control of the Company or its senior management, or creates a direct relationship between the director and members of senior management, in each case of a nature that would impair the director's ability to make independent judgments about the Company's executive compensation. In that regard, while a board may conclude differently with respect to individual facts and circumstances, the Exchange

does not believe that ownership of Company stock by itself, or possession of a controlling interest through ownership of Company stock by itself, precludes a board finding that it is appropriate for a director to serve on the compensation committee. In fact, it may be appropriate for certain affiliates, such as representatives of significant stockholders, to serve on compensation committees since their interests are likely aligned with those of other stockholders in seeking an appropriate executive compensation program.

For purposes of the additional independence test for compensation committee members described in Rule 14.10(c)(4)(B), any reference to the "Company" includes any parent or subsidiary of the Company. The term "parent or subsidiary" is intended to cover entities the Company controls and consolidates with the Company's financial statements as filed with the Commission (but not if the Company reflects such entity solely as an investment in its financial statements).

A Smaller Reporting Company must have a compensation committee with a minimum of two members. Each compensation committee member must be an Independent Director as defined under Rule 14.10(c)(1)(B). In addition, each Smaller Reporting Company must have a formal written compensation committee charter or board resolution that specifies the committee's responsibilities and authority set forth in Rule 14.10(c)(4)(A)(i)-(iii). However, in recognition of the fact that Smaller Reporting Companies may have fewer resources than larger Companies, Smaller Reporting Companies are not required to adhere to the additional compensation committee eligibility requirements in Rule 14.10(c)(4)(B), or to incorporate into their formal written compensation committee charter or board resolution the specific compensation committee responsibilities and authority set forth in Rule 14.10(c)(4)(D).

.08 Independent Director Oversight of Director Nominations

Independent Director oversight of nominations enhances investor confidence in the selection of well-qualified director nominees, as well as independent nominees as required by the rules. This rule is also intended to provide flexibility for a Company to choose an appropriate board structure and reduce resource burdens, while ensuring that Independent Directors approve all nominations.

This rule does not apply in cases where the right to nominate a director legally belongs to a third party. For example, investors may negotiate the right to nominate directors in connection with an investment in the Company, holders of preferred stock may be permitted to nominate or appoint directors upon certain defaults, or the Company may be a party to a shareholder’s agreement that allocates the right to nominate some directors. Because the right to nominate directors in these cases does not reside with the Company, Independent Director approval would not be required. This rule is not applicable if the Company is subject to a binding obligation that requires a director nomination structure inconsistent with the rule and such obligation pre-dates the approval date of this rule.

.09 Code of Conduct

Ethical behavior is required and expected of every corporate director, officer and employee whether or not a formal code of conduct exists. The requirement of a publicly available code of conduct applicable to all directors, officers and employees of a Company is intended to demonstrate to investors that the board and management of the Exchange Companies have

carefully considered the requirement of ethical dealing and have put in place a system to ensure that they become aware of and take prompt action against any questionable behavior. For Company personnel, a code of conduct with enforcement provisions provides assurance that reporting of questionable behavior is protected and encouraged, and fosters an atmosphere of self-awareness and prudent conduct.

Rule 14.10(d) requires Companies to adopt a code of conduct complying with the definition of a "code of ethics" under Section 406(c) of the Sarbanes-Oxley Act of 2002 ("the Sarbanes-Oxley Act") and any regulations promulgated thereunder by the Commission. See 17 C.F.R. 228.406 and 17 C.F.R. 229.406. Thus, the code must include such standards as are reasonably necessary to promote the ethical handling of conflicts of interest, full and fair disclosure, and compliance with laws, rules and regulations, as specified by the Sarbanes-Oxley Act. However, the code of conduct required by Rule 14.10(d) must apply to all directors, officers, and employees. Companies can satisfy this obligation by adopting one or more codes of conduct, such that all directors, officers and employees are subject to a code that satisfies the definition of a "code of ethics."

As the Sarbanes-Oxley Act recognizes, investors are harmed when the real or perceived private interest of a director, officer or employee is in conflict with the interests of the Company, as when the individual receives improper personal benefits as a result of his or her position with the Company, or when the individual has other duties, responsibilities or obligations that run counter to his or her duty to the Company. Also, the disclosures a Company makes to the Commission are the essential source of information about the Company for regulators and investors — there can be no question about the duty to make them fairly, accurately and timely. Finally, illegal action must be dealt with swiftly and the violators reported to the appropriate authorities. Each code of conduct must require that any waiver of the code for Executive Officers or directors may be made only by the board and must be disclosed to Shareholders, along with the reasons for the waiver. All Companies, other than Foreign Private Issuers, must disclose such waivers within four business days by filing a current report on Form 8-K with the Commission, providing website disclosure that satisfies the requirements of Item 5.05(c) of Form 8-K, or, in cases where a Form 8-K is not required, by distributing a press release. Foreign Private Issuers must disclose such waivers either by providing website disclosure that satisfies the requirements of Item 5.05(c) of Form 8-K, by including disclosure in a Form 6-K or in the next Form 20-F or 40-F or by distributing a press release. This disclosure requirement provides investors the comfort that waivers are not granted except where they are truly necessary and warranted, and that they are limited and qualified so as to protect the Company and its Shareholders to the greatest extent possible.

Each code of conduct must also contain an enforcement mechanism that ensures prompt and consistent enforcement of the code, protection for persons reporting questionable behavior, clear and objective standards for compliance, and a fair process by which to determine violations.

.10 Asset-backed Issuers and Other Passive Issuers

Because of their unique attributes, Rules 14.10(c)(2), 14.10(c)(3), 14.10(c)(4), 14.10(c)(5) and 14.10(d) do not apply to asset-backed issuers and issuers, such as unit investment trusts, that are organized as trusts or other unincorporated associations that do not have a board of directors or persons acting in a similar capacity and whose activities are limited to passively owning or holding (as well as administering and distributing amounts in respect of) securities, rights, collateral or

other assets on behalf of or for the benefit of the holders of the listed securities. This is consistent with the Exchange's traditional approach to such issuers.

.11 Cooperatives

Certain member-owned cooperatives that list their preferred stock are required to have their common stock owned by their members. Because of their unique structure and the fact that they do not have a publicly traded class of common stock, such entities are exempt from Rule 14.10(c)(2), (d), and (e). This is consistent with the Exchange's traditional approach to such Companies.

.12 Foreign Private Issuers

A Foreign Private Issuer (as defined in Rule 14.1(a)) listed on the Exchange may follow the practice in such Company's home country (as defined in General Instruction F of Form 20-F) in lieu of the provisions of Rule 14.10, Rule 14.6(b)(3), and Rule 14.6(d), subject to several important exceptions. First, such an issuer shall comply with Rule 14.10(g) (Notification of Noncompliance). Second, such a Company shall have an audit committee that satisfies Rule 14.10(c)(3)(C). Third, members of such audit committee shall meet the criteria for independence referenced in Rule 14. 10(c)(3)(B)(i)(b) (the criteria set forth in Rule 10A-3(b)(1) under the Act, subject to the exemptions provided in Rule 10A-3(c) under the Act). Fourth, a Foreign Private Issuer must comply with the Voting Rights requirement (Rule 14.10(j)). Finally, a Foreign Private Issuer that elects to follow home country practice in lieu of a requirement of Rules 14.10 subject to the exceptions noted above, Rule 14.6(b)(3) or 14.6(d) shall submit to the Exchange a written statement from an independent counsel in such Company's home country certifying that the Company's practices are not prohibited by the home country's laws. In the case of new listings, this certification is required at the time of listing. For existing Companies, the certification is required at the time the Company seeks to adopt its first noncompliant practice. In the interest of transparency, the rule requires a Foreign Private Issuer to make appropriate disclosures in the Company's annual filings with the Commission (typically Form 20-F or 40-F), and at the time of the Company's original listing in the United States, if that listing is on the Exchange, in its registration statement (typically Form F-1, 20-F, or 40-F); alternatively, a Company that is not required to file an annual report on Form 20-F may provide these disclosures in English on its website in addition to, or instead of, providing these disclosures on its registration statement or annual report. The Company shall disclose each requirement that it does not follow and include a brief statement of the home country practice the Company follows in lieu of these corporate governance requirement(s). If the disclosure is only available on the website, the annual report and registration statement should so state and provide the web address at which the information may be obtained. Companies that must file annual reports on Form 20-F are encouraged to provide these disclosures on their websites, in addition to the required Form 20-F disclosures, to provide maximum transparency about their practices.

.13 Management Investment Companies

Management investment companies registered under the Investment Company Act of 1940 are already subject to a pervasive system of federal regulation in certain areas of corporate governance covered by 14.10. In light of this, the Exchange exempts from 14.10(c)(2), 14.10(c)(4), 14.10(c)(5) and 14.10(d) management investment companies registered under the

Investment Company Act of 1940. Business development companies, which are a type of closed-end management investment company defined in Section 2(a)(48) of the Investment Company Act of 1940 that are not registered under that Act, are required to comply with all of the provisions of Rule 14.10. Management investment companies defined as Derivative Securities under Rule 14.10(e)(1)(F)(ii) are exempt from additional requirements of Rule 14.10 as outlined in Exchange Rule 14.10(e)(1)(F)(i) above.

.14 Controlled Company Exemption

This exemption recognizes that majority Shareholders, including parent companies, have the right to select directors and control certain key decisions, such as executive officer compensation, by virtue of their ownership rights. In order for a group to exist for purposes of this rule, the Shareholders must have publicly filed a notice that they are acting as a group (e.g., a Schedule 13D). A Controlled Company not relying upon this exemption need not provide any special disclosures about its controlled status. It should be emphasized that this controlled company exemption does not extend to the audit committee requirements under Rule 14.10(c)(3) or the requirement for executive sessions of Independent Directors under Rule 14.10(c)(2)(B).

.15 Meetings of Shareholders or Partners

Rule 14.10(f) requires that each Company listing common stock or voting preferred stock, and their equivalents, hold an annual meeting of Shareholders within one year of the end of each fiscal year. At each such meeting, Shareholders must be afforded the opportunity to discuss Company affairs with management and, if required by the Company's governing documents, to elect directors. A new listing that was not previously subject to a requirement to hold an annual meeting is required to hold its first meeting within one-year after its first fiscal year-end following listing. Of course, the Exchange's meeting requirement does not supplant any applicable state or federal securities laws concerning annual meetings.

This requirement is not applicable to issuers whose only securities listed on the Exchange are non-voting preferred securities, debt securities, Derivative Securities as defined in Rule 14.10(e)(1)(F)(ii) or securities listed pursuant to Rule 14.11(h) (such as Trust Preferred Securities), unless the listed security is a common stock or voting preferred stock equivalent (e.g., a callable common stock). Notwithstanding, if the Company also lists common stock or voting preferred stock, or their equivalent, the Company must still hold an annual meeting for the holders of that common stock or voting preferred stock, or their equivalent.

.16 Shareholder Approval for Stock Option Plans or Other Equity Compensation Arrangements

Employee ownership of Company stock can be an effective tool to align employee interests with those of other Shareholders. Stock option plans or other equity compensation arrangements can also assist in the recruitment and retention of employees, which is especially critical to young, growing Companies, or Companies with insufficient cash resources to attract and retain highly qualified employees. However, these plans can potentially dilute shareholder interests. Rule 14.10(i)(3) ensures that Shareholders have a voice in these situations, given this potential for dilution.

Rule 14.10(i)(3) requires shareholder approval when a plan or other equity compensation arrangement is established or materially amended. For these purposes, a material amendment would include, but not be limited to, the following:

- any material increase in the number of shares to be issued under the plan (other than to reflect a reorganization, stock split, merger, spinoff or similar transaction);

- any material increase in benefits to participants, including any material change to: (i) permit a repricing (or decrease in exercise price) of outstanding options, (ii) reduce the price at which shares or options to purchase shares may be offered, or (iii) extend the duration of a plan;

- any material expansion of the class of participants eligible to participate in the plan; and

- any expansion in the types of options or awards provided under the plan.

While general authority to amend a plan would not obviate the need for shareholder approval, if a plan permits a specific action without further shareholder approval, then no such approval would generally be required. However, if a plan contains a formula for automatic increases in the shares available (sometimes called an "evergreen formula"), or for automatic grants pursuant to a dollar-based formula (such as annual grants based on a certain dollar value, or matching contributions based upon the amount of compensation the participant elects to defer), such plans cannot have a term in excess of ten years unless shareholder approval is obtained every ten years. However, plans that do not contain a formula and do not impose a limit on the number of shares available for grant would require shareholder approval of each grant under the plan. A requirement that grants be made out of treasury shares or repurchased shares will not alleviate these additional shareholder approval requirements.

As a general matter, when preparing plans and presenting them for shareholder approval, Companies should strive to make plan terms easy to understand. In that regard, it is recommended that plans meant to permit repricing use explicit terminology to make this clear.

Rule 14.10(i)(3) provides an exception to the requirement for shareholder approval for warrants or rights offered generally to all Shareholders. In addition, an exception is provided for tax qualified, non-discriminatory employee benefit plans as well as parallel nonqualified plans as these plans are regulated under the Internal Revenue Code and Treasury Department regulations. An equity compensation plan that provides non-U.S. employees with substantially the same benefits as a comparable tax qualified, non-discriminatory employee benefit plan or parallel nonqualified plan that the Company provides to its U.S. employees, but for features necessary to comply with applicable foreign tax law, is also exempt from shareholder approval under this section.

Further, the rule provides an exception for inducement grants to new employees because in these cases a Company has an arm's length relationship with the new employees. Inducement grants for these purposes include grants of options or stock to new employees in connection with a merger or acquisition. The rule requires that such issuances be approved by the Company's independent compensation committee or a majority of the Company's Independent Directors. The rule further requires that promptly following an issuance of any employment inducement grant in reliance on

this exception, a Company must disclose in a press release the material terms of the grant, including the recipient(s) of the grant and the number of shares involved.

In addition, plans or arrangements involving a merger or acquisition do not require shareholder approval in two situations. First, shareholder approval will not be required to convert, replace or adjust outstanding options or other equity compensation awards to reflect the transaction. Second, shares available under certain plans acquired in acquisitions and mergers may be used for certain post-transaction grants without further shareholder approval. This exception applies to situations where the party which is not a listed company following the transaction has shares available for grant under pre-existing plans that meet the requirements of this Rule 14.10(i)(3). These shares may be used for post-transaction grants of options and other equity awards by the listed Company (after appropriate adjustment of the number of shares to reflect the transaction), either under the pre-existing plan or arrangement or another plan or arrangement, without further shareholder approval, provided: (1) the time during which those shares are available for grants is not extended beyond the period when they would have been available under the pre-existing plan, absent the transaction, and (2) such options and other awards are not granted to individuals who were employed by the granting company or its subsidiaries at the time the merger or acquisition was consummated. The Exchange would view a plan or arrangement adopted in contemplation of the merger or acquisition transaction as not pre-existing for purposes of this exception. This exception is appropriate because it will not result in any increase in the aggregate potential dilution of the combined enterprise. In this regard, any additional shares available for issuance under a plan or arrangement acquired in connection with a merger or acquisition would be counted by the Exchange in determining whether the transaction involved the issuance of 20% or more of the Company's outstanding common stock, thus triggering the shareholder approval requirements under Rule 14.10(i)(1).

Inducement grants, tax qualified non-discriminatory benefit plans, and parallel nonqualified plans are subject to approval by either the Company's independent compensation committee or a majority of the Company's Independent Directors. It should also be noted that a Company would not be permitted to use repurchased shares to fund option plans or grants without prior shareholder approval.

For purposes of Rule 14.10(i)(3) and this Interpretation and Policy .16, the term "parallel nonqualified plan" means a plan that is a "pension plan" within the meaning of the Employee Retirement Income Security Act ("ERISA"), 29 U.S.C. §1002 (1999), that is designed to work in parallel with a plan intended to be qualified under Internal Revenue Code Section 401(a), to provide benefits that exceed the limits set forth in Internal Revenue Code Section 402(g) (the section that limits an employee's annual pre-tax contributions to a 401(k) plan), Internal Revenue Code Section 401(a)(17) (the section that limits the amount of an employee's compensation that can be taken into account for plan purposes) and/or Internal Revenue Code Section 415 (the section that limits the contributions and benefits under qualified plans) and/or any successor or similar limitations that may thereafter be enacted. However, a plan will not be considered a parallel nonqualified plan unless: (i) it covers all or substantially all employees of an employer who are participants in the related qualified plan whose annual compensation is in excess of the limit of Code Section 401(a)(17) (or any successor or similar limitation that may hereafter be enacted); (ii) its terms are substantially the same as the qualified plan that it parallels except for the elimination

of the limitations described in the preceding sentence; and, (iii) no participant receives employer equity contributions under the plan in excess of 25% of the participant's cash compensation.

.17 Interpretative Material Regarding the Use of Share Caps to Comply with Rule 14.10(i)

Rule 14.10(i) limits the number of shares or voting power that can be issued or granted without shareholder approval prior to the issuance of certain securities. (An exception to this rule is available to Companies when the delay in securing stockholder approval would seriously jeopardize the financial viability of the enterprise as set forth in Rule 14.10(i)(6). However, a share cap is not permissible in conjunction with the financial viability exception provided in Rule 14.10(i)(6), because the application to the Exchange and the notice to Shareholders required in the rule must occur prior to the issuance of any common stock or securities convertible into or exercisable for common stock.) Generally, this limitation applies to issuances of 20% or more of the common stock or 20% or more of the voting power outstanding before the issuance. (While the Exchange's experience is that this issue is generally implicated with respect to these situations, it may also arise with respect to the 5% threshold set forth in Rule 14.10(i)(1)(B). Companies sometimes comply with the 20% limitation in this rule by placing a "cap" on the number of shares that can be issued in the transaction, such that there cannot, under any circumstances, be an issuance of 20% or more of the common stock or voting power previously outstanding without prior shareholder approval. If a Company determines to defer a shareholder vote in this manner, shares that are issuable under the cap (in the first part of the transaction) must not be entitled to vote to approve the remainder of the transaction. In addition, a cap must apply for the life of the transaction, unless shareholder approval is obtained. For example, caps that no longer apply if a Company is not listed on the Exchange are not permissible under the Rule. Of course, if shareholder approval is not obtained, then the investor will not be able to acquire 20% or more of the common stock or voting power outstanding before the transaction and would continue to hold the balance of the original security in its unconverted form.

The Exchange has observed situations where Companies have attempted to cap the issuance of shares at below 20% but have also provided an alternative outcome based upon whether shareholder approval is obtained, including, but not limited to a "penalty" or a "sweetener." Instead, if the terms of a transaction can change based upon the outcome of the shareholder vote, no common shares may be issued prior to the approval of the Shareholders. Companies that engage in transactions with defective caps may be subject to delisting. For example, a Company issues a convertible preferred stock or debt instrument that provides for conversions of up to 20% of the total shares outstanding with any further conversions subject to shareholder approval. However, the terms of the instrument provide that if Shareholders reject the transaction, the coupon or conversion ratio will increase or the Company will be penalized by a specified monetary payment, including a rescission of the transaction. Likewise, a transaction may provide for improved terms if shareholder approval is obtained. The Exchange believes that in such situations the cap is defective because the presence of the alternative outcome has a coercive effect on the shareholder vote, and thus may deprive Shareholders of their ability to freely exercise their vote. Accordingly, the Exchange will not accept a cap that defers the need for shareholder approval in such situations.

Companies having questions regarding this policy are encouraged to contact the Exchange's Listing Qualifications Department, which will provide a written interpretation of the application of the Exchange Rules to a specific transaction, upon prior written request of the Company.

.18 Definition of a Public Offering

Rule 14.10(i)(4) provides that shareholder approval is required for a 20% Issuance at a price that is less than the Minimum Price. Under this rule, however, shareholder approval is not required for a "public offering."

Companies are encouraged to consult with the Exchange staff in order to determine if a particular offering is a "public offering" for purposes of the shareholder approval rules. Generally, a firm commitment underwritten securities offering registered with the Securities and Exchange Commission will be considered a public offering for these purposes. Likewise, any other securities offering which is registered with the Securities and Exchange Commission and which is publicly disclosed and distributed in the same general manner and extent as a firm commitment underwritten securities offering will be considered a public offering for purposes of the shareholder approval rules. However, the Exchange staff will not treat an offering as a "public offering" for purposes of the shareholder approval rules merely because they are registered with the Commission prior to the closing of the transaction.

When determining whether an offering is a "public offering" for purposes of these rules, the Exchange staff will consider all relevant factors, including but not limited to:

- the type of offering (including whether the offering is conducted by an underwriter on a firm commitment basis, or an underwriter or placement agent on a best-efforts basis, or whether the offering is self-directed by the Company);

- the manner in which the offering is marketed (including the number of investors offered securities, how those investors were chosen, and the breadth of the marketing effort);

- the extent of the offering's distribution (including the number and identity of the investors who participate in the offering and whether any prior relationship existed between the Company and those investors);

- the offering price (including the extent of any discount to the market price of the securities offered); and

- the extent to which the Company controls the offering and its distribution.

.19 Interpretive Material Regarding Future Priced Securities and Other Securities with Variable Conversion Terms

Summary

Provisions of this Interpretation and Policy .19 would apply to any security with variable conversion terms. For example, Future Priced Securities are private financing instruments which were created as an alternative means of quickly raising capital for Companies. The security is generally structured in the form of a convertible security and is often issued via a private placement. Companies will typically receive all capital proceeds at the closing. The conversion price of the Future Priced Security is generally linked to a percentage discount to the market price of the underlying common stock at the time of conversion and accordingly the conversion rate for

Future Priced Securities floats with the market price of the common stock. As such, the lower the price of the Company's common stock at the time of conversion, the more shares into which the Future Priced Security is convertible. The delay in setting the conversion price is appealing to Companies who believe that their stock will achieve greater value after the financing is received. However, the issuance of Future Priced Securities may be followed by a decline in the common stock price, creating additional dilution to the existing holders of the common stock. Such a price decline allows holders to convert the Future Priced Security into large amounts of the Company's common stock. As these shares are issued upon conversion of the Future Priced Security, the common stock price may tend to decline further.

For example, a Company may issue $10 million of convertible preferred stock (the Future Priced Security), which is convertible by the holder or holders into $10 million of common stock based on a conversion price of 80% of the closing price of the common stock on the date of conversion. If the closing price is $5 on the date of conversion, the Future Priced Security holders would receive 2,500,000 shares of common stock. If, on the other hand, the closing price is $1 on the date of conversion, the Future Priced Security holders would receive 12,500,000 shares of common stock.

Unless the Company carefully considers the terms of the securities in connection with several Exchange Rules, the issuance of Future Priced Securities could result in a failure to comply with the Exchange listing standards and the concomitant delisting of the Company's securities from the Exchange. The Exchange's experience has been that Companies do not always appreciate this potential consequence. The Exchange Rules that bear upon the continued listing qualification of a Company and that must be considered when issuing Future Priced Securities include:

- the shareholder approval rules (see Rule 14.10(i))
- the voting rights rules (see Rule 14.10(j))
- the bid price requirement (see Rules 14.5(e)(1)(A) and 14.9(f)(2))
- the listing of additional shares rules (see Rule 14.3(e)(2))
- the change in control rules (see Rule 14.10(i)(2) and 14.2(c))
- the Exchange's discretionary authority rules (see Rule 14.2)

It is important for Companies to clearly understand that failure to comply with any of these rules could result in the delisting of the Company's securities.

This notice is intended to be of assistance to Companies considering financings involving Future Priced Securities. By adhering to the above requirements, Companies can avoid unintended listing qualifications problems. Companies having any questions about this notice should contact the Listing Qualifications Department at (913) 815-7000. The Exchange will provide a Company with a written interpretation of the application of the Exchange Rules to a specific transaction, upon request of the Company.

How the Rules Apply

Shareholder Approval

Rule 14.10(i)(4) requires shareholder approval prior to a 20% Issuance at a price that is less than the Minimum Price.

(The Exchange may make exceptions to this requirement when the delay in securing stockholder approval would seriously jeopardize the financial viability of the enterprise and reliance by the Company on this exception is expressly approved by the Audit Committee or a comparable body of the Board of Directors.)

When the Exchange staff is unable to determine the number of shares to be issued in a transaction, it looks to the maximum potential issuance of shares to determine whether there will be an issuance of 20 percent or more of the common stock outstanding. In the case of Future Priced Securities, the actual conversion price is dependent on the market price at the time of conversion and so the number of shares that will be issued is uncertain until the conversion occurs. Accordingly, staff will look to the maximum potential issuance of common shares at the time the Future Priced Security is issued. Typically, with a Future Priced Security, the maximum potential issuance will exceed 20 percent of the common stock outstanding because the Future Priced Security could, potentially, be converted into common stock based on a share price of one cent per share, or less. Further, for purposes of this calculation, the lowest possible conversion price is below the Minimum Price of the stock for purposes of Rule 14.10(i)(4) at the time of issuance of the Future Priced Security. Therefore, shareholder approval must be obtained *prior* to the issuance of the Future Priced Security. Companies should also be cautioned that obtaining shareholder ratification of the transaction after the issuance of a Future Priced Security does not satisfy the shareholder approval requirements.

Some Future Priced Securities may contain features to obviate the need for shareholder approval by: (1) placing a cap on the number of shares that can be issued upon conversion, such that the holders of the Future Priced Security cannot, without prior shareholder approval, convert the security into 20% or more of the common stock or voting power outstanding before the issuance of the Future Priced Security (See Interpretation and Policy .17 to Rule 14.10, Interpretative Material Regarding the Use of Share Caps to Comply with Rule 14.10(i)), or (2) placing a floor on the conversion price, such that the conversion price will always be at least as high as the Minimum Price prior to the issuance of the Future Priced Securities. Even when a Future Priced Security contains these features, however, shareholder approval is still required under Rule 14.10(i)(2) if the issuance will result in a change of control. Additionally, discounted issuances *of* common stock to officers, directors, employees or consultants require shareholder approval pursuant to 14.10(i)(3).

Voting Rights

Rule 14.10(j) provides:

Voting rights of existing Shareholders of publicly traded common stock registered under Section 12 of the Act cannot be disparately reduced or restricted through any corporate action or issuance.

Interpretation and Policy .20 to Rule 14.10 also provides rules relating to voting rights of the Exchange Companies.

Under the voting rights rules, a Company cannot create a new class of security that votes at a higher rate than an existing class of securities or take any other action that has the effect of restricting or reducing the voting rights of an existing class of securities. The voting rights rules are typically implicated when the holders of the Future Priced Security are entitled to vote on an as-converted basis or when the holders of the Future Priced Security are entitled to representation on the Board of Directors. The percentage of the overall vote attributable to the Future Priced Security holders and the Future Priced Security holders' representation on the board of directors must not exceed their relative contribution to the Company based on the Minimum Price at the time of the issuance of the Future Priced Security. Staff will consider whether a voting rights violation exists by comparing the Future Priced Security holders' voting rights to their relative contribution to the Company based on the Minimum Price at the time of the issuance of the Future Priced Security. If the voting power or the board percentage exceeds that percentage interest, a violation exists because a new class of securities has been created that votes at a higher rate than an already existing class. Future Priced Securities that vote on an as-converted basis also raise voting rights concerns because of the possibility that, due to a decline in the price of the underlying common stock, the Future Priced Security holder will have voting rights disproportionate to its investment in the Company.

It is important to note that compliance with the shareholder approval rules prior to the issuance of a Future Priced Security does not affect whether the transaction is in violation of the voting rights rule. Furthermore, Shareholders can not otherwise agree to permit a voting rights violation by the Company. Because a violation of the voting rights requirement can result in delisting of the Company's securities from the Exchange, careful attention must be given to this issue to prevent a violation of the rule.

The Bid Price Requirement

The bid price requirement establishes a minimum bid price for issues listed on the Exchange. The Exchange Rules provide that, for an issue to be eligible for continued listing on the Exchange, the minimum bid price per share shall be $1. An issue is subject to delisting from the Exchange, as described in Rule 14.12 if its bid price falls below $1.

The bid price rules must be thoroughly considered because the characteristics of Future Priced Securities often exert downward pressure on the bid price of the Company's common stock. Specifically, dilution from the discounted conversion of the Future Priced Security may result in a significant decline in the price of the common stock. Furthermore, there appear to be instances where short selling has contributed to a substantial price decline, which, in turn, could lead to a failure to comply with the bid price requirement. (If used to manipulate the price of the stock, short selling by the holders of the Future Priced Security is prohibited by the antifraud provisions of the securities laws and by the Exchange Rules and may be prohibited by the terms of the placement.)

Listing of Additional Shares

Rule 14.6(e)(2) provides:

The Company shall be required to notify the Exchange on the appropriate form no later than 15 calendar days prior to: establishing or materially amending a stock option plan, purchase plan or

other equity compensation arrangement pursuant to which stock may be acquired by officers, directors, employees, or consultants without shareholder approval; issuing securities that may potentially result in a change of control of the Company; issuing any common stock or security convertible into common stock in connection with the acquisition of the stock or assets of another company, if any officer or director or Substantial Shareholder of the Company has a 5% or greater interest (or if such persons collectively have a 10% or greater interest) in the Company to be acquired or in the consideration to be paid; or entering into a transaction that may result in the potential issuance of common stock (or securities convertible into common stock) greater than 10% of either the total shares outstanding or the voting power outstanding on a pre-transaction basis.

Companies should be cognizant that under this rule notification is required at least 15 days *prior* to issuing any security (including a Future Priced Security) convertible into shares of a class of securities already listed on the Exchange. Failure to provide such notice can result in a Company's removal from the Exchange.

Public Interest Concerns

Rule 14.2 provides:

The Exchange is entrusted with the authority to preserve and strengthen the quality of and public confidence in its market. The Exchange stands for integrity and ethical business practices in order to enhance investor confidence, thereby contributing to the financial health of the economy and supporting the capital formation process. The Exchange Companies, from new public Companies to Companies of international stature, are publicly recognized as sharing these important objectives.

The Exchange, therefore, in addition to applying the enumerated criteria set forth in the Listing Rules, has broad discretionary authority over the initial and continued listing of securities in the Exchange in order to maintain the quality of and public confidence in its market, to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and to protect investors and the public interest. The Exchange may use such discretion to deny initial listing, apply additional or more stringent criteria for the initial or continued listing of particular securities, or suspend or delist particular securities based on any event, condition, or circumstance that exists or occurs that makes initial or continued listing of the securities on the Exchange inadvisable or unwarranted in the opinion of the Exchange, even though the securities meet all enumerated criteria for initial or continued listing on the Exchange.

The returns on Future Priced Securities may become excessive compared with those of public investors in the Company's common securities. In egregious situations, the use of a Future Priced Security may raise public interest concerns under Rule 14.2. In addition to the demonstrable business purpose of the transaction, other factors that the Exchange staff will consider in determining whether a transaction raises public interest concerns include: (1) the amount raised in the transaction relative to the Company's existing capital structure; (2) the dilutive effect of the transaction on the existing holders of common stock; (3) the risk undertaken by the Future Priced Security investor; (4) the relationship between the Future Priced Security investor and the

Company; (5) whether the transaction was preceded by other similar transactions; and (6) whether the transaction is consistent with the just and equitable principles of trade.

Some Future Priced Securities may contain features that address the public interest concerns. These features tend to provide incentives to the investor to hold the security for a longer time period and limit the number of shares into which the Future Priced Security may be converted. Such features may limit the dilutive effect of the transaction and increase the risk undertaken by the Future Priced Security investor in relationship to the reward available.

Business Combinations with non-Exchange Entities Resulting in a Change of Control

Rule 14.2(c)(1) provides:

A Company must apply for initial listing in connection with a transaction whereby the Company combines with a non-Exchange entity, resulting in a change of control of the Company and potentially allowing the non-Exchange entity to obtain an Exchange Listing. In determining whether a change of control has occurred, the Exchange shall consider all relevant factors including, but not limited to, changes in the management, board of directors, voting power, ownership, and financial structure of the Company. The Exchange shall also consider the nature of the businesses and the relative size of the Exchange Company and non-Exchange entity. The Company must submit an application for the post-transaction entity with sufficient time to allow the Exchange to complete its review before the transaction is completed. If the Company's application for initial listing has not been approved prior to consummation of the transaction, the Exchange will issue a Staff Determination Letter as set forth in Rule 14.12(c) and begin delisting proceedings pursuant to Rule 14.12.

This provision, which applies regardless of whether the Company obtains shareholder approval for the transaction, requires Companies to qualify under the initial listing standards in connection with a combination that results in a change of control. It is important for Companies to realize that in certain instances, the conversion of a Future Priced Security may implicate this provision. For example, if there is no limit on the number of common shares issuable upon conversion, or if the limit is set high enough, the exercise of conversion rights under a Future Priced Security could result in the holders of the Future Priced Securities obtaining control of the listed Company. In such event, a Company may be required to re-apply for initial listing and satisfy all initial listing requirements.

.20 Voting Rights Policy

The following Voting Rights Policy is based upon, but more flexible than, former Rule 19c-4 under the Act. Accordingly, the Exchange will permit corporate actions or issuances by the Exchange Companies that would have been permitted under former Rule 19c-4, as well as other actions or issuances that are not inconsistent with this policy. In evaluating such other actions or issuances, the Exchange will consider, among other things, the economics of such actions or issuances and the voting rights being granted. The Exchange's interpretations under the policy will be flexible, recognizing that both the capital markets and the circumstances and needs of the Exchange Companies change over time. The text of the Exchange Voting Rights Policy is as follows:

Companies with Dual Class Structures.

The restriction against the issuance of super voting stock is primarily intended to apply to the issuance of a new class of stock, and Companies with existing dual class capital structures would generally be permitted to issue additional shares of the existing super voting stock without conflict with this policy.

Consultation with the Exchange.

Violation of the Exchange Voting Rights Policy could result in the loss of a Company's Exchange or public trading market. The policy can apply to a variety of corporate actions and securities issuances, not just super voting or so-called "time phase" voting common stock. While the policy will continue to permit actions previously permitted under former Rule 19c-4, it is extremely important that the Exchange Companies communicate their intentions to their Exchange representatives as early as possible before taking any action or committing to take any action that may be inconsistent with the policy. The Exchange urges Companies listed on the Exchange not to assume, without first discussing the matter with the Exchange staff, that a particular issuance of common or preferred stock or the taking of some other corporate action will necessarily be consistent with the policy. It is suggested that copies of preliminary proxy or other material concerning matters subject to the policy be furnished to the Exchange for review prior to formal filing.

Review of Past Voting Rights Activities.

In reviewing an application for initial qualification for listing of a security in the Exchange, the Exchange will review the Company's past corporate actions to determine whether another self-regulatory organization (SRO) has found any of the Company's actions to have been a violation or evasion of the SRO's voting rights policy. Based on such review, the Exchange may take any appropriate action, including the denial of the application or the placing of restrictions on such listing. The Exchange will also review whether a Company seeking initial listing of a security in the Exchange has requested a ruling or interpretation from another SRO regarding the application of that SRO's voting rights policy with respect to a proposed transaction. If so, the Exchange will consider that fact in determining its response to any ruling or interpretation that the Company may request on the same or similar transaction.

Non-U.S. Companies.

The Exchange will accept any action or issuance relating to the voting rights structure of a non-U.S. Company that is in compliance with the Exchange's requirements for domestic Companies or that is not prohibited by the Company's home country law.

.21 Definitions Applicable to Rule 14.10(k) (Compensation Recovery Policy)

The following definitions apply for the purposes of Rule 14.10(k):

"Executive Officer" is a Company's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person who

performs similar policy-making functions for the Company. Executive Officers of the Company's parent(s) or subsidiaries are deemed Executive Officers of the Company if they perform such policy making functions for the Company. In addition, when the Company is a limited partnership, officers or employees of the general partner(s) who perform policy-making functions for the limited partnership are deemed officers of the limited partnership. When the Company is a trust, officers, or employees of the trustee(s) who perform policy-making functions for the trust are deemed officers of the trust. Policy-making function is not intended to include policy-making functions that are not significant. Identification of an Executive Officer for purposes of this Rule would include at a minimum executive officers identified pursuant to 17 CFR 229.401(b).

"Received". Incentive-based Compensation is deemed received in the Company's fiscal period during which the financial reporting measure specified in the Incentive-based Compensation award is attained, even if the payment or grant of the Incentive-based Compensation occurs after the end of that period.

The terms "Financial Reporting Measures" and "Incentive-based Compensation" will have the definitions set forth in Rule 14.1(a).

(*Amended by SR-BATS-2011-018 eff. August 30, 2011; amended by SR-BATS-2012-039 eff. January 11, 2013; amended by SR-CboeBZX-2020-010 eff. January 30, 2020; amended by SR-CboeBZX-2019-097 eff. April 6, 2020; amended by SR-CboeBZX-2020-049 eff. June 4, 2020; amended by SR-CboeBZX-2021-059 eff. September 22, 2021; amended by SR-CboeBZX-2023-013 eff. June 9, 2023; amended by SR-CboeBZX-2024-010 eff. January 29, 2024*).

Rule 14.11. Other Securities

(a) Preamble to the Listing Requirements for Other Securities

This Rule contains the requirements for listing other securities on the Exchange, including Exchange Traded Funds, Portfolio Depository Receipts, Index Fund Shares, and various other types of securities, as set forth below (collectively, "Other Securities"). A Company with securities listed under this Rule 14.11 must provide the Exchange with prompt notification after the Company becomes aware of any noncompliance by the Company with the requirements of Rule 14.11. The Exchange may submit a rule filing pursuant to Section 19(b) of the Act to permit the listing of a series of Other Securities that does not otherwise meet the respective standards set forth in this Rule 14.11. The Exchange may also be required to submit a rule filing pursuant to Section 19(b) of the Act to permit the listing of certain types of Other Securities, as provided in this Rule 14.11. In either case, any of the statements or representations regarding the index composition, the description of the portfolio or reference assets, limitations on portfolio holdings or reference assets, dissemination and availability of index, reference asset, intraday indicative values, and Verified Intraday Indicative Values (as applicable), or the applicability of Exchange listing rules specified in any filing to list a series of Other Securities (collectively, "Continued Listing Representations") shall constitute continued listing requirements for the securities listed on the Exchange.

(b) Portfolio Depository Receipts

(1) Definitions. The following terms shall, unless the context otherwise requires, have the meanings herein specified:

(A) Portfolio Depository Receipt. The term "Portfolio Depository Receipt" means a security:

(i) that is based on a unit investment trust ("Trust") which holds the securities which comprise an index or portfolio underlying a series of Portfolio Depository Receipts;

(ii) 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 and/or a cash amount, a specified portfolio of fixed income securities and/or a cash amount and/or a combination of the above;

(iii) 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/or cash, fixed income securities and/or cash and/or a combination thereof then comprising the "Portfolio Deposit"; and

(iv) that pays holders a periodic cash payment corresponding to the regular cash dividends or distributions declared with respect to the component securities of the securities index or portfolio of securities underlying the Portfolio Depository Receipts, less certain expenses and other charges as set forth in the Trust prospectus.

(B) Reporting Authority. The term "Reporting Authority" in respect to a particular series of Portfolio Depository Receipts means the Exchange, a wholly-owned subsidiary of the Exchange, an institution (including the Trustee for a series of Portfolio Depository Receipts), or a reporting service designated by the Exchange or its subsidiary 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 Depository Receipts; the amount of any dividend equivalent payment or cash distribution to holders of Portfolio Depository Receipts, net asset value, and other information relating to the creation, redemption or trading of Portfolio Depository Receipts.

Nothing in this paragraph shall imply that an institution or reporting service that is the source for calculating and reporting information relating to Portfolio Depository Receipts must be designated by the Exchange; the term "Reporting Authority" shall not refer to an institution or reporting service not so designated.

(C) U.S. Component Stock. The term "U.S. Component Stock" shall mean an equity security that is registered under Sections 12(b) or 12(g) of the Act, or an American Depository Receipt, the underlying equity security of which is registered under Sections 12(b) or 12(g) of the Act.

(D) Non-U.S. Component Stock. The term "Non-U.S. Component Stock" shall mean an equity security that (a) is not registered under Sections 12(b) or 12(g) of the Act, (b) is issued by an entity that is not organized, domiciled or incorporated in the United States, and (c) is issued by an entity that is an operating company (including Real Estate Investment Trusts (REITs) and income trusts, but excluding investment trusts, unit trusts, mutual funds, and derivatives).

(2) The Exchange requires that Members provide to all purchasers of a series of Portfolio Depository Receipts a written description of the terms and characteristics of 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 Portfolio Depository 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 a series of Portfolio Depository 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 Depository Receipts] has been prepared by [Trust name] and is available from your broker or the Exchange. It is recommended that you obtain and review such circular before purchasing [the series of Portfolio Depository Receipts]. In addition, upon request you may obtain from your broker a prospectus for [the series of Portfolio Depository Receipts]."

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 Depository 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 and member organizations under this rule.

Upon request of a customer, a Member shall also provide a prospectus for the particular series of Portfolio Depository Receipts.

(3) Equity. The Exchange may approve a series of Portfolio Depository Receipts for listing and trading pursuant to Rule 19b-4(e) under the Act, provided each of the following criteria is satisfied:

(A) Eligibility Criteria for Index Components.

(i) U.S. Index or Portfolio. Component stocks of an index or portfolio of U.S. Component Stocks underlying such series of Portfolio Depository Receipts listed pursuant to Rule 19b-4(e) under the Act shall meet the following criteria upon initial listing and on a continual basis:

(a) Component stocks that in the aggregate account for at least 90% of the weight of the index or portfolio each shall have a minimum market value of at least $75 million;

(b) Component stocks that in the aggregate account for at least 90% of the weight of the index or portfolio each shall 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 shall not exceed 30% of the weight of the index or portfolio, and the five most heavily weighted component stocks shall not exceed 65% of the weight of the index or portfolio;

(d) The index or portfolio shall include a minimum of 13 component stocks; and

(e) All securities in the index or portfolio shall be U.S. Component Stocks listed on the Exchange (including Tier II securities) or another national securities exchange and shall be NMS Stocks as defined in Rule 600 of Regulation NMS under the Act.

(ii) International or global index or portfolio. Components of an index or portfolio underlying a series of Portfolio Depository Receipts listed pursuant to Rule 19b-4(e) under the Act that consist of either only Non-U.S. Component Stocks or both U.S. Component Stocks and Non-U.S. Component Stocks shall meet the following criteria upon initial listing and on a continual basis:

(a) Component stocks that in the aggregate account for at least 90% of the weight of the index or portfolio each shall have a minimum market value of at least $100 million;

(b) Component stocks that in the aggregate account for at least 90% of the weight of the index or portfolio each shall have a minimum worldwide monthly trading volume during each of the last six months of at least 250,000 shares;

(c) The most heavily weighted component stock shall not exceed 25% of the weight of the index or portfolio, and the five most heavily weighted component stocks shall not exceed 60% of the weight of the index or portfolio;

(d) The index or portfolio shall include a minimum of 20 component stocks; and

(e) Each U.S. Component Stock shall be listed on a national securities exchange and shall be an NMS Stock as defined in Rule 600 of Regulation NMS under the Act, and each Non-U.S. Component Stock shall be listed and traded on an exchange that has last-sale reporting.

(iii) Index or portfolio approved in connection with derivative securities. For the initial and continued listing of a series of Portfolio Depository Receipts pursuant to Rule 19b-4(e) under the Act, the index or portfolio underlying a series of Portfolio Depository Receipts shall have been reviewed and approved for trading of options, Portfolio Depository Receipts, Index Fund Shares, index-linked exchangeable notes, or index-linked securities by the Commission under Section 19(b)(2) of the Act and rules thereunder, and the conditions set forth in the Commission's approval order, including comprehensive surveillance sharing agreements with respect to Non-U.S. Component Stocks and the requirements regarding dissemination of information, must continue to be satisfied. Upon initial listing and on a continual basis, each component stock of the index or portfolio shall be either

(a) a U.S. Component Stock that is listed on a national securities exchange and is an NMS Stock as defined in Rule 600 of Regulation NMS under the Act; or

(b) a Non-U.S. Component Stock that is listed and traded on an exchange that has last-sale reporting.

(B) Index Methodology and Calculation. All requirements set forth in this paragraph must be satisfied upon initial listing and on a continual basis.

(i) If the index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor 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 advisor;

(ii) The current index value for Portfolio Depository Receipts listed pursuant to:

(a) Paragraph (b)(3)(A)(i) above will be widely disseminated by one or more major market data vendors at least every 15 seconds during the Exchange’s regular market session.

(b) Paragraph (b)(3)(A)(ii) above will be widely disseminated by one or more major market data vendors at least every 60 seconds during the Exchange’s regular market session; or

(c) Paragraph (b)(3)(A)(iii) above will be widely disseminated by one or more major market data vendors at least every 15 seconds with respect to indexes containing only U.S. Component Stocks and at least every 60 seconds with respect to indexes containing Non-U.S. Component Stocks, during the Exchange’s regular market session.

If the index value does not change during some or all of the period when trading is occurring on the Exchange (for example, for indexes of Non-U.S. Component Stocks because of time zone differences or holidays in the countries where such indexes' component stocks trade), then the last official calculated index value must remain available throughout the Exchange's trading hours; and

(iii) Any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on 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.

(C) Disseminated Information. The Reporting Authority will disseminate for each series of Portfolio Depository Receipts an estimate, updated at least every 15 seconds, of the value of a share of each series (the "Intraday Indicative Value") during Regular Trading Hours. The Intraday Indicative Value 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. The Intraday Indicative Value will be updated at least every 15 seconds during Regular Trading Hours to reflect changes in the exchange rate between the U.S. dollar and the currency in which any component stock is denominated. If the Intraday Indicative Value does not change during some or all of the period when trading is occurring on the Exchange, then the last official calculated Intraday Indicative Value must remain available throughout the Exchange's trading hours. All requirements set forth in this paragraph must be satisfied upon initial listing and on a continual basis.

(D) Initial Shares Outstanding. A minimum of 100,000 shares of a series of Portfolio Depository Receipts is required to be outstanding at start-up of trading.

(E) Surveillance Procedures. The Exchange will implement and maintain written surveillance procedures for Portfolio Depository Receipts.

(F) Creation and redemption. For Portfolio Depository Receipts listed pursuant to paragraph (A)(ii) or (iii) above, the statutory prospectus or the application for exemption from provisions of the Investment Company Act of 1940 for the series of Portfolio Depository Receipts must state that the Trust must comply with the federal securities laws in accepting securities for deposits and satisfying redemptions with redemption securities, including that the securities accepted for deposits and the securities used to satisfy redemption requests are sold in transactions that would be exempt from registration under the Securities Act of 1933.

(4) Fixed Income. Fixed Income Securities are debt securities that are 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 subdivision thereof. The Exchange may approve a series of Portfolio Depositary Receipts based on Fixed Income Securities for listing and trading pursuant to Rule 19b-4(e) under the Act provided such portfolio or index: (i) has been reviewed and approved for the trading of options, Portfolio Depository Receipts, Index Fund Shares, Index-Linked Exchangeable Notes or Index-Linked Securities by the Commission under Section 19(b)(2) of the Act and the rules thereunder and the conditions set forth in the Commission's approval order continue to be satisfied; or (ii) the following criteria are satisfied:

(A) Eligibility Criteria for Index Components. Components of an index or portfolio that underlies a series of Portfolio Depositary Receipts listed pursuant to Rule 19b-4(e) under the Act shall meet the following criteria upon initial listing and on a continual basis:

(i) The index or portfolio must consist of Fixed Income Securities;

(ii) Components that in aggregate account for at least 75% of the weight of the index or portfolio must have a minimum original principal amount outstanding of $100 million or more;

(iii) A component may be a convertible security, however, once the convertible security component converts to an underlying equity security, the component is removed from the index or portfolio;

(iv) No component fixed-income security (excluding Treasury Securities) will represent more than 30% of the weight of the index or portfolio, and the five highest weighted component fixed-income securities do not in the aggregate account for more than 65% of the weight of the index or portfolio;

(v) An underlying index or portfolio (excluding exempted securities) must include securities from a minimum of 13 non-affiliated issuers; and

(vi) Component securities that in aggregate account for at least 90% of the weight of the index or portfolio must be either: (a) from issuers that are required to file reports pursuant to Sections 13 and 15(d) of the Act; (b) from issuers that have a worldwide market value of its outstanding common equity held by non-affiliates of $700 million or more; (c) from issuers that have outstanding securities that are notes, bonds, debentures, or evidence of indebtedness having a total remaining principal amount of at least $1 billion; (d) exempted securities as defined in section 3(a)(12) of the

Act; or (e) from issuers that are a government of a foreign country or a political subdivision of a foreign country.

(B) Index Methodology and Calculation. All requirements set forth in this paragraph must be satisfied upon initial listing and on a continual basis.

(i) If an index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor 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 advisor;

(ii) The current index value will be widely disseminated by one or more major market data vendors at least once per day; and

(iii) Any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on the index 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.

(5) The Exchange may approve a series of Portfolio Depositary Receipts based on a combination of indexes or an index or portfolio of component securities representing the U.S. equity market, the international equity market, and the fixed income market for listing and trading pursuant to Rule 19b-4(e) under the Act provided: (i) each index has been reviewed and approved for the trading of options, Portfolio Depository Receipts, Index Fund Shares, Index-Linked Exchangeable Notes or Index-Linked Securities by the Commission under Section 19(b)(2) of the Act and rules thereunder and the conditions set forth in the Commission's approval order continue to be satisfied; or (ii) each index or portfolio of equity and fixed income component securities separately meets either the criteria set forth in Rule 14.11(a)(3) or (4). After the Exchange approves a series of Portfolio Depositary Receipts for listing and trading pursuant to this paragraph (5), such series of Portfolio Depositary Receipts shall continue to meet requirements (i) or (ii) in this paragraph (5), as applicable, on an ongoing basis.

(A) Index Methodology and Calculation. All requirements set forth in this paragraph must be satisfied upon initial listing and on a continual basis.

(i) If an index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor 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 advisor;

(ii) The current composite index value will be widely disseminated by one or more major market data vendors at least once every

15 seconds during the regular market session, provided however, that (a) with respect to the Non-U.S. Component Stocks of the combination index, the impact on the index is only required to be updated at least every 60 seconds during the regular market session, and (b) with respect to the fixed income components of the combination index the impact on the index is only required to be updated at least once each day; and

(iii) Any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on index 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.

(6) The following provisions shall apply to all series of Portfolio Depositary Receipts listed pursuant to Rules 14.11(b)(4) and (5) above:

(A) Disseminated Information. The Reporting Authority will disseminate for each series of Portfolio Depositary Receipts an estimate, updated at least every 15 seconds, of the value of a share of each series (the "Intraday Indicative Value"). The Intraday Indicative Value 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. The Intraday Indicative Value may be calculated by the Exchange or by an independent third party throughout the day using prices obtained from independent market data providers or other independent pricing sources such as a broker-dealer or price evaluation services. All requirements set forth in this paragraph must be satisfied upon initial listing and on a continual basis.

(B) Initial Shares Outstanding. A minimum of 100,000 shares of a series of Portfolio Depositary Receipts is required to be outstanding at start-up of trading.

(C) Surveillance Procedures. The Exchange will implement and maintain written surveillance procedures for Portfolio Depositary Receipts.

(7) Regular market session trading will occur between 9:30 a.m. and either 4:00 p.m. or 4:15 p.m. for each series of Portfolio Depository Receipts, as specified by the Exchange. In addition, the Exchange may designate each series of Portfolio Depository Receipts for trading during a pre-market session beginning at 7:00 a.m. and/or a post-market session ending at 8:00 p.m.

(8) The Exchange may list and trade Portfolio Depository Receipts based on one or more indexes or portfolios. The Portfolio Depository Receipts based on each particular index or portfolio, or combination thereof, shall be designated as a separate series and shall be identified by a unique symbol. The components of an index or portfolio on which Portfolio Depository Receipts are based shall be selected by the Exchange or its agent, a wholly-owned subsidiary of 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.

(9) A Trust upon which a series of Portfolio Depository Receipts is based will be listed and traded on the Exchange subject to application of the following criteria:

(A) Initial Listing —

(i) for each Trust, the Exchange will establish a minimum number of Portfolio Depository Receipts required to be outstanding at the time of commencement of trading on the Exchange.

(ii) the Exchange will obtain a representation from the issuer of each series of Portfolio Depository Receipts that the net asset value per share for the series will be calculated daily and will be made available to all market participants at the same time.

(B) Continued Listing —

(i) the Exchange will consider the suspension of trading in and will initiate delisting proceedings for a Trust upon which a series of Portfolio Depository Receipts is based pursuant to Rule 14.12 under any of the following circumstances:

(a) if, following the initial twelve month period after the formation of a Trust and commencement of trading on the Exchange, the Trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Portfolio Depository Receipts for 30 or more consecutive trading days;

(b) if the value of the index or portfolio of securities on which the Trust is based is no longer calculated or available or an interruption to the dissemination of the value of the index or portfolio of securities persists past the trading day in which it occurred or the index or portfolio on which the Trust is based is replaced with a new index or portfolio, unless the new index or portfolio meets the requirements of this Rule for listing either pursuant to Rule 19b-4(e) under the Act (including the filing of a Form 19b-4(e) with the Commission) or by Commission approval of a filing pursuant to Section 19(b)(2) of the Act;

(c) if any of the requirements set forth in this rule are not continuously met;

(d) if, where the Exchange has filed a separate proposal under Section 19(b) of the Act to list such Portfolio Depositary Receipts, any of the applicable Continued Listing Representations are not continuously met;

(e) if there is an interruption to the Intraday Indicative Value being disseminated at least every 15 seconds during Regular Trading Hours and such interruption persists past the trading day in which it occurred; 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.

Upon termination of a Trust, the Exchange requires that Portfolio Depository Receipts issued in connection with such Trust be removed from listing. 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.

(C) 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.

(D) Voting — 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.

(10) 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 Depository Receipts; net asset value; or other information relating to the creation, redemption or trading of Portfolio Depository Receipts, 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.

(c) Index Fund Shares

(1) Definitions. The following terms shall, unless the context otherwise requires, have the meanings herein specified:

(A) Index Fund Share. The term "Index Fund Share" means a security:

(i) that is issued by an open-end management investment company based on a portfolio of stocks or fixed income securities or a combination thereof, that seeks to provide investment results that correspond generally to the price and yield performance or total return performance of a specified foreign or domestic stock index, fixed income securities index or combination thereof;

(ii) that is issued by such an open-end management investment company in a specified aggregate minimum number in return for a deposit of specified numbers of shares of stock and/or a cash amount, a specified portfolio of fixed income securities and/or a cash amount and/or a combination of the above, with a value equal to the next determined net asset value; and

(iii) that, when aggregated in the same specified minimum number, may be redeemed at a holder's request by such open-end investment company which will pay to the redeeming holder the stock and/or cash, fixed income securities and/or cash and/or a combination thereof, with a value equal to the next determined net asset value.

(B)

(i) The term "Index Fund Share" includes a security issued by an open-end management investment company that seeks to provide investment results that either exceed the performance of a specified domestic equity, international or global equity, or fixed income index or a combination thereof by a specified multiple or that correspond to the inverse (opposite) of the performance of a specified domestic equity, international or global equity, or fixed income index or a combination thereof by a specified multiple. Such a security is issued in a specified aggregate number in return for a deposit of a specified number of shares of stock, a specified portfolio of fixed income securities or a combination of the above and/or cash as defined in subparagraph (1)(B)(ii) of this Rule with a value equal to the next determined net asset value. When aggregated in the same specified minimum number, Index Fund Shares may be redeemed at a holder's request by such open-end investment company which will pay to the redeeming holder the stock, fixed income securities or a combination thereof and/or cash with a value equal to the next determined net asset value.

(ii) In order to achieve the investment result that it seeks to provide, such an investment company may hold a combination of financial instruments, including, but not limited to, stock index futures contracts; options on futures contracts; options on securities and indices; equity caps, collars and floors; swap agreements; forward contracts; repurchase agreements and reverse repurchase agreements (the "Financial

Instruments"), but only to the extent and in the amounts or percentages as set forth in the registration statement for such Index Fund Shares.

(iii) Any open-end management investment company which issues Index Fund Shares referenced in this subparagraph (1)(B) that seeks to provide investment results, before fees and expenses, in an amount that exceeds -300% of the percentage performance on a given day of a particular domestic equity, international or global equity or fixed income securities index or a combination thereof shall not be approved by the Exchange for listing and trading pursuant to Rule 19b-4(e) under the Act.

(iv) For the initial and continued listing of a series of Index Fund Shares referenced in the provisions of this subparagraph (1)(B), the following requirements must be adhered to:

Daily public website disclosure of portfolio holdings that will form the basis for the calculation of the net asset value by the issuer of such series, including, as applicable, the following instruments:

(a) The identity and number of shares held of each specific equity security;

(b) The identity and amount held for each specific fixed income security;

(c) The specific types of Financial Instruments and characteristics of such Financial Instruments; and

(d) Cash equivalents and the amount of cash held in the portfolio.

If the Exchange becomes aware that the net asset value related to an Index Fund Shares included in the provisions of this subparagraph (1)(B)(ii) of this Rule, is not being disseminated to all market participants at the same time or the daily public website disclosure of portfolio holdings does not occur, the Exchange shall halt trading in such series of Index Fund Share, as appropriate. The Exchange may resume trading in such Index Fund Shares only when the net asset value is disseminated to all market participants at the same time or the daily public website disclosure of portfolio holdings occurs, as appropriate.

(C) Reporting Authority. The term "Reporting Authority" in respect of a particular series of Index Fund Shares means the Exchange, a wholly-owned subsidiary of the Exchange, or an institution or reporting service designated by the Exchange or its subsidiary 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 any securities required to be deposited in connection with issuance of Index Fund Shares; the amount of any

dividend equivalent payment or cash distribution to holders of Index Fund Shares, net asset value, and other information relating to the issuance, redemption or trading of Index Fund Shares.

Nothing in this paragraph shall imply that an institution or reporting service that is the source for calculating and reporting information relating to Index Fund Shares must be designated by the Exchange; the term "Reporting Authority" shall not refer to an institution or reporting service not so designated.

(D) U.S. Component Stock. The term "U.S. Component Stock" shall mean an equity security that is registered under Sections 12(b) or 12(g) of the Act, or an American Depository Receipt, the underlying equity security of which is registered under Sections 12(b) or 12(g) of the Act.

(E) Non-U.S. Component Stock. The term "Non-U.S. Component Stock" shall mean an equity security that (a) is not registered under Sections 12(b) or 12(g) of the Act, (b) is issued by an entity that is not organized, domiciled or incorporated in the United States, and (c) is issued by an entity that is an operating company (including Real Estate Investment Trusts (REITs) and income trusts, but excluding investment trusts, unit trusts, mutual funds, and derivatives).

(F) Portfolio Holdings. The term "Portfolio Holdings" means the holdings of a particular series of Index Fund Shares that will form the basis for the calculation of its net asset value at the end of the business day. For purposes of this rule, Portfolio Holdings includes the following information, to the extent applicable:

(i) Ticker symbol;

(ii) CUSIP or other identifier;

(iii) Description of the holding;

(iv) Identity of the security, commodity, index, or other asset upon which the derivative is based;

(v) The strike price for any options;

(vi) The quantity of each security or other asset held as measured by:

(a) Par value;

(b) Notional value;

(c) Number of shares;

(d) Number of contracts;

(e) Number of units;

(vii) Maturity date;

(viii) Coupon rate;

(ix) Effective date;

(x) Market value; and

(xi) Percentage weighting of the holding in the portfolio.

(2) The Exchange requires that Members provide to all purchasers of a series of Index Fund Shares a written description of the terms and characteristics of such 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 Index Fund 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 Index Fund 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 Index Fund Shares] has been prepared by the [open-end management investment company name] and is available from your broker or the Exchange. It is recommended that you obtain and review such circular before purchasing [the series of Index Fund Shares]. In addition, upon request you may obtain from your broker a prospectus for [the series of Index Fund 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 Index Fund 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 and member organizations under this rule.

Upon request of a customer, a Member shall also provide a prospectus for the particular series of Index Fund Shares.

(3) Equity. The Exchange may approve a series of Index Fund Shares for listing and trading pursuant to Rule 19b-4(e) under the Act provided each of the following criteria is satisfied:

(A) Eligibility Criteria for Index Components.

(i) U.S. Index or Portfolio. Component stocks of an index or portfolio of (a) only U.S. Component Stocks or (b) US Component Stocks and cash underlying such series of Index Fund Shares listed pursuant to

Rule 19b-4(e) under the Act shall meet the following criteria upon initial listing and on a continual basis:

(a) Component stocks (excluding Index Fund Shares, Portfolio Depositary Receipts, Trust Issued Receipts, ETF Shares, and Managed Fund Shares collectively, "Derivative Securities Products") that in the aggregate account for at least 90% of the weight of the U.S. Component Stocks portion of the index or portfolio (excluding such Derivative Securities Products) each shall have a minimum market value of at least $75 million;

(b) Component stocks (excluding Derivative Securities Products) that in the aggregate account for at least 70% of the weight of the U.S. Component Stocks portion of the index or portfolio (excluding such Derivative Securities Products) each shall have a minimum monthly trading volume of 250,000 shares, or minimum notional volume traded per month of $25,000,000, averaged over the last six months;

(c) The most heavily weighted component stock (excluding Derivative Securities Products) shall not exceed 30% of the U.S. Component Stocks portion of the weight of the index or portfolio, and, to the extent applicable, the five most heavily weighted component stocks (excluding Derivative Securities Products) shall not exceed 65% of the weight of the U.S. Component Stocks portion of the index or portfolio;

(d) The index or portfolio shall include a minimum of 13 component stocks; provided, however, that there shall be no minimum number of component stocks if (1) one or more series of Index Fund Shares or Portfolio Depositary Receipts constitute, at least in part, components underlying a series of Index Fund Shares, or (2) one or more series of Derivative Securities Products account for 100% of the U.S. Component Stocks portion of the weight of the index or portfolio; and

(e) All securities in the index or portfolio shall be U.S. Component Stocks listed on the Exchange or another national securities exchange and shall be NMS Stocks as defined in Rule 600 of Regulation NMS under the Act.

(ii) International or global index or portfolio. Components of an index or portfolio underlying a series of Index Fund Shares listed pursuant to Rule 19b-4(e) under the Act that consist of (a) only Non-U.S. Component Stocks, (b) Non-U.S. Component Stocks and Cash, (c) U.S. Component Stocks and Non-U.S. Component Stocks, or (d) U.S. Component Stocks,

Non-U.S. Component Stocks, and cash shall meet the following criteria upon initial listing and on a continual basis:

(a) Component stocks (excluding Derivative Securities Products) that in the aggregate account for at least 90% of the weight of the combined U.S. and Non-U.S. Component Stocks potions of the index or portfolio (excluding such Derivative Securities Products) shall have a minimum market value of at least $100 million;

(b) Component stocks (excluding Derivative Securities Products) that in the aggregate account for at least 70% of the combined U.S. and Non-U.S. Component Stocks potions of the weight of the index or portfolio (excluding such Derivative Securities Products) shall have a minimum worldwide monthly trading volume of 250,000 shares, or minimum worldwide notional volume traded per month of $25,000,000, averaged over the last six months;

(c) The most heavily weighted component stock (excluding Derivative Securities Products) shall not exceed 25% of the combined U.S. and Non-U.S. Component Stocks potions of the weight of the index or portfolio, and, to the extent applicable, the five most heavily weighted component stocks (excluding Derivative Securities Products) shall not exceed 60% of the combined U.S. and Non-U.S. Component Stocks potions of the weight of the index or portfolio;

(d) The index or portfolio shall include a minimum of 20 component stocks; provided, however, that there shall be no minimum number of component stocks if (i) one or more series of Index Fund Shares or Portfolio Depositary Receipts constitute, at least in part, components underlying a series of Index Fund Shares, or (ii) one or more series of Derivative Securities Products account for 100% of the combined U.S. and Non-U.S. Component Stocks potions of the weight of the index or portfolio; and

(e) Each U.S. Component Stock shall be listed on a national securities exchange and shall be an NMS Stock as defined in Rule 600 of Regulation NMS under the Act, and each Non-U.S. Component Stock shall be listed and traded on an exchange that has last-sale reporting.

(iii) Index or portfolio approved in connection with derivative securities. For the initial and continued listing of a series of Index Fund Shares pursuant to Rule 19b-4(e) under the Act, the index or portfolio underlying a series of Index Fund Shares shall have been reviewed and

approved for trading of options, Portfolio Depository Receipts, Index Fund Shares, index-linked exchangeable notes, or index-linked securities by the Commission under Section 19(b) of the Act and rules thereunder, and the conditions set forth in the Commission's approval order, including comprehensive surveillance sharing agreements with respect to Non-U.S. Component Stocks and the requirements regarding dissemination of information, must continue to be satisfied. Upon initial listing and on a continual basis, each component stock of the index or portfolio shall be either

(a) a U.S. Component Stock that is listed on a national securities exchange and is an NMS Stock as defined in Rule 600 of Regulation NMS under the Act, or

(b) a Non-U.S. Component Stock that is listed and traded on an exchange that has last-sale reporting.

(B) Index Methodology and Calculation. All requirements set forth in this paragraph must be satisfied upon initial listing and on a continual basis.

(i) If the index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor 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 advisor;

(ii) The current index value for Index Fund Shares listed pursuant to:

(a) Paragraph (c)(3)(A)(i) above will be widely disseminated by one or more major market data vendors at least every 15 seconds during the Exchange's regular market session;

(b) Paragraph (c)(3)(A)(ii) above will be widely disseminated by one or more major market data vendors at least every 60 seconds during the Exchange's regular market session; or

(c) Paragraph (c)(3)(A)(iii) above will be widely disseminated by one or more major market data vendors at least every 15 seconds with respect to indexes containing only U.S. Component Stocks and at least every 60 seconds with respect to indexes containing Non-U.S. Component Stocks, during the Exchange's regular market session

If the index value does not change during some or all of the period when trading is occurring on the Exchange (for example, for indexes of Non-U.S. Component Stocks because of time zone differences or holidays in the countries where such indexes' component stocks

trade), then the last official calculated index value must remain available throughout the Exchange's trading hours; and

(iii) Any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on 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.

(C) Disseminated Information. Where a series of Index Fund Shares does not publish its Portfolio Holdings on its website on a daily basis, the Reporting Authority will disseminate for each series of Index Fund Shares an estimate, updated at least every 15 seconds, of the value of a share of each series (the "Intraday Indicative Value"). The Intraday Indicative Value 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. The Intraday Indicative Value will be updated at least every 15 seconds during Regular Trading Hours; to reflect changes in the exchange rate between the U.S. dollar and the currency in which any component stock is denominated. If the Intraday Indicative Value does not change during some or all of the period when trading is occurring on the Exchange, then the last official calculated Intraday Indicative Value must remain available throughout the Exchange's trading hours. All requirements set forth in this paragraph must be satisfied upon initial listing and on a continual basis. Where a series of Index Fund Shares publishes its Portfolio Holdings on its website on a daily basis, there is no obligation to disseminate an Intraday Indicative Value.

(D) Initial Shares Outstanding. A minimum of 100,000 shares of a series of Index Fund Shares is required to be outstanding at start-up of trading.

(E) Surveillance Procedures. The Exchange will implement and maintain written surveillance procedures for Index Fund Shares.

(F) Creation and redemption. For Index Fund Shares listed pursuant to paragraph (c)(3)(A)(ii) or (iii) above, the statutory prospectus or the application for exemption from provisions of the Investment Company Act of 1940 for the series of Index Fund Shares must state that the series of Index Fund Shares must comply with the federal securities laws in accepting securities for deposits and satisfying redemptions with redemption securities, including that the securities accepted for deposits and the securities used to satisfy redemption requests are sold in transactions that would be exempt from registration under the Securities Act of 1933.

(4) Fixed Income. Fixed Income Securities are debt securities that are 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 subdivision thereof. The Exchange may approve a series of Index Fund Shares based on Fixed Income Securities for listing and trading pursuant to Rule 19b-4(e) under the Act provided such portfolio or index:

(A) has been reviewed and approved for the trading of options, Portfolio Depository Receipts, Index Fund Shares, Index-Linked Exchangeable Notes or Index-Linked Securities by the Commission under Section 19(b)(2) of the Act and the rules thereunder and the conditions set forth in the Commission's approval order continue to be satisfied; or

(B) the following criteria are satisfied:

(i) Eligibility Criteria for Index Components. Components of an index or portfolio that underlies a series of Index Fund Shares listed pursuant to Rule 19b-4(e) under the Act shall meet the following criteria upon initial listing and on a continual basis:

(a) The index or portfolio must consist of (a) only Fixed Income Securities; or (b) Fixed Income Securities and cash;

(b) Fixed Income Security components that in aggregate account for at least 75% of the Fixed Income Securities portion of the weight of the index or portfolio must have a minimum original principal amount outstanding of $100 million or more;

(c) A component may be a convertible security, however, once the convertible security component converts to an underlying equity security, the component is removed from the index or portfolio;

(d) No component fixed-income security (excluding Treasury Securities) will represent more than 30% of the Fixed Income Securities portion of the weight of the index or portfolio, and the five highest weighted component fixed-income securities do not in the aggregate account for more than 65% of the Fixed Income Securities portion of the weight of the index or portfolio;

(e) An underlying index or portfolio (excluding exempted securities) must include securities from a minimum of 13 non-affiliated issuers; and

(f) Component securities that in aggregate account for at least 90% of the Fixed Income Securities portion of the weight of the index or portfolio must be either: (1) from issuers that are required to file reports pursuant to Sections 13 and 15(d) of the Act; (2) from issuers that have a worldwide market value of its outstanding common equity held by non-affiliates of $700 million

or more; (3) from issuers that have outstanding securities that are notes, bonds, debentures, or evidence of indebtedness having a total remaining principal amount of at least $1 billion; (4) exempted securities as defined in section 3(a)(12) of the Act; or (5) from issuers that are a government of a foreign country or a political subdivision of a foreign country.

(C) Index Methodology and Calculation. All requirements set forth in this paragraph must be satisfied upon initial listing and on a continual basis.

(i) If the index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor 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 advisor;

(ii) The current index value will be widely disseminated by one or more major market data vendors at least once per day; and

(iii) Any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on the index 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.

(5) The Exchange may approve a series of Index Fund Shares based on a combination of indexes or an index or portfolio of component securities representing the U.S. equity market, the international equity market, and the fixed income market for listing and trading pursuant to Rule 19b-4(e) under the Act provided: (i) such portfolio or combination of indexes has been reviewed and approved for the trading of options, Portfolio Depository Receipts, Index Fund Shares, Index-Linked Exchangeable Notes or Index-Linked Securities by the Commission under Section 19(b)(2) of the Act and rules thereunder and the conditions set forth in the Commission's approval order continue to be satisfied; or (ii) each index or portfolio of equity and fixed income component securities separately meets either the criteria set forth in Rule 14.11(c)(3) or (4) above. After the Exchange approves a series of Index Fund Shares for listing and trading pursuant to this paragraph (5), such series of Index Fund Shares shall continue to meet requirements (i) or (ii) in this paragraph (5), as applicable, on an ongoing basis.

(A) Index Methodology and Calculation. All requirements set forth in this paragraph must be satisfied upon initial listing and on a continual basis.

(i) If the index is maintained by a broker-dealer or fund advisor, the broker-dealer or fund advisor 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 advisor;

(ii) The current composite index value will be widely disseminated by one or more major market data vendors at least once every 15 seconds during regular market session, provided however, that (a) with respect to the Non-U.S. Component Stocks of the combination index, the impact on the index is only required to be updated at least every 60 seconds during the regular market session, and (b) with respect to the fixed income components of the combination index the impact on the index is only required to be updated at least once each day; and

(iii) Any advisory committee, supervisory board, or similar entity that advises a Reporting Authority or that makes decisions on index 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.

(6) The following provisions shall apply to all series of Index Fund Shares listed pursuant Rules 14.11(c)(4) and (5) above:

(A) Disseminated Information. Where a series of Index Fund Shares does not publish its Portfolio Holdings on its website on a daily basis, the Reporting Authority will disseminate for each series of Index Fund Shares an estimate, updated at least every 15 seconds, of the value of a share of each series (the "Intraday Indicative Value"). The Intraday Indicative Value 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. The Intraday Indicative Value may be calculated by the Exchange or by an independent third party throughout the day using prices obtained from independent market data providers or other independent pricing sources such as a broker-dealer or price evaluation services. All requirements set forth in this paragraph must be satisfied upon initial listing and on a continual basis. Where a series of Index Fund Shares publishes its Portfolio Holdings on its website on a daily basis, there is no obligation to disseminate an Intraday Indicative Value.

(B) Initial Shares Outstanding. A minimum of 100,000 shares of a series of Index Fund Shares is required to be outstanding at start-up of trading.

(C) Surveillance Procedures. The Exchange will implement and maintain written surveillance procedures for Index Fund Shares.

(7) Regular market session trading will occur between 9:30 a.m. and either 4:00 p.m. or 4:15 p.m. for each series of Index Fund Shares, as specified by the Exchange. In addition, the Exchange may designate each series of Index Fund

Shares for trading during a pre-market session beginning at 7:00 a.m. and/or a post-market session ending at 8:00 p.m.

(8) The Exchange may list and trade Index Fund Shares based on one or more foreign or domestic indexes or portfolios. Each issue of Index Fund Shares based on each particular index or portfolio, or combination thereof, shall be designated as a separate series and shall be identified by a unique symbol. The components that are included in an index or portfolio on which a series of Index Fund Shares are based shall be selected by such person, which may be the Exchange or an agent or wholly-owned subsidiary thereof, as shall have authorized use of such index or portfolio. Such index or portfolio 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.

(9) Each series of Index Fund Shares will be listed and traded on the Exchange subject to application of the following criteria:

(A) Initial Listing —

(i) for each series, the Exchange will establish a minimum number of Index Fund Shares required to be outstanding at the time of commencement of trading on the Exchange.

(ii) the Exchange will obtain a representation from the issuer of each series of Index Fund Shares that the net asset value per share for the series will be calculated daily and will be made available to all market participants at the same time.

(B) Continued Listing —

(i) the Exchange will consider the suspension of trading in and will initiate delisting proceedings for a series of Index Fund Shares pursuant to Rule 14.12 under any of the following circumstances:

(a) if, following the initial twelve month period after commencement of trading on the Exchange of a series of Index Fund Shares, there are fewer than 50 beneficial holders of the series of Index Fund Shares for 30 or more consecutive trading days;

(b) if the value of the index or portfolio of securities on which the series of Index Fund Shares is based is no longer calculated or available or an interruption to the dissemination of the value of the index or portfolio of securities persists past the trading day in which it occurred or the index or portfolio on which the series of Index Fund Shares is based is replaced with new index or portfolio, unless the new index or portfolio meets the requirements of this Rule 14.11(c) for listing either pursuant to Rule 19b-4(e) under the Act (including the filing of a Form 19b-4(e) with the

Commission) or by Commission approval of a filing pursuant to Section 19(b)(2) of the Act;

(c) if any of the requirements set forth in this rule are not continuously met;

(d) if, where the Exchange has filed a separate proposal under Section 19(b) of the Act to list such Index Fund Shares, any of the applicable Continued Listing Representations are not continuously met;

(e) if there is an interruption to the Intraday Indicative Value, if applicable, being disseminated at least every 15 seconds during Regular Trading Hours and such interruption persists past the trading day in which it occurred; 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.

Upon termination of an open-end management investment company, the Exchange requires that Index Fund Shares issued in connection with such entity be removed from listing.

(C) Voting — voting rights shall be as set forth in the applicable open-end management investment company prospectus.

(10) 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 Index Fund Shares; the amount of any dividend equivalent payment or cash distribution to holders of Index Fund Shares; net asset value; or other information relating to the purchase, redemption or trading of Index Fund 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.

(d) Securities Linked to the Performance of Indexes and Commodities (Including Currencies)

The Exchange will consider for listing and trading equity index-linked securities ("Equity Index-Linked Securities), commodity-linked securities ("Commodity-Linked Securities"), fixed

income index-linked securities ("Fixed Income Index-Linked Securities"), futures-linked securities ("Futures-Linked Securities") and multifactor index-linked securities ("Multifactor Index-Linked Securities" and, together with Equity Index-Linked Securities, Commodity-Linked Securities, Fixed Income Index-Linked Securities and Futures-Linked Securities, "Linked Securities") that in each case meet the applicable criteria of this Rule. Equity Index-Linked Securities are securities that provide for the payment at maturity of a cash amount based on the performance of an underlying equity index or indexes (an "Equity Reference Asset"). The payment at maturity with respect to Commodity-Linked Securities is based on one or more physical Commodities or Commodity futures, options or other Commodity derivatives, Commodity-Related Securities, or a basket or index of any of the foregoing (any such basis for payment is referred to below as the "Commodity Reference Asset"). The payment at maturity with respect to Fixed Income Index-Linked Securities is based on the performance of one or more indexes or portfolios of 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 (a "Fixed Income Reference Asset"). The payment at maturity with respect to Futures-Linked Securities is based on the performance of an index of (a) 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 (b) interest rate futures or options or derivatives on the foregoing in this subparagraph (b); or (c) Cboe Volatility Index (VIX) Futures; or (d) EURO STOXX 50 Volatility Index (VSTOXX) Futures (a "Futures Reference Asset"). The payment at maturity with respect to Multifactor Index-Linked Securities is based on the performance of any combination of two or more Equity Reference Assets, Commodity Reference Assets, Fixed Income Reference Assets or Futures Reference Assets (a "Multifactor Reference Asset", and together with Equity Reference Asset, Commodity Reference Asset, Fixed Income Reference Asset and Futures Reference Asset, "Reference Assets"). A Multifactor Reference Asset may include as a component a notional investment in cash or a cash equivalent based on a widely accepted overnight loan interest rate, LIBOR, Prime Rate, or an implied interest rate based on observed market spot and foreign currency forward rates.

(1) Definitions:

(A) Commodity-Related Security. The term "Commodity-Related Security" means a security that is issued by a trust, partnership, commodity pool or similar entity that invests, directly or through another entity, in any combination of commodities, futures contracts, options on futures contracts, forward contracts, commodity swaps, or other related derivatives, or the value of which is determined by the value of commodities, futures contracts, options on futures contracts, forward contracts, commodity swaps, or other related derivatives.

(B) Commodity. The term "commodity" is defined in Section 1(a)(4) of the Commodity Exchange Act.

(2) Listing Requirements. Linked Securities may or may not provide for the repayment of the original principal investment amount. Where the Exchange has filed a separate proposal under Section 19(b) of the Act to list Linked Securities that

do not meet some or all of the standards set forth below in paragraphs (A) through (K), the Exchange will consider the suspension of trading in and will initiate delisting proceedings for such Linked Securities pursuant to Rule 14.12 if any of the applicable Continued Listing Representations are not continuously met or where the Linked Securities do not continuously meet the standards set forth below in paragraphs (A) through (K) that are not otherwise covered by a Continued Listing Representation. The Exchange will consider Linked Securities for listing and trading pursuant to Rule 19b-4(e) under the Act, provided:

(A) Both the issue and the issuer of such security meet the criteria for other securities set forth in Rule 14.11(h) upon initial listing and on a continual basis, except that if the security is traded in $1,000 denominations or is redeemable at the option of holders thereof on at least a weekly basis, then no minimum number of holders and no minimum public distribution of trading units shall be required.

(B) The issue has a term of not less than one (1) year and not greater than thirty (30) years.

(C) The issue must be the non-convertible debt of the Company.

(D) The payment at maturity may or may not provide for a multiple of the direct or inverse performance of an underlying index, indexes or Reference Asset; however, in no event will a loss (negative payment) at maturity be accelerated by a multiple that exceeds three times the performance of an underlying index, indexes or Reference Asset.

(E) Upon initial listing and on a continual basis, the Company will be expected: (i) to have a minimum tangible net worth in excess of $250,000,000 and to exceed by at least 20% the earnings requirements set forth in Rule 14.8(b)(2); or (ii) to have a minimum tangible net worth of $150,000,000 and to exceed by at least 20% the earnings requirement set forth in Rule 14.8(b)(2) and not to have issued securities where the original issue price of all the Company's other index-linked note offerings (combined with index-linked note offerings of the Company's affiliates) listed on a national securities exchange exceeds 25% of the Company's net worth.

(F) The Company is in compliance with Rule 10A-3 under the Act upon initial listing and on a continual basis.

(G) Maintenance and Dissemination. The following requirements shall be satisfied on an initial and on a continual basis —

(i) If the index is maintained by a broker-dealer, the broker-dealer shall erect and maintain a "firewall" 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.

(ii) Unless the Commission order applicable under paragraph (K) provides otherwise, the current value of the index or the Reference

Asset (as applicable) will be widely disseminated at least every 15 seconds during the Exchange's regular market session, except as provided in the next clause (iii).

(iii) The values of the following indexes need not be calculated and widely disseminated at least every 15 seconds if, after the close of trading, the indicative value of the Equity Index-Linked Security based on one or more of such indexes is calculated and disseminated to provide an updated value: Cboe S&P 500 BuyWrite Index(sm), Cboe DJIA Buy Write Index(sm), Cboe Nasdaq-100 BuyWrite Index(sm).

(iv) If the value of a Linked Security is based on more than one index, then the dissemination requirement of this paragraph (G) applies to the composite value of such indexes.

(v) In the case of a Commodity-Linked Security that is periodically redeemable, the indicative value of the subject Commodity-Linked Security must be calculated and widely disseminated by one or more major market data vendors on at least a 15-second basis during the Exchange's regular market session.

(H) Trading Halts. In the case of Linked Securities, if the indicative value (if required to be disseminated) or the Reference Asset value is not being disseminated as required, or if the value of the index is not being disseminated as required, the Exchange may halt trading during the day on which such interruption occurs. The Exchange will halt trading no later than the beginning of trading following the trading day when the interruption commenced if such interruption persists at this time.

(I) Surveillance Procedures. The Exchange will implement and maintain written surveillance procedures for Linked Securities. The Exchange will enter into adequate comprehensive surveillance sharing agreements for non-U.S. securities, as applicable.

(J) Linked Securities will be treated as equity instruments. Furthermore, for the purpose of fee determination, Linked Securities shall be deemed and treated as Other Securities.

(K) Linked Securities

(i) Equity Index-Linked Securities Criteria

(a) In the case of an Equity Index-Linked Security, each underlying index is required to have at least ten (10) component securities; provided, however, that there shall be no minimum number of component securities if one or more issues of Derivative Securities Products (which are defined in Rule 14.11(c)(3)(A)(i)(a)), Linked Securities (as described in Rule

14.11(d)), or securities listed on another national securities exchange pursuant to substantially equivalent listing rules, constitute, at least in part, component securities underlying an issue of Equity Index-Linked Securities. In addition, the index or indexes to which the security is linked shall either:

(1) have been reviewed and approved for the trading of Index Fund Shares or options or other derivatives by the Commission under Section 19(b)(2) of the 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

(2) the index or indexes meet the following criteria:

(A) Each component security (excluding Derivative Securities Products and Linked Securities) has a minimum market value 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 (excluding Derivative Securities Products and Linked Securities), the market value can be at least $50 million;

(B) Component stocks (excluding Derivative Securities Products and Linked Securities) that in the aggregate account for at least 90% of the weight of the index (excluding Derivative Securities Products and Linked Securities) each shall have a minimum global monthly trading volume of 1,000,000 shares, or minimum global notional volume traded per month of $25,000,000, averaged over the last six months;

(C) No underlying component security (excluding Derivative Securities Products and Linked Securities) will represent more than 25% of the weight of the index, and, to the extent applicable, the five highest weighted component securities in the index (excluding Derivative Securities Products and Linked Securities) do 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);

(D) 90% of the index's numerical value (excluding Derivative Securities Products and Linked Securities) and at least 80% of the total number of component securities (excluding Derivative Securities Products and Linked Securities) will meet the then current criteria for standardized option trading on a national securities exchange or a national securities association, provided, however, that an index will not be subject to this requirement if (i) no underlying component security represents more than 10% of the dollar weight of the index (excluding Derivative Securities Products and Linked Securities) and (ii) the index has a minimum of 20 components (excluding Derivative Securities Products and Linked Securities); and

(E) All component securities shall be either (i) securities (other than securities of a foreign issuer and American Depository Receipts ("ADRs")) that are (a) issued by a 1934 Act reporting company or by an investment company registered under the Investment Company Act of 1940 that, in each case, has securities listed on a national securities exchange and (b) an "NMS stock" (as defined in Rule 600 of Regulation NMS under the Act), or (ii) securities of a foreign issuer or ADRs, provided that securities of a foreign issuer (including when they underlie ADRs) whose primary trading market outside the United States is not a member of the Intermarket Surveillance Group ("ISG") or a party to a comprehensive surveillance sharing agreement with the Exchange will not in the aggregate represent more than 50% of the dollar weight of the index, and provided further that (a) the securities of any one such market do not represent more than 20% of the dollar weight of the index, and (b) the securities of any two such markets do not represent more than 33% of the dollar weight of the index.

(b) Continued Listing Criteria

(1) The Exchange will consider the suspension of trading in, and will initiate delisting proceedings pursuant to Rule 14.12 (unless the Commission has approved the continued trading of the subject Equity Index-Linked

Security), if any of the standards set forth above in paragraph (a) are not continuously maintained, except that:

(A) the criteria that no single component represent more than 25% of the dollar weight of the index (excluding Derivative Securities Products and Linked Securities) and, to the extent applicable, the five highest dollar weighted components in the index (excluding Derivative Securities Products and Linked Securities) 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 at the time the index is rebalanced; and

(B) Component stocks (excluding Derivative Securities Products and Linked Securities) that in the aggregate account for at least 90% of the weight of the index (excluding Derivative Securities Products and Linked Securities) each shall have a minimum global monthly trading volume of 500,000 shares, or minimum global notional volume traded per month of $12,500,000, averaged over the last six months.

(2) In connection with an Equity Index-Linked Security that is listed pursuant to paragraph (i)(a)(1) above, the Exchange will consider the suspension of trading in, and will initiate delisting proceedings pursuant to Rule 14.12 (unless the Commission has approved the continued trading of the subject Equity Index-Linked Security) 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 Act approving the index or indexes for the trading of options or other derivatives.

(3) the Exchange will consider the suspension of trading in, and will initiate delisting proceedings pursuant to Rule 14.12 (unless the Commission has approved the continued trading of the subject Equity Index-Linked Security), under any of the following circumstances:

(A) if the aggregate market value or the principal amount of the Equity Index-Linked Securities publicly held is less than $400,000;

(B) if an interruption to the dissemination of the value of the index or composite value of the indexes persists past the trading day in which it occurred or the value of the index or composite value of the indexes is no longer calculated or widely disseminated on at least a 15-second basis with respect to indexes containing only securities listed on a national securities exchange, or on at least a 60-second basis with respect to indexes containing foreign country securities, provided, however, that, if the official index value does not change during some or all of the period when trading is occurring on the Exchange (for example, for indexes of foreign country securities, because of time zone differences or holidays in the countries where such indexes' component stocks trade) then the last calculated official index value must remain available throughout Regular Trading Hours and the Early Trading Pre-Opening and After Hours Trading Sessions; or

(C) if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

(4) Equity-Linked Index Rebalancing. Equity-Linked Indexes will be rebalanced at least annually.

(ii) Reference Asset Criteria for Commodity-Linked Securities

(a) In the case of a Commodity-Linked Security, the Reference Asset shall meet the criteria in either subparagraph (1) or subparagraph (2) below:

(1) The Reference Asset to which the security is linked shall have been reviewed and approved for the trading of Commodity-Related Securities or options or other derivatives by the Commission under Section 19(b)(2) of the 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.

(2) The pricing information for each component of a Reference Asset other than a Currency must be derived from a market which is an 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. The pricing information for each component of a Reference Asset that is a Currency must be either: (A) the generally accepted spot price for the currency exchange rate in question; or (B) derived from a market of which (i) is an ISG member or affiliate or with which the Exchange has a comprehensive surveillance sharing agreement and (ii) is the pricing source for a currency component of a Reference Asset that has previously been approved by the Commission. A Reference Asset may include components representing not more than 10% of the dollar weight of such Reference Asset for which the pricing information is derived from markets that do not meet the requirements of this subparagraph (2), provided, however, that no single component subject to this exception exceeds 7% of the dollar weight of the Reference Asset. The term "Currency," as used in this subparagraph, shall mean one or more currencies, or currency options, futures, or other currency derivatives, Commodity-Related Securities if their underlying Commodities are currencies or currency derivatives, or a basket or index of any of the foregoing.

(b) The issue must meet the following continued listing criteria:

(1) The Exchange will consider the suspension of trading in, and will initiate delisting proceedings pursuant to Rule 14.12 if any of the initial listing criteria described above are not continuously maintained.

(2) The Exchange will consider the suspension of trading in, and will initiate delisting proceedings pursuant to Rule 14.12 under any of the following circumstances:

(A) If the aggregate market value or the principal amount of the Commodity-Linked Securities publicly held is less than $400,000;

(B) An interruption to the dissemination of the value of the Commodity Reference Asset persists past the trading day in which it occurred or 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; or

(C) If such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

(iii) Fixed Income Index-Linked Securities Listing Standards

(a) The issue must meet one of the criteria set forth in either (1) or (2) below.

(1) The Fixed Income Reference Asset to which the security is linked shall have been reviewed and approved for the trading of options, Index Fund Shares, or other derivatives by the Commission under Section 19(b)(2) of the Securities Exchange Act of 1934 and rules thereunder and the conditions set forth in the Commission's approval order, continue to be satisfied.

(2) The issue must meet the following initial listing criteria:

(A) Components of the Fixed Income Reference Asset that in the aggregate account for at least 75% of the weight of the Fixed Income Reference Asset must each have a minimum original principal amount outstanding of $100 million or more;

(B) A component of the Fixed Income Reference Asset may be a convertible security, however, once the convertible security component converts to the underlying equity security, the component is removed from the Fixed Income Reference Asset;

(C) No component of the Fixed Income Reference Asset (excluding Treasury Securities and GSE Securities) will represent more than 30% of the dollar weight of the Fixed Income Reference Asset, and the five highest dollar weighted components in the Fixed Income Reference Asset will not in the aggregate account for more than 65% of the dollar weight of the Fixed Income Reference Asset;

(D) An underlying Fixed Income Reference Asset (excluding one consisting entirely of exempted securities) must include a minimum of 13 non-affiliated issuers; and

(E) Component securities that in the aggregate account for at least 90% of the dollar weight of the Fixed Income Reference Asset must be from one of the following: (i) issuers that are required to file reports pursuant to Sections 13 and 15(d) of the Act ; or (ii) issuers that have a worldwide market value of outstanding common equity held by non-affiliates of $700 million or more; or (iii) issuers that have outstanding securities that are notes, bonds, debentures, or evidence of indebtedness having a total remaining principal amount of at least $1 billion; or (iv) exempted securities as defined in Section 3(a)(12) of the Act, or (v) issuers that are a government of a foreign country or a political subdivision of a foreign country.

(b) In addition, the value of the Fixed Income Reference Asset must be widely disseminated to the public by one or more major market vendors at least once per business day.

(c) The issue must meet the following continued listing criteria:

(1) The Exchange will consider the suspension of trading in, and will initiate delisting proceedings pursuant to Rule 14.12 if any of the initial listing criteria described above are not continuously maintained.

(2) The Exchange will consider the suspension of trading in, and will initiate delisting proceedings pursuant to Rule 14.12:

(A) if the aggregate market value or the principal amount of the Fixed Income Index-Linked Securities publicly held is less than $400,000;

(B) if an interruption to the dissemination of the value of the Fixed Income Reference Asset persists past the trading day in which it occurred or is no longer calculated or available and a new Fixed Income Reference Asset is substituted, unless the new Fixed Income Reference Asset meets the requirements of this Rule 14.11(d)(2)(K); or

(C) if such other event shall occur or condition exists which in the opinion of the

Exchange makes further dealings on the Exchange inadvisable.

(iv) Futures-Linked Securities Listing Standards

(a) The issue must meet the initial listing standard set forth in either (1) or (2) below:

(1) The Futures Reference Asset to which the security is linked shall have been reviewed and approved for the trading of Futures-Linked Securities or options or other derivatives by the Commission under Section 19(b)(2) of the 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, or

(2) the pricing information for components of a Futures Reference Asset must be derived from a market which is an ISG member or affiliate or with which the Exchange has a comprehensive surveillance sharing agreement. A Futures Reference Asset may include components representing not more than 10% of the dollar weight of such Futures Reference Asset for which the pricing information is derived from markets that do not meet the requirements of this subparagraph (2); provided, however, that no single component subject to this exception exceeds 7% of the dollar weight of the Futures Reference Asset.

(b) In addition, the issue must meet both of the following initial listing criteria:

(1) the value of the Futures Reference Asset must be calculated and widely disseminated by one or more major market data vendors on at least a 15-second basis during the Exchange's regular market session; and

(2) in the case of Futures-Linked Securities that are periodically redeemable, the value of a share of each series (the "Intraday Indicative Value") of the subject Futures-Linked Securities must be calculated and widely disseminated by the Exchange or one or more major market data vendors on at least a 15-second basis during the Exchange's regular market session.

(c) The issue must meet the following continued listing criteria:

(1) The Exchange will consider the suspension of trading in, and will initiate delisting proceedings pursuant to Rule 14.12 if any of the initial listing criteria described above are not continuously maintained.

(2) The Exchange will consider the suspension of trading in, and will initiate delisting proceedings pursuant to Rule 14.12 under any of the following circumstances:

(A) if the aggregate market value or the principal amount of the Futures-Linked Securities publicly held is less than $400,000;

(B) if an interruption to the dissemination of the value of the Futures Reference Asset persists past the trading day in which it occurred or is no longer calculated or available and a new Futures Reference Asset is substituted, unless the new Futures Reference Asset meets the requirements of this Rule 14.11(d)(2)(K); or

(C) if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

(v) Multifactor Index-Linked Securities Listing Standards

(a) The issue must meet the following initial listing standards set forth in either (1) or (2) below:

(1) each component of the Multifactor Reference Asset to which the security is linked shall have been reviewed and approved for the trading of either options, Index Fund Shares, or other derivatives under Section 19(b)(2) of the Act and rules thereunder and the conditions set forth in the Commission's approval order continue to be satisfied, or

(2) each Reference Asset included in the Multifactor Reference Asset must meet the applicable initial and continued listing criteria set forth in the relevant subsection of this Rule 14.11(d)(2)(K).

(b) In addition, the issue must meet both of the following initial listing criteria:

(1) the value of the Multifactor Reference Asset must be calculated and widely disseminated to the public on at least a 15-second basis during the time the Multifactor Index-Linked Security trades on the Exchange; and

(2) in the case of Multifactor Index-Linked Securities that are periodically redeemable, the indicative value of the Multifactor Index- 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 Multifactor Index-Linked Securities trade on the Exchange.

(c) The Exchange will consider the suspension of trading in, and will initiate delisting proceedings pursuant to Rule 14.12:

(1) if any of the initial listing criteria described above are not continuously maintained;

(2) if the aggregate market value or the principal amount of the Multifactor Index-Linked Securities publicly held is less than $400,000;

(3) if an interruption to the dissemination of the value of the Multifactor Reference Asset persists past the trading day in which it occurred or is no longer calculated or available and a new Multifactor Reference Asset is substituted, unless the new Multifactor Reference Asset meets the requirements of this Rule 14.11(d)(2)(K); or

(4) if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

Interpretations and Policies

.01

(a) The registered Market Maker in Linked Securities must file with the Exchange, in a manner prescribed by the Exchange, and keep current a list identifying all accounts for trading in the Reference Asset components, the commodities, currencies or futures underlying the Reference Asset components, or any derivative instruments based on the Reference Asset or based on any Reference Asset component or any physical commodity, currency or futures underlying a Reference Asset component, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker in Linked Securities shall trade in the Reference Asset components, the commodities, currencies or futures underlying the Reference Asset components, or any derivative instruments based on the Reference Asset or based on any Reference Asset component or any physical commodity, or futures currency underlying a

Reference Asset component, in an account in which 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) In addition to the existing obligations under Exchange rules regarding the production of books and records (e.g., Rule 4.2), the registered Market Maker in Linked Securities shall make available to the Exchange such books, records or other information pertaining to transactions by such entity or any limited partner, officer or approved person thereof, registered or nonregistered employee affiliated with such entity for its or their own accounts in the Reference Asset components, the commodities, currencies or futures underlying the Reference Asset components, or any derivative instruments based on the Reference Asset or based on any Reference Asset component or any physical commodity, currency or futures underlying a Reference Asset component, as may be requested by the Exchange.

(e) Trading of Certain Derivative Securities

(1) Index-Linked Exchangeable Notes

Index-Linked Exchangeable Notes which are exchangeable debt securities that are exchangeable at the option of the holder (subject to the requirement that the holder in most circumstances exchange a specified minimum amount of notes), on call by the issuer or at maturity for a cash amount (the "Cash Value Amount") based on the reported market prices of the underlying stocks of an underlying index will be considered for listing and trading by the Exchange pursuant to Rule 19b-4(e) under the Act, provided:

(A) Both the issue and the issuer of such security meet the requirements of in Rule 14.11(h), Listing Requirements for Securities Not Specified Above (Other Securities), upon initial listing and on a continual basis, except that the minimum public distribution shall be 150,000 notes with a minimum of 400 public note-holders, except, if traded in thousand dollar denominations or redeemable at the option of the holders thereof on at least a weekly basis, then no minimum public distribution and no minimum number of holders.

(B) The issue has a minimum term of one year.

(C) Upon initial listing and on a continual basis, the issuer will be expected: (i) to have a minimum tangible net worth in excess of $250,000,000, and to otherwise substantially exceed the earnings requirements set forth in Rule 14.8(b)(2); or (ii) to have a minimum tangible net worth of $150,000,000 and to otherwise substantially exceed the earnings requirements set forth in Rule 14.8(b)(2) and not to have issued Index-Linked Exchangeable Notes where the original issue price of all the issuer's other index-linked exchangeable note offerings (combined with other index-linked exchangeable note offerings of the issuer's affiliates) listed on a national securities exchange exceeds 25% of the issuer's net worth.

(D) The index to which an exchangeable-note is linked shall either be (i) indices that have been created by a third party and been reviewed and have been approved for the trading of options or other derivatives securities (each, a "Third-

Party Index") either by the Commission under Section 19(b)(2) of the Act and rules thereunder or by the Exchange under rules adopted pursuant to Rule 19b-4(e); or (ii) indices which the issuer has created and for which the Exchange will have obtained approval from either the Commission pursuant to Section 19(b)(2) and rules thereunder or from the Exchange under rules adopted pursuant to Rule 19b-4(e) (each an "Issuer Index"). The Issuer Indices and their underlying securities must meet one of the following upon initial listing and on a continual basis:

(i) the procedures and criteria set forth in BZX Options Rules 29.6(b) and (c), or

(ii) The criteria set forth in Rules 14.11(e)(12)(B)(ii)(b) and (c), the index concentration limits set forth in BZX Options Rule 29.6, and Rule 29.6(b)(12) insofar as it relates to Rule 29.6(b)(6).

(E) Index-Linked Exchangeable Notes will be treated as equity instruments.

(F) The Intraday Indicative Value of the subject Index-Linked Exchangeable Notes must be calculated and widely disseminated by the Exchange or one or more major market data vendors on at least a 15-second basis during Regular Trading Hours. For purposes of this Rule, the term "Intraday Indicative Value" means an estimate of the value of a note or a share of the series of Index-Linked Exchangeable Notes. If an interruption to the dissemination persists past the trading day in which it occurred, the Exchange will consider halting trading in the securities and will initiate delisting proceedings pursuant to Rule 14.12.

(G) The value of the underlying index must be publicly available to investors, on a real time basis, every 15 seconds. If an interruption to the dissemination persists past the trading day in which it occurred, the Exchange will consider halting trading in the securities and will initiate delisting proceedings pursuant to Rule 14.12.

(H) Beginning twelve months after the initial issuance of a series of index-linked exchangeable notes, the Exchange will consider the suspension of trading in and will commence delisting proceedings for that series of Index-Linked Exchangeable Notes pursuant to Rule 14.12 under any of the following circumstances:

(i) if the series has fewer than 50,000 notes issued and outstanding; or

(ii) if the market value of all Index-Linked Exchangeable Notes of that series issued and outstanding is less than $1,000,000.

(I) The Exchange will consider suspension of trading in and will commence delisting proceedings for a series of Index-Linked Exchangeable Notes pursuant to Rule 14.12:

(i) if, where the Exchange has filed a separate proposal under Section 19(b) of the Act to list such Index-Linked Exchangeable Notes, any of the applicable Continued Listing Representations are not continuously met;

(ii) if any of the requirements set forth in this rule are not continuously maintained; or

(iii) if such other event shall occur or such other condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

(2) Equity Gold Shares

(A) The provisions of this sub-paragraph (2) apply only to Equity Gold Shares that represent units of fractional undivided beneficial interest in and ownership of the Equity Gold Trust. While Equity Gold Shares are not technically Index Fund Shares and thus are not covered by Rule 14.11(c), all other rules that reference "Index Fund Shares" shall also apply to Equity Gold Shares.

(B) Except to the extent that specific provisions in this Rule govern, or unless the context otherwise requires, the provisions of all other Exchange Rules and policies shall be applicable to the trading of Equity Gold Shares on the Exchange.

(C) The provisions set forth in 14.11(e)(4) shall also apply to Equity Gold Shares.

(3) Trust Certificates

The Exchange will consider for trading, whether by listing or pursuant to unlisted trading privileges, certificates ("Trust Certificates") representing an interest in a special purpose trust (the "Trust") created pursuant to a trust agreement. The Trust will only issue Trust Certificates. Trust Certificates may or may not provide for the repayment of the original principal investment amount.

(A) Trust Certificates pay an amount at maturity which is based upon the performance of specified assets as set forth below:

(i) an underlying index or indexes of equity securities (an "Equity Reference Asset");

(ii) instruments that are direct obligations of the issuing company, either exercisable throughout their life (i.e., American style) or exercisable only on their expiration date (i.e., European style), entitling the holder to a cash settlement in U.S. dollars to the extent that the foreign or domestic index has declined below (for a put warrant) or increased above (for a call warrant) the pre-stated cash settlement value of the index ("Index Warrants"); or

(iii) a combination of two or more Equity Reference Assets or Index Warrants.

(B) The Exchange will file separate proposals under Section 19(b) of the Act before trading, either by listing or pursuant to unlisted trading privileges, Trust Certificates.

Interpretations and Policies

.01 Continued Listing. The Exchange will consider the suspension of trading in and will commence delisting proceedings with respect to an issue of Trust Certificates (unless the Commission has approved the continued trading of such issue) pursuant to Rule 14.12 under any of the following circumstances:

(a) if the aggregate market value or the principal amount of the securities publicly held is less than $400,000;

(b) if an interruption to the dissemination of the value of the index or composite value of the indexes persists past the trading day in which it occurred or is no longer calculated or widely disseminated on at least a 15-second basis with respect to indexes containing only securities listed on a national securities exchange, or on at least a 60- second basis with respect to indexes containing foreign country securities, provided, however, that, if the official index value does not change during some or all of the period when trading is occurring on the Exchange (for example, for indexes of foreign country securities, because of time zone differences or holidays in the countries where such indexes' component stocks trade) then the last calculated official index value must remain available throughout Regular Trading Hours and the Early Trading Session, Pre-Opening and After Hours Trading Sessions; or

(c) if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable;

(d) if any of the applicable Continued Listing Representations for the issue of Trust Certificates are not continuously met; or

(e) if any of the requirements set forth in this Rule are not continuously maintained.

.02 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.

.03 Trustee - The following requirements apply upon initial listing and on a continual basis:

(a) 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.

(b) No change is to be made in the trustee of a listed issue without prior notice to and approval of the Exchange.

.04 Voting—Voting rights shall be as set forth in the applicable Trust prospectus.

.05 Surveillance Procedures. The Exchange will implement and maintain written surveillance procedures for Trust Certificates.

.06 Equity Trading Rules. The Trust Certificates will be subject to the Exchange's equity trading rules.

.07 Information Circular. Prior to the commencement of trading of a particular Trust Certificate listing pursuant to this Rule, the Exchange will evaluate the nature and complexity of the issue and, if appropriate, distribute a circular to Members providing guidance regarding compliance responsibilities (including suitability recommendations and account approval) when handling transactions in Trust Certificates.

.08 Trust Certificates may be exchangeable at the option of the holder into securities that participate in the return of the applicable underlying asset. In the event that the Trust Certificates are exchangeable at the option of the holder and contain an Index Warrant, then a Member must ensure that the Member's account is approved for options trading in accordance with the rules of the Exchange's options market ("BZX Options") in order to exercise such rights.

.09 Trust Certificates may pass-through periodic payments of interest and principle of the underlying securities.

.10 Trust Insurance. The Trust payments may be guaranteed pursuant to a financial guaranty insurance policy which may include swap agreements.

.11 Early Termination. The Trust Certificates may be subject to early termination or call features.

(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, however the Exchange will file separate proposals under Section 19(b) of the Act before listing Commodity-Based Trust Shares.

(B) Applicability. This Rule is applicable only to Commodity-Based Trust Shares. Except to the extent inconsistent with this Rule, or unless the context otherwise requires, the provisions of the trust issued receipts rules, Bylaws, and all other rules and procedures of the Board of Directors shall be applicable to the trading on the Exchange of such securities. Commodity-Based Trust Shares are included within the definition of "security" or "securities" as such terms are used in the Rules of the Exchange.

(C) Definitions. The following terms as used in the Rules shall, unless the context otherwise requires, have the meaning herein specified:

(i) Commodity-Based Trust Shares. The term "Commodity-Based Trust Shares" means a security (a) that is issued by a trust ("Trust") that holds (1) a specified commodity deposited with the Trust, or (2) a specified commodity and, in addition to such specified commodity, cash; (b) that is issued by such Trust in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity and/or cash; and (c) that, when aggregated in the same specified minimum number, may be redeemed at a holder's request by such Trust which will deliver to the redeeming holder the quantity of the underlying commodity and/or cash.

(ii) Commodity. The term "commodity" is defined in Section 1a(9) of the Commodity Exchange Act.

(D) Designation of an Underlying Commodity. The Exchange may trade, either by listing or 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.

(E) Initial and Continued Listing. Commodity-Based Trust Shares will be listed and traded on the Exchange subject to application of the following criteria:

(i) 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.

(ii) Continued Listing—the Exchange will consider the suspension of trading in and will commence delisting proceedings for a series of Commodity-Based Trust Shares pursuant to Rule 14.12 under any of the following circumstances:

(a) if, following the initial 12 month period following commencement of trading on the Exchange, 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, following the initial 12 month period following commencement of trading on the Exchange, the Trust has fewer than 50,000 receipts issued and outstanding;

(c) if, following the initial 12 month period following commencement of trading on the Exchange, the market value of all receipts issued and outstanding is less than $1,000,000;

(d) if an interruption to the dissemination of the value of the underlying commodity persists past the trading day in which it occurred or 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 website to any such unaffiliated commodity value;

(e) if an interruption to the dissemination of the Intraday Indicative Value persists past the trading day in which it occurred or is no longer made available on at least a 15-second delayed basis;

(f) if any of the requirements set forth in this rule are not continuously met;

(g) if any of the applicable Continued Listing Representations for the issue of Commodity-Based Trust Shares are not continuously met; or

(h) if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

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.

(iii) (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.

(iv) Trustee - The following requirements apply: Trustee - The following requirements apply upon initial listing and on a continual basis:

(a) 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.

(b) No change is to be made in the trustee of a listed issue without prior notice to and approval of the Exchange.

(v) Voting—Voting rights shall be as set forth in the applicable Trust prospectus.

(F) Limitation of Exchange 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.

(G) Market Maker Accounts. A registered Market Maker in Commodity-Based Trust Shares must file with the Exchange in a manner prescribed by the Exchange and keep current a list identifying all accounts for trading in an underlying commodity, related commodity futures or options on commodity futures, or any other related commodity derivatives, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker shall trade in an underlying commodity, related commodity futures or options on commodity futures, or any other related commodity derivatives, in an account in which 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.

In addition to the existing obligations under Exchange rules regarding the production of books and records (see, e.g., Rule 4.2), the registered Market Maker in Commodity-Based Trust Shares shall make available to the Exchange such books, records or other information pertaining to transactions by such entity or registered or non-registered employee affiliated with such entity for its or their own accounts for trading the underlying physical commodity, related commodity futures or options on commodity futures, or any other related commodity derivatives, as may be requested by the Exchange.

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 requires that Members provide all purchasers of newly issued Commodity-Based Trust Shares a prospectus for the series of Commodity-Based Trust Shares.

.03 Transactions in Commodity-Based Trust Shares will occur during Regular Trading Hours and the Early Trading, Pre-Opening and After Hours Trading Sessions.

(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.

(B) Applicability. This Rule is applicable only to Currency Trust Shares. Except to the extent inconsistent with this Rule, or unless the context otherwise requires, the provisions of the trust issued receipts rules, Bylaws, and all other rules and procedures of the Board of Directors shall be applicable to the trading on the Exchange of such securities. Currency Trust Shares are included within the definition of "security" or "securities" as such terms are used in the Rules of the Exchange.

(C) Currency Trust Shares. The term "Currency Trust Shares" as used in these Rules shall, unless the context otherwise requires, mean a security that (i) is issued by a trust ("Trust") that holds a specified non-U.S. currency or currencies deposited with the Trust; (ii) when aggregated in some specified minimum number may be surrendered to the Trust by an Authorized Participant (as defined in the Trust's prospectus) to receive the specified non-U.S. currency or currencies; and (iii) pays beneficial owners interest and other distributions on the deposited non-U.S. currency or currencies, if any, declared and paid by the Trust.

(D) Designation of Non-U.S. Currency. The Exchange may trade, either by listing or pursuant to unlisted trading privileges, Currency Trust Shares that hold a specified non- U.S. currency or currencies. Each issue of Currency Trust Shares shall be designated as a separate series and shall be identified by a unique symbol.

(E) Initial and Continued Listing. Currency Trust Shares will be listed and traded on the Exchange subject to application of the following criteria:

(i) 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.

(ii) Continued Listing—the Exchange will consider the suspension of trading in and will commence delisting proceedings for a series of Currency Trust Shares pursuant to Rule 14.12 under any of the following circumstances:

(a) if, following the initial 12 month period following commencement of trading on the Exchange, 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, following the initial 12 month period following commencement of trading on the Exchange, the Trust has fewer than 50,000 Currency Trust Shares issued and outstanding;

(c) if, following the initial 12 month period following commencement of trading on the Exchange, the market value of all Currency Trust Shares issued and outstanding is less than $1,000,000;

(d) if an interruption to the dissemination of the value of the applicable non-U.S. currency persists past the trading day in which it occurred or 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 website to any such unaffiliated applicable non-U.S. currency value;

(e) if an interruption to the dissemination of the Intraday Indicative Value persists past the trading day in which it occurred or is no longer made available on at least a 15-second delayed basis;

(f) if any of the requirements set forth in this rule are not continuously met;

(g) if any of the applicable Continued Listing Representations for the issue of Currency Trust Shares are not continuously met; or

(h) if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

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.

(iii) 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.

(iv) Trustee - The following requirements apply upon initial listing and on a continual basis:

(a) 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.

(b) No change is to be made in the trustee of a listed issue without prior notice to and approval of the Exchange.

(v) Voting - Voting rights shall be as set forth in the applicable Trust prospectus.

(F) Limitation of Exchange 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.

(G) Market Maker Accounts. A registered Market Maker in Currency Trust Shares must file with the Exchange, in a manner prescribed by the Exchange, and keep current a list identifying all accounts for trading in the applicable non-U.S. currency, options, futures or options on futures on such currency, or any other derivatives based on such currency, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker shall trade in the applicable non-U.S. currency, options, futures or options on futures on such currency, or any other derivatives based on such currency, in an account in which 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.

In addition to the existing obligations under Exchange rules regarding the production of books and records (see, e.g., Rule 4.2), a registered Market Maker in Currency Trust Shares shall make available to the Exchange such books, records or other information pertaining to transactions by such entity or registered or non-registered employee affiliated with such entity for its or their own accounts for trading the applicable non-U.S. currency, options, futures or options on futures on such currency, or any other derivatives based on such currency, as may be requested by the Exchange.

Interpretations and Policies

.01 A Currency Trust Share is a Trust Issued Receipt that holds a specified non-U.S. currency or currencies deposited with the Trust.

.02 The Exchange requires that Members provide all purchasers of newly issued Currency Trust Shares a prospectus for the series of Currency Trust Shares.

.03 Transactions in Currency Trust Shares will occur during Regular Trading Hours and the Early Trading, Pre-Opening and After Hours Trading Sessions.

.04 The Exchange may approve an issue of Currency Trust Shares for listing and/or trading (including pursuant to unlisted trading privileges) pursuant to Rule 19b-4(e) under the Act. Such issue shall satisfy the criteria set forth in this Rule and below upon initial listing and on a continual basis, provided that, for issues approved for trading pursuant to unlisted trading privileges, only paragraphs (b), (c) and (d) below are required to be satisfied. If an interruption to the dissemination required by paragraphs (b) or (c) persists past the trading day in which it occurred or paragraph (d) is not maintained, the Exchange will consider halting trading in the securities and will initiate delisting proceedings pursuant to Rule 14.12.

(a) a minimum of 100,000 shares of a series of Currency Trust Shares is required to be outstanding at commencement of trading;

(b) the value of the applicable non-U.S. currency, currencies or currency index must be disseminated by one or more major market data vendors on at least a 15-second delayed basis;

(c) the Intraday Indicative Value must be calculated and widely disseminated by the Exchange or one or more major market data vendors on at least a 15-second basis during the Exchange's regular market session; and

(d) The Exchange will implement and maintain written surveillance procedures applicable to Currency Trust Shares.

.05 If the value of a Currency Trust Share is based in whole or in part on an index that is maintained by a broker-dealer, the broker-dealer shall erect and maintain 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-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.

.06 Equity Trading Rules

Currency Trust Shares will be subject to the Exchange's equity trading rules.

.07 Trading Halts

If the Intraday Indicative Value, or the value of the non-U.S. currency or currencies or the currency index applicable to a series of Currency Trust Shares 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. If the Exchange becomes aware that the net asset value applicable to a series of Currency Trust Shares is not being disseminated to all market participants at the same time, it will halt trading in such series until such time as the net asset value is available to all market participants.

(6) Commodity Index Trust Shares

(A) The Exchange will consider for trading, whether by listing or pursuant to unlisted trading privileges, Commodity Index Trust Shares that meet the criteria of this Rule, however the Exchange will file separate proposals under Section 19(b) of the Act before listing Commodity Index Trust Shares.

(B) Applicability. This Rule is applicable only to Commodity Index Trust Shares. Except to the extent inconsistent with this Rule, or unless the context otherwise requires, the provisions of the trust issued receipts rules, Bylaws, and all other rules and procedures of the Board of Directors shall be applicable to the trading on the Exchange of such securities. Commodity Index Trust Shares are included within the definition of "security" or "securities" as such terms are used in the Rules of the Exchange.

(C) Commodity Index Trust Shares. The term "Commodity Index Trust Shares" as used in the Rules shall, unless the context otherwise requires, mean a security that: (i) is issued by a trust ("Trust") that: (a) is a commodity pool as defined in the Commodity Exchange Act and regulations thereunder, and that is managed by a commodity pool operator registered with the Commodity Futures Trading Commission, and (b) that holds long positions in futures contracts on a specified commodity index, or interests in a commodity pool which, in turn, holds such long positions; and (ii) when aggregated in some specified minimum number may be surrendered to the Trust by the beneficial owner to receive positions in futures contracts on a specified index and cash or short term securities. 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.

(D) Designation. The Exchange may trade, either by listing or pursuant to unlisted trading privileges, Commodity Index Trust Shares based on one or more securities. The Commodity Index Trust Shares based on particular securities shall be designated as a separate series and shall be identified by a unique symbol.

(E) Initial and Continued Listing. Commodity Index Trust Shares will be listed and traded on the Exchange subject to application of the following criteria:

(i) Initial Listing - The Exchange will establish a minimum number of Commodity Index Trust Shares required to be outstanding at the time of commencement of trading on the Exchange.

(ii) Continued Listing - The Exchange will consider the suspension of trading in and will commence delisting proceedings for a series of Commodity Index Trust Shares pursuant to Rule 14.12 under any of the following circumstances:

(a) following the initial twelve-month period beginning upon the commencement of trading of the Commodity Index Trust Shares, there are fewer than 50 record and/or beneficial holders of Commodity Index Trust Shares for 30 or more consecutive trading days;

(b) if an interruption to the dissemination of the value of the applicable underlying index persists past the trading day in which it occurred or is no longer calculated or available on at least a 15-second delayed basis from a source unaffiliated with the sponsor, the Trust or the trustee of the Trust;

(c) if the net asset value for the trust is no longer disseminated to all market participants at the same time;

(d) if an interruption to the dissemination of the Intraday Indicative Value persists past the trading day in which it occurred or is no longer made available on at least a 15-second delayed basis;

(e) if any of the requirements set forth in this rule are not continuously met;

(f) if any of the applicable Continued Listing Representations for the issue of Commodity Index Trust Shares are not continuously met; or

(g) if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

Upon termination of a Trust, the Exchange requires that Commodity Index 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.

(iii) 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.

(iv) Trustee - The following requirements apply upon initial listing and on a continual basis:

(a) 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.

(b) No change is to be made in the trustee of a listed issue without prior notice to and approval of the Exchange.

(v) Voting - Voting rights shall be as set forth in the applicable Trust prospectus.

(F) Limitation of Exchange 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 underlying index value; the current value of the applicable positions or interests required to be deposited to the Trust in connection with issuance of Commodity Index Trust Shares; net asset value; or any other information relating to the purchase, redemption, or trading of the Commodity Index 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 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 the applicable positions or interests.

(G) Market Maker Accounts. A registered Market Maker in Commodity Index Trust Shares must file with the Exchange in a manner prescribed by the Exchange and keep current a list identifying all accounts for trading in the applicable physical commodities included in, or options, futures or options on futures on, an index underlying an issue of Commodity Index Trust Shares or any other derivatives based on such index or based on any commodity included in such index, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker shall trade in the applicable physical commodities included in, or options, futures or options on futures on, an index underlying an issue of Commodity Index Trust Shares or any other derivatives based on such index or based on any commodity included in such index, in an account in which 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.

In addition to the existing obligations under Exchange rules regarding the production of books and records (see, e.g., Rule 4.2), a registered Market Maker in Commodity Index Trust Shares shall make available to the Exchange such books, records or other information pertaining to transactions by such entity or registered or non-registered employee affiliated with such entity for its or their own accounts for trading the applicable physical commodities included in, or options, futures or options on futures on, an index underlying an issue of Commodity Index Trust Shares or any other derivatives based on such index or based on any commodity included in such index, as may be requested by the Exchange.

Interpretations and Policies

.01 A Commodity Index Trust Share is a Trust Issued Receipt that holds long positions in futures contracts on a specified commodity index, or interests in a commodity pool which, in turn, holds such long positions, deposited with the Trust.

.02 The Exchange requires that Members provide all purchasers of newly issued Commodity

Index Trust Shares a prospectus for the series of Commodity Index Trust Shares.

.03 Transactions in Commodity Index Trust Shares will occur during Regular Trading Hours and the Early Trading, Pre-Opening and After Hours Trading Sessions.

(7) Commodity Futures Trust Shares

(A) The Exchange will consider for trading, whether by listing or pursuant to unlisted trading privileges, Commodity Futures Trust Shares that meet the criteria of this Rule, however the Exchange will file separate proposals under Section 19(b) of the Act before listing Commodity Futures Trust Shares.

(B) Applicability. This Rule is applicable only to Commodity Futures Trust Shares. Except to the extent inconsistent with this Rule, or unless the context otherwise requires, the provisions of the trust issued receipts rules, Bylaws, and all other rules and procedures of the Board of Directors shall be applicable to the trading on the Exchange of such securities. Commodity Futures Trust Shares are included within the definition of "security" or "securities" as such terms are used in the Rules of the Exchange.

(C) Commodity Futures Trust Shares. The term "Commodity Futures Trust Shares" as used in the Rules shall, unless the context otherwise requires, mean a security that (i) is issued by a trust ("Trust") that (a) is a commodity pool as defined in the Commodity Exchange Act and regulations thereunder, and that is managed by a commodity pool operator registered with the Commodity Futures Trading Commission, and (b) holds positions in futures contracts that track the performance of a specified commodity, or interests in a commodity pool which, in turn, holds

such positions; and (ii) is issued and redeemed daily in specified aggregate amounts at net asset value. The term "futures contract" is a "contract of sale of a commodity for future delivery" set forth in Section 2(a) of the Commodity Exchange Act. The term "commodity" is defined in Section 1(a)(4) of the Commodity Exchange Act.

(D) Designation of an Underlying Commodity Futures Contract. The Exchange may trade, either by listing or pursuant to unlisted trading privileges, Commodity Futures Trust Shares based on an underlying commodity futures contract. Each issue of Commodity Futures Trust Shares shall be designated as a separate series and shall be identified by a unique symbol.

(E) Initial and Continued Listing. Commodity Futures Trust Shares will be listed and traded on the Exchange subject to application of the following criteria:

(i) Initial Listing - The Exchange will establish a minimum number of Commodity Futures Trust Shares required to be outstanding at the time of commencement of trading on the Exchange.

(ii) Continued Listing - The Exchange will consider the suspension of trading in and will commence delisting proceedings for a series of Commodity Futures Trust Shares pursuant to Rule 14.12 under any of the following circumstances:

(a) if, following the initial twelve-month period beginning upon the commencement of trading of the Commodity Futures Trust Shares: (1) the Trust has fewer than 50,000 Commodity Futures Trust Shares issued and outstanding; or (2) the market value of all Commodity Futures Trust Shares issued and outstanding is less than $1,000,000; or (3) there are fewer than 50 record and/or beneficial holders of Commodity Futures Trust Shares for 30 consecutive trading days;

(b) if an interruption to the dissemination of the value of the underlying futures contracts persists past the trading day in which it occurred or is no longer calculated or available on at least a 15-second delayed basis during Regular Trading Hours from a source unaffiliated with the sponsor, the Trust or the trustee of the Trust;

(c) if the net asset value for the Trust is no longer disseminated to all market participants at the same time;

(d) if an interruption to the dissemination of the Intraday Indicative Value persists past the trading day in which it occurred or is no longer disseminated on at least a 15-second delayed basis during Regular Trading Hours;

(e) if any of the requirements set forth in this rule are not continuously met;

(f) if any of the applicable Continued Listing Representations for the issue of Commodity Futures Trust Shares are not continuously met; or

(g) if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

Upon termination of a Trust, the Exchange requires that Commodity Futures Trust Shares issued in connection with such trust be removed from Exchange listing. A Trust will terminate in accordance with the provisions of the Trust prospectus.

(iii) (Term - The stated term of the Trust shall be as stated in the prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(iv) Trustee - The following requirements apply upon initial listing and on a continual basis:

(a) 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.

(b) No change is to be made in the trustee of a listed issue without prior notice to and approval of the Exchange.

(v) Voting - Voting rights shall be as set forth in the applicable Trust prospectus.

(F) Market Maker Accounts.

(i) A registered Market Maker in Commodity Futures Trust Shares must file with the Exchange, in a manner prescribed by the Exchange, and keep current a list identifying all accounts for trading the underlying commodity, related futures or options on futures, or any other related derivatives, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker in the Commodity Futures Trust Shares shall trade in the underlying commodity, related futures or options on futures, or any other related derivatives, in an account in which 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.

(ii) In addition to the existing obligations under Exchange rules regarding the production of books and records (see, e.g., Rule 4.2), the registered Market Maker in Commodity Futures Trust Shares shall make available to the Exchange such books, records or other information pertaining to transactions by such entity or any limited partner, officer or approved person thereof, registered or non- registered employee affiliated with such entity for its or their own accounts in the underlying commodity, related futures or options on futures, or any other related derivatives, as may be requested by the Exchange.

(G) Limitation of Exchange 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 futures contract value; the current value of positions or interests if required to be deposited to the Trust in connection with issuance of Commodity Futures Trust Shares; net asset value; or other information relating to the purchase, redemption or trading of Commodity Futures 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 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 reporting of transactions in an underlying futures contract.

Interpretations and Policies

.01 Members trading in Commodity Futures Trust Shares shall provide all purchasers of newly issued Commodity Futures Trust Shares a prospectus for the series of Commodity Futures Trust Shares.

.02 Transactions in Commodity Futures Trust Shares will occur during Regular Trading Hours and the Early Trading, Pre-Opening and After Hours Trading Sessions.

.03 If the Intraday Indicative Value or the value of the underlying futures contract is not being disseminated as required, the Exchange may halt trading during the day in which the interruption to the dissemination of the Intraday Indicative Value or the value of the underlying futures contract occurs. If the interruption to the dissemination of the Intraday Indicative Value or the value of the underlying futures contract 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.

In addition, if the Exchange becomes aware that the net asset value with respect to a series of Commodity Futures Trust Shares is not disseminated to all market participants at the same time, it will halt trading in such series until such time as the net asset value is available to all market participants.

.04 The Exchange's rules governing the trading of equity securities apply.

.05 The Exchange will implement and maintain written surveillance procedures for Commodity Futures Trust Shares.

(8) 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, however the Exchange will file separate proposals under Section 19(b) of the Act before listing separate and distinct Partnership Units.

(B) Definitions. The following terms as used in the Rule shall, unless the context otherwise requires, have the meanings herein specified:

(i) Commodity. The term "commodity" is defined in Section 1(a)(4) of the Commodity Exchange Act.

(ii) 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) Initial and Continued Listing. Partnership Units will be listed and/or traded on the Exchange subject to application of the following criteria:

(i) 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.

(ii) Continued Listing - The Exchange will consider the suspension of trading in and will commence delisting proceedings for Partnership Units pursuant to Rule 14.12 under any of the following circumstances:

(a) if following the initial twelve month period following the commencement of trading of Partnership Units, (1) 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; (2) the partnership has fewer than 50,000 Partnership Units issued and

outstanding; or (3) the market value of all Partnership Units issued and outstanding is less than $1,000,000;

(b) if an interruption to the dissemination of the value of the underlying benchmark investment, commodity or asset persists past the trading day in which it occurred or 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 an interruption to the dissemination of the Intraday Indicative Value persists past the trading day in which it occurred or is no longer made available on at least a 15-second delayed basis;

(d) if any of the requirements set forth in this rule are not continuously met;

(e) if any of the applicable Continued Listing Representations for the issue of Partnership Units are not continuously met; 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.

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.

(iii) 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.

(iv) General Partner - The following requirements apply upon initial listing and on a continual basis:

(a) 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.

(b) No change is to be made in the general partner of a listed issue without prior notice to and approval of the Exchange.

(v) Voting - Voting rights shall be as set forth in the applicable partnership prospectus.

(E) Market Maker Accounts.

(i) A registered Market Maker in Partnership Units must file with the Exchange, in a manner prescribed by the Exchange, and keep current a list identifying all accounts for trading the underlying asset or commodity, related futures or options on futures, or any other related derivatives, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker in the Partnership Units shall trade in the underlying asset or commodity, related futures or options on futures, or any other related derivatives, in an account in which 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.

(ii) In addition to the existing obligations under Exchange rules regarding the production of books and records (see, e.g., Rule 4.2), a registered Market Maker in Partnership Units shall make available to the Exchange such books, records or other information pertaining to transactions by such entity or any limited partner, officer or approved person thereof, registered or non-registered employee affiliated with such entity for its or their own accounts in the underlying asset or commodity, related futures or options on futures, or any other related derivatives, as may be requested by the Exchange.

(F) Limitation of Exchange 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.

(G) The Exchange will file separate proposals under Section 19(b) of the 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 that Members provide to all purchasers of newly issued Partnership Units a prospectus for the series of Partnership Units.

(9) Trust Units

(A) Applicability. The provisions in this Rule are applicable only to Trust Units. In addition, 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. Trust Units are included within the definition of "security," "securities" and "derivative securities products" as such terms are used in the Rules of the Exchange.

(B) Definitions. The following terms as used in this Rule shall, unless the context otherwise requires, have the meanings herein specified:

(i) Commodity. The term "commodity" is defined in Section 1(a)(4) of the Commodity Exchange Act.

(ii) (Trust Units. The term "Trust Units" for purposes of this Rule means a security that is issued by a trust or other similar entity that is constituted as a commodity pool that holds investments comprising or otherwise based on any combination of futures contracts, options on futures contracts, forward contracts, swap contracts, commodities and/or securities.

(C) Designation. The Exchange may list and trade Trust Units based on an underlying asset, commodity, security or portfolio. Each issue of a Trust Unit shall be designated as a separate series and shall be identified by a unique symbol.

(D) The Exchange will file separate proposals under Section 19(b) of the Act before listing separate and distinct Trust Units. Trust Units will be listed and/or traded on the Exchange subject to application of the following criteria:

(i) Initial Listing.

(a) The Exchange will establish a minimum number of Trust Units 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 Trust Units that the net asset value per share for the series will be calculated daily and will be made available to all market participants at the same time.

(ii) Continued Listing.

(a) The Exchange will consider the suspension of trading and will commence delisting proceedings for Trust Units pursuant to Rule 14.12 under any of the following circumstances:

(1) if following the initial twelve month period following the commencement of trading of Trust Units, (A)

the trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Trust Units for 30 or more consecutive trading days; (B) the trust has fewer than 50,000 Trust Units issued and outstanding; or (C) the market value of all Trust Units issued and outstanding is less than $1,000,000; or

(2) if any of the requirements set forth in this rule are not continuously met;

(3) if any of the applicable Continued Listing Representations for the issue of Trust Units are not continuously met; or

(4) if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

(b) The Exchange will halt trading in a series of Trust Units if the circuit breaker parameters in Rule 11.18 have been reached. In exercising its discretion to halt or suspend trading in a series of Trust Units, the Exchange may consider any relevant factors. In particular, if the portfolio and net asset value per share are not being disseminated as required, the Exchange may halt trading during the day in which the interruption to the dissemination of the portfolio holdings or net asset value per share occurs. If the interruption to the dissemination of the portfolio holdings or net asset value per share 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.

Upon termination of a trust, the Exchange requires that Trust Units issued in connection with such trust be removed from Exchange listing. A trust will terminate in accordance with the provisions of the prospectus.

(iii) 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 prospectus.

(iv) Trustee - The following requirements apply upon initial listing and on a continual basis:

(a) 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.

(b) No change is to be made in the trustee of a listed issue without prior notice to and approval of the Exchange.

(v) Voting - Voting rights shall be as set forth in the prospectus.

(E) Limitation of Exchange 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 portfolio value; net asset value; or other information relating to the purchase, redemption or trading of Trust 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 the Trust Units.

(F) Market Maker Accounts. A registered Market Maker in Trust Units must file with the Exchange, in a manner prescribed by the Exchange, and keep current a list identifying all accounts for trading in an underlying commodity, related commodity futures or options on commodity futures, or any other related commodity derivatives, which the registered Market Maker may have or over which it may exercise investment discretion. No registered Market Maker shall trade in an underlying commodity, related commodity futures or options on commodity futures, or any other related commodity derivatives, in an account in which 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.

In addition to the existing obligations under Exchange rules regarding the production of books and records (see, e.g., Rule 4.2), a registered Market Maker in Trust Units shall make available to the Exchange such books, records or other information pertaining to transactions by such entity or registered or non-registered employee affiliated with such entity for its or their own accounts for trading the underlying physical commodity, related commodity futures or options on commodity futures, or any other related commodity derivatives, as may be requested by the Exchange .

Interpretations and Policies

.01 The Exchange requires that Members provide to all purchasers of newly issued Trust Units a prospectus for the series of Trust Units.

.02 Transactions in Trust Units will occur during Regular Trading Hours and the Early Trading, Pre-Opening and After Hours Trading Sessions.

(10) Managed Trust Securities

(A) Exchange will consider for trading, whether by listing or pursuant to unlisted trading privileges, Managed Trust Securities that meet the criteria of this Rule, however the Exchange will file separate proposals under Section 19(b) of the Act before listing separate and distinct Managed Trust Securities.

(B) Applicability. This Rule is applicable only to Managed Trust Securities. Managed Trust Securities are included within the definition of "security" or "securities" as such terms are used in the Rules of the Exchange.

(C) Definitions. The following terms as used in the Rules shall, unless the context otherwise requires, have the meanings herein specified:

(i) Managed Trust Securities. The term "Managed Trust Securities" as used in the Rules shall, unless the context otherwise requires, mean a security that is registered under the Securities Act of 1933, as amended, (a) is issued by a trust ("Trust") that (1) is a commodity pool as defined in the Commodity Exchange Act and regulations thereunder, and that is managed by a commodity pool operator registered with the Commodity Futures Trading Commission, and (2) holds long and/or short positions in exchange-traded futures contracts and/or certain currency forward contracts selected by the Trust's advisor consistent with the Trust's investment objectives, which will only include exchange-traded futures contracts involving commodities, currencies, stock indices, fixed income indices, interest rates and sovereign, private and mortgage or asset backed debt instruments, and/or forward contracts on specified currencies, each as disclosed in the Trust's prospectus as such may be amended from time to time; and (b) is issued and redeemed continuously in specified aggregate amounts at the next applicable net asset value.

(ii) Disclosed Portfolio. The term "Disclosed Portfolio" means the identities and quantities of the securities and other assets held by the Trust that will form the basis for the Trust's calculation of net asset value at the end of the business day.

(iii) Intraday Indicative Value. The term "Intraday Indicative Value" is the estimated indicative value of a Managed Trust Security based on current information regarding the value of the securities and other assets in the Disclosed Portfolio.

(iv) Reporting Authority. The term "Reporting Authority" in respect of a particular series of Managed Trust Securities means the Exchange, an institution, or a reporting or information service designated by the Exchange or by the Trust or the exchange that lists a particular series of Managed Trust Securities (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 Intraday Indicative Value, the Disclosed Portfolio, the amount of any cash distribution to holders of Managed Trust Securities, net asset value, or other information relating to the issuance, redemption or trading of Managed Trust Securities. A series of Managed Trust Securities may have more than one Reporting Authority, each having different functions.

(D) Designation. The Exchange may trade, either by listing or pursuant to unlisted trading privileges, Managed Trust Securities based on the underlying portfolio of exchange-traded futures and/or certain currency forward contracts described in the related prospectus. Each issue of Managed Trust Securities shall be designated as a separate trust or series and shall be identified by a unique symbol.

(E) Initial and Continued Listing. Managed Trust Securities will be listed and traded on the Exchange subject to application of the following criteria:

(i) Initial Listing—Each series of Managed Trust Securities will be listed and traded on the Exchange subject to application of the following initial listing criteria:

(a) The Exchange will establish a minimum number of Managed Trust Securities 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 Managed Trust Securities that the net asset value per share for the series will be calculated daily and that the net asset value and the Disclosed Portfolio will be made available to all market participants at the same time.

(ii) Continued Listing - Each series of Managed Trust Securities will be listed and traded on the Exchange subject to application of the following continued listing criteria:

(a) Intraday Indicative Value. The Intraday Indicative Value for Managed Trust Securities will be widely disseminated by one or more major market data vendors at least every 15 seconds during Regular Trading Hours.

(b) Disclosed Portfolio.

(1) The Disclosed Portfolio must be disseminated at least once daily and will be made available to all market participants at the same time.

(2) The Reporting Authority that provides the Disclosed Portfolio must implement and maintain, or be subject to, procedures designed to prevent the use and

dissemination of material non-public information regarding the actual components of the portfolio.

(c) Continued Listing Representations. Managed Trust Securities must continuously meet any applicable Continued Listing Representations.

(d) Suspension of trading or removal. The Exchange will consider the suspension of trading in and will commence delisting proceedings for a series of Managed Trust Securities pursuant to Rule 14.12 under any of the following circumstances:

(1) if, following the initial twelve-month period beginning upon the commencement of trading of the Managed Trust Securities: (A) the Trust has fewer than 50,000 Managed Trust Securities issued and outstanding; or (B) the market value of all Managed Trust Securities issued and outstanding is less than $1,000,000; or (C) there are fewer than 50 record and/or beneficial holders of Managed Trust Securities for 30 consecutive trading days;

(2) if an interruption to the dissemination of the Intraday Indicative Value for the Trust persists past the trading day in which it occurred or is no longer calculated or available or the Disclosed Portfolio is not made available to all market participants at the same time;

(3) if the Trust issuing the Managed Trust Securities has failed to file any filings required by the Securities and Exchange Commission or if the Exchange is aware that the Trust is not in compliance with the conditions of any exemptive order or no-action relief granted by the Securities and Exchange Commission to the Trust with respect to the series of Managed Trust Securities;

(4) if any of the requirements set forth in this rule are not continuously met;

(5) if the series of Managed Trust Securities fails to meet any of the applicable Continued Listing Representations as provided in paragraph (c) above; or

(6) if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

(e) Trading Halts. If the Intraday Indicative Value of a series of Managed Trust Securities is not being disseminated as

required, the Exchange may halt trading during the day in which the interruption to the dissemination of the Intraday Indicative Value occurs. If the interruption to the dissemination of the Intraday Indicative Value 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. If a series of Managed Trust Securities is trading on the Exchange pursuant to unlisted trading privileges, the Exchange will halt trading in that series as specified in Rule 11.18. In addition, if the Exchange becomes aware that the net asset value or the Disclosed Portfolio with respect to a series of Managed Trust Securities is not disseminated to all market participants at the same time, it will halt trading in such series until such time as the net asset value or the Disclosed Portfolio is available to all market participants.

(f) Upon termination of a Trust, the Exchange requires that Managed Trust Securities issued in connection with such Trust be removed from Exchange listing. A Trust will terminate in accordance with the provisions of the Trust prospectus.

(iii) Term - The stated term of the Trust shall be as stated in the prospectus. However, a Trust may be terminated under such earlier circumstances as may be specified in the Trust prospectus.

(iv) Trustee - The following requirements apply upon initial listing and on a continual basis:

(a) 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.

(b) No change is to be made in the trustee of a listed issue without prior notice to and approval of the Exchange.

(v) Voting - Voting rights shall be as set forth in the applicable Trust prospectus.

(F) Market Maker Accounts.

(i) A registered Market Maker in Managed Trust Securities must file with the Exchange, in a manner prescribed by the Exchange, and keep current a list identifying all accounts for trading the underlying commodity or applicable currency, related futures or options on futures, or any other related derivatives, which a registered Market Maker may have or over which it may exercise investment discretion. No registered Market

Maker in the Managed Trust Securities shall trade in the underlying commodity or applicable currency, related futures or options on futures, or any other related derivatives, in an account in which 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.

(ii) In addition to the existing obligations under Exchange rules regarding the production of books and records (see, e.g., Rule 4.2), a registered Market Maker in Managed Trust Securities shall make available to the Exchange such books, records or other information pertaining to transactions by such entity or any limited partner, officer or approved person thereof, registered or non-registered employee affiliated with such entity for its or their own accounts in the underlying commodity or applicable currency, related futures or options on futures, or any other related derivatives, as may be requested by the Exchange.

(G) 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 underlying futures contract value; the current value of positions or interests if required to be deposited to the Trust in connection with issuance of Managed Trust Securities; net asset value; or other information relating to the purchase, redemption or trading of Managed Trust Securities, 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, 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 reporting of transactions in an underlying futures contract.

Interpretations and Policies

.01 The Exchange requires that Members provide all purchasers of newly issued Managed Trust Securities a prospectus for the series of Managed Trust Securities.

.02 Transactions in Managed Trust Securities will occur during Regular Trading Hours and the Early Trading, Pre-Opening and After Hours Trading Sessions.

.03 The Exchange's rules governing the trading of equity securities apply.

.04 The Exchange will implement and maintain written surveillance procedures for Managed Trust Securities.

.05 If the Trust's advisor is affiliated with a broker-dealer, the broker-dealer shall erect and maintain a "fire wall" around the personnel who have access to information concerning changes and adjustments to the Disclosed Portfolio. Personnel who make decisions on the Trust's portfolio

composition must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the applicable Trust portfolio.

(11) Listing of Currency Warrants

(A) The listing of Currency Warrant issues is considered on a case-by-case basis and the Exchange will file separate proposals under Section 19(b) of the Act before listing separate and distinct Currency Warrants. Each series of Currency Warrants will be listed and traded on the Exchange subject to application of the following initial listing criteria:

(i) Term - One to five years from date of issuance.

(ii) Cash Settlement - The warrants will be cash settled in U.S. dollars.

(iii) Automatic Exercise - All currency warrants must include in their terms provisions specifying: (1) the time by which all exercise notices must be submitted, and (2) that all unexercised warrants that are in the money will be automatically exercised on their expiration date or on or promptly following the date on which such warrants are delisted by the Exchange (if such warrant issue has not been listed on another organized securities market in the United States).

(B) Each series of Currency Warrants shall meet the following criteria upon initial listing and on a continual basis. After initial listing, the Exchange will consider the suspension of trading in and will commence delisting proceedings for a series of Currency Warrants pursuant to Rule 14.12 where any of the following requirements are not met:

(i) Size and Earnings of Warrant Issuer - The warrant issuer will be expected to have a minimum tangible net worth in excess of $250,000,000 and otherwise to exceed substantially the earnings requirements set forth in Rule 14.8(b)(2). In the alternative, the warrant issuer will be expected: (a) to have a minimum tangible net worth of $150,000,000 and otherwise to exceed substantially the earnings requirements set forth in Rule 14.8(b)(2), and (b) not to have issued warrants where the original issue price of all the issuer's currency warrant offerings (combined with currency warrant offerings of the issuer's affiliates) listed on a national securities exchange or traded through the facilities of the Exchange exceeds 25% of the warrant issuer's net worth.

(ii) Distribution/Market Value - (a) Minimum public distribution of 1,000,000 warrants together with a minimum of 400 public holders, and an aggregate market value of $4,000,000; or (b) Minimum public distribution of 2,000,000 warrants together with a minimum number of public warrant holders determined on a case by case basis, an aggregate market value of $12,000,000 and an initial warrant price of $6.

(iii) Continued Listing Representations—Currency Warrants must continuously meet any applicable Continued Listing Representations.

(iv) All of the requirements set forth in this rule must be continuously maintained.

(v) if such other event shall occur or condition exists which, in the opinion of the Exchange, makes further dealings on the Exchange inadvisable.

(C) Regulatory Matters

(i) No Member shall accept an order from a customer to purchase or sell a Currency Warrant unless the customer's account has been approved for options trading pursuant to Rule 26.2.

(ii) Suitability. The provisions of Rule 26.4 shall apply to recommendations in Currency Warrants and the term "option" as used therein shall be deemed for purposes of this Rule to include such warrants.

(iii) Discretionary Accounts. Any account in which a Member exercises discretion to trade in Currency Warrants shall be subject to the provisions of Rule 26.5 with respect to such trading. For purposes of this Rule, the terms, "option" and "options contract" as used in Rule 26.5 shall be deemed to include Currency Warrants.

(iv) Supervision of Accounts. Rule 26.3 shall apply to all customer accounts of a Member in which transactions in Currency Warrants are effected. The term "option" as used in Rule 26.3 shall be deemed to include Currency Warrants.

(v) Public Customer Complaints. Rule 26.17 shall apply to all public customer complaints received by a Member regarding Currency Warrants. The term "option" as used in Rule 26.17 shall be deemed to include such warrants.

(vi) Communications with Public Customers. Members participating in Currency Warrants shall be bound to comply with the Communications and Disclosures rule of FINRA, as applicable, as though such rule were part of these Rules.

(D) Trading Halts or Suspensions. Trading on the Exchange in any Currency Warrant shall be halted whenever the Exchange deems such action appropriate in the interests of a fair and orderly market or to protect investors. Trading in Currency Warrants that have been the subject of a halt or suspension by the Exchange may resume if the Exchange determines that the conditions which led to the halt or suspension are no longer present, or that the interests of a fair and orderly market are best served by a resumption of trading.

(E) Reporting of Warrant Positions

(i) Each Member shall file with the Exchange a report with respect to each account in which the Member has an interest, each account of a partner, officer, director, or employee of such Member, and each customer account that has established an aggregate position (whether long or short) of 100,000 warrants covering the same underlying currency combining for purposes of this Rule: (a) long positions in put warrants and short positions in call warrants, and (b) short positions in put warrants with long positions in call warrants. The report shall be in such form as may be prescribed by the Exchange and shall be filed no later than the close of business on the next day following the day on which the transaction or transactions requiring the filing of such report occurred.

(ii) Whenever a report shall be required to be filed with respect to an account pursuant to this Rule, the Member filing the same shall file with the Exchange such additional periodic reports with respect to such account as the Exchange may from time to time require.

(iii) All reports required by this Rule shall be filed with the Exchange in such manner and form as prescribed by the Exchange.

(12) Selected Equity-linked Debt Securities ("SEEDS")

(A) *Definition*. SEEDS are limited-term, non-convertible debt securities of a Company where the value of the debt is based, at least in part, on the value of up to thirty (30) other issuers' common stock or non-convertible preferred stock (or sponsored American Depositary Receipts (ADRs) overlying such equity securities).

(B) *Listing Requirements*. The Exchange will consider listing as Tier I securities Selected Equity-linked Debt Securities (SEEDS), pursuant to 19b-4(e) of the Act, that meet the criteria of this sub-paragraph (12)(B) both upon initial listing and on a continual basis. The Exchange may also consider listing a series of SEEDS as Tier I securities that do not meet some or all of the criteria of this sub-paragraph (12)(B) where the Exchange has filed a proposal under Section 19(b) of the Act to list such series so long as the series of SEEDS meets the Continued Listing Representations upon initial listing and on a continual basis. If a series of SEEDS does not meet the requirements of this sub-paragraph (12)(B) or sub-paragraph (12)(C), including the Issuer Listing Standards (Rule 14.11(e)(12)(B)(i)), the Issue Listing Standards (Rule 14.11(e)(12)(B)(ii)), and the Continued Listing Representations (Rule 14.11(e)(12)(C)), the Exchange will consider the suspension of trading in and will initiate delisting proceedings for such series of SEEDS pursuant to Rule 14.12.

(i) Issuer Listing Standards. The issuer of a SEEDS must be an entity that:

(a) is listed on the Exchange as a Tier I issuer, the New York Stock Exchange ("NYSE"), the NASDAQ Stock Market ("NASDAQ") or is an affiliate of a Company listed on the Exchange, the NYSE or NASDAQ; provided, however, that the provisions of Rule 14.11(h) will be applied to sovereign issuers of SEEDS on a case-by-case basis; and

(b) has a minimum net worth of $150 million.

In addition, the market value of a SEEDS offering, when combined with the market value of all other SEEDS offerings previously completed by the Company and traded on the Exchange or another national securities exchange, may not be greater than 25 percent of the Company's net worth at the time of issuance.

(ii) Issue Listing Standards.

(a) Equity-Linked Debt Security Listing Standards. The issue must have:

(1) a minimum public distribution of one million SEEDS;

(2) a minimum of 400 holders of the SEEDS, provided, however, that if the SEEDS is traded in $1,000 denominations or is redeemable at the option of holders thereof on at least a weekly basis, there is no minimum number of holders and no minimum public distribution;

(3) a minimum market value of $4 million; and

(4) a minimum term of one year.

(b) Minimum Standards Applicable to the Linked Security. An equity security on which the value of the SEEDS is based must:

(1) have a market value of listed securities of:

(1) at least $3 billion and a trading volume in the United States of at least 2.5 million shares in the one-year period preceding the listing of the SEEDS;

(2) at least $1.5 billion and a trading volume in the United States of at least 10 million shares in the one-year period preceding the listing of the SEEDS; or

(3) at least $500 million and a trading volume in the United States of at least 15 million shares in the one-year period preceding the listing of the SEEDS.

(ii) be issued by a Company that has a continuous reporting obligation under the Act, and the security must be listed on the Exchange as a Tier I security or another national securities exchange and be subject to last sale reporting; and

(iii) be issued by:

(1) a U.S. company; or

(2) a non-U.S. company (including a Company that is traded in the United States through sponsored ADRs) (for purposes of this sub-paragraph (e)(12), a non-U.S. company is any company formed or incorporated outside of the United States) if:

(I) the Exchange or its affiliate has a comprehensive surveillance sharing agreement in place with the primary exchange in the country where the security is primarily traded (in the case of an ADR, the primary exchange on which the security underlying the ADR is traded);

(II) the combined trading volume of the non-U.S. security (a security issued by a non-U.S. company) and other related non-U.S. securities occurring in the U.S. market and in markets with which the Exchange or its subsidiaries has in place a comprehensive surveillance sharing agreement represents (on a share equivalent basis for any ADRs) at least 50% of the combined world-wide trading volume in the non-U.S. security, other related non-U.S. securities, and other classes of common stock related to the non-U.S. security over the six month period preceding the date of listing; or

(III)

(A) the combined trading volume of the non-U.S. security and other related non-U.S. securities occurring in the U.S. market represents (on a share equivalent basis) at least 20% of the combined world-wide trading volume in the non-U.S. security and in other related non-U.S. securities over

the six-month period preceding the date of selection of the non-U.S. security for a SEEDS listing;

(B) the average daily trading volume for the non-U.S. security in the U.S. markets over the six-month period preceding the date of selection of the non-U.S. security for a SEEDS listing is 100,000 or more shares; and

(C) the trading volume for the non-U.S. security in the U.S. market is at least 60,000 shares per day for a majority of the trading days for the six-month period preceding the date of selection of the non-U.S. security for a SEEDS listing.

(D) If the underlying security to which the SEEDS is to be linked is the stock of a non-U.S. company which is traded in the U.S. market as a sponsored ADR, ordinary shares or otherwise, then the minimum number of holders of the underlying linked security shall be 2,000.

(c) Limits on the Number of SEEDS Linked to a Particular Security. The issuance of SEEDS relating to any underlying U.S. security may not exceed five percent of the total outstanding shares of such underlying security. The issuance of SEEDS relating to any underlying non-U.S. security or sponsored ADR may not exceed:

(i) two percent of the total shares outstanding worldwide if at least 30 percent of the worldwide trading volume in such security occurs in the U.S. market during the six-month period preceding the date of listing (The two percent limit, based on 20 percent of the worldwide trading volume in the non-U.S. security or sponsored ADR, applies only if there is a comprehensive surveillance sharing agreement in place with the primary exchange in the country where the security is primarily traded, or, in the case of an ADR, the primary exchange on which the security underlying the ADR is traded. If there is no such agreement, subparagraph (B)(iii) above requires that the combined trading volume of such security and other related securities occurring in the U.S. market represents (on a share equivalent basis for any ADRs) at least 50% of the combined worldwide trading volume in such security, other

related securities, and other classes of common stock related to such security over the six month period preceding the date of listing.);

(ii) three percent of the total shares outstanding worldwide if at least 50 percent of the worldwide trading volume in such security occurs in the U.S. market during the six-month period preceding the date of listing; or

(iii) five percent of the total shares outstanding worldwide if at least 70 percent of the worldwide trading volume in such security occurs in the U.S. market during the six-month period preceding the date of listing.

If a Company proposes to issue SEEDS that relate to more than the allowable percentages of the underlying security specified above, then the Exchange, with the concurrence of the staff of the Division of Trading and Markets of the Commission, will evaluate the maximum percentage of SEEDS that may be issued on a case-by-case basis.

(d) Information Circular. Prior to the commencement of trading of a particular SEEDS listed pursuant to this sub-paragraph, the Exchange will distribute an information circular to the membership providing guidance regarding the Exchange member firm compliance responsibilities (including suitability recommendations and account approval) when handling transactions in SEEDS.

(C) Continued Listing Representations. SEEDS must continuously meet any applicable Continued Listing Representations.

(f) Trust Issued Receipts

(1) *Definition*. The term "Trust Issued Receipt" means a security (a) that is issued by a trust ("Trust") which holds specified securities deposited with the Trust; (b) that, when aggregated in some specified minimum number, may be surrendered to the Trust by the beneficial owner to receive the securities; and (c) 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.

(2) Listing Requirements.

(A) The Exchange requires that Members provide to all purchasers of newly issued Trust Issued Receipts a prospectus for the series of Trust Issued Receipts.

(B) Transactions in Trust Issued Receipts may be effected until 8:00 p.m. ET each business day.

(C) Designation. The Exchange may list and trade 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 its agent, a wholly-owned subsidiary of the Exchange, or by such other person as shall have a proprietary interest in such Trust Issued Receipts.

(D) Initial and Continued Listing and Trading. Trust Issued Receipts will be listed and traded on the Exchange subject to application of the following criteria:

(i) Initial Listing. For each Trust, the Exchange will establish a minimum number of Trust Issued Receipts required to be outstanding at the time of the commencement of trading on the Exchange.

(ii) Continued Listing. The Exchange will consider the suspension of trading in and will commence delisting proceedings for a series of Trust Issued Receipts pursuant to Rule 14.12 under any of the following circumstances:

(a) if, following the initial twelve month period following formation of a Trust and commencement of trading on the Exchange, 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, following the initial twelve month period following formation of a Trust and commencement of trading on the Exchange, the Trust has fewer than 50,000 receipts issued and outstanding;

(c) if, following the initial twelve month period following formation of a Trust and commencement of trading on the Exchange, the market value of all receipts issued and outstanding is less than $1 million;

(d) if the series of Trust Issued Receipts fails to meet any of the applicable Continued Listing Representations;

(e) if any of the requirements set forth in this Rule 14.11(f) are not continuously maintained, including Rule 14.11(f)(3) as applicable; 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.

Upon termination of a Trust, the Exchange requires that Trust Issued Receipts issued in connection with such Trust be removed from listing. 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.

(iii) Term. The stated term of the Trust shall be as stated in the Trust prospectus. However, a Trust may be terminated earlier under such circumstances as may be specified in the Trust prospectus.

(iv) Trustee. The following requirements will apply upon initial listing and on a continual basis:

(a) 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.

(b) No change is to be made in the trustee of a listed issue without prior notice to and approval of the Exchange.

(v) Voting. Voting rights shall be as set forth in the Trust prospectus.

(3) Additional Criteria for Listing and Trading of Trust Issued Receipts. The Exchange may approve a series of Trust Issued Receipts for listing and trading on the Exchange pursuant to Rule 19b-4(e) under the Act, provided each of the component securities satisfies the following additional criteria upon initial listing and on a continual basis:

(i) each component security must be registered under Section 12 of the Act;

(ii) each component security must have a minimum public float of at least $150 million;

(iii) each component security must be listed on the Exchange or another national securities exchange;

(iv) each component security must have an average daily trading volume of at least 100,000 shares during the preceding sixty-day trading period;

(v) each component security must have an average daily dollar value of shares traded during the preceding sixty-day trading period of at least $1 million; and

(vi) the most heavily weighted component security may not initially represent more than 20% of the overall value of the Trust Issued Receipt.

(4) Other Types of Trust Issued Receipts. The provisions of this sub-paragraph (f)(4) apply only to Trust Issued Receipts that invest in "Investment Shares" or "Financial Instruments" as defined below. Rules that reference Trust Issued Receipts, including sub-paragraph (f)(2) above, shall also apply to Trust Issued Receipts investing in Investment Shares or Financial Instruments, provided, however, that such Trust Issued Receipts are not subject to sub-paragraph (f)(3) above. The Exchange will file separate proposals under Section 19(b) of the Act before listing separate and distinct Trust Issued Receipts investing in Investment Shares or Financial Instruments.

(A) Definitions. The following terms as used in this sub-paragraph (f)(4) shall, unless the context otherwise requires, have the meanings herein specified:

(i) 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.

(ii) 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.

(iii) 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. Forward contracts are traded over-the-counter ("OTC") and not listed on a futures exchange.

(iv) Financial Instruments. The term "Financial Instruments" means any combination of investments, including cash; securities; options on securities and indices; futures contracts; options on futures contracts; forward contracts; equity caps, collars and floors; and swap agreements.

(B) Designation. The Exchange may list and trade Trust Issued Receipts investing in Investment Shares or Financial Instruments. Each issue of a Trust Issued Receipt based on a particular Investment Share or Financial Instrument shall be designated as a separate series and shall be identified by a unique symbol.

(C) Initial and Continued Listing. Trust Issued Receipts based on Investment Shares or Financial Instruments will be listed and traded on the Exchange subject to application of the following criteria:

(i) 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.

(ii) Continued Listing – The Exchange will consider the suspension of trading in and will commence delisting proceedings for Trust Issued Receipts based on Investment Shares or Financial Instruments pursuant to Rule 14.12 under any of the following circumstances:

(a) If, following the initial twelve month period following the commencement of trading of the shares, (1) 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; (2) the Trust has fewer than 50,000 receipts issued and outstanding; or (3) the market value of all receipts issued and outstanding is less than $1 million;

(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 an interruption to the dissemination of the value of the index or portfolio persists past the trading day in which it occurred or the Exchange stops providing a hyperlink on its website to any such asset or investment value;

(c) If an interruption to the dissemination of the Indicative Value persists past the trading day in which it occurred or is no longer made available on at least a 15-second delayed basis;

(d) if any of the requirements set forth in this rule are not continuously met;

(e) if the series of Trust Issued Receipts fails to meet any of the applicable Continued Listing Representations; 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.

Upon termination of the Trust, the Exchange requires that Trust Issued Receipts 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.

(iii) Term - The term of the Trust shall be as stated in the prospectus. However, such entity may be terminated earlier under such circumstances as may be specified in the Trust prospectus.

(iv) Trustee - The following requirements apply upon initial listing and on a continual basis:

(a) 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.

(b) No change is to be made in the Trustee of a listed issue without prior notice to and approval of the Exchange.

(v) Voting - Voting rights shall be as set forth in the applicable Trust prospectus.

(D) Market Maker Accounts.

(i) Any Member acting as a registered Market Maker in Trust Issued Receipts must file, with the Exchange, in a manner prescribed by the Exchange, and keep current a list identifying all accounts for trading the underlying physical asset or commodity, related futures or options on futures, or any other related derivatives, 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 Trust Issued Receipts 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.

(ii) In addition to the existing obligations under Exchange rules regarding the production of books and records (see, e.g., Rule 4.2), any Member acting as a registered Market Maker in Trust Issued Receipts shall make available to the Exchange such books, records or other information pertaining to transactions by such entity or registered or non-registered employee affiliated with such entity for its or their own accounts in the underlying physical asset or commodity, related futures or options on futures, or any other related derivatives, as may be requested by the Exchange.

(E) Limitation of Exchange 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.

(g) Index Warrants

(1) *Definition*. "Index Warrants" means instruments that are direct obligations of the issuing company, either exercisable throughout their life (i.e., American style) or exercisable only on their expiration (i.e., European style), entitling the holder to a cash settlement in U.S. dollars to the extent that the index has declined below (for a put warrant) or increased above (for a call warrant) the pre-stated cash settlement value of the index. Index Warrants may be based on either foreign or domestic indexes.

(2) *Listing Requirements*. An Index Warrant shall meet the following criteria upon initial listing and on a continual basis. After initial listing, the Exchange will consider the suspension of trading in and will commence delisting proceedings for a series of Currency Warrants pursuant to Rule 14.12 where any of the following requirements are not met:

(A) The minimum public distribution shall be at least 1 million warrants.

(B) The minimum number of Public Holders shall be at least 400.

(C) The Market Value of the outstanding Index Warrants shall be at least $4 million.

(D) The issuer of the Index Warrants must have a minimum tangible net worth in excess of $150 million.

(E) The term of the Index Warrant shall be for a period from one to five years.

(F) Limitations on Issuance — Where a Company has a minimum tangible net worth in excess of $150 million but less than $250 million, the Exchange will not list stock Index Warrants of the Company if the value of such warrants plus the aggregate value, based upon the original issuing price, of all outstanding stock index, currency index and currency warrants of the Company and its affiliates combined that are listed for trading on the Exchange or another national securities exchange exceeds 25% of the Company's net worth.

(G) A.M. Settlement — The terms of stock Index Warrants for which 25% or more of the value of the underlying index is represented by securities that

are traded primarily in the United States must provide that the opening prices of the stocks comprising the index will be used to determine (i) the final settlement value (i.e., the settlement value for warrants that are exercised at expiration) and (ii) the settlement value for such warrants that are valued on either of the two business days preceding the day on which the final settlement value is to be determined.

(H) Automatic Exercise — All stock Index Warrants and any other cash-settled warrants must include in their terms provisions specifying (i) the time by which all exercise notices must be submitted and (ii) that all unexercised warrants that are in the money (or that are in the money by a stated amount) will be automatically exercised on their expiration date or on or promptly following the date on which such warrants are delisted by the Exchange (if such warrant issue has not been listed on another national securities exchange).

(I) Foreign Country Securities — In instances where the stock index underlying a warrant is comprised in whole or in part with securities traded outside the United States, the foreign country securities or American Depositary Receipts ("ADRs") thereon that (i) are not subject to a comprehensive surveillance agreement, and (ii) have less than 50% of their global trading volume in dollar value within the United States, shall not, in the aggregate represent more than 20% of the weight of the index, unless such index is otherwise approved for warrant or option trading.

(J) Changes in Number of Warrants Outstanding — Issuers of stock Index Warrants either will make arrangements with warrant transfer agents to advise the Exchange immediately of any change in the number of warrants outstanding due to the early exercise of such warrants or will provide this information themselves. With respect to stock Index Warrants for which 25% or more of the value of the underlying index is represented by securities traded primarily in the United States, such notice shall be filed with the Exchange no later than 4:30 p.m. Eastern Time, on the date when the settlement value for such warrants is determined. Such notice shall be filed in such form and manner as may be prescribed by the Exchange from time to time.

(K) Only eligible broad-based indexes can underlie Index Warrants. For purposes of this subparagraph, eligible broad-based indexes shall include those indexes approved by the Commission to underlie Index Warrants or index options traded on the Exchange or another national securities exchange.

(L) Index Warrants must continuously meet any applicable Continued Listing Representations.

(M) Any Index Warrant listed pursuant to this paragraph (g) shall not be required to meet the requirements of Rule 14.3(b)(1), 14.3(b)(8), or 14.8(e). The Exchange may apply additional or more stringent criteria as necessary to protect investors and the public interest.

(h) Listing Requirements for Securities Not Specified Above (Other Securities)

(1) Initial Listing Requirements. The Exchange will consider listing on the Exchange any security not otherwise covered by the criteria in Rule 14.8 or Rule 14.11, provided the instrument is otherwise suited to trade through the facilities of the Exchange. Such securities will be evaluated for listing against the following criteria:

(A) The Company shall have assets in excess of $100 million and stockholders' equity of at least $10 million. In the case of a Company which is unable to satisfy the income criteria set forth in Rule 14.8(b)(2)(A)(i), the Exchange generally will require the Company to have the following:

(i) assets in excess of $200 million and stockholders' equity of at least $10 million; or

(ii) assets in excess of $100 million and stockholders' equity of at least $20 million.

(B) There must be a minimum of 400 holders of the security, provided, however, that if the instrument is traded in $1,000 denominations, there must be a minimum of 100 holders.

(C) For equity securities listed pursuant to this paragraph, there must be a minimum public distribution of 1,000,000 trading units.

(D) The aggregate market value/principal amount of the security shall be at least $4 million.

(E) Issuers of securities listed pursuant to this paragraph (g) must be listed on the Exchange, the NYSE or NASDAQ, or must be an affiliate of a Company listed on the Exchange, the NYSE or NASDAQ; provided, however, that the provisions of Rule 14.8(e) will be applied to sovereign issuers of "other" securities on a case-by-case basis.

(F) Information Circular. Prior to the commencement of trading of securities listed pursuant to this paragraph, the Exchange will evaluate the nature and complexity of the issue and, if appropriate, distribute a circular to the membership providing guidance regarding the Exchange member firm compliance responsibilities and requirements when handling transactions in such securities.

(2) Continued Listing Requirements. Except as otherwise provided under these Rules, the aggregate market value or principal amount of publicly-held units must be at least $1 million.

(i) Managed Fund Shares

(1) The Exchange will consider listing Managed Fund Shares that meet the criteria of this Rule.

(2) Applicability. This Rule is applicable only to Managed Fund 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 Fund Shares are included within the definition of "security" or "securities" as such terms are used in the Rules of the Exchange.

(A) Transactions in Managed Fund Shares will occur throughout the Exchange's trading hours.

(B) Surveillance Procedures. The Exchange will implement and maintain written surveillance procedures for Managed Fund Shares.

(C) Creation and Redemption. For Managed Fund Shares based on an international or global portfolio, the statutory prospectus or the application for exemption from provisions of the Investment Company Act of 1940 for the series of Managed Fund Shares must state that such series must comply with the federal securities laws in accepting securities for deposits and satisfying redemptions with redemption securities, including that the securities accepted for deposits and the securities used to satisfy redemption requests are sold in transactions that would be exempt from registration under the Securities Act of 1933.

(3) *Definitions*. The following terms as used in the Rules shall, unless the context otherwise requires, have the meanings herein specified:

(A) Managed Fund Share. The term "Managed Fund Share" means a security that (i) represents an interest in a registered investment company ("Investment Company") organized as an open-end management investment company or similar entity, 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 portfolio of securities and/or a cash amount with a value equal to the next determined net asset value; and (iii) when aggregated in the same specified minimum number, may be redeemed at a holder's request, which holder will be paid a specified portfolio of securities and/or cash with a value equal to the next determined net asset value.

(B) Disclosed Portfolio. The term "Disclosed 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. The website for each series of Managed Fund Shares shall disclose the following information regarding the Disclosed Portfolio, to the extent applicable:

(i) Ticker symbol;

(ii) CUSIP or other identifier;

(iii) Description of the holding;

(iv) Identity of the security, commodity, index, or other asset upon which the derivative is based;

(v) The strike price for any options;

(vi) The quantity of each security or other asset held as measured by:

(a) Par value;

(b) Notional value;

(c) Number of shares;

(d) Number of contracts;

(e) Number of units;

(vii) Maturity date;

(viii) Coupon rate;

(ix) Effective date;

(x) Market value; and

(xi) Percentage weighting of the holding in the portfolio.

(C) Reporting Authority. The term "Reporting Authority" in respect of a particular series of Managed 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 Managed 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 Disclosed Portfolio; the amount of any cash distribution to holders of Managed Fund Shares, net asset value, or other information relating to the issuance, redemption or trading of Managed Fund Shares. A series of Managed Fund Shares may have more than one Reporting Authority, each having different functions.

(D) 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 causing dissemination of inaccurate market information or system failures; or force majeure type events such as natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption, or any similar intervening circumstance.

(4) *Initial and Continued Listing.* Managed Fund Shares will be listed and traded on the Exchange subject to application of the following criteria:

(A) Initial Listing. Each series of Managed Fund Shares will be listed and traded on the Exchange subject to application of the following initial listing criteria:

(i) For each series, the Exchange will establish a minimum number of Managed Fund Shares required to be outstanding at the time of commencement of trading on the Exchange.

(ii) The Exchange will obtain a representation from the issuer of each series of Managed Fund Shares that the net asset value per share for the series will be calculated daily and that the net asset value and the Disclosed Portfolio will be made available to all market participants at the same time.

(iii) All Managed Fund Shares shall have a stated investment objective, which shall be adhered to under Normal Market Conditions.

(B) Continued Listing. Each series of Managed Fund Shares will be listed and traded on the Exchange subject to application of the following continued listing criteria:

(i) Disclosed Portfolio.

(a) The Disclosed Portfolio will be disseminated at least once daily and will be made available to all market participants at the same time.

(b) The Reporting Authority that provides the Disclosed Portfolio must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the actual components of the portfolio.

(ii) Suspension of trading or removal. The Exchange will consider the suspension of trading in and will commence delisting proceedings for a series of Managed Fund Shares pursuant to Rule 14.12 under any of the following circumstances:

(a) if, following the initial twelve-month period after commencement of trading on the Exchange of a series of Managed Fund Shares, there are fewer than 50 beneficial holders of the series of Managed Fund Shares for 30 or more consecutive trading days;

(b) if the Disclosed Portfolio is not made available to all market participants at the same time;

(c) if the Investment Company issuing the Managed 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 to the Investment Company with respect to the series of Managed Fund Shares; or

(d) if any of the requirements set forth in this rule are not continuously maintained;

(e) if any of the applicable Continued Listing Representations for the issue of Managed Fund Shares are not continuously met; 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.

(iii) Trading Halt. If the Exchange becomes aware that the net asset value or the Disclosed Portfolio with respect to a series of Managed Fund Shares is not disseminated to all market participants at the same time, it will halt trading in such series until such time as the net asset value or the Disclosed Portfolio is available to all market participants.

(iv) Termination. Upon termination of an Investment Company, the Exchange requires that Managed Fund Shares issued in connection with such entity be removed from listing on the Exchange.

(v) Voting. Voting rights shall be as set forth in the applicable Investment Company prospectus.

(C) The Exchange may approve Managed Fund Shares for listing pursuant to Rule 19b-4(e) under the Act. Components of a series of Managed Fund Shares listed pursuant to Rule 19b-4(e) shall satisfy the criteria set forth within this Rule 14.11(i) upon initial listing and on a continual basis. The Exchange will file separate proposals under Section 19(b) of the Act before the listing and trading of a series of Managed Fund Shares with components that do not satisfy the criteria set forth within this Rule 14.11(i) or components other than those specified below.

(i) Equity. For purposes of paragraph (C) of this Rule, equity securities include the following: U.S. Component Stocks (which are defined in Rule 14.11(c)(1)(D)), Non-U.S. Component Stocks (which are defined in Rule 14.11(c)(1)(E)), Derivative Securities Products (which are defined in Rule 14.11(c)(3)(A)(i)(a)), Linked Securities (securities listed on the Exchange under Rule 14.11(d)), and each of the equivalent security types listed on another national securities exchange. For Derivative Securities Products and Linked Securities, no more than 25% of the equity weight of

the portfolio shall consist of leveraged and/or inverse leveraged Derivative Securities Products or Linked Securities. To the extent that a portfolio includes convertible securities, the equity security into which such security is converted shall meet the criteria of this Rule 14.11(i)(4)(C)(i) after converting.

(a) U.S. Component Stocks. The component stocks of the equity portion of a portfolio that are U.S. Component Stocks shall meet the following criteria initially and on a continuing basis:

(1) Component stocks (excluding Derivative Securities Products and Linked Securities) that in the aggregate account for at least 90% of the equity weight of the portfolio (excluding such Derivative Securities Products and Linked Securities) each shall have a minimum market value of at least $75 million;

(2) Component stocks (excluding Derivative Securities Products and Linked Securities) that in the aggregate account for at least 70% of the equity weight of the portfolio (excluding such Derivative Securities Products and Linked Securities) each shall have a minimum monthly trading volume of 250,000 shares, or minimum notional volume traded per month of $25,000,000, averaged over the last six months;

(3) The most heavily weighted component stock (excluding Derivative Securities Products and Linked Securities) shall not exceed 30% of the equity weight of the portfolio, and, to the extent applicable, the five most heavily weighted component stocks (excluding Derivative Securities Products and Linked Securities) shall not exceed 65% of the equity weight of the portfolio;

(4) Where the equity portion of the portfolio does not include Non-U.S. Component Stocks, the equity portion of the portfolio shall include a minimum of 13 component stocks; provided, however, that there shall be no minimum number of component stocks if (a) one or more series of Derivative Securities Products or Linked Securities constitute, at least in part, components underlying a series of Managed Fund Shares, or (b) one or more series of Derivative Securities Products or Linked Securities account for 100% of the equity weight of the portfolio of a series of Managed Fund Shares;

(5) Except as provided herein, equity securities in the portfolio shall be U.S. Component Stocks listed on a national securities exchange and shall be NMS Stocks as defined in Rule 600 of Regulation NMS under the Act; and

(6) American Depositary Receipts ("ADRs") may be exchange traded or non-exchange traded. However, no more than 10% of the equity weight of the portfolio shall consist of non-exchange traded ADRs.

(b) Non-U.S. Component Stocks. The component stocks of the equity portion of a portfolio that are Non-U.S. Component Stocks shall meet the following criteria initially and on a continuing basis:

(1) Non-U.S. Component Stocks each shall have a minimum market value of at least $100 million;

(2) Non-U.S. Component Stocks each shall have a minimum global monthly trading volume of 250,000 shares, or minimum global notional volume traded per month of $25,000,000, averaged over the last six months;

(3) The most heavily weighted Non-U.S. Component stock shall not exceed 25% of the equity weight of the portfolio, and, to the extent applicable, the five most heavily weighted Non-U.S. Component Stocks shall not exceed 60% of the equity weight of the portfolio;

(4) Where the equity portion of the portfolio includes Non-U.S. Component Stocks, the equity portion of the portfolio shall include a minimum of 20 total component stocks; provided, however, that there shall be no minimum number of component stocks if (a) one or more series of Derivative Securities Products or Linked Securities constitute, at least in part, components underlying a series of Managed Fund Shares, or (b) one or more series of Derivative Securities Products or Linked Securities account for 100% of the equity weight of the portfolio of a series of Managed Fund Shares; and

(5) Each Non-U.S. Component Stock shall be listed and traded on an exchange that has last-sale reporting.

(ii) Fixed Income. Fixed income securities are debt securities that are 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, investment grade and high yield corporate debt, bank loans, mortgage and asset backed securities, and commercial paper. To the extent that a portfolio includes convertible securities, the fixed income security into which such security is converted shall meet the criteria of this Rule 14.11(i)(4)(C)(ii) after converting. The components of the fixed income portion of a portfolio shall meet the following criteria initially and on a continuing basis:

(a) Components that in the aggregate account for at least 75% of the fixed income weight of the portfolio must each have a minimum original principal amount outstanding of $100 million or more;

(b) No component fixed-income security (excluding Treasury Securities and GSE Securities) shall represent more than 30% of the fixed income weight of the portfolio, and the five most heavily weighted component fixed income securities in the portfolio (excluding Treasury Securities and GSE Securities) shall not in the aggregate account for more than 65% of the fixed income weight of the portfolio;

(c) An underlying portfolio (excluding exempted securities) that includes fixed income securities shall include a minimum of 13 non-affiliated issuers, provided, however, that there shall be no minimum number of non-affiliated issuers required for fixed income securities if at least 70% of the weight of the portfolio consists of equity securities as described in Rule 14.11(i)(4)(C)(i) above;

(d) Component securities that in aggregate account for at least 90% of the fixed income weight of the portfolio must be either: (a) from issuers that are required to file reports pursuant to Sections 13 and 15(d) of the Act; (b) from issuers that have a worldwide market value of its outstanding common equity held by non-affiliates of $700 million or more; (c) from issuers that have outstanding securities that are notes, bonds, debentures, or evidence of indebtedness having a total remaining principal amount of at least $1 billion; (d) exempted securities as defined in Section 3(a)(12) of the Act; or (e) from issuers that are a government of a foreign country or a political subdivision of a foreign country; and

(e) Non-agency, non-GSE and privately-issued mortgage-related and other asset-backed securities components of a portfolio shall not account, in the aggregate, for more than 20% of the weight of the portfolio.

(iii) Cash and Cash Equivalents. The portfolio may hold cash and cash equivalents. Cash equivalents are short-term instruments with maturities of less than 3 months (as described herein).

(a) There shall be no limitation to the percentage of the portfolio invested in such holdings.

(b) Short-term instruments shall include the following:

(1) U.S. Government securities, including bills, notes, and bonds differing as to maturity and rates of interest, which are either issued or guaranteed by the U.S. Treasury or by U.S. Government agencies or instrumentalities;

(2) Certificates of deposit issued against funds deposited in a bank or savings and loan association;

(3) Bankers' acceptances, which are short-term credit instruments used to finance commercial transactions;

(4) Repurchase agreements and reverse repurchase agreements;

(5) Bank time deposits, which are monies kept on deposit with banks or savings and loan associations for a stated period of time at a fixed rate of interest;

(6) Commercial paper, which are short-term unsecured promissory notes; and

(7) Money market funds.

(iv) Listed Derivatives. The portfolio may hold listed derivatives, including futures, options, and swaps on commodities, currencies and financial instruments (e.g., stocks, fixed income, interest rates, and volatility) or a basket or index of any of the foregoing.

(a) There shall be no limitation to the percentage of the portfolio invested in such holdings; provided, however, that in the aggregate, at least 90% of the weight of such holdings invested in futures, exchange-traded options, and listed swaps shall, on both an initial and continuing basis, consist of futures, options, and swaps for which the Exchange may obtain information via the Intermarket Surveillance Group ("ISG") from other members or affiliates of the ISG or for which the principal market is a market with which the Exchange has a comprehensive surveillance sharing agreement, calculated using the aggregate gross notional value of such holdings; and

(b) the aggregate gross notional value of listed derivatives based on any five or fewer underlying reference assets shall not exceed 65% of the weight of the portfolio (including gross notional exposures), and the aggregate gross notional value of listed derivatives based on any single underlying reference asset shall not exceed 30% of the weight of the portfolio (including gross notional exposures).

(v) Over-the-Counter ("OTC") Derivatives. The portfolio may, on both an initial and continuing basis, hold OTC derivatives, including forwards, options, and swaps on commodities, currencies and financial instruments (e.g., stocks, fixed income, interest rates, and volatility) or a basket or index of any of the foregoing, however the aggregate gross notional value of OTC Derivatives shall not exceed 20% of the weight of the portfolio (including gross notional exposures).

(vi) To the extent that listed or OTC derivatives are used to gain exposure to individual equities and/or fixed income securities, or to indexes of equities and/or indexes of fixed income securities, the aggregate gross notional value of such exposure shall meet the criteria set forth in Rule 14.11(i)(4)(C)(i) and (ii) (including gross notional exposures), respectively.

(5) Limitation of 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 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 Fund Shares; the amount of any dividend equivalent payment or cash distribution to holders of Managed Fund Shares; net asset value; or other information relating to the purchase, redemption, or trading of Managed Fund 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.

(6) Disclosures. The provisions of this subparagraph apply only to series of Managed Fund 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 these provisions of this subparagraph to a particular series of Managed Fund 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 Fund 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 Fund 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 Fund 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 Fund 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 Fund 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 Fund 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 Fund Shares.

(7) If the investment adviser to the Investment Company issuing Managed Fund 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 Investment Company portfolio. Personnel who make decisions on the Investment Company's portfolio composition must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the applicable Investment Company portfolio.

(j) UTP Derivative Securities

The Exchange may extend unlisted trading privileges to any security that is an NMS Stock (as defined in Rule 600 of Regulation NMS under the Act) that is listed on another national securities exchange. Any such security will be subject to all the Exchange trading rules applicable to NMS Stocks, unless otherwise noted, including provisions of Rules 11.18, Rule 14.8, and Rule 14.11. Any UTP Derivative Security, as defined in Exchange Rule 1.5(ee) that is traded pursuant to Rule 19b-4(e) under the Exchange Act shall be subject to the additional following rules:

(1) 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 the Derivative Security; (b) the Exchange Rules that will apply to the Derivative Security, including Rule 3.7; (c) information about the dissemination of the value of

the underlying assets or indexes; and (d) the risk of trading during the Early Trading Session (2:30 a.m. – 8:00 a.m. Eastern Time), Pre-Opening Session (8:00 a.m. – 9:30 a.m. Eastern Time) and the After Hours Trading Session (4:00 p.m. – 8:00 p.m. Eastern Time) due to the lack of calculation or dissemination of the underlying index value, the Intraday Indicative Value (as defined in Rule 14.11(b)(3)(C)) or a similar value.

(2) Product Description.

(A) Prospectus Delivery Requirements. Members are subject to the prospectus delivery requirements under the Securities Act of 1933, unless the UTP Derivative Security that is the subject of an order by the Commission exempting the product from certain prospectus delivery requirements under Section 24(d) of the Investment Company Act of 1940 and the product is 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.

(3) Trading Halts. Trading halts of UTP Derivative Securities shall be governed by Rule 11.18. Nothing in this rule will limit the power of the Exchange under the Rules 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.

(4) Market Maker Restrictions. The following restrictions shall apply to each Member registered as a Market Maker 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:

(i) in which the Market Maker holds an interest;

(ii) over which it has investment discretion; or

(iii) 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.

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.

A Market Maker shall not use any material nonpublic information in connection with trading a Related Instrument.

(5) Surveillance. The Exchange shall enter into a comprehensive surveillance sharing agreement with markets trading components of the index or

portfolio on which the UTP Derivative Security is based 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.

(k) Managed Portfolio Shares

(1) 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.

(2) 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.

(A) 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.

(B) Transactions in Managed Portfolio Shares will occur throughout the Exchange's trading hours.

(C) 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.

(D) 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.

(E) 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.

(3) Definitions. The following terms as used in the Rules shall, unless the context otherwise requires, have the meanings herein specified:

(A) 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.

(B) 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.

(C) 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.

(D) 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.

(E) 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.

(F) 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.

(G) 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.

(H) 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.

(I) 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.

(4) Initial and Continued Listing. Managed Portfolio Shares will be listed and traded on the Exchange subject to application of the following criteria:

(A) 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:

(i) 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.

(ii) 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.

(iii) All Managed Portfolio Shares shall have a stated investment objective, which shall be adhered to under Normal Market Conditions.

(B) 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:

(i) 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.

(ii) Suspension of trading or removal. The Exchange will consider the suspension of trading in, and will commence delisting proceedings under Rule 14.12 for, a series of Managed Portfolio Shares under any of the following circumstances:

(a) 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;

(b) 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(k)(4)(B)(iii)(b) and such interruption persists past the trading day in which it occurred or is no longer available;

(c) 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(k)(4)(B)(iii)(b) and such issue persists past the trading day in which it occurred;

(d) if the Exchange has halted trading in a series of Managed Portfolio Shares pursuant to Rule 14.11(k)(4)(B)(iii)(a), such issue persists past the trading day in which it occurred;

(e) 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;

(f) if any of the continued listing requirements set forth in Rule 14.11(k) are not continuously maintained;

(g) if any of the applicable Continued Listing Representations for the issue of Managed Portfolio Shares are not continuously met; or

(h) if such other event shall occur or condition exists which, in the opinion of the Exchange, makes further dealings on the Exchange inadvisable.

(iii) Trading Halt.

(a) 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: (i) the extent to which trading is not occurring in the securities and/or the financial instruments composing the portfolio; or (ii) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present.

(b) If the Exchange becomes aware that: (i) the Verified Intraday Indicative Value of a series of Managed Portfolio Shares is not being calculated or disseminated in one second intervals, as required; (ii) the net asset value with respect to a series of

Managed Portfolio Shares is not disseminated to all market participants at the same time; (iii) 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 (iv) 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.

(iv) 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.

(v) Voting. Voting rights shall be as set forth in the applicable Investment Company prospectus and/or statement of additional information.

(5) 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.

(6) 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.

(l) Exchange-Traded Fund Shares

(1) 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 14.11(l).

(2) Applicability. This Rule 14.11(l) is applicable only to ETF Shares. Except to the extent inconsistent with this Rule 14.11(l), 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.

(A) Transactions in ETF Shares will occur throughout the Exchange's trading hours.

(B) Surveillance Procedures. The Exchange will implement and maintain written surveillance procedures for ETF Shares.

(3) Definitions. The following terms as used in the Rules shall, unless the context otherwise requires, have the meanings herein specified:

(A) ETF Shares. The term "ETF Shares" means shares of stock issued by an Exchange-Traded Fund.

(B) 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.

(C) 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.

(4) Initial and Continued Listing. 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 14.11(l) on an initial and continued listing basis.

(A) 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 (i) below, continued, listing basis:

(i) 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;

(ii) 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

(iii) 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.

(B) Continued Listing. Each series of ETF Shares will be listed and traded on the Exchange subject to application of the following continued listing criteria:

(i) Suspension of trading or removal. The Exchange will consider the suspension of trading in, and will commence delisting proceedings under Rule 14.12 for, a series of ETF Shares under any of the following circumstances:

(a) 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;

(b) if any of the other listing requirements set forth in this Rule 14.11(l) are not continuously maintained;

(c) 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

(d) if such other event shall occur or condition exists which, in the opinion of the Exchange, makes further dealings on the Exchange inadvisable.

(ii) Termination. Upon termination of an investment company, the Exchange requires that ETF Shares issued in connection with such entity be removed from Exchange listing.

(5) 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.

(6) A security that has previously been approved for listing on the Exchange pursuant to the generic listing requirements specified in Rule 14.11(c) or Rule 14.11(i), or pursuant to the approval of a proposed rule change or subject to a notice of effectiveness by the Commission, may be considered for listing solely under this Rule 14.11(l) if such security is eligible to operate in reliance on Rule 6c-11 under the 1940 Act. At the time of listing of such security under this Rule 14.11(l), the continued listing requirements applicable to such previously-listed security will be those specified in paragraph (b) of this Rule 14.11(l). Any requirements for listing as specified in Rule 14.11(c) or Rule 14.11(i), or an approval order or notice of effectiveness of a separate proposed rule change, that differ from the requirements of this Rule 14.11(l) will no longer be applicable to such security.

(m) Tracking Fund Shares

(1) 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.

(2) Applicability. This Rule is applicable only to Tracking Fund 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. Tracking Fund Shares are included within the definition of "security" or "securities" as such terms are used in the Rules of the Exchange.

(A) 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.

(B) Transactions in Tracking Fund Shares will occur throughout the Exchange's trading hours.

(C) 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.

(D) 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, the Tracking Basket, and/or the Custom Basket, as applicable. Any person related to the investment adviser or Investment Company who makes decisions pertaining to the Investment Company's Fund Portfolio, the Tracking Basket, and/or the Custom Basket or has access to nonpublic information regarding the Fund Portfolio, the Tracking Basket, and/or the Custom Basket, as applicable, or changes thereto must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the Fund Portfolio, the Tracking Basket, and/or the Custom Basket, as applicable, or changes thereto.

(E) Any person or entity, including a custodian, Reporting Authority, distributor, or administrator, who has access to nonpublic information regarding the Fund Portfolio, the Tracking Basket, or the Custom Basket, as applicable, or changes thereto, must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the applicable Fund Portfolio, the Tracking Basket, or the Custom Basket, as applicable, 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, Tracking Basket, or Custom Basket, as applicable.

(3) Definitions. The following terms as used in the Rules shall, unless the context otherwise requires, have the meanings herein specified:

(A) 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 or Custom Basket, as applicable, 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 or Custom Basket, as applicable, 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.

(B) 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.

(C) 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 Custom Basket; 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.

(D) 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.

(E) 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 14.11(m), to the extent applicable:

(i) Ticker symbol;

(ii) CUSIP or other identifier;

(iii) Description of holding;

(iv) Quantity of each security or other asset held; and

(v) Percentage weight of the holding in the portfolio.

(F) Custom Basket. For purposes of this Rule, the term “Custom Basket” means a portfolio of securities that is different from the Tracking Basket and is otherwise consistent with the exemptive relief issued pursuant to the Investment Company Act of 1940 applicable to a series of Tracking Fund Shares.

(4) Initial and Continued Listing. Tracking Fund Shares will be listed and traded on the Exchange subject to application of the following criteria:

(A) 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:

(i) 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.

(ii) The Exchange will obtain a representation from the issuer of each series of Tracking Fund Shares that (a) the net asset value per share for the series will be calculated daily, (b) 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, and (c) the issuer and any person acting on behalf of the series of Tracking Fund Shares will comply with Regulation Fair Disclosure under the Securities Exchange Act of 1934, including with respect to any Custom Basket.

(iii) All Tracking Fund Shares shall have a stated investment objective, which shall be adhered to under Normal Market Conditions.

(B) Continued Listing. Each series of Tracking Fund Shares will be listed and traded on the Exchange subject to application of the following continued listing criteria:

(i) 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.

(ii) Custom Basket. With respect to each Custom Basket utilized by a series of Tracking Fund Shares, each business day, before the opening of trading in Regular Trading Hours (as defined in Rule 1.5(w)), the investment company shall make publicly available on its website the composition of any Custom Basket transacted on the previous business day, except a Custom Basket that differs from the applicable Tracking Basket only with respect to cash.

(iii) 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.

(iv) Suspension of trading or removal. The Exchange will consider the suspension of trading in and will commence delisting proceedings for a series of Tracking Fund Shares pursuant to Rule 14.12 under any of the following circumstances:

(a) 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;

(b) if either the Tracking Basket or Fund Portfolio is not made available to all market participants at the same time;

(c) 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;

(d) if any of the requirements set forth in this rule are not continuously maintained;

(e) if any of the applicable Continued Listing Representations for the issue of Tracking Fund Shares are not continuously met; 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.

(v) Trading Halt.

(a) 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.

(b) 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.

(vi) 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.

(vii) Voting. Voting rights shall be as set forth in the applicable Investment Company prospectus and/or statement of additional information.

(5) 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.

(*Amended by SR-BATS-2011-018 eff. August 30, 2011; amended by SR-BATS-2012-030 eff. September 19, 2012; amended by SR-BATS-2012-044 eff. January 10, 2013; amended by SR-BATS-2013-038, as modified by Amendment 1 to SR-BATS-2013-038 eff. August 23, 2013 amended by SR-BATS-2014-057 eff. November 21, 2014; amended by SR-BATS-2016-14 eff. April 13, 2016; amended by SR-BATS-2015-100 eff. July 22, 2016; amended by SR-BatsBZX-26, as modified by Amendment No. 1 to SR-BatsBZX-2016-26 eff. October 7, 2016; amended by SR-BatsBZX-2017-26 eff. June 30, 2017; amended by SR-CboeBZX-2018-020 eff. March 16, 2018; amended by SR-CboeBZX-2018-057 eff. August 1, 2018; amended by SR-CboeBZX-2019-075 eff. August 7, 2019; amended by CboeBZX-2019-047 eff. December 16, 2019; amended by SR-CboeBZX-2020-007 eff. April 3, 2020; amended by SR-CboeBZX-2019-097 eff. April 6, 2020; amended by SR-CboeBZX-2020-028 eff. April 22, 2020; amended by SR-CboeBZX-2019-107 eff. May 18, 2020; amended by SR-CboeBZX-2021-041 eff. May 19, 2021; amended by SR-CboeBZX-2021-053 eff. September 28, 2021; amended by SR-CboeBZX-2022-026 eff. April 11, 2022; amended by SR-CboeBZX-2023-105 eff. December 12, 2023; amended by SR-CboeBZX-2025-046 eff. May 1, 2025)*.

Rule 14.12. Failure to Meet Listing Standards

(a) Background

Securities of a Company that does not meet the listing standards set forth in Chapter XIV are subject to delisting from, or denial of initial listing on the Exchange. This Section sets forth procedures for the independent review, suspension, and delisting of Companies that fail to satisfy

one or more standards for initial or continued listing, and thus are "deficient" with respect to the listing standards.

The Listings Qualifications Department is responsible for identifying deficiencies that may lead to delisting or denial of a listing application; notifying the Company of the deficiency or denial; and issuing Staff Delisting Determinations and Public Reprimand Letters. Rule 14.12(c) through (g) contain provisions regarding the Listing Qualifications Department's process for notifying Companies of different types of deficiencies and their corresponding consequences.

The Hearings Panel, upon timely request by a Company, will review a Staff Delisting Determination, denial of a listing application, or Public Reprimand Letter at an oral or written hearing, and issue a Decision that may, among other things, grant an "exception" to the Exchange's listing standards or affirm a delisting. Rule 14.12(h) contains provisions relating to the hearings process.

The Exchange Listing and Hearings Review Council, upon timely appeal by a Company or on its own initiative, may review the Decisions of the Hearings Panel. Rule 14.12(i) contains provisions relating to the Listing Council appeal process.

Finally, the Exchange Board of Directors may exercise discretion to call for review a Listing Council Decision. Rule 14.12(j) contains provisions related to that process.

Procedures related to SEC notification of the Exchange's final Delisting Determinations are discussed in Rule 14.12(k). Rules applicable to Adjudicators and Advisors are provided in Rule 14.12(l) and general information relating to the adjudicatory process is provided in Rule 14.12(m).

A Company's failure to maintain compliance with the applicable provisions of Chapter XIV will result in the termination of the listing unless an exception is granted to the Company, as described below. The termination of the Company's listing will become effective in accordance with the procedures set forth herein, including Rule 14.12(g).

(b) Definitions

(1) "Adjudicatory Body" or "Adjudicator" means the Hearings Panel, the Listing Council, or the Exchange Board, or a member thereof.

(2) "Advisor" means an individual employed by the Exchange who is advising an Adjudicatory Body with respect to a proceeding under this section.

(3) "Decision" means a written decision of an Adjudicatory Body.

(4) "Hearings Department" means the Hearings Department of the Exchange Office of General Counsel.

(5) The "Hearings Panel" is an independent panel made up of at least two persons who are not employees or otherwise affiliated with the Exchange or its affiliates, and who have been authorized by the Exchange Board of Directors.

(6) "Listing Council" means the Exchange Listing and Hearing Review Council.

(7) The "Listing Qualifications Department" is the department of the Exchange responsible for evaluating Company compliance with quantitative and qualitative listing standards and determining eligibility for initial and continued listing of a Company's securities.

(8) "Office of Appeals and Review" means the Office of Appeals and Review of the Exchange Office of General Counsel.

(9) "Public Reprimand Letter" means a letter issued by Staff or a Decision of an Adjudicatory Body in cases where the Company has violated an Exchange corporate governance or notification listing standard (other than one required by Rule 10A-3 or 10D-1 under the Act) and Staff or the Adjudicatory Body determines that delisting is an inappropriate sanction. In determining whether to issue a Public Reprimand Letter, Staff or the Adjudicatory Body will consider whether the violation was inadvertent, whether the violation materially adversely affected shareholders' interests, whether the violation has been cured, whether the Company reasonably relied on an independent advisor and whether the Company has demonstrated a pattern of violations.

(10) "Staff" refers to employees of the Listing Qualifications Department.

(11) "Staff Delisting Determination" or "Delisting Determination" is a written determination by the Listing Qualifications Department to delist a listed Company's securities for failure to meet a continued listing standard.

(c) Notification of Deficiency by the Listing Qualifications Department

When the Listing Qualifications Department determines that a Company does not meet a listing standard set forth in Chapter XIV, it will immediately notify the Company of the deficiency. As explained in more detail below, deficiency notifications are of four types:

- Staff Delisting Determinations, which are notifications of deficiencies that, unless appealed, subject the Company to immediate suspension and delisting;
- notifications of deficiencies for which a Company may submit a plan of compliance for staff review;
- notifications of deficiencies for which a Company is entitled to an automatic cure or compliance period; and
- Public Reprimand Letters.

Notifications of deficiencies that allow for submission of a compliance plan or an automatic cure or compliance period may result, after review of the compliance plan or expiration of the cure or compliance period, in issuance of a Staff Delisting Determination or a Public Reprimand Letter.

(d) Information Contained in Deficiency Notification and Delisting Determination

Deficiency notifications and Delisting Determinations will:

(1) inform the Company of the factual bases for Staff's determination of deficiency or delisting, and the quantitative or qualitative standard the Company has failed to satisfy;

(2) provide the Company with instructions regarding its obligations to disclose the deficiency under Exchange Listing Rules; and

(3) inform the Company:

(A) in the case of a Staff Delisting Determination, that the Company's securities will be suspended as of a date certain; the Company has a right to request review of the Delisting Determination by a Hearings Panel; and that a request for review within seven days (as set forth in Rule 14.12(h)(1)(A)) will stay the suspension;

(B) in the case of a deficiency for which the Company may submit a plan of compliance for review by Staff, the deadline by which a plan must be submitted;

(C) in the case of a deficiency for which the Company is entitled to an automatic cure or compliance period, the expiration date of the cure or compliance period; and

(D) in the case of a Public Reprimand Letter, an explanation of why Staff concluded the letter is appropriate and the Company's right to request review of the Letter by a Hearings Panel.

(e) Company Disclosure Obligations

A Company that receives a notification of deficiency, Staff Delisting Determination, or Public Reprimand Letter is required to make a public announcement disclosing receipt of the notification and the Rule(s) upon which the deficiency is based. A Company that receives a notification of deficiency or Staff Delisting Determination related to the requirement to file a periodic report contained in Rule 14.6(c)(1) or (2) is required to make the public announcement by issuing a press release disclosing receipt of the notification and the Rule(s) upon which the deficiency is based, in addition to filing any Form 8-K required by SEC rules. In all other cases, the Company may make the public announcement either by filing a Form 8-K, where required by SEC rules, or by issuing a press release. As described in Rule 14.6(b)(1) and Rule 14.6, Interpretation and Policy .01, the Company must notify Exchange's Surveillance Department about the announcement through the electronic disclosure submission system available on the Exchange's Web site, except in emergency situations when notification may instead be provided by telephone or facsimile. If the public announcement is made during Exchange market hours, the Company must notify the Exchange's Surveillance Department at least ten minutes prior to the announcement. If the public announcement is made outside of Exchange market hours, the Company must notify the Exchange's Surveillance Department of the announcement prior to 6:50

a.m. ET. The Company should make the public announcement as promptly as possible but not more than four business days following receipt of the notification.

(f) Types of Deficiencies and Notifications

The type of deficiency at issue determines whether the Company will be immediately suspended and delisted, or whether it may submit a compliance plan for review or is entitled to an automatic cure or compliance period before a Staff Delisting Determination is issued. In the case of a deficiency not specified below, Staff will issue the Company a Staff Delisting Determination or a Public Reprimand Letter.

(1) Deficiencies that Immediately Result in a Staff Delisting Determination. Staff's notice will inform the Company that its securities are immediately subject to suspension and delisting when:

(A) a Company fails to timely solicit proxies and hold its annual shareholders' meeting; or

(B) Staff has determined, under its discretionary authority in Rule 14.2, that the Company's continued listing raises a public interest concern.

(2) Deficiencies for which a Company may Submit a Plan of Compliance for Staff Review.

(A) *Submission of Plan of Compliance.* Unless the Company is currently under review by an Adjudicatory Body for a Staff Delisting Determination, the Listing Qualifications Department may accept and review a plan to regain compliance when a Company is deficient with respect to one of the standards listed in subsections (i) through (vi) below. In accordance with Rule 14.12(f)(2)(C), plans provided pursuant to subsections (i) through (iv) and (vi) below must be provided generally within 45 calendar days, and in accordance with Rule 14.12(f)(2)(F), plans provided pursuant to subsection (v) must be provided generally within 60 calendar days.

(i) all quantitative deficiencies from standards that do not provide a compliance period;

(ii) deficiencies from the standards of Rules 14.10(c) (Board of Directors and Committees) or 14.10(e)(1)(D)(iii) (Independent Directors/Audit Committee of Limited Partnerships) where the cure period of the Rule is not applicable;

(iii) or deficiencies from the standards of Rules 14.10(f)(3) (Quorum), 14.10(h) (Review of Related Party Transactions), 14.10(i) (Shareholder Approval), 14.6(c)(3) (Auditor Registration), 14.7 (Direct Registration Program), 14.10(d) (Code of Conduct), 14.10(e)(1)(D)(v) (Quorum of Limited Partnerships), 14.10(e)(1)(D)(vii) (Related Party

Transactions of Limited Partnerships), 14.10(j) (Voting Rights), or 14.10(k) (Compensation Recovery Policy);

(iv) failure to make the disclosure required by Rule 14.6(b)(3) (Disclosure of Third Party Director and Nominee Compensation);

(v) failure to file periodic reports as required by Rules 14.6(c)(1) or (2); or

(vi) failure to meet a continued listing requirement contained in Rule 14.11.

(B) *Staff Alternatives Upon Review of Plan*. Staff may request such additional information from the Company as is necessary to make a determination, as described below. In cases other than filing delinquencies, which are governed by Rule 14.12(f)(2)(F) below, upon review of a plan of compliance, Staff may either:

(i) grant an extension of time to regain compliance not greater than 180 calendar days from the date of Staff's initial notification, unless the Company is currently under review by an Adjudicatory Body for a Staff Delisting Determination. If Staff grants an extension, it will inform the Company in writing of the basis for granting the extension and the terms of the extension;

(ii) issue a Staff Delisting Determination letter that includes a description of the basis for denying the extension; or

(iii) issue a Public Reprimand Letter, as defined in Rule 14.12(b)(9).

(C) *Timeline for Submission of Compliance Plans*. Except for deficiencies from the standards of Rule 14.6(c)(1) or (2), Staff's notification of deficiencies that allow for compliance plan review will inform the Company that it has 45 calendar days to submit a plan to regain compliance with the Exchange's listing standard(s). Staff may extend this deadline for up to an additional 5 calendar days upon good cause shown and may request such additional information from the Company as is necessary to make a determination regarding whether to grant such an extension.

(D) *Restrictions on Compliance Plans for Certain Deficiencies.* Staff will not accept a plan to achieve compliance with deficiencies in net income from continuing operations or total assets and total revenue, since compliance requires stated levels of net income or assets and revenues during completed fiscal years and therefore can only be demonstrated through audited financial statements. Similarly, a Company may not submit a plan relying on partial-year performance to demonstrate compliance with these standards. A Company may, however, submit a plan that demonstrates current or near-term compliance with the listing requirement relating to stockholders' equity or Market Value of Listed Securities.

(E) *Failure to Meet the Terms of a Staff Extension*. If the Company does not regain compliance within the time period provided by all applicable Staff extensions, Staff will immediately issue a Staff Delisting Determination indicating the date on which the Company's securities will be suspended unless it requests review by a Hearings Panel.

(F) *Filing Delinquencies*. In the case of deficiencies from the standards of Rule 14.6(c)(1) or (2):

(i) Staff's notice shall provide the Company with 60 calendar days to submit a plan to regain compliance with the listing standard; provided, however, that the Company shall not be provided with an opportunity to submit such a plan if review under Rule 14.12 of a prior Staff Delisting Determination with respect to the Company is already pending. Staff may extend this deadline for up to an additional 15 calendar days upon good cause shown and may request such additional information from the Company as is necessary to make a determination regarding whether to grant such an extension.

(ii) The maximum additional time provided by all exceptions granted by Staff for a deficiency described in paragraph (i) above is 180 calendar days from the due date of the first late periodic report (as extended by Rule 12b-25 under the Act, if applicable). In determining whether to grant an exception, and the length of any such exception, Staff will consider, and the Company should address in its plan of compliance, the Company's specific circumstances, including the likelihood that the filing can be made within the exception period, the Company's past compliance history, the reasons for the late filing, corporate events that may occur within the exception period, the Company's general financial status, and the Company's disclosures to the market. This review will be based on information provided by a variety of sources, which may include the Company, its audit committee, its outside auditors, the staff of the SEC and any other regulatory body.

(3) *Deficiencies for which the Rules Provide a Specified Cure or Compliance Period*. With respect to deficiencies related to the standards listed in (A) - (E) below, Staff's notification will inform the Company of the applicable cure or compliance period provided by these Rules and discussed below. If the Company does not regain compliance within the specified cure or compliance period, the Listing Qualifications Department will immediately issue a Staff Delisting Determination letter.

(A) Bid Price. A failure to meet the continued listing requirement for minimum bid price shall be determined to exist only if the deficiency continues for a period of 30 consecutive business days. Upon such failure, the Company shall be notified promptly and shall have a period of 180 calendar days from such notification to achieve compliance. Compliance can be achieved during any compliance period

by meeting the applicable standard for a minimum of 10 consecutive business days during the applicable compliance period, unless Staff exercises its discretion to extend this 10 day period as discussed in Rule 14.12(f)(3)(F).

(i) *Tier I*. If a Company listed as a Tier I security has not been deemed in compliance prior to the expiration of the 180 day compliance period, it may transfer to Tier II, provided that it meets the applicable market value of publicly held shares requirement for continued listing and all other applicable requirements for initial listing on the Exchange as a Tier II security (except for the bid price requirement) based on the Company's most recent public filings and market information and notifies the Exchange of its intent to cure this deficiency. Following a transfer to Tier II, the Company will be afforded the remainder of the applicable compliance period set forth in Rule 14.12(f)(3)(A)(ii), unless it does not appear to the Exchange that it is possible for the Company to cure the deficiency. The Company may also request a hearing to remain as a Tier II security pursuant to Rule 14.12. Any time spent in the hearing process will not extend the length of the remaining applicable compliance periods for Tier II securities afforded by this rule.

(ii) *Tier II*. If a Company listed on the Exchange as a Tier II security is not deemed in compliance before the expiration of the 180 day compliance period, it will be afforded an additional 180 day compliance period, provided that on the 180th day of the first compliance period it meets the applicable market value of publicly held shares requirement for continued listing and all other applicable standards for initial listing on the Exchange as a Tier II security (except the bid price requirement) based on the Company's most recent public filings and market information and notifies the Exchange of its intent to cure this deficiency. If a Company does not indicate its intent to cure the deficiency, or if it does not appear to the Exchange that it is possible for the Company to cure the deficiency, the Company will not be eligible for the second grace period. If the Company has publicly announced information (e.g., in an earnings release) indicating that it no longer satisfies the applicable listing criteria, it shall not be eligible for the additional compliance period under this rule.

(B) Market Makers. A failure to meet the continued listing requirement for a number of Market Makers shall be determined to exist only if the deficiency continues for a period of 10 consecutive business days. Upon such failure, the Company shall be notified promptly and shall have a period of 30 calendar days from such notification to achieve compliance. Compliance can be achieved by meeting the applicable standard for a minimum of 10 consecutive business days during the 30 day compliance period.

(C) Market Value of Listed Securities. A failure to meet the continued listing requirements for Market Value of Listed Securities shall be determined to exist only if the deficiency continues for a period of 30 consecutive business days.

Upon such failure, the Company shall be notified promptly and shall have a period of 180 calendar days from such notification to achieve compliance. Compliance can be achieved by meeting the applicable standard for a minimum of 10 consecutive business days during the 180 day compliance period.

(D) Market Value of Publicly Held Shares. A failure to meet the continued listing requirement for Market Value of Publicly Held Shares shall be determined to exist only if the deficiency continues for a period of 30 consecutive business days. Upon such failure, the Company shall be notified promptly and shall have a period of 180 calendar days from such notification to achieve compliance. Compliance can be achieved by meeting the applicable standard for a minimum of 10 consecutive business days during the 180 day compliance period.

(E) Independent Director and Audit Committee Rules. If a Company fails to meet the majority board independence requirement in Rule 14.10(c)(1)(B) due to one vacancy, or because one director ceases to be independent for reasons beyond his/her reasonable control, the Listing Qualifications Department will promptly notify the Company and inform it has until the earlier of its next annual shareholders meeting or one year from the event that caused the deficiency to cure the deficiency. However, if the Company's next annual shareholders' meeting is held sooner than 180 days after the event that caused the deficiency, then the Company has 180 days from the event that caused the deficiency to cure it.

If a Company fails to meet the audit committee composition requirements in Rule 14.10(c)(3)(B) because an audit committee member ceases to be independent for reasons outside his/her control, the Listing Qualifications Department will promptly notify the Company and inform it that has until the earlier of its next annual shareholders meeting or one year from the occurrence of the event that caused the failure, to cure the deficiency. If the Company fails to meet the audit committee composition requirement due to one vacancy on the audit committee, and the Company is not relying upon a cure period for another member, the Listing Qualifications Department will promptly notify the Company and inform it that it has until the earlier of its next annual shareholders meeting or one year from the event that caused the failure to cure the deficiency. However, if the Company's next annual shareholders' meeting is held sooner than 180 days after the event that caused the deficiency, then the Company has 180 days from the event that caused the deficiency to cure it.

(F) Staff Discretion Relating to the Bid Price Requirement. Staff may, in its discretion, require a Company to maintain a bid price of at least $1.00 per share for a period in excess of ten consecutive business days, but generally no more than 20 consecutive business days, before determining that the Company has demonstrated an ability to maintain long-term compliance. In determining whether to require a Company to meet the minimum $1.00 bid price standard beyond ten business days, Staff will consider the following four factors:

(i) margin of compliance (the amount by which the bid price is above the $1.00 minimum standard);

(ii) trading volume (a lack of trading volume may indicate a lack of bona fide market interest in the security at the posted bid price);

(iii) Market Maker quoting activity (the number of Market Makers quoting at or above $1.00 and the size of their quotes); and

(iv) the trend of the stock price (is it up or down).

(4) Public Reprimand Letter. Staff's notification may be in the form of a Public Reprimand Letter in cases where the Company has violated an Exchange corporate governance or notification listing standard (other than one required by Rule 10A-3 or 10D-1 under the Act) and Staff determines that delisting is an inappropriate sanction. In determining whether to issue a public reprimand letter, the Listing Qualifications Department will consider whether the violation was inadvertent, whether the violation materially adversely affected shareholders' interests, whether the violation has been cured, whether the Company reasonably relied on an independent advisor and whether the Company has demonstrated a pattern of violations.

(g) Additional Deficiencies

The Listing Qualifications Department continues to evaluate the compliance of Companies while they are under review by Adjudicatory Bodies and may identify additional deficiencies. Upon identification of an additional deficiency, Staff will issue an additional notification of deficiency to the Company and send a copy to the appropriate Adjudicatory Body.

(1) Staff's notification of the additional deficiency will conform to the requirements set forth in Rule 14.12(d) if:

(A) the matter under review by an Adjudicatory Body is a Public Reprimand Letter; or

(B) the additional deficiency identified is one that has an automatic cure or compliance period.

(2) If the additional deficiency is one that would in the normal course result in immediate suspension and delisting, or one for which the Company may submit a compliance plan to Staff for review, Staff's notification will instruct the Company to address the issue to the Hearings Panel at its hearing, unless the hearing for the original deficiency has already taken place. If the hearing has already taken place, Staff's notification will instruct the Company to provide in writing, within a specified time period, a submission that addresses the deficiency to the Adjudicatory Body before which its matter is pending.

(h) Review of Staff Determinations by Hearings Panel

When a Company receives a Staff Delisting Determination or a Public Reprimand Letter issued by the Listing Qualifications Department, or when its application for initial listing is denied, it may request in writing that the Hearings Panel review the matter in a written or an oral hearing. This section sets forth the procedures for requesting a hearing before a Hearings Panel, describes the Hearings Panel and the possible outcomes of a hearing, and sets forth Hearings Panel procedures.

(1) Procedures for Requesting and Preparing for a Hearing

(A) Timely Request Stays Delisting

(i) A Company may, within seven calendar days of the date of the Staff Delisting Determination notification, Public Reprimand Letter, or denial of a listing application, request a written or oral hearing before a Hearings Panel to review the Staff Delisting Determination. Subject to the limitation in paragraph (ii) below, a timely request for a hearing will stay the suspension and delisting action pending the issuance of a written Panel Decision. Requests for hearings should be submitted in writing to the Chief Regulatory Officer.

(ii) A request for a hearing shall ordinarily stay the delisting action pending the issuance of a Panel Decision. However, if the Staff Delisting Determination relates to deficiencies from the standards of Rule 14.6(c)(1) or (2), which require a Company to timely file its periodic reports with the Commission, the delisting action will only be stayed for 15 calendar days from the deadline to request a hearing unless the Company specifically requests and the Hearings Panel grants a further stay. A request for a further stay must include an explanation of why such a stay would be appropriate and should be included in the Company's request for a hearing. Based on that submission and any recommendation provided by Staff, the Hearings Panel will determine whether to grant the Company a further stay. In determining whether to grant the stay, the Hearings Panel will consider the Company's specific circumstances, including the likelihood that the filing can be made within any exception period that could subsequently be granted, the Company's past compliance history, the reasons for the late filing, corporate events that may occur within the exception period, the Company's general financial status, and the Company's disclosures to the market. The Hearings Panel will notify the Company of its conclusion as soon as is practicable, but in no event more than 15 calendar days following the deadline to request the hearing. In the event the Hearings Panel determines not to grant the Company a stay, the Company's securities will be immediately suspended and will remain suspended unless the Panel Decision issued after the hearing determines to reinstate the securities.

(B) Failure to Request Results in Immediate Delisting

If a Company fails to request in writing a hearing within seven calendar days, it waives its right to request review of a Delisting Determination. In that event, the Chief Regulatory Officer will take action to suspend trading of the securities and follow procedures to delist the securities.

(C) Fees

Within 15 calendar days of the date of the Staff Delisting Determination the Company must submit a hearing fee to the Exchange, to cover the cost of the hearing, as follows:

(i) when the Company has requested a written hearing, $20,000; or

(ii) when the Company has requested an oral hearing, whether in person or by telephone, $20,000.

(D) Scheduling of Hearings

The Chief Regulatory Officer will schedule hearings to take place, to the extent practicable, within 45 days of the request for a hearing, at a location determined by the Chief Regulatory Officer. The Chief Regulatory Officer will send written acknowledgment of the Company's hearing request and inform the Company of the date, time, and location of the hearing, and deadlines for written submissions to the Hearings Panel. The Company will be provided at least ten calendar days notice of the hearing unless the Company waives such notice.

(E) Submissions from Company

The Company may submit to the Chief Regulatory Officer a written plan of compliance and request that the Hearings Panel grant an exception to the listing standards for a limited time period, as permitted by 14.12(h)(3) or may set forth specific grounds for the Company's contention that the issuance of a Staff Delisting Determination, Public Reprimand Letter, or denial of a listing application, was in error, and may also submit public documents or other written material in support of its position, including any information not available at the time of the Staff Determination. The Hearings Panel will review the written record, as described in Rule 14.12(m)(1), before the hearing.

(F) Presentation at Hearing

At an oral hearing, the Company may make such presentation as it deems appropriate, including the appearance by its officers, directors, accountants, counsel, investment bankers, or other persons, and the Hearings Panel may question any representative appearing at the hearing. Hearings are generally scheduled to last one hour, but the Hearings Panel may extend the time. The Chief Regulatory Officer or his or her designee will arrange for and keep on file a transcript of oral hearings.

(2) Composition of the Hearings Panel

Each Hearing is presided over by at least two Hearings Panel members, except as provided in Rule 14.12(h)(4)(C).

(3) Scope of the Hearings Panel's Discretion

(A) When the Hearings Panel review is of a deficiency related to continued listing standards, the Hearings Panel may, where it deems appropriate:

(i) grant an exception to the continued listing standards for a period not to exceed 180 days from the date of the Staff Delisting Determination with respect to the deficiency for which the exception is granted;

(ii) suspend and delist the Company's securities;

(iii) issue a Decision that serves as a Public Reprimand Letter in cases where the Company has violated an Exchange corporate governance or notification listing standard (other than one required by Rule 10A-3 or 10D-1 under the Act) and the Hearings Panel determines that delisting is an inappropriate sanction. In determining whether to issue a Public Reprimand Letter, the Hearings Panel will consider whether the violation was inadvertent, whether the violation materially adversely affected shareholders' interests, whether the violation has been cured, whether the Company reasonably relied on an independent advisor and whether the Company has demonstrated a pattern of violations;

(iv) find the Company in compliance with all applicable listing standards; or

(v) In the case of a Company that fails to file a periodic report (e.g., Form 10-K, 10-Q, 20-F, 40-F, or N-CSR), the Hearings Panel may grant an exception for a period not to exceed 360 days from the due date of the first such late periodic report. The Company can regain compliance with the requirement by filing that periodic report and any other delinquent reports with due dates falling before the end of the exception period. In determining whether to grant an exception, and the length of any such exception, the Hearings Panel will consider the Company's specific circumstances, including the likelihood that the filing can be made within the exception period, the Company's past compliance history, the reasons for the late filing, corporate events that may occur within the exception period, the Company's general financial status, and the Company's disclosures to the market. This review will be based on information provided by a variety of sources, which may include the Company, its audit committee, its outside auditors, the staff of the SEC and any other regulatory body.

(B) When the Hearings Panel's review is of a Staff denial of an initial listing application, the Hearings Panel may, where it deems appropriate:

(i) affirm Staff's denial of the application;

(ii) conditionally approve initial listing subject to an exception to the listing standards not to exceed 180 calendar days from the date of the Staff Delisting Determination with respect to the deficiency for which the exception is granted; or

(iii) approve initial listing on a finding that the Company meets all initial listing requirements

(C) A Hearings Panel may consider any failure to meet any quantitative or qualitative standard for initial or continued listing, including failures previously not considered by Staff. The Company will be given written notice of such consideration and an opportunity to respond.

(D) Under the authority described in Rule 14.2, the Hearings Panel may subject the Company to additional or more stringent criteria for the initial or continued listing of particular securities based on any event, condition, or circumstance that exists or occurs that makes initial or continued listing of the securities inadvisable or unwarranted in its opinion, even though the securities meet all enumerated criteria for initial or continued listing on the Exchange.

(4) Hearings Panel Procedures

(A) Panel Decision

After the hearing, the Chief Regulatory Officer, on behalf of the Hearings Panel, will issue a Panel Decision that meets the requirements of Rule 14.12(h)(3) and has been approved by each member of the Hearings Panel. The Panel Decision shall be promptly provided to the Company, and is effective immediately upon issuance, unless it specifies to the contrary. The Panel Decision will provide notice that the Company may appeal the Panel Decision to the Listing Council within 15 calendar days of the date of the Decision and that the Decision may be called for review by the Listing Council within 45 calendar days from the date of the Decision.

(B) Form 25 Notification of Delisting

If the Panel issues a Decision to delist the Company's securities, the Chief Regulatory Officer will immediately take action to suspend trading of the securities, unless the Decision specifies to the contrary. If the Company does not appeal a Decision to delist and the Listing Council does not call the matter for review, or withdraws its call for review, the Exchange will follow the procedures described in Rule 14.12(f) to submit an application on Form 25 to the SEC to strike the security from listing.

(C) Hearings Panel Deadlock

If, following the hearing, the Hearings Panel cannot reach a unanimous decision, the Chief Regulatory Officer will notify the Company of this circumstance. The Company will be provided an additional hearing before a Hearings Panel composed of three members who did not participate in the previous hearing. The Company may decide whether the hearing will be written or oral, in person or by telephone. The Company may submit any documents or other written material in support of its request for review, including information not available at the time of the initial hearing. There will be no fee for the new hearing. After review by a Hearings Panel convened pursuant to this paragraph, the Chief Regulatory Officer on behalf of the Hearings Panel will issue a Decision that meets the requirements of Rule 14.12(m)(3) and that has been approved by at least a majority of the Hearings Panel.

(D) Procedures Applicable for Recurring Deficiencies

(1) Hearings Panel Monitor

A Hearings Panel may, after a Company regains compliance with all applicable listing standards, monitor the Company's continued compliance for up to one year after the compliance date, if the Hearings Panel concludes that there is a likelihood that the issuer will fail to maintain compliance with one or more listing standards during that period. If the Hearings Panel or the Listing Qualifications Department determines that a Company under Hearings Panel monitor fails any listing standard during the monitor period, the Staff will issue a Staff Delisting Determination and the Chief Regulatory Officer or his or her designee will promptly schedule a new hearing, with the initial Hearings Panel or a newly convened Hearings Panel if the initial Hearings Panel is unavailable. The hearing may be oral or written, at the Company's election. Notwithstanding Rule 14.12(f)(2), the Company will not be permitted to provide the Listing Qualifications Department with a plan of compliance with respect to any deficiency that arises during the monitor period, and the Listing Qualifications Department will not be permitted to grant additional time for the Company to regain compliance with respect to any deficiency. The Hearings Panel will consider the Company's compliance history when rendering its Decision.

(2) No Hearings Panel Monitor

If a Hearings Panel has not opted to monitor a Company that has regained compliance with the listing standards requiring the Company to maintain certain levels of stockholders' equity or to timely file periodic reports, and within one year of the date the Company regained compliance with such listing standard, the Listing Qualifications Department finds the Company again out of compliance with the requirement that was the subject of the exception, then, notwithstanding Rule 14.12(f)(2), the Listing Qualifications Department will not allow the Company to provide it with a plan of compliance or grant additional time for the Company to regain compliance. Rather, the Listing Qualifications Department will promptly issue a Staff Delisting Determination, and the Company may

request review by a Hearings Panel. The Hearings Panel will consider the Company's compliance history when rendering its Decision.

(E) Request for Hearings Panel Reconsideration

A Company may request, in writing, that the Hearings Panel reconsider a Panel Decision only upon the basis that a mistake of material fact existed at the time of the Panel Decision. The Company's request for reconsideration shall be made within seven calendar days of the date of issuance of the Panel Decision. A Company's request for reconsideration will not stay a delisting determination or suspension of trading of the Company's securities, unless the Hearings Panel, before the scheduled date for suspension, issues a written determination staying the suspension and/or reversing the determination to delist. A Company's request for reconsideration will not extend the time for the Company to initiate the Listing Council's review of the Panel Decision.

If the Hearings Panel grants a Company's reconsideration request, it will issue a modified Decision meeting the requirements of Rule 14.12(m)(3) within 15 calendar days of the date of the original Panel Decision, or lose jurisdiction over the matter. If the Listing Council calls a Panel Decision for review on the same issue that the Company has requested reconsideration by the Hearings Panel, the Listing Council may assert jurisdiction over the initial Panel Decision or permit the Hearings Panel to proceed with the reconsideration and issue a new Decision.

(i) Appeal to the Exchange Listing Council

A Company may appeal a Panel Decision to the Listing Council. The Listing Council may also call for review a Panel Decision on its own initiative. This paragraph (i) describes the procedures applicable to appeals and calls for review.

(1) Procedure for Requesting Appeal

A Company may appeal any Panel Decision to the Listing Council by submitting a written request for appeal and a fee of $15,000 to the Exchange Office of Appeals and Review within 15 calendar days of the date of the Panel Decision. An appeal will not operate as a stay of the Panel Decision. Upon receipt of the appeal request and the applicable fee, the Exchange Office of Appeals and Review will acknowledge the Company's request and provide deadlines for the Company to provide written submissions.

(2) Procedures for Initiating Call for Review

The Listing Council may also call for review any Panel Decision upon the request of one or more members of the Listing Council within 45 calendar days of the date of the Panel Decision. The Office of Appeals and Review will promptly inform the Company of the reasons for the review and provide a deadline for written submissions. A call for review by the Listing Council will not operate as a stay of the Panel Decision, unless the call for review specifies to the contrary. The Listing Council may withdraw the call for review of a Panel Decision at any time.

(3) Composition of Listing Council

The Listing Council is a committee appointed by the Exchange Board of Directors pursuant to the Exchange By-Laws whose responsibilities include the review of Panel Decisions by a Hearings Panel.

(4) Scope of Listing Council's Discretion

(A) The Listing Council may, where it deems appropriate, affirm, modify, or reverse the Panel Decision, or remand the matter to the Listing Qualifications Department or to the Hearings Panel for further consideration. The Listing Council may grant an exception for a period not longer than 360 calendar days from the date of the Staff Delisting Determination with respect to the deficiency for which the exception is granted. The Listing Council also may issue a Decision that serves as a Public Reprimand Letter in cases where the Company has violated an Exchange corporate governance or notification listing standard (other than one required by Rule 10A-3 or 10D-1 under the Act) and the Listing Council determines that delisting is an inappropriate sanction. In determining whether to issue a Public Reprimand Letter, the Listing Council will consider whether the violation was inadvertent, whether the violation materially adversely affected shareholders' interests, whether the violation has been cured, whether the Company reasonably relied on an independent advisor and whether the Company has demonstrated a pattern of violations.

(B) The Listing Council may consider any failure to meet any quantitative standard or qualitative consideration for initial or continued listing, including failures previously not considered by the Hearings Panel. The Listing Council may also consider any action taken by a Company during the review process that would have constituted a violation of the Exchange's corporate governance requirements had the Company's securities been trading on the Exchange at the time. The Company will be afforded written notice of such consideration and an opportunity to respond.

(C) Under the authority described in Rule 14.2, the Listing Council may subject the Company to additional or more stringent criteria for the initial or continued listing of particular securities based on any event, condition, or circumstance that exists or occurs that makes initial or continued listing of the securities inadvisable or unwarranted in its opinion, even though the securities meet all enumerated criteria for initial or continued listing on the Exchange.

(D) In the case of a Company that fails to file a periodic report (e.g., Form 10-K, 10-Q, 20-F, 40-F, or N-CSR), the Listing Council may grant an exception for a period not to exceed 360 days from the due date of the first such late periodic report. The Company can regain compliance with the requirement by filing that periodic report and any other delinquent reports with due dates falling before the end of the exception period. In determining whether to grant an exception, and the length of any such exception, the Listing Council will consider the Company's specific

circumstances, including the likelihood that the filing can be made within the exception period, the Company's past compliance history, the reasons for the late filing, corporate events that may occur within the exception period, the Company's general financial status, and the Company's disclosures to the market. This review will be based on information provided by a variety of sources, which may include the Company, its audit committee, its outside auditors, the staff of the SEC and any other regulatory body.

(E) The Listing Council may also recommend that the Exchange Board consider the matter.

(5) Listing Council Review Process

(A) Review Generally on Written Record

For each matter before the Listing Council, whether on appeal for call for review, a subcommittee consisting of at least two members of the Listing Council will review the written record, as described in Rule 14.12(m)(1). Members of the Listing Council who are not on a subcommittee will be provided with a written summary of the record prepared by an Advisor, and may, but will not be required to, review the written record. The Listing Council shall consider the written record and, at its discretion, may request additional written materials and/or hold additional hearings. If an oral hearing is scheduled, it will take place, to the extent practicable, within 45 days of the date the appeal was submitted or the call for review was initiated.

(B) Record of Proceedings Maintained

A record of the documents considered by the Listing Council will be kept by the Exchange Office of Appeals and Review.

(C) Written Decision Issued

A written Listing Council Decision meeting the requirements of Rule 14.12(m)(3) will be issued after approval by at least a majority of the Listing Council. The Listing Council Decision will be promptly provided to the Company and will take immediate effect unless it specifies to the contrary. If the Listing Council determines to delist the Company, the securities of the Company will be immediately suspended, unless the Listing Council Decision specifies to the contrary.

(D) Reconsideration of a Listing Council Decision

A Company may request, in writing, that the Listing Council reconsider a Listing Council Decision only upon the basis that a mistake of material fact existed at the time of the Listing Council Decision. The Company's request must be made within seven calendar days of the date of the Listing Council Decision. A Company's request for reconsideration will not stay a Listing Council Decision

unless the Listing Council issues a written determination staying the Decision. If the Listing Council grants a Company's reconsideration request, the Listing Council will issue a modified Decision meeting the requirements of Rule 14.12(m)(3) within 15 calendar days of the date of the original Listing Council Decision, or lose jurisdiction over the matter.

(E) Notice of Board Right to Call

The Listing Council Decision will provide notice that the Exchange Board may call the Listing Council Decision for review pursuant to provisions in Rule 14.12(j).

(F) Form 25 Notification of Delisting

If the Listing Council determines to delist the Company and the Exchange Board does not call the matter for review or withdraws its call for review, the Exchange will follow the procedures described in Rule 14.12(k) to submit an application on Form 25 to the Securities and Exchange Commission to delist the security.

(j) Discretionary Review by the Exchange Board

(1) Review at Discretion of Board

A Panel Decision, in a matter where the Hearings Panel has granted the maximum exception period and the Listing Council is precluded from granting additional time under Rules 14.12(h)(3)(A)(vi)and 14.12(i)(4)(D), or a Listing Council Decision may be called for review by the Board of Directors of the Exchange (the "Exchange Board") solely upon the request of one or more Board members not later than the next Exchange Board meeting that is 15 calendar days or more following the date of the Panel or Listing Council Decision. This review will be undertaken solely at the discretion of the Exchange Board and will not operate as a stay of the Panel or Listing Council Decision, unless the Board's call for review specifies to the contrary. At the sole discretion of the Exchange Board, it may withdraw its call for review of a Panel or Listing Council Decision at any time before issuance of a Decision.

(2) Scope of Discretion of Board

The Board may consider any failure to meet any quantitative standard or qualitative consideration for initial or continued listing, including failures previously not considered by the Listing Council. It may also consider any action taken by a Company during the review process that would have constituted a violation of the Exchange's corporate governance requirements had the Company's securities been trading on the Exchange at the time. The Company will be afforded written notice of such consideration and an opportunity to respond. Pursuant to Rule 14.2, the Board may subject the Company to additional or more stringent criteria for the initial or continued listing of particular securities based on any event, condition, or circumstance that exists or occurs that makes initial or continued listing of the securities inadvisable or unwarranted in its opinion, even

though the securities meet all enumerated criteria for initial or continued listing on the Exchange.

(3) Review on Written Record

If the Exchange Board conducts a discretionary review, the review generally will be based on the written record considered by the Hearings Panel or Listing Council. However, the Exchange Board may, at its discretion, request and consider additional information from the Company and/or from Staff. If the Board considers additional information, a record of the documents reviewed by the Exchange Board will be kept by the Exchange Office of General Counsel.

(4) Board Decision

If the Exchange Board conducts a discretionary review, the Company will be provided a written Decision that meets the requirements of Rule 14.12(m)(3). The Exchange Board may affirm, modify or reverse the Panel or Listing Council Decision and may remand the matter to the Listing Council, Hearings Panel, or staff of the Listing Qualifications Department with appropriate instructions. The Exchange Board also may issue a Decision that serves as a Public Reprimand Letter in cases where the Company has violated an Exchange corporate governance or notification listing standard (other than one required by Rule 10A-3 or 10D-1 under the Act) and the Exchange Board determines that delisting is an inappropriate sanction. In determining whether to issue a Public Reprimand Letter, the Exchange Board will consider whether the violation was inadvertent, whether the violation materially adversely affected shareholders' interests, whether the violation has been cured, whether the Company reasonably relied on an independent advisor and whether the Company has demonstrated a pattern of violations. The Decision of the Exchange Board will take immediate effect, unless it specifies to the contrary, and represents the final action of the Exchange. If the Exchange Board determines to delist the Company, the securities of the Company will be immediately suspended, unless the Exchange Board specifies to the contrary, and the Exchange will follow the procedures contained in Rule 14.12(k) and submit an application on Form 25 to the Commission to strike the security from listing.

(k) Finality of Delisting Determination

When the Exchange has made a final determination to delist a Company's securities, it will follow procedures consistent with the Act to strike the security from listing. The Exchange's determination to delist a Company's securities is final when, after a Delisting Determination has been issued, all available review and appeal procedures and periods available under these Rules have expired.

The Exchange will issue a press release and post a notice on its website announcing its final determination to remove a security from listing, consistent with Rule 12d2-2 under the Act. Under Rule 12d2-2, the Exchange must disseminate this public notice not less than 10 days before the delisting becomes effective and maintain the website notice until the delisting is effective. Following the public notification, the Exchange will file an application on Form 25 with the

Commission to delist the security, and will promptly provide a copy of that Form 25 to the Company. The delisting of the security becomes effective 10 days after the Form 25 is filed pursuant to Rule 12d2-2(d)(1) under the Act, unless the Commission postpones the delisting pursuant to Rule 12d2-2(d)(3).

(l) Rules Applicable to Adjudicators and Advisors

(1) Ex Parte Communications

(A) No Ex parte Communications

No member of the staff of the Listing Qualifications Department or its counsel, and no Company representative will make or knowingly cause to be made an ex parte communication relevant to the merits of a proceeding under this Section to an Adjudicator or any Advisor.

Similarly, no Adjudicator who is participating in a Decision with respect to a proceeding under this Section, and no Advisor with respect to such a proceeding, will make or knowingly cause to be made an ex parte communication relevant to the merits of that proceeding to a Company representative, a member of the staff of the Listing Qualifications Department or its counsel.

(B) An Adjudicator or Advisor who is participating in or advising with respect to a proceeding who receives, makes, or knowingly causes to be made an ex parte communication relevant to the merits of a proceeding will place a copy of it, or its substance if it is an oral communication, in the record of the proceeding. Staff of the Listing Qualifications Department or the Company, as applicable, will be permitted to respond to the ex parte communication, and any response will be placed in the record of the proceeding.

(2) No Communications Between Adjudicatory Bodies

(A) Members of a Hearings Panel and their Advisors who are participating in a proceeding under this Section are prohibited from making communications relevant to the merits of such proceeding to members of the Listing Council or the Exchange Board or their respective Advisors.

(B) Members of the Listing Council and their Advisors are prohibited from making communications relevant to the merits of a proceeding under this Rule to members of a Hearings Panel who are participating in such proceeding or their Advisors, or members of the Exchange Board or their Advisors.

(C) Members of the Exchange Board and their Advisors are prohibited from making communications relevant to the merits of a proceeding under this Rule to members of a Hearings Panel who are participating in such proceeding or their Advisors, or members of the Listing Council or their Advisors.

(D) An Adjudicator or Advisor who is participating in or advising with respect to a proceeding who receives, makes, or knowingly causes to be made a communication prohibited by paragraphs (A) - (C) above will place a copy of it, or its substance if it is an oral communication, in the record of the proceeding. Staff of the Listing Qualifications Department and the Company will be permitted to respond to the communication, and any such response will be placed in the record of the proceeding.

(3) Recusal or Disqualification

No person will serve as a member of a Hearings Panel, or participate as a member of the Listing Council, the Exchange Board, the staff of the Listing Qualifications Department or Advisor to an Adjudicator, in a matter as to which he or she has a conflict of interest or bias, or circumstances otherwise exist where his or her fairness might reasonably be questioned. In any such case, the person will recuse himself or herself, or will be disqualified.

(A) Exchange of Biographical Information

To facilitate the process for recusal and disqualification, at least five days before any proceeding under this Section, the Company will provide the Chief Regulatory Officer or the Advisor to the Listing Council or the Exchange Board, as applicable, with names and biographical information of each person who will appear on behalf of the Company at the proceeding, and the Chief Regulatory Officer or Advisor, as applicable, will provide the Company and the Staff with names and biographical information of the Adjudicators for the proceeding; provided, however, that with respect to proceedings before the Listing Council or the Exchange Board, the Advisor to the respective Adjudicatory Body may post names and biographical information of each Adjudicator on a publicly available website in lieu of providing them directly to the Company.

(B) Disqualification Procedures

A Company or the Staff of the Listing Qualifications Department may file a request to disqualify an Adjudicator. A request to disqualify will be based upon a reasonable, good faith belief that a conflict of interest or bias exists or circumstances otherwise exist where the Adjudicator's fairness might reasonably be questioned, and will be accompanied by a statement setting forth in detail the facts alleged to constitute grounds for disqualification, and the dates on which the party learned of those facts. A request to disqualify must be filed (A) not later than two business days after the party was provided with the name and biographical information of the Adjudicator, or (B) if the name and biographical information of the Adjudicator was posted on a website, not later than two business days after the Company requested Listing Council review or received notice of discretionary review by the Listing Council or the Exchange Board. A request for disqualification of an Adjudicator will be decided by the party with authority to order disqualification of such Adjudicator, as detailed below, who will promptly

investigate whether disqualification is required and issue a written response to the request.

(i) Exchange Board

The Chair of the Exchange Board will have authority to order the disqualification of a Director, and a majority of the Exchange Board excluding the Chair of the Exchange Board will have authority to order the disqualification of the Chair.

(ii) Listing Council

A Chair of the Listing Council will have authority to order the disqualification of a member of the Listing Council, and a majority of the Listing Council excluding any Chairs of the Listing Council will have authority to order the disqualification of a Chair of the Listing Council.

(iii) Staff of Listing Qualifications Department; Panelist of Hearings Panel

The General Counsel of the Exchange will have authority to order the disqualification of (i) a member of the staff of the Listing Qualifications Department reviewing the qualifications of a Company, (ii) a member of a Hearings Panel, or (iii) an Advisor to an Adjudicatory Body.

(m) Adjudicatory Process: General Information

(1) Record on Review

At each level of a proceeding under this Section, the written record may consist of the following items, as applicable: correspondence between the Exchange and the Company; the Company's public filings; information released to the public by the Company; written submissions, exhibits, or requests submitted by either the Company or the Listing Qualifications Department and responses thereto; and any additional information considered by the Adjudicatory Body as part of the review process. The written record will be supplemented by the transcript of any hearings held during the review process and all Decisions issued.

At each level of review under this Section, the Company will be informed of the contents of the written record. The Company will be provided a copy of any documents in the record that were not provided by the Company or are not publicly available, at least three calendar days before the deadline for Company submissions, unless the Company waives this production.

If additional issues arising under Rule 14.1 are considered, as permitted by Rule 14.9, the notice of such consideration and any response to such notice shall be made a part of the record.

(2) Additional Information Requested or Considered

At each level of a proceeding under this Section, the Adjudicatory Body, as part of its review:

(A) may request additional information from the Company or the Listing Qualifications Department; and

(B) may consider additional information available from other sources it deems relevant. The Company and the Listing Qualifications Department will be afforded written notice and an opportunity to address the significance of any information requested or considered, and the notice, responses to the notice, and the information considered will be made part of the record.

(3) Contents of Decisions

Each Adjudicatory Body's written Decision will include:

(A) a statement describing the procedural history of the proceeding, including investigations or reviews undertaken by the Listing Qualifications Department;

(B) the quantitative or qualitative standard that the Company is alleged to have failed to satisfy;

(C) a statement setting forth the findings of fact with respect to the Company;

(D) the conclusions of the Adjudicatory Body as to whether the Company has failed to satisfy the quantitative or qualitative standards for initial or continued listing; and

(E) a statement of the Adjudicatory Body in support of its disposition of the matter, and, if applicable, the rationale for any exception to the initial or continued listing requirements granted.

(4) Correction of Clerical Errors

The Hearings Panel and the Listing Council may correct clerical or other non-substantive errors in their respective Decisions either on their own motion or at the request of a Company. A copy of any such corrected Decision will be provided to the Company.

(5) Computation and Adjustment of Time

(A) Except as described in paragraph (B) below, in counting any time under this Section, the day of the act, event, or default from which the period of time begins to run, is not to be included. The last day of the period is included, unless it is a Saturday, Sunday, federal holiday, or Exchange holiday in which case

the period runs until the end of the next day that is not a Saturday, Sunday, federal holiday or Exchange holiday.

(B) When Staff determines whether a deficiency has occurred with respect to the Bid Price, Market Value of Listed Securities, or Market Value of Publicly Held Shares requirements, the first trading day that the Bid Price or Market Value is below required standards is included in computing the total number of consecutive trading days of default. Similarly, when Staff determines whether a Company has regained compliance with the Bid Price, Market Value of Listed Securities, or Market Value of Publicly Held Shares requirements, the first trading day that the Bid Price or Market Value is at or above required standards is included in computing the total number of consecutive trading days.

(C) If the Office of General Counsel determines that notice required to be provided under this Section was not properly given or that other extenuating circumstances exist, the Chief Regulatory Officer may adjust the periods of time provided by the rules for the filing of written submissions, the scheduling of hearings, or the performance of other procedural actions by the Company or an Adjudicator, as applicable, to allow the Company or the Adjudicator the time contemplated by these rules.

(D) A Company may waive any notice period specified in this Section.

(6) Delivery of Documents

Delivery of any document under this Section may be made by electronic delivery, hand delivery, facsimile, regular mail or overnight courier. Delivery will be considered timely if the electronic delivery, hand delivery, fax, or overnight courier is received on or before the relevant deadline. If a Company has not specified a facsimile number, e-mail address, or street address, delivery will be made to the last known facsimile number, e-mail address, and street address. If a Company is represented by counsel or a representative, delivery may be made to the counsel or representative.

(7) Document Retention Procedures

Any document submitted to the Exchange in connection with a proceeding under this Section will be retained in accordance with applicable record retention policies.

(8) Documentation of Decisions

The Listing Qualifications Department or the Advisor to an Adjudicatory Body, as applicable, shall document the date on which a Decision with respect to a Company is implemented.

(9) Re-Listing of a Company

A Company that has been the subject of a Decision by an Adjudicatory Body to delist such Company shall be required, prior to re-listing, to comply with the requirements

for initial listing. A Company that has been suspended but that has not been the subject of such a Decision shall be required, prior to re-listing, to comply with requirements for continued listing.

(10) Voluntary Delisting

(A) A Company may voluntarily terminate its listing upon compliance with all requirements of Rule 12d2-2(c) under the Act. In part, Rule 12d2-2(c) requires that the Company may delist by filing an application on Form 25 with the Commission, provided that the Company: (i) complies with all applicable laws in effect in the state in which it is incorporated and with the applicable Exchange Rules; (ii) provides notice to the Exchange no fewer than 10 days before the Company files the Form 25 with the Commission, including a statement of the material facts relating to the reasons for delisting; and (iii) contemporaneous with providing notice to the Exchange, publishes notice of its intent to delist, along with its reasons therefore, via a press release and on its web site, it if has one. Any notice provided on the Company's web site pursuant to Rule 12d2-2(c) must remain available until the delisting has become effective. The Company must also provide a copy of the Form 25 to the Exchange simultaneously with its filing with the Commission. The Exchange will provide notice on its web site of the Company's intent to delist as required by Rule 12d2-2(c)(3).

(B) A Company that seeks to voluntarily delist a class of securities pursuant to Rule 14.12(m)(10) that has received notice from the Exchange, pursuant to Rule 14.12 or otherwise, that it fails to comply with one or more requirements for continued listing, or that is aware that it is below such continued listing requirements notwithstanding that it has not received such notice from the Exchange, must disclose this fact (including the specific continued listing requirement that it is below) in: (i) its statement of all material facts relating to the reasons for withdrawal from listing provided to the Exchange along with written notice of its determination to withdraw from listing required by Rule 12d2-2(c)(2)(ii) under the Act; and (ii) its press release and web site notice required by Rule 12d2-2(c)(2)(iii) under the Act.

(11) Disclosure of Public Reprimand Letter

A Company that receives an Adjudicatory Body Decision that serves as a Public Reprimand Letter must make a public announcement by filing a Form 8-K, where required by SEC rules, or by issuing a press release disclosing the receipt of the Decision, including the Rule(s) upon which the Decision was based. As described in Rule 14.6(b)(1) and Rule 14.6, Interpretation and Policy .01, the Company must notify the Exchange's Surveillance Department about the announcement through the electronic disclosure submission system available on the Exchange's Web site, except in emergency situations when notification may instead be provided by telephone or facsimile. If the public announcement is made during the Exchange market hours, the Company must notify the Exchange's Surveillance Department at least ten minutes prior to the announcement. If the public announcement is made outside of the Exchange market hours, the Company must notify the Exchange's

Surveillance Department of the announcement prior to 6:50 a.m. ET. The Company should make the public announcement as promptly as possible but not more than four business days following receipt of the Decision.

Interpretations and Policies

.01 Disclosure of Written Notice of Staff Determination

Rule 14.12(e) requires that a Company make a public announcement by filing a Form 8-K, where required by SEC rules, or by issuing a press release disclosing the receipt of (i) a notice that the Company does not meet a listing standard set forth in Chapter XIV, (ii) a Staff Delisting Determination to limit or prohibit continued listing of the Company's securities under Rule 14.12(c) as a result of the Company's failure to comply with the continued listing requirements, or (iii) a Public Reprimand Letter; provided, however, that if the notification relates to a failure to meet the requirements of Rules 14.6(c)(1) or (2), the Company must make the public announcement by issuing a press release. Such public announcement shall be made as promptly as possible, but not more than four business days following the receipt of the notification, Staff Delisting Determination, or Public Reprimand Letter, as applicable. If the public announcement is not made by the Company within the time allotted, trading of its securities shall be halted, even if the Company appeals the Staff Delisting Determination or Public Reprimand Letter as set forth in Rule 14.12(h). If the Company fails to make the public announcement by the time that the Hearings Panel issues its Decision, that Decision will also determine whether to delist the Company's securities for failure to make the public announcement.

Rule 14.12(e) does not relieve a Company of its disclosure obligation under the federal securities laws, nor should it be construed as providing a safe harbor under the federal securities laws. It is suggested that the Company consult with corporate/securities counsel in assessing its disclosure obligations under the federal securities laws.

.02 Staff Review of Deficiencies

As provided in Rule 14.12(f)(2)(A)(i), the Staff may accept a plan to regain compliance with respect to quantitative deficiencies from standards that do not themselves provide a compliance period. Such standards include, but are not limited to:

Rules 14.9(e)(2)(A) [Stockholders' Equity] and 14.9(e)(2)(C) [Net Income from Continuing Operations]; Rule 14.9(e)(1)(C) [Public Holders]; Rule 14.9(e)(1)(D) [Publicly Held Shares]; Rules 14.8(e)(2)(C)(i) [Total Assets/Total Revenue], 14.8(e)(2)(B)(ii) [Publicly Held Shares], and 14.8(e)(1)(B) [Total Holders]; and Rules 14.8(g)(1)(A) [Publicly Held Shares] and 14.8(g)(1)(D) [Public Holders].

(*Amended by SR-BATS-2011-018 eff. August 30, 2011; amended by SR-BATS-2016-14 eff. April 13, 2016; amended by SR-BatsBZX-2016-80 eff. January 1, 2018; amended by SR-CboeBZX-2023-013 eff. June 9, 2023; amended by SR-CboeBZX-2024-010 eff. January 29, 2024; amended by SR-CboeBZX-2024-065 eff. June 13, 2024*).

Rule 14.13. Company Listing Fees

(a) Preamble to Company Listing Fees

This section sets forth the required fees for Companies both seeking listing and currently listed on the Exchange. With certain exceptions, Companies seeking to list on the Exchange must pay a non-refundable application fee and a non-refundable entry fee. Listed Companies are also required to pay annual fees. Please note that the fees related to written interpretations of the Exchange listing rules can be found in Rule 14.10(b).

(b) Fees Applicable to Listings

(1) Initial Listing Fees

(A) Application Fee

(i) A Company that submits an application to list any class of its securities (not otherwise identified in this Rule) on the Exchange as a Tier I or Tier II security, shall pay to the Exchange an application fee. The application fee will be $25,000, unless the Company is at any point during the Exchange's review of the application simultaneously engaged in the application process to list on another national securities exchange, in which case the application fee will be $50,000. The application fee must be submitted with the Company's application. If a Company is not engaged in the application process to list on another national securities exchange at the time it submits the application to list on the Exchange, but later submits such application, the Company will be assessed the remaining application fee at the time it submits such application.

(ii) A Company that submits an application to list a Company whose business plan is to complete one or more acquisitions, under Rule 14.2(b) (an "Acquisition Company"), shall pay to the Exchange an application fee. The application fee will be $5,000, which must be submitted with the Company's application. If the Company does not list within 12 months of submitting its application, it will be assessed an additional non-refundable $5,000 application fee each 12 months thereafter to keep its application open.

(iii) The fees described in this Rule 14.13(b)(1)(A)(i) and (ii) shall not be applicable to Closed-End Funds, as defined in Rule 14.8(a), or Additional Listings, as described in Rule 14.13(b)(1)(B)(iv).

(B) Entry Fee

(i) *Tier I Securities:* A Company that receives conditional approval to list any class of its securities (not otherwise identified in this Rule) on the Exchange as a Tier I security, shall pay to the Exchange a fee of $100,000 less the application fee. This fee will be assessed on the date the Exchange provides conditional approval.

(ii) *Tier II Securities:* A Company that receives conditional approval to list any class of its securities (not otherwise identified in this Rule) on the Exchange as a Tier II security, shall pay to the Exchange a fee of $50,000 less the application fee. This fee will be assessed on the date the Exchange provides conditional approval.

(iii) *Acquisition Companies*: A Company that receives conditional approval to list an Acquisition Company as a Tier I or Tier II security, shall pay to the Exchange a fee of $60,000 less the application fee, which covers both the primary equity securities and also warrants and rights, if any. This fee will be assessed on the date the Exchange provides conditional approval. A Company listed as an Acquisition Company under Rule 14.2(b) (until the Company has satisfied the condition in Rule 14.2(b)(2) that lists an additional class of equity securities (not otherwise identified in this Rule 14.13)) is not subject to entry fees under this Rule, but is charged a non-refundable $5,000 initial application fee as described in Rule 14.13(a)(1)(A)(ii) above.

(iv) *Additional Listings:* A Company that lists additional shares of an existing class of security already listed on the Exchange or an additional class of primary equity securities, rights, warrants, convertible debt, preferred stock, or secondary classes of common stock (collectively referred to as "Additional Listings"), shall be required to pay to the Exchange an entry fee to the Exchange as follows:

(a) The issuer of each class of securities (not otherwise identified in this Rule) that is a domestic or foreign issue listed on the Exchange as a Tier I or Tier II securities shall pay an entry fee of $10,000 per Additional Listing. This fee will be assessed on the date the Exchange provides conditional approval.

(b) The issuer of each class of securities (not otherwise identified in this Rule) that is a domestic or foreign issue listed on the Exchange as a Closed-End Funds shall pay an entry fee of $2,500 per Additional Listing.

(v) *Exchange Traded Products*: A Company that submits an application to list any exchange traded product ("ETP"), which term includes all securities set forth in Rule 14.11, shall be required to pay an entry fee to the Exchange as follows:

(a) All ETPs, with the exception of Index Fund Shares, Portfolio Depositary Receipts, Managed Fund Shares, Linked Securities, Currency Trust Shares, and Exchange-Traded Fund Shares that are listed on the Exchange pursuant to Rule 19b-4(e)

under the Exchange Act and for which a proposed rule change pursuant to Section 19(b) of the Exchange Act (an "Exchange Rule Filing") is not required to be filed with the Commission (collectively, "Generically-Listed ETPs"), shall pay an entry fee of $10,000 per ETP. The Exchange will charge for each Exchange Rule Filing per ETP unless it is in furtherance of the same continuous effort. An Exchange Rule Filing is considered in furtherance of the same continuous effort if: the Exchange Rule Filing is required for ministerial purposes related to another previously filed Exchange Rule Filing, or if the Exchange Rule Filing is withdrawn and refiled within 30 calendar days.

(b) There is no entry fee for Generically-Listed ETPs or ETPs that transfer their listing from another national securities exchange to the Exchange (a "Transfer Listing").

(vi) *Closed-End Funds:* The issuer of each class of securities (not otherwise identified in this Rule) that is a domestic or foreign issue listed on the Exchange as a Closed-End Fund shall pay to the Exchange an entry fee of $10,000 per Closed-End Fund.

(C) The Exchange Board of Directors or its designee may, in its discretion, defer or waive all or any part of the initial listing fee prescribed herein.

(D) The fees described in this Rule 14.13(b)(1) shall not be applicable with respect to any securities that:

(i) are listed on another national securities exchange but not listed on the Exchange, if the issuer of such securities transfers their listing exclusively to the Exchange;

(ii) are listed on another national securities exchange and the Exchange, if the issuer of such securities ceases to maintain their listing on the other exchange and the securities instead are designated as national market system securities under Rule 14.3(d); or

(iii) are listed on another national securities exchange but not listed on the Exchange, if the issuer of such securities is acquired by an unlisted company and, in connection with the acquisition, the unlisted company lists exclusively on the Exchange.

(E) The fees described in this Rule 14.13(b) shall not be applicable to a Company:

(i) whose securities are listed on another national securities exchange and designated as national market securities pursuant to the plan governing such securities at the time such securities are approved for listing on the Exchange; and

(ii) that maintains such listing and designation after it lists such securities on the Exchange.

(2) Annual Fee

(A) *Tier I Securities:* The issuer of each class of securities (not otherwise identified in this Rule) that is a domestic or foreign issue listed on the Exchange as a Tier I security shall pay to the Exchange an annual fee of $35,000.

(B) *Tier II Securities:* The issuer of each class of securities (not otherwise identified in this Rule) that is a domestic or foreign issue listed on the Exchange as a Tier II security shall pay to the Exchange an annual fee of $20,000.

(C) The fees described in this Rule 14.13(b)(2)(A), (B), and (D) shall not be applicable to Additional Listings, as described in Rule 14.13(b)(1)(A)(iv).

(D) *Acquisition Companies:* The issuer of an Acquisition Company listed on the Exchange as a Tier I or Tier II security shall pay to the Exchange an annual fee of $55,000, which covers both the primary equity securities and also warrants and rights, if any.

(E) *Exchange Traded Products*: The issuer of each class of securities (not otherwise identified in this Rule) that is a domestic or foreign issue listed on the Exchange as an ETP shall pay the following annual listing fee to the Exchange, billed on the ETP's first trading day of the applicable year:

(i) Where an ETP was listed on the Exchange prior to January 1, 2019 (a "Legacy Listing") or is a Transfer Listing, such ETP will have an annual listing fee of $4,000.

(ii) Where an ETP first lists on the Exchange or has been listed for fewer than three calendar months on the ETP's first trading day of the year (a "New Listing"), such ETP will have an annual listing fee of $4,500. Upon initial listing on the Exchange, the annual listing fee applicable to New Listings will be prorated based on the number of trading days remaining in the calendar year, except that Transfer Listings will not be subject to an Annual Fee for the remainder of the calendar year following the date of listing on the Exchange.

(iii) Where an issuer lists multiple ETPs that are each designed to provide (i) a pre-defined set of returns; (ii) over a specified outcome period; (iii) based on the performance of the same underlying instruments; and (iv) each employ the same outcome strategy for achieving the pre-defined set of returns (each an "Outcome Strategy ETP"), the collective maximum annual listing fee applicable to such series of Outcome Strategy ETPs will be $16,000 per year.

(iv) Where an issuer lists multiple ETPs that are each designed to provide (i) pre-defined set of cash distributions; (ii) over two specified periods with the first period beginning at inception until a pre-defined date and the second period beginning at that pre-defined date until another pre-defined date by which the ETP intends to distribute substantially all of its assets and liquidate the fund; (iii) where the first period defined distributions are based on the market conditions at the beginning of the first period, and the second period defined distributions are based on the market conditions at the beginning of the second period; and (iv) each employ the same strategy for achieving the pre-defined distributions (each a "Defined Distribution Strategy ETP"), the collective maximum annual listing fee applicable to such series of Defined Distribution Strategy ETPs will be $16,000 per year.

(v) Where the ETP consists only of an ADR and instruments designed to hedge the ETP's foreign currency exposure in the ADR (an "ADR Hedge"), the ETP will have an annual listing fee of $9,000.

(vi) Where an ETP is not a Legacy Listing, a New Listing, an Outcome Strategy ETP subject to paragraph (iii), a Defined Distribution Strategy ETP subject to paragraph (iv), an ADR Hedge subject to paragraph (v), or a Transfer Listing, such ETP will have an annual listing fee as follows based on the consolidated average daily volume ("CADV") of the ETP in the fourth quarter of the preceding calendar year:

CADV Range	Annual Listing Fee
0-10,000 shares	$7,000
10,001-100,000 shares	$6,000
100,001-1,000,000 shares	$5,500
Greater than 1,000,000 shares	$5,000

(F) The Exchange Board of Directors or its designee may, in its discretion, defer or waive all or any part of the annual fee prescribed herein.

(G) If a class of securities is removed from the Exchange that portion of the annual fees for such class of securities attributable to the months following the date of removal shall not be refunded except that ETPs that have liquidated and as a result are delisted from the Exchange will be prorated for the portion of the calendar year that such issue was listed on the Exchange, based on trading days listed that calendar year, and refunded.

(H) In lieu of the fees described in Rules 14.13(b)(2)(A) and (B), the annual fee shall be $15,000 for each Company:

(i) whose securities are listed on another national securities exchange and designated as national market system securities pursuant to the plan governing such securities at the time such securities are approved for listing on the Exchange; and

(ii) that maintains such listing and designation after it lists such securities on the Exchange. Such annual fee shall be assessed on the first anniversary of the Company's listing on the Exchange.

(I) The fees described in this Rule 14.13(b)(2), except for pricing applicable to ETPs as set forth in sub-paragraph (E) above, shall not be applicable with respect to any securities that have had a consolidated average daily volume equal to or greater than 2 million shares per day for the immediately preceding two (2) calendar months.

(K) Unless otherwise specified, the Exchange will assess all annual fees set forth in this Rule 14.13(b)(2) upon initial listing and on each anniversary of the security's listing on the Exchange.

(L) *Closed-End Funds:* The issuer of each class of securities (not otherwise identified in this Rule) that is a domestic or foreign issue listed on the Exchange as a Closed-End Fund shall pay to the Exchange an annual fee of $12,500 per Closed-End Fund. Upon initial listing on the Exchange, the annual fee will be prorated based on the number of trading days remaining in the year.

(M) *Additional Listing:* The issuer of each class of securities (not otherwise identified in this Rule) that is a domestic or foreign issue listed on the Exchange as an Additional Listing of a Closed-End Fund shall pay to the Exchange an annual fee of $2,500 per Additional Listing. Upon initial listing on the Exchange, the annual fee will be prorated based on the number of trading days remaining in the year.

(3) Corporate Actions Fee. A Company that makes a corporate action requiring an update to the Exchange's records shall pay a fee of $2,500 to the Exchange.

(4) Exchange Rule Filing Amendment Fee. A Company that makes a change to a product approved for listing and trading on the Exchange that requires a proposed rule change pursuant to Section 19(b) of the Exchange Act (an "Exchange Rule Filing Amendment") shall pay a fee of $3,500 per Exchange Rule Filing Amendment. The Exchange will charge for each Exchange Rule Filing Amendment unless it is in furtherance of the same continuous effort. An Exchange Rule Filing Amendment is considered in furtherance of the same continuous effort if: the Exchange Rule Filing Amendment is required for ministerial purposes related to another previously filed Exchange Rule Filing Amendment, or if the Exchange Rule Filing Amendment is withdrawn and refiled within 30 calendar days.

(*Amended by SR-BATS-2011-018 eff. August 30, 2011; amended by SR-BATS-2012-010 eff. February 8, 2012; amended by SR-BATS-2014-024 eff. June 4, 2014; amended by SR-BATS-2014-*

050 eff. October 16, 2014; amended by SR-BATS-2015-06 eff. January 22, 2015; amended by SR-BATS-2015-39 eff. May 22, 2015; amended by SR-BATS-2015-80 eff. September 30, 2015; amended by SR-BatsBZX-2016-20 eff. May 20, 2016; amended by SR-BatsBZX-2017-45, eff. July 3, 2017; amended by SR-CboeBZX-2018-046 eff. January 2, 2019; amended by SR-CboeBZX-2019-042 eff. May 3, 2019; amended by SR-CboeBZX-2019-078 eff. August 15, 2019; amended by SR-CboeBZX-2019-081 eff. August 30, 2019; amended by SR-CboeBZX-2020-034 eff. April 15, 2020; amended by SR-CboeBZX-2020-082 eff. January 4, 2021; amended by SR-CboeBZX-2021-012 eff. January 13, 2021; amended by SR-CboeBZX-2021-058 eff. September 29, 2021; amended by SR-CboeBZX-2021-068 eff. September 30, 2021; amended by SR-CboeBZX-2023-055 eff. July 27, 2023; amended by SR-CboeBZX-2023-092 eff. November 8, 2023; amended by SR-CboeBZX-2024-019 eff. February 22, 2024; amended by SR-CboeBZX-2024-061 eff. June 17, 2024; amended by SR-CboeBZX-2024-083 eff. August 30, 2024; amended by SR-CboeBZX-2024-097 eff. September 12, 2024; amended by SR-CboeBZX-2024-102 eff. September 26, 2024; amended by SR-CboeBZX-2025-026 eff. February 13, 2025; amended by SR-CboeBZX-2025-074 eff. June 2, 2025).

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.

(d) *Cross-Connection Pass Through Fees*. To the extent the Exchange is charged a fee by a third party that results directly from a Member cross-connecting its trading hardware to the Exchange's System from another Trading Center's system that is located in the same data center as the Exchange, the Exchange will pass that fee on, in full, to the Member.

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 Bats Global Markets Holdings, Inc. will be entitled to the distribution of the remaining assets of the Exchange).

(Amended by SR-BATS-2009-023 eff. July 9, 2009; amended by SR-BatsBZX-2017-55 eff. October 11, 2017)

CHAPTER XVI. **GENERAL PROVISIONS – BZX 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.

ABBO

The term "ABBO" means the best bid(s) or offer(s) disseminated by other Eligible Exchanges (as defined in Rule 27.1) and calculated by the Exchange based on market information the Exchange receives from OPRA.

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.

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.

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 BZX Exchange, Inc.

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(l)(3). The System handles a bulk message in the same manner as it handles an order or quote, unless the Rules specify otherwise.

BZX Exchange and Exchange

The terms "BZX Exchange" and "Exchange" mean the Cboe BZX Exchange, Inc.

BZX Exchange Rules and Exchange Rules

The terms "BZX Exchange Rules" and "Exchange Rules" mean the rules of the Exchange, including those for equities and options.

BZX Options

The term "BZX Options" means the Cboe BZX Exchange Options Market, an options trading facility of the Exchange under Section 3(a)(2) of the Exchange Act.

BZX Options Book

The term "BZX Options Book" means the electronic book of options orders maintained by the Trading System.

BZX Options Transaction

The term "BZX Options Transaction" means a transaction involving an options contract that is effected on or through BZX Options or its facilities or systems.

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 BZX Options Transactions for other Members of BZX Options.

Closing Purchase Transaction

The term "closing purchase transaction" means a BZX Options Transaction that reduces or eliminates a short position in an options contract.

Closing Writing Transaction

The term "closing writing transaction" means a BZX Options Transaction that reduces or eliminates a long position in an options contract.

Covered Short Position

The term "covered short position" means (i) 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 (ii) 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.

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.

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 BZX Options based on market information received by BZX Options from OPRA.

Offer

The term "offer" means a limit order to sell one or more options contracts.

OPRA

The term "OPRA" means the Options Price Reporting Authority.

Opening Purchase Transaction

The term "opening purchase transaction" means a BZX Options Transaction that creates or increases a long position in an options contract.

Opening Writing Transaction

The term "opening writing transaction" means a BZX Options Transaction that creates or increases a short position in an options contract.

Options Contracts

The term "options contract" means 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" and "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 beginning 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 BZX 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 BZX 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 BZX 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 and Priority Customer Order

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.

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.

Rules of BZX Options

The term "Rules of BZX Options" mean the rules contained in Chapters XVI to XXIX of the Cboe BZX Exchange Rules governing the trading of options on the Exchange.

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.

SEC and Commission

The terms "SEC" and "Commission" mean the United States Securities and Exchange Commission.

Series of Options

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, Tuesday, Wednesday, Thursday, 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 System and System

The terms "Trading System" and "System" mean the automated trading system used by BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2010-020 eff. July 27, 2010; amended by SR-BATS-2011-041 eff. Nov. 1, 2011; amended by SR-BATS-2013-006 eff. January 23, 2013; amended by SR-BatsBZX-2016-02 eff. March 24, 2016; amended by SR-BatsBZX-2016-31 eff. July 1, 2016; amended by SR-BatsBZX-2016-53 eff. August 25, 2016; amended by SR-CboeBZX-2018-012 eff. February 15, 2018; amended by SR-CboeBZX-2018-092 eff. January 17, 2019; amended by SR-CboeBZX-2019-066 eff. September 3, 2019; amended by SR-CboeBZX-2019-025 eff. October 1, 2019; amended by SR-CboeBZX-2020-012 eff. January 22, 2020; amended by SR-CboeBZX-2020-037 eff. April 24, 2020; amended by SR-CboeBZX-2022-056 eff. November 14, 2022).

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 BZX 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 BZX 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 BZX 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 BZX Options market, and the fact that options on BZX 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 "Cboe BZX Options Exchange" or "Cboe BZX Options."

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

CHAPTER XVII. **PARTICIPATION ON CBOE BZX OPTIONS**

Rule 17.1. Options Participation

(a) These Rules establish a new category of Cboe BZX Exchange member participation called "Options Member." Only Options Members may transact business on BZX 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 BZX 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) Options 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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 BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2010-008 eff. July 16, 2010).

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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 BZX 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 BZX 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 BZX Options on any basis except as a non-Member.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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 BZX 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 BZX Options, each Options Member shall:

(1) have adequate arrangements to ensure that all staff involved in the conduct of business on BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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 BZX Options for price improvement (e.g., Price Improving Orders); 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 BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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, BZX Options, and the Customers of such Options Member.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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 Exchange, Inc. for any options contract traded on BZX Options and the Cboe Exchange, Inc.; or

(2) exceed the position limit fixed by BZX Options from time to time for any options contract traded on BZX Options but not traded on the Cboe Exchange, Inc.; or

(3) exceed the applicable position limit fixed from time to time by another exchange for an options contract not traded on BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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 BZX 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 BZX Options.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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 Exchange, Inc. for any options contract traded on BZX Options and the Cboe Exchange, Inc.; or

(2) exceed the exercise limit fixed by BZX Options from time to time for any options contract traded on BZX Options but not traded on the Cboe Exchange, Inc.;

(3) exceeded the applicable exercise limit fixed from time to time by another exchange for an options contract not traded on BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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 to 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

Rule 18.11. Liquidation Positions

(a) Whenever 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 BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

Rule 18.12. Other Restrictions on Options Transactions and Exercises

(a) BZX Options may impose such restrictions on transactions or exercises in one or more series of options of any class traded on BZX 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) Exercises 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) BZX 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 BZX 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 BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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).

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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 BZX Options or that an excessively high percentage of outstanding short positions in options contracts of a given class traded on BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

CHAPTER XIX. **SECURITIES TRADED ON CBOE BZX OPTIONS**

Rule 19.1. Designation of Securities

Securities traded on BZX 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).

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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 BZX 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 BZX 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: (i) 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; however, (ii) the requirements set forth in clause (i) will be waived during the three days following an underlying security's initial public offering day if the underlying security has a market capitalization of at least $3 billion based on upon the offering price of its initial public offering, in which case options on the underlying security may be listed and traded starting on or after the second business day following the initial public offering day; 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:

(i) the aggregate market value of the Restructure Security equals or exceeds the Relevant Percentage of the aggregate market value of the Original Equity Security;

(ii) 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

(iii) 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) (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, the Aberdeen Standard Physical Silver Trust, the Aberdeen Standard Physical Gold Trust, the Aberdeen Standard Physical Palladium Trust, the Aberdeen Standard Physical Platinum Trust, the Sprott Physical Gold Trust, the Goldman Sachs Physical Gold ETF, the Fidelity Wise Origin Bitcoin Fund, the ARK 21Shares Bitcoin ETF, the iShares Bitcoin Trust, the Grayscale Bitcoin Trust, the Grayscale Bitcoin Mini Trust, the Bitwise Bitcoin ETF, the Bitwise Ethereum ETF, the Grayscale Ethereum Trust, the Grayscale Ethereum Mini Trust, the iShares Ethereum Trust, or the Fidelity Ethereum Fund; 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 BZX 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 (l) 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended SR-BATS-2015-43 eff. June 5, 2015; amended by SR-CboeBZX-2018-025 eff. April 28, 2018; amended by SR-CboeBZX-2023-064 eff. September 1, 2023; amended by SR-CboeBZX-2024-118 eff. November 21, 2024; amended by SR-CboeBZX-2024-121 eff. November 21, 2024; amended by SR-CboeBZX-2025-006 eff. January 16, 2025; amended by SR-CboeBZX-2025-054 eff. April 9, 2025; amended by SR-CboeBZX-2025-055 eff. April 10, 2025; amended by SR-CboeBZX-2025-056 eff. April 10, 2025).

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 BZX 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 BZX 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 BZX 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 BZX 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.

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

Rule 19.5. (Reserved.)

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2010-013 eff. May 26, 2010).

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 BZX 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 BZX 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 Policies .04 and .05, respectively. For Monthly Options Series, the Exchange will fix a specific expiration date and exercise price, as provided in Interpretation and Policy .08.

(b) Except for Short Term Option Series, Monthly Options Series, and Quarterly Options Series, at the commencement of trading on BZX Options of a particular class of options, BZX 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 BZX Options. Interpretation and Policy .04 will govern the procedures for opening Quarterly Options Series. Interpretation and Policy .05 will govern the procedures for opening Short Term Option Series. Interpretation and Policy .08 will govern the procedures for opening Monthly Options Series.

(c) Additional series of options of the same class may be opened for trading on BZX 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 BZX Options, or at such intervals as may have been established on another options exchange prior to the initiation of trading on BZX 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"), the DIAMONDS Trust ("DIA"), and SPDR® Gold Shares ("GLD") 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 BZX Options.

(f) The interval of strike prices may be $2.50 in any multiply-traded option class to the extent permitted on BZX 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:

(i) 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.

(ii) 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 BZX 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 BZX Options. BZX 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. If a class participates in the $1 Strike Price Program, $2.50 strike price intervals are not permitted between $1 and $50 for non-long-term options contracts and long-term options contracts.

(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, BZX Options may list $1 Strike Prices from $1 to $50 according to the following parameters:

(A) If the price of the underlying stock is equal to or less than $20, the Exchange may list series with an exercise price up to 100% above and 100% below the price of the underlying stock. However, the foregoing restriction shall not prohibit the listing of at least five strike prices above and below the price of the underlying stock per expiration month in an option class. For example, if the price of the underlying stock is $2, the Exchange would be permitted to list the following series: $1, $2, $3, $4, $5, $6, and $7.

(B) If the price of the underlying stock is greater than $20, the Exchange may list series with an exercise price up to 50% above and 50% below the price of the underlying security up to $50.

(C) For the purpose of adding strikes under the $1 Strike Price Program, the "price of the underlying stock" shall be measured in the same way as "the price of the underlying security" is as set forth in the Options Listing Procedures Plan.

(D) No additional series in $1 strike price intervals may be listed if the underlying stock closes at or above $50 in its primary market. Additional series in $1 strike price intervals may not be added until the underlying stock closes again below $50.

(E) Long-term options contracts. For stocks in the $1 Strike Price Program, the Exchange may list one $1 strike price interval between each standard $5 strike interval, with the $1 strike price interval being $2 above the standard strike for each interval above the price of the underlying stock, and $2 below the standard strike for each interval below the price of the underlying stock ("$2 wings"). For example, if the price of the underlying stock is $24.50, the Exchange may list the following standard strikes in $5 intervals: $15, $20, $25, $30 and $35. Between these standard $5 strikes, the Exchange may list the following $2 wings: $18, $27 and $32.

In addition, the Exchange may list the $1 strike price interval which is $2 above the standard strike just below the underlying price at the time of listing. In the above example, since the standard strike just below the underlying price ($24.50) is $20, the Exchange may list a $22 strike. The Exchange may add additional long-term options series strikes as the price of the underlying stock moves, consistent with the Options Listing Procedures Plan.

Additional long-term option strikes may not be listed within $1 of an existing strike until less than nine months to expiration.

(c) The Exchange may list $1 strike prices up to $5 in long-term options contracts in up to 200 option classes on individual stocks. The Exchange may not list $1 strike price intervals within $0.50 of an existing $2.50 strike in the same expiration.

A security shall remain in the $ 1 Strike Price Program until otherwise designated by BZX Options.

(d) 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, but no more than five, strike prices above and at least two, but no more than five, strike prices below the value of the underlying index or price of the underlying security at about the time that a Quarterly Options Series is opened for trading on the Exchange. The Exchange will list strike prices for Quarterly Options Series that are reasonably related to the current price of the underlying security or current index value of the underlying index to which such series relates at about the time such series of options is first opened for trading on the Exchange. The term "reasonably related to the current price of the underlying security or index value of the underlying index" means that the exercise price is within 30% of the current underlying security price or index value.

(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 Short Term Option Series Program. After an option class has been approved for listing and trading on BZX 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 standard expiration options series, Monthly Options Series, or Quarterly Options Series expire ("Friday Short Term Option Expiration Dates"). The Exchange may have no more than a total of five Friday Short Term Option Expiration Dates ("Short Term Option Weekly Expirations"). If BZX Options is not open for business on the respective Thursday or Friday, the Short Term Option Opening Date for Short Term Option Weekly Expirations will be the first business day immediately prior to that respective Thursday or Friday. Similarly, if BZX Options is not open for business on the Friday that the options are set to expire, the Short Term Option Expiration Date for Short Term Option Weekly Expirations 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 Short Term Option Daily Expirations, no Short Term Option Series may expire in the same week in which standard expiration option series on the same class expire or, in the case of Monthly Options Series and Quarterly Options Series, on an expiration that coincides with an expiration of a Monthly Options Series or Quarterly Options Series, respectively, 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 $100; (ii) $1.00 or greater where the strike price is between $100 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) Strike Interval Limitations. Notwithstanding paragraph (e) above, when Short Term Option Series in equity options (excluding options on ETFs and ETNs) have an expiration more than 21 days from the listing date, the strike interval for each option class will be based on the table below, which specifies the applicable interval for listing.

Tier	**Average Daily Volume**		**Share Price**				
		Less than $2.50	**$2.50 to less than $25**	**$25 to less than $75**	**$75 to less than $150**	**$150 to less than $500**	**$500 or greater**
1	Greater than 5,000	$0.50	$0.50 for strikes less than $100 in Short Term Option Series Program classes and classes that trade in $1 increments in non-Short Term Options $1.00 for strikes between $100 and $150 for classes that do not otherwise trade in $1.00 increments in non-Short Term Options $2.50 for strikes greater than $150	$1.00 for strikes less than $150 $2.50 for strikes greater than $150	$1.00 for strikes less than $150 $2.50 for strikes greater than $150	$5.00	$5.00
2	Greater than 1,000 to 5,000		$1.00 for strikes less than $150	$1.00 for strikes	$1.00 for strikes	$5.00	$10.00

		$0.50	$2.50 for strikes greater than $150	less than $150 $2.50 for strikes greater than $150	less than $150 $2.50 for strikes greater than $150		
3	0 to 1,000	$0.50	$2.50	$5.00	$5.00	$5.00	$10.00

(1) The Share Price is the closing price on the primary market on the last day of the calendar quarter. In the event of a corporate action, the Share Price of the surviving company is utilized.

(2) The Average Daily Volume is the total number of option contracts traded in a given security for the applicable calendar quarter divided by the number of trading days in the applicable calendar quarter. Beginning on the second trading day in the first month of each calendar quarter, the Average Daily Volume is calculated by utilizing data from the prior calendar quarter based on Customer-cleared volume at OCC. For options listed on the first trading day of a given calendar quarter, the Average Daily Volume is calculated using the quarter prior to the last trading calendar quarter.

(3) Options that are newly eligible for listing pursuant to Rule 19.3 and designated to participate in the Short Term Option Program will not be subject to this paragraph (f) until after the end of the first full calendar quarter following the date the option class was first listed for trading on any options market.

(g) 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.

(h) *Short Term Option Daily Expirations.*

In addition to the above, the Exchange may open for trading series of options on the symbols provided in Table 1 below that expire at the close of business on each of the next two Mondays, Tuesdays, Wednesdays, and Thursdays, respectively, that are business days beyond the current week and are not business days on which monthly options series or Quarterly Options Series expire

("Short Term Option Daily Expirations"). The Exchange may have no more than a total of two Short Term Option Daily Expirations beyond the current week for each of Monday, Tuesday, Wednesday, and Thursday expirations at one time. Short Term Option Daily Expirations would be subject to this Interpretation and Policy .05.

Table 1

Symbol	Number of Expirations			
	Monday	**Tuesday**	**Wednesday**	**Thursday**
SPY	2	2	2	2
IWM	2	2	2	2
QQQ	2	2	2	2
USO	0	0	2	0
UNG	0	0	2	0
GLD	0	0	2	0
SLV	0	0	2	0
TLT	0	0	2	0

With respect to Monday expirations for symbols defined in Table 1 above ("Monday Expirations"), the Exchange may open for trading on any Friday or Monday that is a business day series of options on the symbols provided in Table 1 above that expire at the close of business on each of the next two Mondays that are business days and are not business days on which standard expiration options series, Monthly Options Series, or Quarterly Options Series expire ("Monday Short Term Option Expiration Date"), provided that Monday Expirations that are listed on a Friday must be listed at least one business week and one business day prior to the expiration.

With respect to Tuesday expirations for symbols defined in Table 1 above ("Tuesday Expirations"), the Exchange may open for trading on any Monday or Tuesday that is a business day series of options on the symbols provided in Table 1 above that expire at the close of business on each of the next two Tuesdays that are business days and are not business days on which standard expiration options series, Monthly Options Series, or Quarterly Options Series expire ("Tuesday Short Term Option Expiration Date").

With respect to Wednesday expirations for symbols defined in Table 1 above ("Wednesday Expirations"), the Exchange may open for trading on any Tuesday or Wednesday that is a business day series of options on the symbols provided in Table 1 above that expire at the close of business on each of the next two Wednesdays that are business days and are not business days on which standard expiration options series, Monthly Options Series, or Quarterly Options Series expire ("Wednesday Short Term Option Expiration Date").

With respect to Thursday expirations for symbols defined in Table 1 above ("Thursday Expirations"), the Exchange may open for trading on any Wednesday or Thursday that is a business day series of options on the symbols provided in Table 1 above that expire at the close of business on each of the next two Thursdays that are business days and are not business days on which standard expiration options series, Monthly Options Series, or Quarterly Options Series expire ("Thursday Short Term Option Expiration Date").

Monday Short Term Option Expiration Dates, Tuesday Short Term Option Expiration Dates, Wednesday Short Term Option Expiration Dates, and Thursday Short Term Option Expiration Dates, together with Friday Short Term Option Expiration Dates, are collectively "Short Term Option Expiration Dates."

If the Exchange is not open for business on a Monday, the Monday Short Term Option Expiration Date will be the business day immediately following that Monday. If the Exchange is not open for business on a Tuesday, Wednesday, or Thursday, the Tuesday Short Term Option Expiration Date, Wednesday Short Term Option Expiration Date, and Thursday Short Term Option Expiration Date, respectively, will be the first business day immediately prior to that Tuesday, Wednesday, or Thursday, respectively.

.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 BZX Options.
BZX 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 BZX 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 Interval 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.

.08 *Monthly 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 month ("Monthly Options Series").

(a) *Classes.* The Exchange may list Monthly Options Series for up to five currently listed option classes that are either index options or options on ETFs. In addition, the Exchange may also list Monthly Options Series on any options classes that are selected by other securities exchanges that employ a similar program under their respective rules.

(b) *Expiration.* The Exchange may list 12 expirations for Monthly Options Series. Monthly Options Series expirations need not be for consecutive months; however, the expiration date of a nonconsecutive expiration may not be beyond what would be considered the last expiration date if the maximum number of expirations were listed consecutively. No Monthly Options Series may expire on a date that coincides with an expiration date of a Quarterly Options Series in the same index or ETF class. Other expirations in the same class are not counted as part of the maximum numbers of Monthly Option Series expirations for a class.

(c) *Settlement.* Monthly Options Series will be P.M.-settled.

(d) *Initial Series.* The strike price of each Monthly Options Series will be fixed at a price per share, with at least two, but no more than five, strike prices above and at least two, but no more than five, strike prices below the value of the underlying index or price of the underlying security at about the time that a Monthly Options Series is opened for trading on the Exchange. The Exchange will list strike prices for Monthly Options Series that are reasonably related to the current price of the underlying security or current index value of the underlying index to which such series relates at about the time such series of options is first opened for trading on the Exchange. The term "reasonably related to the current price of the underlying security or index value of the underlying index" means that the exercise price is within 30% of the current underlying security price or index value.

(e) *Additional Series.* Additional Monthly Options Series of the same class may be open 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 will be within 30% above or below the closing price of the underlying index or security on the preceding day. The Exchange may also open additional strike prices of Monthly Option Series that are more than 30% above or below the current price of the underlying index or security, 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 will not be considered when determining customer interest under this provision. The opening of the new Monthly Options Series will not affect the series of options in the same class previously opened.

(f) *Strike Interval.* The interval between strike prices on Monthly Options Series will 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.

(g) *Delisting Policy.*

(1) With respect to Monthly Options Series added pursuant to subparagraphs (a) through (f) above, the Exchange will, on a monthly basis, review series that are outside a range of five strikes above and five strikes below the current price of the underlying index or security, and delist series with no open interest in both the put and the call series having a: (A) strike higher than the highest strike price with open interest in the put and/or call series for a given expiration month; and (B) strike lower than the lowest strike price with open interest in the put and/or call series for a given expiration month.

(2) Notwithstanding the above referenced delisting policy, customer requests to add strikes and/or maintain strikes in Monthly Options Series in series eligible for delisting shall be granted.

(3) In connection with the above referenced delisting policy, if the Exchange identifies series for delisting, the Exchange will notify other options exchanges with similar delisting policies regarding eligible series for delisting and will work with such other exchanges to develop a uniform list of series to be delisted, so as to ensure uniform series delisting of multiply listed Monthly Options Series.

.08 *Low Priced Stock Strike Price Interval Program.*

(a) *Eligibility for the Low Priced Stock Strike Price Interval Program.* To be eligible for inclusion in the Low Priced Stock Strike Price Interval Program, an underlying stock must (1) close below $2.50 in its primary market on the previous trading day; and (2) have an average daily trading volume of at least 1,000,000 shares per day for the three preceding calendar months.

(b) *Strike Prices To Be Added.* After a stock is added to the Low Priced Stock Strike Price Interval Program, the Exchange may list $0.50 strike price intervals from $0.50 up to $2.00.

(1) For the purpose of adding strikes under the Low Priced Stock Strike Price Interval Program, the "price of the underlying stock" is measured in the same way as "the price of the underlying security" is measured as set forth in Section 3(g) the Options Listing Procedures Plan.

(2) No additional series in $0.50 intervals may be listed if the underlying stock closes above $2.50 in its primary market. Additional series in $0.50 intervals may not be added until the underlying stock again closes below $2.50.

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2010-020 eff. July 27, 2010; amended by SR-BATS-2010-032 eff. November 10, 2010; amended by SR-BATS-2011-003 eff. January 28, 2011; amended by SR-BATS-2011-022 eff. July 13, 2011; amended by SR-

BATS-2013-006 eff. January 23, 2013; amended by SR-BATS-2013-013 eff. February 20, 2013; amended by SR-BATS-2013-019 eff. March 15, 2013; amended by SR-BATS-2014-013 eff. April 28, 2014; amended by SR-BATS-2015-111 eff. December 2, 2015; amended by SR-BatsBZX-2016-53 eff. August 25, 2016; amended by SR-CboeBZX-2017-002 eff. December 15, 2017; amended by SR-CboeBZX-2018-012 eff. February 15, 2018; amended by SR-CboeBZX-2019-013 eff. February 21, 2019; amended by SR-CboeBZX-2020-051 eff. June 11, 2020; amended by SR-CboeBZX-2021-022 eff. April 19, 2021; amended by SR-CboeBZX-2021-033 eff. April 21, 2021; amended by SR-CboeBZX-2021-069 eff. October 1, 2021; amended by SR-CboeBZX-2022-042 eff. August 1, 2022; amended by SR-CboeBZX-2022-056 eff. November 14, 2022; amended by SR-CboeBZX-2023-093 eff. November 15, 2023; amended by SR-CboeBZX-2023-096 eff. November 22, 2023; amended by SR-CboeBZX-2023-100 eff. December 4, 2023; amended by SR-CboeBZX-2024-029 eff. April 15, 2024; ; amended by SR-CboeBZX-2024-064 eff. July 2, 2024; amended by SR-CboeBZX-2025-005 eff. January 15, 2025).

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-CboeBZX-2018-069 eff. September 26, 2018; amended by SR-CboeBZX-2018-084 eff. November 23, 2018).

CHAPTER XX. **REGULATION OF TRADING ON BZX OPTIONS**

Rule 20.1. Access to and Conduct on the BZX Options Market

(a) Access to BZX Options.

Unless otherwise provided in the Rules, no one but an Options Member or a person associated with an Options Member shall effect any BZX Options Transactions.

(b) BZX Options Conduct.

Options Members and persons employed by or associated with any Options Member, while using the facilities of BZX 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 BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

Rule 20.2. Surveillance

Personnel from the Exchange shall monitor and surveil options trading on BZX Options in order to ensure the maintenance of a fair and orderly market.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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. BZX 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 BZX 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.

(*Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2013-052 eff. September 20, 2013*; *amended by SR-BATS-2014-003 eff. March 5, 2014; amended by SR-BATS-2014-67 eff May 9, 2015; amended by SR-BatsBZX-2017-35 eff. July 6, 2017.)*

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.

(*Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2014-003 eff. March 5, 2014.)*

Rule 20.5. Unusual Market Conditions

(a) BZX Options staff may determine that the level of trading activities or the existence of unusual market conditions is such that BZX 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 BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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 sub-paragraphs (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*.

(A) 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

(B) *Customer Transactions Occurring Within 10 Seconds or Less After an Opening or Reopening.*

(i) 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 Customer's erroneous transaction was equal to or greater than the Minimum Amount set forth in subparagraph (A) above and there was a bid/ask differential less than the Minimum Amount during the 10 seconds prior to the transaction.

(ii) If there was no bid/ask differential less than the Minimum Amount during the 10 seconds prior to the transaction, then 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 Customer's erroneous transaction was equal to or greater than the Minimum Amount set forth in subparagraph (A) above and there was a bid/ask differential less than the Minimum Amount anytime during the 10 seconds after an opening or re-opening.

(iii) If there was no bid/ask differential less than the Minimum Amount during the 10 seconds following an opening or reopening, then the Theoretical Price of an option series is the last NBB or NBO just prior to the Customer transaction in question, as set forth in paragraph (b) above.

(iv) Customer transactions occurring more than 10 seconds after an opening or re-opening are subject to subparagraph (A) above.

(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 (l) 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 execution price of the transaction will be adjusted by the Official pursuant to the table immediately above. Any Customer Obvious Error exceeding 50 contracts will be subject to the Size Adjustment Modifier defined in subparagraph (a)(4) above. However, if such adjustment(s) would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the Customer's limit price, 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:

(i) $0.30 (i.e., the largest Transaction Adjustment value listed in sub-paragraph (e)(3)(A) below); times

(ii) the contract multiplier for each traded contract; times

(iii) the number of contracts for each trade; times

(iv) 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), HOLDRS(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, HOLDRS 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), HOLDRS(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, HOLDRS 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 BZX 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 BZX 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 (1)(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.

(*Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2012-029 eff. July 16, 2012; amended by SR-BATS-2014-067 eff. May 8, 2015; amended by SR-BATS-2015-26 eff. May 8, 2015; amended by SR-BATS-2015-91 eff. October 20, 2015; amended by SR-BatsBZX-2016-02 eff. March 24, 2016; amended by SR-BatsBZX-2017-35 eff. July 6, 2017; amended by SR-CboeBZX-2018-058 eff. September 27, 2018; amended by SR-CboeBZX-2019-026 eff. April 9, 2019; amended by SR-CboeBZX-2019-090 eff. October 17, 2019; amended by SR-CboeBZX-2022-004 eff. July 1, 2022).*

Rule 20.7. Audit Trail

(a) Order Identification

When entering orders on BZX Options, each Options Member shall submit order information in such form as may be prescribed by the Exchange in order to allow BZX 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 BZX 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 BZX 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 BZX Options.

(c) An Options Member that employs an electronic system for order routing or order management which complies with BZX 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 by SR-CboeBZX-2019-066 eff. September 3, 2019).

Rule 20.8. Failure to Pay Premium

(a) When the Clearing Corporation shall reject a BZX 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 BZX 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 BZX Options Transaction was rejected by the Clearing Corporation.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

Rule 20.9. Prohibition on Transactions Off the Exchange

(a) No rule, stated policy, or practice of the Exchange may prohibit or condition, or be construed to prohibit or condition, or otherwise limit, directly or indirectly, the ability of any Member acting as agent to effect any transaction otherwise than on the Exchange with another person (except when such Member also is acting as agent for such other person in such transaction) in any equity security listed on the Exchange or to which unlisted trading privileges on the Exchange have been extended.

(b) No rule, stated policy, or practice of the Exchange may prohibit or condition, or be construed to prohibit, condition, or otherwise limit, directly or indirectly, the ability of any Member to effect any transaction otherwise than on the Exchange in any reported security listed and registered on the Exchange or as to which unlisted trading privileges on the Exchange have been extended (other than a put option or call option issued by the Clearing Corporation) which is not a covered security.

(Adopted by SR-SR-CboeBZX-2020-054 eff. June 30, 2020).

Rule 20.10. Off-Floor Transfers of Positions

(a) Permissible Off-Floor Transfers. Notwithstanding the prohibition set forth in Rule 20.9, existing positions in options listed on the Exchange of a Member or of a Non-Member that are to be transferred on, from, or to the books of a Clearing Member may be transferred off the Exchange (an "off-floor transfer") if the off-floor transfer involves one or more of the following events:

(1) an adjustment or transfer in connection with the correction of a bona fide error in the recording of a transaction or the transferring of a position to another account, provided that the original trade documentation confirms the error;

(2) the transfer of positions from one account to another account where no change in ownership is involved (i.e., accounts of the same person (as defined in Rule 1.5)), provided the accounts are not in separate aggregation units or otherwise subject to information barrier or account segregation requirements;

(3) the consolidation of accounts where no change in ownership is involved;

(4) a merger, acquisition, consolidation, or similar non-recurring transaction for a person;

(5) the dissolution of a joint account in which the remaining Member assumes the positions of the joint account;

(6) the dissolution of a corporation or partnership in which a former nominee of the corporation or partnership assumes the positions;

(7) positions transferred as part of a Member's capital contribution to a new joint account, partnership, or corporation;

(8) the donation of positions to a not-for-profit corporation;

(9) the transfer of positions to a minor under the Uniform Gifts to Minors Act; or

(10) the transfer of positions through operation of law from death, bankruptcy, or otherwise.

(b) *Netting.* Unless otherwise permitted by paragraph (f), when effecting an off-floor transfer pursuant to paragraph (a), no position may net against another position ("netting"), and no position transfer may result in preferential margin or haircut treatment.

(c) *Transfer Price.* The transfer price, to the extent it is consistent with applicable laws, rules, and regulations, including rules of other self-regulatory organizations, and tax and accounting rules and regulations, at which an off-floor transfer is effected may be:

(1) the original trade prices of the positions that appear on the books of the transferring Clearing Member, in which case the records of the transfer must indicate the original trade dates for the positions; provided, transfers to correct errors under subparagraph (a)(1) must be transferred at the correct original trade prices;

(2) mark-to-market prices of the positions at the close of trading on the transfer date;

(3) mark-to-market prices of the positions at the close of trading on the trade date prior to the transfer date; or

(4) the then-current market price of the positions at the time the off-floor transfer is effected.

(d) *Prior Written Notice.* A Member(s) and its Clearing Member(s) (to the extent that the Member is not self-clearing) must submit to the Exchange, in a manner determined by the Exchange, written notice prior to effecting an off-floor transfer from or to the account(s) of a Member(s), except that notification is not required for transfers effected pursuant to subparagraph (a)(1) or (a)(2) of this Rule.

(1) The notice must indicate (A) the Exchange-listed options positions to be transferred, (B) the nature of the transaction, (C) the enumerated provision(s) under paragraph (a) pursuant to which the positions are being transferred, (D) the name of the counterparty(ies), (E) the anticipated transfer date, (F) the method for determining the transfer price under paragraph (c) above, and (G) any other information requested by the Exchange.

(2) Receipt of notice of an off-floor transfer does not constitute a determination by the Exchange that the off-floor transfer was effected or reported in

conformity with the requirements of this Rule. Notwithstanding submission of written notice to Exchange, Members and Clearing Members that effect off-floor transfers that do not conform to the requirements of this Rule will be subject to appropriate disciplinary action in accordance with the Rules.

(e) *Records.* Each Member and each Clearing Member that is a party to an off-floor transfer must make and retain records of the information provided in the notice to the Exchange pursuant to subparagraph (d)(1), as well as information on (1) the actual Exchange-listed options transferred; (2) the actual transfer date; and (3) the actual transfer price (and the original trade dates, if applicable). The Exchange may also request the Member or Clearing Member to provide other information.

(f) *Presidential Exemptions.* In addition to the exemptions set forth in paragraph (a) of this Rule, the Exchange President (or senior-level designee) may grant an exemption from the requirement of Rule 20.9, on his or her own motion or upon application of the Member (with respect to the Member's positions) or a Clearing Member (with respect to positions carried and cleared by the Clearing Member), when, in the judgment of the President or his or her designee, allowing the off-floor transfer is necessary or appropriate for the maintenance of a fair and orderly market and the protection of investors and is in the public interest, including due to unusual or extraordinary circumstances, such as the possibility that the market value of the person's positions will be compromised by having to comply with the requirement to trade on the Exchange pursuant to the normal auction process or when, in the judgment of the president or his or her designee, market conditions make trading on the Exchange impractical.

(g) *Routine, Recurring Transfers.* The off-floor transfer procedure set forth in this Rule is intended to facilitate non-routine, non-recurring movements of positions and is not to be used repeatedly or routinely, except for transfers between accounts of the same person pursuant to subparagraph (a)(2). The off-floor transfer procedure may not be used in circumvention of the normal auction process.

(h) *Exchange-Listed Options.* The off-floor transfer procedure set forth in this Rule is only applicable to positions in options listed on the Exchange. Off-floor transfers of positions in Exchange-listed options may also be subject to applicable laws, rules, and regulations, including rules of other self-regulatory organizations. Transfers of non-Exchange listed options and other financial instruments are not governed by this Rule.

(Adopted by SR-SR-CboeBZX-2020-054 eff. June 30, 2020; amended by SR-CboeBZX-2020-058 eff. August 28, 2020).

Rule 20.11. Off-Floor RWA Transfers

Notwithstanding Rule 20.9, existing positions in options listed on the Exchange of a Member or non- Member (including an affiliate of a Member) may be transferred on, from, or to the books of a Clearing Member off the Exchange if the transfer establishes a net reduction of risk-weighted assets attributable to those the Member or non- Member's options positions (an "RWA Transfer").

(a) RWA Transfers include, but are not limited to: (1) a transfer of options positions from Clearing Corporation member A to Clearing Corporation member B that net (offset) with positions held at Clearing Corporation member B, and thus closes all or part of those positions, and (2) a transfer of positions from a bank-affiliated Clearing Corporation member to a non-bank-affiliated Clearing Corporation member.

(b) RWA Transfers may occur on a routine, recurring basis.

(c) RWA Transfers may result in the netting of positions.

(d) No RWA Transfer may result in preferential margin or haircut treatment.

(e) No RWA Transfer may result in a change in ownership (i.e., an RWA transfer must occur between accounts of the same person (as defined in Rule 1.5)).

(f) No prior written notice to the Exchange is required for RWA Transfers.

(g) Off-floor transfers of positions in Exchange-listed options may be subject to applicable laws, rules, and regulations, including rules of other self-regulatory organizations. Transfers of non-Exchange listed options and other financial instruments are not governed by this Rule.

(Adopted by SR-SR-CboeBZX-2020-054 eff. June 30, 2020).

Rule 20.12. In-Kind Exchange of Options Positions and Fund Shares and UIT Interests

Notwithstanding Rule 20.9, positions in options listed on the Exchange may be transferred off the Exchange by a Member in connection with transactions (a) to purchase or redeem creation units of Fund Shares between an authorized participant and the issuer of such Fund Shares or (b) to create or redeem units of a unit investment trust ("UIT") between a broker-dealer and the issuer of such UIT units, which transfers would occur at the price(s) used to calculate the net asset value of such Fund Shares or UIT units, respectively. For purposes of this Rule:

(a) an "authorized participant" is an entity that has a written agreement with the issuer of Fund Shares or one of its service providers, which allows the authorized participant to place orders for the purchase and redemption of creation units (i.e., specified numbers of Fund Shares);

(b) an "issuer of Fund Shares" is an entity registered with the Commission as an open-end management investment company under the Investment Company Act of 1940; and

(c) an "issuer of UIT units" is a trust registered with the Commission as a unit investment trust under the Investment Company Act of 1940.

(Adopted by SR-SR-CboeBZX-2020-054 eff. June 30, 2020).

CHAPTER XXI. **TRADING SYSTEMS**

Rule 21.1. Definitions

The following definitions apply to Chapter XXI for the trading of options listed on BZX 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 to Options Members' MPIDs Displayed Orders on both the bid and offer side of the market for price levels then within BZX Options using the minimum price variation applicable to that security.

(b) The term "System Securities" shall mean all options that are currently trading on BZX 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 (l) below with respect to orders and bulk messages submitted through bulk ports, that are eligible for entry into the System. An Order Type applied to a bulk message applies to each bid and offer within that bulk message. 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 or system basis.

(1) "Reserve Orders" are limit orders that have both a portion of the quantity displayed ("Display Quantity") and with a reserve portion of the quantity ("Reserve Quantity") that is not displayed. Both the Display Quantity and Reserve Quantity of the Reserve Order are available for potential execution against incoming orders. 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 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 a Reserve Order, which is also used to determine the replenishment amount, as set forth below. A new timestamp is created for both the Display Quantity and the 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 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 a Max Floor. The initial Display Quantity will be the Max Floor. The Display Quantity of an order when replenished will be determined by the System 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 any order for which Random Replenishment has not been selected the System will replenish the Display Quantity of an order to the Max Floor designated by the User.

(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) (Reserved.)

(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 BZX

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"). Bulk messages may not be Market Orders.

(6) "Price Improving Orders" are orders to buy or sell an option at a specified price at an increment smaller than the minimum price variation in the security. Price Improving Orders may be entered in increments as small as (1) one cent. Price Improving Orders shall be displayed at the minimum price variation in that security and shall be rounded up for sell orders and rounded down for buy orders. Unless a User has entered instructions not to do so, Price Improving Orders will be subject to the display-price sliding process as set forth in paragraph (h) below. Users may designate bulk messages as Price Improving Orders as set forth in paragraph (l) below.

(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 display-price sliding process unless a User has entered instructions not to use the display-price sliding process as set forth in paragraph (h) below. Users may designate bulk messages as Book Only as set forth in paragraph (l) 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 BZX Options Book, other than as described below. A Post Only Order subject to the display-price sliding process under paragraph (h) below or designated as a Cancel Back order pursuant to paragraph (m) below will execute against an order resting on the BZX Options Book if the value of price improvement associated with such execution equals or exceeds the sum of fees charged for such execution and the value of any rebate that would be provided if the order posted to the BZX Options Book and subsequently provided liquidity (except a Post Only bulk message in this situation will be cancelled). A Post Only Order will be subject to the display-price sliding process unless a User has entered instructions not to use the display-price sliding process as set forth in paragraph (h) below. Users may designate bulk messages as Post Only as set forth in paragraph (l) 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) 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 bulk messages as Stop Orders.

(11) 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 bulk messages as Stop Limit Orders.

(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" shall mean the period of time that the System will hold an order, subject to the restrictions set forth in paragraph (l) below with respect to bulk messages submitted through bulk ports, for potential execution. A Time-in-Force applied to a bulk message applies to each bid and offer within that bulk message. 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 or system basis.

(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 BZX 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 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 market close. Users may designate bulk messages as Day.

(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 the 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 market close. 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 the 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 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 market close. If the underlying security exits the Limit State or Straddle State prior to the market close, the System will attempt to re-evaluate, elect, and execute the order. 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 (l) 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 BZX Options Book. Users may designate bulk messages as MCN, as set forth in paragraph (l) 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 BZX Options Book. Users may designate bulk messages as MCO, as set forth in paragraph (l) 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 BZX 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 (l) 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 BZX Options Book. Users may not designate bulk messages as MCS.

(h) Display-Price Sliding.

(1) Unless a User enters instructions for an order (including a bulk message) to not be subject to the display-price sliding process in this paragraph (h), an order (including a bulk message) that, at the time of entry, would lock or cross a Protected Quotation of another options exchange will be ranked at the locking price in the BZX Options Book and displayed by the System at one minimum price variation below the current NBO (for bids) or to one minimum price variation above the current NBB (for offers) ("display-price sliding"). A User may elect to have the System only apply display-price sliding to the extent an order at the time of entry would lock a Protected Quotation of another options exchange. For Users that select this order handling, any order will be cancelled if, upon entry, such order would cross a Protected Quotation of another options exchange.

(2) An order subject to display-price sliding 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 display-price sliding would not lock or cross a Protected Quotation of another options exchange, 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 display-price sliding will retain their priority as compared to other orders subject to display-price sliding based upon the time such orders were initially received by the Exchange. Following the initial ranking and display of an order subject to display-price sliding, 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 is locked or crossed by a Protected Quotation of another options exchange. Such event will not result in a change in priority for the order at its displayed price.

(3) The ranked and displayed prices of an order subject to display-price sliding 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 process 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 has been locked or crossed by a Protected Quotation of another options exchange 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.

(4) Any Post Only Order subject to the display-price sliding process described in this paragraph (h) that (A) locks or crosses a Protected Quotation displayed by the Exchange upon entry will be executed as set forth in Rule 21.1(d)(8) or cancelled, or (B) locks or crosses a Protected Quotation displayed by an external market upon entry will be subject to the display-price sliding process described in this paragraph (h). A Post Only bulk message that (A) locks or crosses a Protected Quotation displayed by the Exchange upon entry will be cancelled, or (B) locks or crosses a Protected Quotation displayed by an external market upon entry will be

subject to the display-price sliding process described in this paragraph (h). In the event the NBBO changes such that a Post Only Order subject to display-price sliding would be ranked at a price at which it could remove displayed liquidity from the BZX Options Book, the order will be cancelled.

(5) To the extent an incoming Post Only Order would be ranked and displayed at a price equal to the ranked price of a contra-side order subject to display-price sliding ("locking price") the order subject to display-price sliding will be re-ranked at one (1) cent above the current NBB (for offers) or one (1) cent below the current NBO (for bids). An order subject to display price sliding that is re-ranked pursuant to this paragraph will be re-ranked at the locking price in the event there is no longer displayed contra-side interest at the locking price.

(i) Price Adjust.

(1) An order that, at the time of entry, would lock or cross a Protected Quotation of another options exchange or the Exchange will be ranked and displayed by the System at one minimum price variation below the current NBO (for bids) or to one minimum price variation above the current NBB (for offers) ("Price Adjust").

(2) In the event the NBBO changes such that an order subject to Price Adjust would not lock or cross a Protected Quotation, the order will receive a new timestamp, and will be displayed at the price that originally locked the NBO (for bids) or NBB (for offers) on entry. All orders that are re-ranked and re-displayed 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 of an order subject to Price Adjust, an order will only be re-ranked and re-displayed to the extent it achieves a more aggressive 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.

(4) Any Post Only Order that locks or crosses a Protected Quotation displayed by the Exchange upon entry will be adjusted pursuant to the Price Adjust process described in this paragraph (i). The Price Adjust process does not apply to bulk messages.

(j) *Display of Orders Subject to Display-Price Sliding and Price Adjust*. In the event the NBBO changes such that display eligible orders subject to display-price sliding and Price Adjust would not lock or cross a Protected Quotation and are eligible to be displayed at a more aggressive price, the System will first display all orders subject to display-price sliding at their ranked price followed by orders subject to Price Adjust, which will be re-ranked and re-displayed as set forth above.

(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.

(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) *Port.* 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 or IOC;

(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) a Market-Maker may designate a bulk message as "Price Improving" (which designation applies to all bulk message bids and offers within a single message);

(v) a bulk message is subject to the display-price sliding process in paragraph (h);

(vi) the System cancels or rejects a Post Only bulk message bid (offer) with a price that locks or crosses the Exchange best offer (bid) or ABO (ABB); and

(vii) the System executes a Book Only bulk message bid (offer) that locks or crosses the ABO (ABB) against offers (bids) resting in the Book at prices the same as or better than the ABO (ABB) and then cancels the unexecuted portion of that bid (offer); and

(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.

(m) Cancel Back Order. A Cancel Back order (including bulk messages) is an order a User designates to not be subject to the display-price sliding process pursuant to paragraph (h) above or the Price Adjust process pursuant to paragraph (i) above 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. The System executes a Post Only – Cancel Back order as set forth in Rule 21.1(d)(8).

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2010-011 eff. May 14, 2010; amended by SR-BATS-2011-009 eff. June 30, 2011; amended by SR-BATS-2011-023 eff. July 22, 2011; amended by SR-BATS-2012-016 eff. April 25, 2012; amended by SR-BATS-2012-018 eff. May 23, 2012; amended by SR-BATS-2012-035 eff. August 14, 2012; amended by SR-BATS-2013-003 eff. January 18, 2013; amended by SR-BATS-2013-007 eff. January 25, 2013; amended by SR-BATS-2013-014 eff. February 27, 2013; amended by SR-BATS-2013-023 eff. April 10, 2013; amended by SR-BATS-2014-027 eff. July 9, 2014; amended by SR-BATS-2014-034 eff. August 11, 2014; amended by SR-BATS-2014-038 eff. October 15, 2014; amended by SR-BATS2015-51 eff. July 30, 2015; amended by SR-BATS-2016-07 eff. January 26, 2016; amended by SR-BatsBZX-2016-16 eff. May 3, 2016; amended by SR-BatsBZX-2016-59 eff. September 19, 2016; amended by SR-BatsBZX-2017-68 eff. November 9, 2017; amended by SR-BatsBZX-2017-71 eff. November 19, 2017; amended by SR-CboeBZX-2017-022 eff. December 21, 2017; amended by SR-CboeBZX-2018-006 eff. January 25, 2018; amended by SR-CboeBZX-2018-086 eff. November 29, 2018; amended by SR-CboeBZX-2018-092 eff. January 17, 2019; amended by SR-CboeBZX-2019-030 eff. April 17, 2019; amended by SR-CboeBZX-2019-050 eff. June 20, 2019; amended by SR-CboeBZX-2019-049 eff. June 22, 2019; amended by SR-CboeBZX-2019-052 eff. July 3, 2019; amended by SR-CboeBZX-2019-025 eff. October 1, 2019); amended by SR-CboeBZX-2019-100 eff. November 21, 2019; amended by SR-CboeBZX-2020-017 eff. March 13, 2020; amended by SR-CboeBZX-2020-037 eff. April 24, 2020; amended by SR-CboeBZX-2021-065 eff. October 24, 2021).

Rule 21.2. Days and Hours of Business

(a) The Exchange will begin accepting orders at 7:30 a.m. Eastern Time, as described in Rule 21.7. Orders and bids and offers shall be open and available for execution as of 9:30 a.m. Eastern Time and shall close as of 4:00 p.m. Eastern Time except for option contracts on Fund Shares, as defined in Rule 19.3(i), option contracts on exchange-traded notes

including Index-Linked Securities, as defined in Rule 19.3(l), and option contracts on broad-based indexes, as defined in Rule 29.1(j), which may close as of 4:15 p.m. Eastern Time.

(b) Except as set forth in paragraph (a) above or in unusual conditions as may be determined by the Exchange, hours during which transactions in options on individual stocks may be made on BZX Options shall correspond to the normal business days and hours for business set forth in the rules of the primary market trading the securities underlying options traded on BZX Options.

(c) BZX Options shall not be open for business on any holiday observed by the Exchange.

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2011-013 eff. May 2, 2011; amended by SR-BATS-2015-92 eff. November 27, 2015; amended by SR-BATS-2016-07 eff. January 26, 2016; amended by SR-BatsBZX-2017-52 eff. September 1, 2017).

Rule 21.3. Units of Trading

The unit of trading in each series of options traded on BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010).

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 $1/10^{th}$ 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 BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2013-013 eff. February 20, 2013.)

Rule 21.5. Minimum Increments

(a) The following principles apply to the minimum quoting increments for options contracts traded on BZX Options: (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 Interval 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 BZX 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) *Requirements for Penny Interval Program*. The Exchange will list option classes for the Penny Interval Program ("Penny Program") with minimum quoting requirements ("penny increments") of one cent ($0.01) and five cents ($0.05), as set forth in paragraph (a) above. The list of the option classes included in the Penny Program will be announced by the Exchange via Trade Desk Notice and published by the Exchange on its website.

(1) *Initial Selection*. On the first trading day of the third full calendar month after April 1, 2020, the Penny Program will apply only to the 363 most actively traded multiply listed option classes, based on OCC's National Cleared Volume in the six full calendar months ending in the month of approval, that (i) currently quote in penny increments, or (ii) overlie securities priced below $200, or any index at an index level below $200. Eligibility for inclusion in the Penny Program will be determined at the close of trading on the monthly Expiration Friday of the second full month following April 1, 2020.

(2) *Annual Review*. Commencing in December 2020 and each December thereafter, OCC will rank all multiply listed option classes based on National Cleared Volume for the six full calendar months from June 1 through November 30 for determination of the most actively traded option classes.

(A) Addition to the Penny Program. Based on the Annual Review, any option class not in the Penny Program that is among the 300 most actively traded multiply listed option classes overlying securities priced below $200, or an index at an index level below $200, will be added to the Penny Program on the first trading day of January.

(B) Removal from the Penny Program. Except as provided in subparagraphs (d)(3) – (6) below, based on the Annual Review, any option class in the Penny Program that falls outside the 425 most actively traded multiply listed option classes will be removed from the Penny Program on the first trading day of April.

(3) *Newly listed Option Classes*. The Exchange may add to the Penny Program a newly listed option class provided that (i) it is among the 300 most actively traded multiply listed option classes, as ranked by National Cleared Volume at OCC, in its first full calendar month of trading and (ii) the underlying security is priced below $200 or the underlying index is at an index level below $200. Any option class added under this provision will be added on the first trading day of the month after it qualifies and will remain in the Penny Program for one full calendar year, after which it will be subject to the Annual Review stated in subparagraph (d)(2) above.

(4) *Classes with Significant Growth in Activity*. The Exchange may add any option class to the Penny Program, provided that (i) it is among the 75 most actively traded multiply listed option classes, as ranked by National Cleared Volume at OCC, in the past six full calendar months of trading and (ii) the underlying security is priced below $200 or the underlying index is at an index level below $200. Any option class added under this provision will be added on the first trading day of the second full month after it qualifies and will remain in the Penny Program for the rest of the calendar year, after which it will be subject to the Annual Review stated in subparagraph (d)(2) above.

(5) *Corporate Actions*. If a corporate action involves one or more option classes in the Penny Program, all adjusted and unadjusted series of the option class will be included in the Penny Program. Any new option class added to the Penny Program under this provision will remain in the Penny Program for at least one full calendar year, after which it will be subject to the Annual Review stated in subparagraph (d)(2) above.

(6) *Delisted or Ineligible Option Classes*. Any series in an option class participating in the Penny Program in which the underlying security has been delisted, or are identified by OCC as ineligible for opening customer transactions, will continue to quote pursuant to the terms of the Penny Program until all such options have expired.

Interpretations and Policies

.01 For so long as SPDR options (SPY) participate in the Penny Interval Program pursuant to Rule 21.5(d), the minimum increment for Mini SPX Index options (XSP) will be the same as SPY for all options series (including long-term option series).

(*Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2010-035 eff. December 20, 2010; amended by SR-BATS-2011-050 eff. December 15, 2011; amended by SR-BATS-2012-025 eff. June 19, 2012; amended by SR-BATS-2012-048 eff. December 11, 2012; amended by SR-BATS-2013-019 eff. March 15, 2013; amended by SR-BATS-2013-030 eff. June 11, 2013; amended by SR-BATS-2013-064 eff. December 12, 2013; amended by SR-BATS-2014-023 eff. June 4, 2014; amended by SR-BATS-2014-070 eff. December 17, 2014; amended by SR-BATS-2015-50 eff. June 29, 2015; amended by SR-BatsBZX-2016-23 eff. June 3, 2016; amended by SR-BatsBZX-2016-84 eff. December 30, 2016; amended by SR-BatsBZX-2017-40 eff. June 13, 2017; amended by SR-CboeBZX-2017-016 eff. December 14, 2017, amended SR-CboeBZX-2018-049 eff. June 26, 2018; amended by SR-CboeBZX-2018-058 eff. September 27, 2018; amended by*

SR-CboeBZX-2018-093 eff. December 20, 2018; amended by SR-CboeBZX-2019-020 eff. March 22, 2019; amended by SR-CboeBZX-2019-051 eff. June 30, 2019; amended by SR-CboeBZX-2019-106 eff. December 10, 2019; amended by SR-CboeBZX-2020-051 eff. June 11, 2020).

Rule 21.6. Entry 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 shall indicate the amount of Reserve Size (if applicable).

(b) The System shall time-stamp an order which shall determine the time ranking of the order for purposes of processing the order.

(c) Orders can be entered into the System (or previously entered orders cancelled) from 7:30 a.m. Eastern Time until market close. Orders received prior to completion of the Exchange's Opening Process will be handled in accordance with Rule 21.7 below.

(d) 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.

(e) 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.

(f) 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 display-price sliding process as defined in paragraph (h) of Rule 21.1 (Definitions), or the Price Adjust Process as defined in paragraph (i) of Rule 21.1 will be cancelled.

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2012-035 eff. August 14, 2012; amended by SR-BATS-2015-92 eff November 27, 2015; amended by SR-BATS-2016-07 eff. January 26, 2016; amended by SR-CboeBZX-2018-092 eff. January 17, 2019).

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, 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.

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 am 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 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); and

(D) the System converts all ISOs received prior to the completion of the opening rotation into non-ISOs.

(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 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. The System initiates the opening rotation as follows:

(1) *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:

(A) 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

(B) 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

(2) *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.

(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, if there is no Composite Market, or if the Composite Market of a series is crossed, 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, until the series opens pursuant to a forced opening as set forth in subparagraph (4) below, 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 a pro-rata allocation algorithm, unless the Exchange determines to apply a different allocation algorithm 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.

(4) *Forced Opening.* If a series in an equity or ETP option class is unable to open because it does not satisfy the Maximum Composite Width Check in subparagraph (1) above within a time period (which the Exchange determines for all equity or ETP option classes) after occurrence of the opening rotation trigger for the class pursuant to paragraph (d), and the Composite Market is not crossed, the System forces the series to open after that time period upon the System's observation of an ABBO (with a non-zero offer) for the series.

(A) The opening trade price determination and series opening set forth in subparagraphs (2) and (3) above do not occur; instead, the System opens the series without a trade.

(B) However, if a series satisfies the Maximum Composite Width Check prior to the System's observation of an ABBO for the series, the series opens pursuant to subparagraphs (2) and (3) above.

(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 BZX 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. In the event of a forced opening of a series pursuant to subparagraph (e)(4) or a compelled opening of a series pursuant to paragraph (h), the System enters all of a User's orders in that series in the Queuing Book into the Book in this manner, unless a User instructs the System to cancel its market orders or all of its orders, in which case the System enters only the non-cancelled orders into the Book in this manner.

(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 21.7, 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2011-045 eff. November 3, 2011; amended by SR-BATS-2014-003 eff. March 5, 2014; amended by SR-BATS-2014-016 eff. April 29, 2014; amended by SR-BATS-2014-040 eff. November 10, 2014; amended by SR-BATS-2015-92 eff. November 27, 2015; amended by SR-BatsBZX-2016-59 eff. September 19, 2016; amended by SR-CboeBZX-2018-058 eff. September 27, 2018); amended by SR-CboeBZX-2019-046 eff. June 21, 2019; amended by SR-CboeBZX-2020-012 eff. January 22, 2020; amended by SR-CboeBZX-2021-009 eff. January 11, 2021).

Rule 21.8. Order Display and Book Processing

All bids or offers made and accepted on BZX 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.

A System order is an order that is entered into the System for display and/or execution as appropriate. Such orders are executable against marketable contra-side orders in the System. System orders shall be executed through the BZX Options Book Process set forth below:

(a) Execution Algorithm — Price/Time — The System shall execute trading interest within the System in price/time priority, meaning it will execute all trading interest at the best price level within the System before executing trading interest at the next best price. Trading interest will be executed in the order set forth below in paragraphs (a)(1) or (a)(2), with the order clearly established as the first entered into the System within such category at each price level having priority up to the number of contracts specified in the order.

(1) At each price level between displayed trading interest, orders will be executed in the following priority:

(A) Price Improving Orders and orders subject to displayed price sliding;

(2) At each price level that has displayed trading interest, orders will be executed in the following priority:

(A) Orders that are displayed within the System;

(B) The Non-Displayed portion of Reserve Orders;

(b) 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 BZX Options Book.

(c) BZX 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 BZX Options Book in time priority and executed as described above in paragraph (a) above.

(d) 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.

(e) *Cancel/Replace.* If a User submits a cancel/replace message for a resting order, regardless of whether the cancel/replace message modifies any terms of the resting order, the order loses its priority position and is placed in a priority position based on the time the System receives the cancel/replace message, unless the User only (1) decreases the quantity of an order,

(2) modifies the Max Floor (if a Reserve Order), or (3) modifies the stop price (if a Stop or Stop-Limit order), in which case the order retains its priority position.

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2013-023 eff. April 10, 2013; amended by SR-BATS-2016-07 eff. January 26, 2016; amended by SR-CboeBZX-2023-029 eff. October 30, 2023).

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 market close, and shall route orders as follows. 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 BZX Options Book for available contracts for execution pursuant to Rule 21.8 (Order Display and Book Processing). After checking the BZX Options Book for available contracts, 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. 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 BZX Options Book, subject to the display price sliding process as defined in Rule 21.1 (h) or price adjust process as defined in Rule 21.1(i), if applicable;

(C) repeat the process described above by executing against the BZX 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 BZX 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 BZX 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 BZX 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 BZX 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 BZX 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.

(b) Priority of Routed Orders. Orders that have been routed by the System to other options exchanges are not ranked and maintained in the BZX 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 BZX Options.

(d) BZX 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 BZX Options to other options exchanges pursuant to the rules of BZX Options solely on behalf of BZX 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.

(*Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2010-027 eff. October 4, 2010; amended by SR-BATS-2011-021 eff. July 12, 2011; amended by SR-BATS-2012-024 eff. June 15, 2012; amended by SR-BATS-2012-035 eff. August 14, 2012; amended by SR-BATS-2013-041 eff. September 3, 2013; amended by SR-BATS-2014-044 eff. September 25, 2014; amended by SR-BATS-2015-112 eff. December 2, 2015; amended by SR-BATS-2016-07 eff. January 26, 2016; amended by SR-BatsBZX-2016-59 eff. September 19, 2016; amended by SR-CboeBZX-2018-026 eff. May 2, 2018; amended by SR-CboeBZX-2018-092 eff. January 17, 2019*).

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2016-07 eff. January 26, 2016; amended by SR-CboeBZX-2017-022 eff December 21, 2017; amended by SR-CboeBZX-2019-030 eff. April 17, 2019).

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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 Up 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 12:00 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) *Misuse.* 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-CboeBZX-2020-002 eff. January 2, 2020).

Rule 21.13. Submission for Clearance

(a) All options transactions effected on BZX 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 BZX 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, BZX Options shall furnish the Clearing Corporation a report of each Clearing Member's matched trades.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

Rule 21.14. Message Traffic Mitigation

For the purpose of message traffic mitigation, based on BZX Options's traffic with respect to target traffic levels and in accordance with BZX Options's overall objective of reducing both peak and overall traffic:

(a) BZX 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 BZX 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 BZX Options, the Exchange will delay delisting until there is no open interest in that options series.

(b) BZX 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 BZX Options in real time and will not delay the sending of any messages.

(c) BZX 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 BZX Options and in conjunction with the previously described replace on queue functionality will ensure that BZX Options quote update messages are the most current and relevant available.

(d) All message traffic mitigation mechanisms which are used on BZX Options will be identical to the OPRA "top of the book" broadcast.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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 data products free of charge, except as otherwise noted in the Fee Schedule:

(1) BZX Options Depth. BZX Options Depth is an uncompressed data feed that offers depth of book quotations and execution information based on options orders entered into the System.

(2) BZX Options Top. BZX Options Top is an uncompressed data feed that offers top of book quotations and execution information based on options orders entered into the System.

(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) Open-Close Data. Open-Close Data is a data product that summarizes volume (contracts traded on BZX Options) by origin (customer and firm orders), original order size and the opening or closing position of the order. Open-Close Data is available on an end-of-day and intraday basis.

(6) Cboe One Options Feed. The Cboe One Options Feed is a data feed that contains the aggregate best bid and offer ("BBO") of all displayed orders for options traded on the Exchange and its affiliated options exchanges. For the Exchange and each of its affiliated options exchanges, the Cboe One Options Feed also contains the individual last sale information and volume. The Cboe One Options Feed further consists of Symbol Summary, Market Status, Trading Status, and Trade Break messages.

(7) Cboe Timestamping Service. The Cboe Timestamping Service will consist of two optional reports:

(1) Missed Liquidity Report. The Missed Liquidity Report contains historical data from the prior trading day and will be available after the end of the trading day on a T+1 basis. It provides time details for executions of orders and quotes that rest on the book where the Member receiving the report attempted to execute against a resting order or quote within an Exchange-determined period of time (not to exceed 1 millisecond) after receipt of the first attempt to execute against that resting order or quote and within an Exchange-determined period of time (not to exceed 100 microseconds) before receipt of the first attempt to execute against that resting order or quote.

(2) Cancels Report. The Cancels Report contains historical data from the prior trading day and will be available after the end of the trading day on a T+1 basis. It provides liquidity response time details for executions of orders and quotes that rest on the book where the Member receiving the report attempted to cancel a resting order or quote within an Exchange-determined period of time (not to exceed 1 millisecond) after receipt of the first attempt to execute against that resting order or quote and within an Exchange-determined period of time (not to exceed 100 microseconds) before receipt of the first attempt to execute against that resting order or quote.

(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 data feed.

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2011-017 eff. May 9, 2011; amended by SR-BATS-2016-07 eff. January 26, 2016; amended by SR-BatsBZX-2016-02 eff. March 24, 2016; amended by SR-CboeBZX-2018-013 eff February 20, 2018; amended by SR-CboeBZX-2019-079 eff. August 21, 2019; amended by SR-CboeBZX-2020-059 eff. July 29, 2020; amended by SR-CboeBZX-2023-014 eff. March 1, 2023; amended by SR-CboeBZX-2025-004 eff. January 10, 2025).

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) 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.

(*Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2012-021 eff. July 1, 2012; amended by SR-BATS-2013-060 eff. November 18, 2013; amended by SR-BATS-2016-06 eff. January 25, 2016; amended by SR-CboeBZX-2018-086 eff. November 29, 2018)*

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. All numeric values established by the Exchange pursuant to this Rule will be maintained by the Exchange in publicly available specifications and/or published in a Regulatory Circular. 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) 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 This protection does not apply to bulk messages or to Stop (Stop-Loss) or Market-on-Close orders..

(b) *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 9:30 a.m., above (below) the midpoint of the NBBO at the close of the market on the previous trading day, the System will reject or cancel back to the User the limit order. This check does not apply to bulk messages, Limit-on-Close orders, or Stop-Limit Orders.

(c) *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.

(d) *Drill-Through Price Protection*.

(1) If a buy (sell) order enters the BZX Options Book at the conclusion of the opening auction process or would execute or post to the BZX Options Book when it enters the Book, the System executes the order up to a buffer amount (the Exchange determines the buffer amount on a class and premium basis) above (below) the offer (bid) limit of the Opening Collar or the NBO (NBB) that existed at the time of entry into the Book, respectively (the "Drill-Through Price").

(2) The System cancels or rejects any market order with a Time-in-Force of IOC (or unexecuted portion) or limit order with a Time-in-Force of IOC or FOK (or unexecuted portion) not executed pursuant to subparagraph (1).

(3) The System enters a market order with a Time-in Force of Day or limit order with a Time-in-Force of Day, GTC, or GTD (or unexecuted portion) not executed pursuant to subparagraph (1) in the BZX Options Book with a displayed price equal to the Drill-Through Price, unless the terms of the order instruct otherwise.

(A) The order (or unexecuted portion) rests in the BZX Options Book at the drill-through price for the duration of consecutive time periods (the Exchange determines on a class-by-class basis the length of the time period in milliseconds, which may not exceed three seconds) (each time period is referred to as an "iteration").

(B) Following the end of each period, the System adds (if a buy order) or subtracts (if a sell order) one buffer amount (the Exchange determines the buffer amount on a class-by-class basis) to the Drill-Through Price displayed during the preceding period (each new price becomes the "Drill-Through Price"). The order (or unexecuted portion) rests in the Book at that new drill-through price during the subsequent period. If at any time during this process, the NBO (NBB) changes to be below (above) the current drill-through price, such NBO (NBB) will become the new drill-through price for sell (buy) orders, and a new iteration will immediately begin. Any buy (sell) limit order with a price that is less (greater) than the new drill-through price will be entered in the Book at its limit price.

(C) The System applies a timestamp to the order (or unexecuted portion) based on the time it enters or is re-priced in the Book for priority purposes.

(D) If a market or limit order in a series enters the Book while the drill-through process is in progress in that series and would be subject to the drill-through protection, the order joins the ongoing drill-through process in the then-current iteration and at the then-current drill-through price.

(E) The System prioritizes orders that are part of the same drill-through iteration (A) based on the time the System enters or reprices them in the Book (i.e., in time priority) when, after an iteration, the new drill-through price makes the order(s) marketable against resting orders and (B) in accordance with the applicable base allocation algorithm when executing against any incoming interest.

(F) The order continues through this process until the earliest of the following to occur: (a) the order fully executes; (b) the User cancels the order; and (c) the buy (sell) order's limit price is less (greater) than the drill-through price at any time during application of the drill-through mechanism, in which case the order rests in the Book at its limit price.

(G) If an order(s) (or unexecuted portion(s)) is undergoing the drill-through process at the end of its last eligible trading session for that trading day (i.e., RTH), the drill-through process concludes. Any order (or unexecuted portion) with a Time-in-Force of (i) Day is canceled, and (ii) GTC or GTD enters the Queuing Book for the next eligible trading session as a market order or limit order (at its limit price).

(4) This protection does not apply to bulk messages or ISOs.

(5) If multiple Stop (Stop-Loss) or Stop-Limit orders to buy (sell) are triggered by the same trade price or NBBO, and would execute or post to the Book, the "drill-through price" for each order for purposes of subparagraph (A) above is equal to the contra-side NBBO that existed at the time the first order was triggered. Where multiple orders are simultaneously re-priced, the orders will be prioritized under subparagraph (3)(E) of this Rule and will be sequenced based on the original time each order was entered into the Book.

(e) Market Orders in No-Bid (Offer) Series.

(1) If the System receives a sell Market Order in a series after it is open for trading with an NBB of zero:

(A) 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 BZX 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.

(B) if the NBO in the series is greater than $0.50, then the System cancels or rejects the market order, except if a drill-through process (described in subparagraph (d) is in progress for sell orders in the series and the sell market order would be subject to the drill-through protection, then the order joins the ongoing drill-through process in the then-current iteration and at the then-current drill-through price, regardless of NBBO.

(2) 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.

(3) This protection does not apply to bulk messages.

(f) *Bulk Message Fat Finger Check.* The System cancels or rejects any bulk message bid (offer) more than a buffer amount above (below) the NBO (NBB), subject to a minimum and maximum dollar value, determined by the Exchange on a class-by-class basis. This check does not apply to bulk messages submitted prior to the conclusion of the Opening Process or when no NBBO is available.

(g) 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).

(Amended by SR-BATS-2015-22 eff. March 13, 2015; amended by SR-CboeBZX-2017-022 eff. December 21, 2017; amended by SR-CboeBZX-2018-082 eff. November 29, 2018; amended by SR-CboeBZX-2018-092 eff. January 17, 2019; amended by SR-CboeBZX-2019-096 eff. November 12, 2019; amended by SR-CboeBZX-2020-012 eff. January 22, 2020; amended by SR-CboeBZX-2020-075 eff. November 8, 2020; amended by SR-CboeBZX-2021-054 eff. August 27, 2021; amended by SR-CboeBZX-2022-009 eff. February 17, 2022; amended by SR-CboeBZX-2022-049 eff. November 3, 2022); amended by SR-CboeBZX-2023-053 eff. August 25, 2023).

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 BZX Options or trading as principal on BZX Options.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

Rule 22.2. Options Market Maker Registration

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 BZX 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) 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-CboeBZX-2019-025 eff. October 1, 2019)

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.

(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).

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BatsBZX-2016-62 eff. October 28, 2016; amended by SR-CboeBZX-2019-025 eff. October 1, 2019).

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);

(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 BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-CboeBZX-2019-025 eff. October 1, 2019).

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 BZX 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 BZX 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 BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-CboeBZX-2019-025 eff. October 1, 2019).

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 BZX 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, 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 day. Quoting is not required in every appointed class. This quoting obligation applies to all of the 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 recommence 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2013-016 eff. April 5, 2013; amended by SR-BATS-2013-062 eff. December 5, 2013; amended by SR-CboeBZX-2019-025 eff. October 1, 2019).

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 BZX 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 BZX 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 BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

Rule 22.8. Letters of Guarantee

(a) Required of Each Options Member.

No Options Member shall make any transactions on BZX 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 BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

Rule 22.10. (Reserved.)

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2015-93 eff. November 20, 2015.)

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.

(*Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2013-060 eff. November 18, 2013; amended by SR-BatsBZX-2017-05 eff. March 1, 2017.*)

Rule 22.12. Order Exposure Requirements

With respect to orders routed to BZX Options, Options Members may not execute as principal orders they represent as agent unless (a) agency orders are first exposed on BZX Options for at least one (1) second or (b) the Options Member has been bidding or offering on BZX Options for at least one (1) second prior to receiving an agency order that is executable against such bid or offer.

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 BZX 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 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 BZX 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 BZX 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 BZX Options against orders it solicited from members and non-member broker-dealers, whether such solicited orders are entered into BZX 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 BZX 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 BZX Options, an Options Member cannot inform another Options Member or any other third party of any of the terms of the order.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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 last business day before 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 BZX 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 BZX 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 business day immediately prior to the expiration date or, in the case of Quarterly Options Series, 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 BZX 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 BZX Options may prescribe. A Contrary Exercise Advice may be canceled by filing an

"Advice Cancel" with BZX 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 BZX Options, a Contrary Exercise Advice, in a manner specified by BZX 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 BZX 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 BZX Options. Such Member may establish a processing cut-off time prior to BZX 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 BZX 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 BZX Options provides advance notice on or before 5:30 p.m. Eastern Time on the business day immediately prior to the last business day before the expiration date indicating that a modified time for the close of trading in equity options on such last business day before expiration 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 Members has until 7:30 p.m. Eastern Time to deliver a Contrary Exercise Advice or Advice Cancel to BZX 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) BZX 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) BZX 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 business day immediately prior to expiration.

(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 BZX 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 (l) 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 (l) 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 (l) 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 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 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2010-021 eff. August 3, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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 BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

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 BZX Options.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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 BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

Rule 25.3. Penalty for Minor Rule Violations

The following BZX 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) Market Maker Quoting Obligations.

Violations of Rule 22.6(b)-(d) regarding Market Maker initial quote volume requirements (Rule 22.6(b)), Market Maker two-sided quote requirements (Rule 22.6(c)) and Market Maker continuous bids and offers (Rule 22.6(d)) shall be subject to the fines listed below.

Number of Offenses Within One Period	Fine Amount
1	Letter of Caution
2	$1,500

3	$3,000
Subsequent Offenses	Formal Disciplinary Action

(d) 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

(e) 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

(f) Consolidated Audit Trail Compliance Rules.

For failures to comply with the Consolidated Audit Trail Compliance Rule requirements of Rules 4.5 through 4.16, the Exchange may impose a minor rule violation fine of up to $2,500.

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2010-033 eff. December 20, 2010; amended by SR-BATS-2016-08 eff March 11, 2016; amended by SR-CboeBZX-2020-056 eff. July 9, 2020; amended by SR-CboeBZX-2021-083 eff. March 18, 2022).

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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).

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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 BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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 BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

CHAPTER XXVII. **OPTIONS ORDER PROTECTION AND LOCKED AND CROSSED MARKET 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS2015-122 eff. December 28, 2015.)

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.

(*Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2012-024 eff. June 15, 2012.*)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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 BZX Options, without proper and adequate margin in accordance with this Chapter XXVIII and Regulation T.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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 Exchange, Inc. ("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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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) BZX Options may at any time impose higher margin requirements with respect to such positions when it deems such higher margin requirements to be advisable.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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 BZX 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) The term "European-style index option" means an option on an industry or market index that can be exercised only on the last business day prior to the day it expires.

(h) 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.

(i) 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.

(j) 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.

(k) The term "Monthly 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 month.

(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 BZX 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

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2010-020 eff. July 27, 2010; amended by SR-BATS-2013-006 eff. January 23, 2013; amended by SR-CboeBZX-2018-058 eff. September 27, 2018; amended by SR-CboeBZX-2023-093 eff. November 15, 2023).

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) BZX 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(j);

(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 BZX Options;

(12) BZX Options reasonably believes it has adequate system capacity to support the trading of options on the index, based on a calculation of BZX 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 BZX Options fails to satisfy the maintenance listing standards set forth herein, BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

Rule 29.4. Dissemination of Information

(a) BZX 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 BZX Options.

(b) BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

Rule 29.5. Position Limits for Broad-Based Index Options

(a) Options Members shall comply with the applicable rules of the Cboe Exchange, Inc. with respect to position limits for broad based index options or with the applicable rules of BZX Options for broad-based index options traded on BZX Options but not traded on the Cboe Exchange, Inc.

(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.

BZX 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 BZX Options fails to satisfy the maintenance listing standards set forth herein, BZX Options shall not open for trading any additional series of options of that class unless such failure is determined by BZX 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, BZX 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; or

(B) in which a component security comprises more than 30 percent of the index's weighting; or

(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. BZX 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, BZX Options will restrict trading in existing option series to closing transactions and will not issue additional series for that index.

(D) BZX 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 BZX 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 BZX 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. BZX Options reserves the right to rebalance quarterly at its discretion;

(13) In a modified equal-dollar weighted index BZX 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, BZX 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 BZX Options fails to satisfy the maintenance listing standards set forth herein, BZX Options shall not open for trading any additional series of options of that class unless such failure is determined by BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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 Exchange, Inc. with respect to position limits for Narrow-Based and Micro-Narrow Based Index Options traded on BZX Options and also on the Cboe Exchange, Inc. or with the applicable rules of BZX Options for industry index options traded on BZX Options but not traded on the Cboe Exchange, Inc.

(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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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 BZX 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 BZX Options.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

Rule 29.10. Trading Sessions

(a) Days and Hours of Business.

Except as otherwise provided in this Rule or under unusual conditions as may be determined by the Exchange, transactions in index options may be effected on BZX Options between the hours of 9:30 a.m. and 4:15 p.m. Eastern time. With respect to options on foreign indexes, the Exchange shall determine the days and hours of business. However, on their last trading day, transactions in P.M.-settled XSP options may be effected on the Exchange between the hours of 9:30 a.m. and 4:00 p.m. Eastern time.

(b) Instituting Halts and Suspensions.

The Exchange also may halt trading in an index option when, in his or her 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.

(c) 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).

(d) 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."

(e) Special Provisions for Foreign Indices.

When the hours of trading of the underlying primary securities market for an index option do not overlap or coincide with those of BZX Options, all of the provisions as described in paragraphs (b), (c), and (d) above shall not apply except for (b)(4).

(f) Pricing When Primary Market Does Not Open.

When the primary market for a security underlying the current index value of an index option does not open for trading on a given day, the price of that security shall be determined, for the purposes of calculating the current index value at expiration, based on the opening price of that security on the next day that its primary market is open for trading. This procedure shall not be used if the current index value at expiration is fixed in accordance with the Rules and By-Laws of the Clearing Corporation.

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2011-013 eff. May 2, 2011; amended by SR-CboeBZX-2018-058 eff. September 27, 2018; amended by SR-CboeBZX-2018-066 eff. January 28, 2019).

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. BZX Options shall determine fixed-point intervals of exercise prices for call and put options.

(3) Expiration Months and Weeks. Index options contracts may expire at three (3) month intervals, in consecutive months, or in consecutive weeks (as specified by class below). BZX 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 (except as specified below).

(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 BZX Options:

(A) Nasdaq 100 Index.

(B) Mini Nasdaq 100 Index.

(C) Mini-SPX Index

(D) 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 BZX Options:

(i) Nasdaq 100 Index.

(ii) Mini Nasdaq 100 Index

(iii) Mini-SPX Index

(iii) 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 May 6, 2024.

(b) Long-Term Index Options Series.

(1) Notwithstanding the provisions of paragraph (a)(3), above, BZX 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), BZX 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 BZX Options. The exercise price of each series of index options opened for trading on BZX 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 BZX 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. BZX 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 BZX 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 standard expiration options series, 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 standard expiration option series on the same index class expire or, in the case of Monthly Options Series or Quarterly Options Series, on an expiration that coincides with an expiration of a Monthly Options Series or Quarterly Options Series, respectively, 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 nor 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 May 6, 2024.

(4) Weekly and EOM Trading Hours on the Last Trading Day. On the last trading day, transactions in expiring Weeklys and EOMs may be effected on the Exchange between the hours of 9:30 a.m. and 4:00 p.m. Eastern time.

(k) *Monthly 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 month ("Monthly Option Series").

(1) *Classes.* The Exchange may list Monthly Options Series for up to five currently listed option classes that are either index options or options on ETFs. In addition, the Exchange may also list Monthly Options Series on any options classes that are selected by other securities exchanges that employ a similar program under their respective rules.

(2) *Expiration.* The Exchange may list 12 expirations for Monthly Options Series. Monthly Options Series expirations need not be for consecutive months; however, the expiration date of a nonconsecutive expiration may not be beyond what would be considered the last expiration date if the maximum number of expirations were listed consecutively. No Monthly Options Series may expire on a date that coincides with an expiration date of a Quarterly Options Series in the same index or ETF class. Other expirations in the same class are not counted as part of the maximum numbers of Monthly Option Series expirations for a class.

(3) *Settlement.* Monthly Options Series will be P.M.-settled.

(4) *Initial Series.* The strike price of each Monthly Options Series will be fixed at a price per share, with at least two, but no more than five, strike prices above and at least two, but no more than five, strike prices below the value of the underlying index or price of the underlying security at about the time that a Monthly Options Series is opened for trading on the Exchange. The Exchange will list strike prices for Monthly Options Series that are reasonably related to the current price of the underlying security or current index value of the underlying index to which such

series relates at about the time such series of options is first opened for trading on the Exchange. The term "reasonably related to the current price of the underlying security or index value of the underlying index" means that the exercise price is within 30% of the current underlying security price or index value.

(5) *Additional Series.* Additional Monthly Options Series of the same class may be open 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 will be within 30% above or below the closing price of the underlying index or security on the preceding day. The Exchange may also open additional strike prices of Monthly Option Series that are more than 30% above or below the current price of the underlying index or security, 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 will not be considered when determining customer interest under this provision. The opening of the new Monthly Options Series will not affect the series of options in the same class previously opened.

(6) *Strike Interval.* The interval between strike prices on Monthly Options Series will 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.

(7) *Delisting Policy.*

(A) With respect to Monthly Options Series added pursuant to subparagraphs (1) through (6) above, the Exchange will, on a monthly basis, review series that are outside a range of five strikes above and five strikes below the current price of the underlying index or security, and delist series with no open interest in both the put and the call series having a: (i) strike higher than the highest strike price with open interest in the put and/or call series for a given expiration month; and (ii) strike lower than the lowest strike price with open interest in the put and/or call series for a given expiration month.

(B) Notwithstanding the above referenced delisting policy, customer requests to add strikes and/or maintain strikes in Monthly Options Series in series eligible for delisting will be granted.

(C) In connection with the above referenced delisting policy, if the Exchange identifies series for delisting, the Exchange will notify other options exchanges with similar delisting policies regarding eligible series for delisting and will work with such other exchanges to develop a uniform list of series to be delisted, so as to ensure uniform series delisting of multiply listed Monthly Options Series.

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-BATS-2010-020 eff. July 27, 2010; amended by SR-BATS-2011-022 eff. July 13, 2011; amended by SR-BATS-2013-006 eff. January 23, 2013; amended by SR-BATS-2014-013 eff. April 28, 2014; amended by SR-CboeBZX-2018-069 eff. September 26, 2018; amended by SR-CboeBZX-2018-058 eff. September 27, 2018; amended by SR-CboeBZX-2018-066 eff. January 28, 2019; amended by SR-CboeBZX-2020-004 eff. January 21, 2020; amended by SR-CboeBZX-2020-038 eff. April 24, 2020; amended by SR-CboeBZX-2020-076 eff. October 13, 2020; amended by SR-CboeBZX-2021-031 eff. April 16, 2021; amended by SR-CboeBZX-2021-072 eff. October 25, 2021; amended by SR-CboeBZX-2022-029 eff. April 20, 2022; amended by SR-CboeBZX-2022-052 eff. October 24, 2022; amended by SR-CboeBZX-2023-034 eff. May 2, 2023; amended by SR-CboeBZX-2023-073 eff. November 6, 2023; amended by SR-CboeBZX-2023-093 eff. November 15, 2023).

Rule 29.12. Debit Put Spread Cash Account Transactions

Debit put spread positions in European-style, broad-based index options traded on BZX 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 BZX 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 BZX 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 BZX 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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010; amended by SR-CboeBZX-2018-058 eff. September 27, 2018).

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.

(Amended by SR-BATS-2009-031 eff. January 26, 2010.)

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 by SR-CboeBZX-2018-058 eff. September 27, 2018).