The changes below will be operative during a migration period beginning July 27, 2026 and ending August 10, 2026.

New text is underlined; deleted text is in brackets.

The Nasdaq Stock Market LLC Rules

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Options Rules

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Options 1 General Provisions

Section 1. Definitions

(a) With respect to these NOM Rules, the following terms shall have the meanings specified in this Rule. A term defined elsewhere in the Rules of the Exchange shall have the same meaning with respect to this Rule, unless otherwise defined below.

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(24) The term "Lead Market Maker" means a Market Maker who is registered as an options Lead Market Maker pursuant to Options 2, Section 3.

([24]25) The term "long position" means a person's interest as the holder of one or more options contracts.

([25]26) The term "mnemonic" means an acronym comprised of letters and/or numbers assigned to Participants. A Participant account may be associated with multiple mnemonics.

([26]27) The terms "Nasdaq Options Order Entry Firm" or "Order Entry Firm" or "OEF" mean those Options Participants representing as agent Customer Orders on NOM and those non-Market Maker Participants conducting proprietary trading.

([27]28) The term "Nasdaq Options Market Maker" or "Options Market Maker" or "Market Maker" mean an Options Participant 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 Options 2 of these Rules.

([28]29) The term "NOM" means The Nasdaq Options Market or Nasdaq Stock Exchange Options Market, an options trading facility of the Exchange under Section 3(a)(2) of the Exchange Act.

([29]30) The term "NOM Book" means the electronic book of orders maintained by the NOM Trading System.

([30]31) The term "NOM Rules" or "Rules of NOM" mean the Rules of The Nasdaq Options Market.

([31]32) The term "NOM Transaction" means a transaction involving an options contract that is effected on or through NOM or its facilities or systems.

([32]33) The term "NBBO" means the national best bid or offer as calculated by NOM based on market information received by NOM from OPRA.

([33]34) The term "offer" means a limit order to sell one or more options contracts.

([34]35) The term "opening purchase transaction" means a NOM Transaction that creates or increases a long position in an options contract.

([35]36) The term "opening writing transaction" means a NOM Transaction that creates or increases a short position in an options contract.

([36]37) 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.

([37]38) The term "options market close" or "market close" mean the time specified by NOM for the cessation of trading in contracts on NOM for options on that market day.

([38]39) The term "options market open" or "market open" mean the time specified by NOM for the commencement of trading in contracts on NOM for options on that market day.

([39]40) The term "Options Participant" or "Participant" mean a firm, or organization that is registered with the Exchange pursuant to Options 2A of these Rules for purposes of participating in options trading on NOM as a "Nasdaq Options Order Entry Firm" or "Nasdaq Options Market Maker".

([40]41) The term "Options Principal" means a person engaged in the management and supervision of the Options Participant's business pertaining to options contracts that has responsibility for the overall oversight of the Options Participant's options related activities on the Exchange.

([41]42) The term "Options Participation Agreement" means the agreement to be executed by Options Participants to qualify to participate on NOM.

([42]43) The term "OPRA" means the Options Price Reporting Authority.

([43]44) The term "order" means a firm commitment to buy or sell options contracts as defined in Section 1(d) of Options 3.

([44]45) The term "out-of-the-money" means the following: for call options, all strike prices above the offer in the underlying security on the primary listing market; for put options, all strike prices below the bid in the underlying security on the primary listing market. This definition shall only apply for purposes of Market Maker quoting obligations in Options 2, Section 5.

([45]46) 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.

([46]47) The term "pre-opening" means the period prior to the market open on NOM, beginning at a time specified by NOM, during which Participants may log on to the Trading System and submit, amend and withdraw orders, but no trading can occur.

([47]48) The term "Professional" means any person or entity that (i) is not a broker or dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). All Professional orders shall be appropriately marked by Participants.

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([48]49) The term "Public Customer" means a person or entity that is not a broker or dealer in securities and is not a Professional as defined within Options 1, Section 1(a)(4[7]8).

([49]50) The term "Public Customer Order" means an order for the account of a Public Customer.

([50]51) 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.

([51]52) The term "Quarterly Option 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.

([52]53) The term "quote" or "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.

([53]54) The term "Responsible Person" means a United States-based officer, director or management-level employee of an Options Participant, who is registered with the Exchange as an Options Principal, responsible for the direct supervision and control of associated persons of that Options Participant.

([54]55) The term "Rules of the Clearing Corporation" or "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.

([55]56) The term "series of options" means all options contracts of the same class having the same exercise price and expiration date.

([56]57) The term "short position" means a person's interest as the writer of one or more options contracts.

([57]58) 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.

([58]59) The term "SRO" means a self-regulatory organization as defined in Section 3(a)(26) of the Exchange Act.

([59]60) The term "System" or "Trading System" mean the automated system for order execution and trade reporting owned and operated by The Nasdaq Options Market LLC. The Nasdaq Options Market comprises:

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([60]61) The term "type of option" means the classification of an options contract as either a put or a call.

([61]62) The term "uncovered" means a short position in an options contract that is not covered.

([62]63) The term "underlying security" when used in respect of any contract other than a cash-settled contract means the security or other asset which the Corporation is obligated to sell or purchase upon exercise or maturity of the contract. When used in respect of a cash-settled contract, the term means the index or other underlying interest on which the exercise settlement amount or final settlement price is based.

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Options 2 Options Market Participants

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Section 3. [Reserved]Lead Market Maker Allocations

A. Lead Market Maker Appointments

(a) Approved NOM Options Market Makers may become Lead Market Makers (“LMMs”). Only one LMM may be allocated to an options class.

(b) Initial application(s) to become an LMM shall be in a form and/or format prescribed by the Exchange and shall include the following: (1) background information on the prospective LMM including experience in trading options; (2) the LMM’s clearing arrangements; (3) adequacy of capital; and (4) adherence to Exchange rules and ability to meet obligations of an LMM.

(c) Subsequent applications shall be in a form and/or format prescribed by the Exchange and shall include the information requested therein, including, but not limited to, an account of the abilities and background of the applicant as well as any other special requirements that the Exchange may require.

(d) Once an applicant is approved by the Exchange as an LMM, any material change in capital shall be reported in writing to the Exchange and in no circumstances shall be reported more than two business days after the change.

B. LMM Allocation Application

(a) When an options class is to be allocated or reallocated by the Exchange, the Exchange will solicit applications from all eligible LMMs. If the Exchange determines that special qualifications should be sought in the successful applicant, it shall indicate such desired qualifications in the notice.

(b) An allocation application shall be submitted in writing to the Exchange's designated staff and shall include, at a minimum, the name and background of the LMM, the LMM's experience and capitalization demonstrating an ability to trade the particular options class sought, and any other reasons why the LMM believes it should be assigned or allocated the security. In addition, the Exchange may also require that the application include other information such as system acceptance/execution levels and guarantees. The Exchange may re-solicit applications for any reason, including if it determines that its initial solicitation resulted in an insufficient number of applicants.

(c) Allocation decisions and automatic allocations, as noted in subsection (g) below, shall be communicated in writing to Exchange Participants.

(d) Once the LMM is allocated an issue, such LMM shall immediately notify the Exchange in writing any change to the respective system acceptance/execution levels or any other material change in the application for any assigned issue.

(e) If an LMM seeks to withdraw from allocation in a security, it should so notify the Exchange at least one business day prior to the desired effective date of such withdrawal.

(f) Definition of Related Securities. For purposes of this Rule, the term "Related Securities" means, but is not limited to: securities of a partially or wholly owned subsidiary; securities that are convertible into the securities of the issuer; warrants on securities of the issuer; securities issued in connection with a name change; securities issued in a reverse stock split; contingent value rights; "tracking" securities designed to track the performance of the underlying security or corporate affiliate thereof; securities created in connection with the merger or acquisition of one or more companies; securities created in connection with a "spinoff" transaction; convertible on non-convertible senior securities; and securities into which a listed security is convertible, where such Related Securities emanate from or are related to securities underlying options that are currently allocated to an LMM on the Exchange ("Currently Allocated Options"). The term Related Securities does not include Exchange Traded Funds.

(g) Allocation of Options on Related Securities. Options on Related Securities ("Related Options") shall be automatically allocated to the LMM that is already the LMM in Currently Allocated Options.

C. LMM Allocation

(a) Allocations. The Exchange shall allocate new options classes, or reallocate existing options classes to applicants based on the results of such factors as the Exchange deems appropriate. Among the factors that the Exchange may consider in making such decisions are: the number and type of securities in which applicants are currently registered; the capital and other resources of the applicant; recent allocation decisions within the past eighteen months; the desirability of encouraging the entry of new LMMs into the Exchange's market; order flow commitments; any prior transfers of LMM privileges by the applicant and the reasons therefore and such policies as the Board instructs the Exchange to follow in allocating or reallocating securities. The Exchange may also consider: quality of markets data; and observance of ethical standards and administrative responsibilities. Solely with respect to options class allocations or reallocations, past or contemplated voluntary delisting of options classes by LMMs, done in the best interest of the Exchange, will not be viewed negatively by the Exchange in making allocation and reallocation decisions. The Exchange is empowered to allocate option classes for a limited period of time or subject to such other terms and conditions as it deems appropriate.

D. LMM Allocation, Reallocation and Transfer of Issues

(a) Requests to allocate or transfer allocation or transfer of an options class request must be made in writing to the Exchange and such transfer may only be made to an approved LMM. The LMM shall be assigned LMM to an options class for a period defined by the Exchange. The Exchange will communicate such period in solicitation applications (notices) pursuant to Section B (LMM Allocation Application) herein. The Exchange may re-allocate an options class after the defined period has expired.

Section 4. Obligations of Market Makers and Lead Market Makers

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(d) Reserved.

(e) Transactions of an LMM should constitute a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and no LMM should enter into transactions or make bids or offers that are inconsistent with such a course of dealings.

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

(1) To compete with other LMMs and Market Makers to improve the market in all series of options classes to which the LMM is appointed.

(2) To make markets that will be honored for the number of contracts entered into the System in all series of options classes within the LMM's appointment.

(3) To update market quotations in response to changed market conditions in all series of options classes within the LMM's appointment.

(4) **Intra-Day Bid/Ask Differentials (Quote Spread Parameters)**. Options on equities (including Exchange-Traded Fund Shares), and on index options must be quoted with a difference not to exceed $5 between the bid and offer regardless of the price of the bid. However, respecting in-the-money series where the market for the underlying security is wider than $5, the bid/ask differential may be as wide as the spread between the national best bid and offer in the underlying security. The Exchange may establish differences other than the above for one or more series or classes of options.

(g) Reserved.

(h) *In Classes of Option Contracts Other Than Those to Which Appointed*. With respect to classes of option contracts outside of their appointment, LMMs should not engage in transactions for an account in which they have an interest that are disproportionate in relation to, or in derogation of, the performance of their obligations as specified in this Rule with respect to the classes in their appointment. Furthermore, LMMs should not:

(1) Individually or as a group, intentionally or unintentionally, dominate the market in option contracts of a particular class; and

(2) Effect purchases or sales on the Exchange except in a reasonable and orderly manner.

(i) *Prohibited Practices and Procedures*.

(1) Any practice or procedure whereby LMMs trading any particular option issue determine by agreement the spreads or option prices at which they will trade that issue is prohibited.

(2) Any practice or procedure whereby LMMs trading any particular option issue determine by agreement the allocation of orders that may be executed in that issue is prohibited.

(j) LMM Quotations. An LMM must enter two-sided quotations. An LMM that enters a bid (offer) in a series of an option in which he is registered on NOM must enter an offer (bid), except in an assigned options series listed intra-day on NOM. These quotations must meet the legal quote width requirements specified in Options 2, Section 4 subsection (f)(4). An Options Participant will be required to meet each market making obligation separately. Quotes submitted through the Specialized Quote Feed interface, utilizing badges and options series assigned to a Lead Market Maker, will be counted toward the requirement to provide two-sided quotations in 90% of the cumulative number of seconds, or such higher percentage as NOM may announce. An Options Participant that is a Market Maker in an options series where the Options Participant is also assigned as the Lead Market Maker, pursuant to Options 2, Section 4, in an option series will be held to both the Lead Market Maker and Market Maker obligations, pursuant to Options 2, Section 5(d), separately, in that options series.

(1) LMMs, associated with the same Options Participant, are collectively required to provide two-sided quotations in 90% of the cumulative number of seconds, or such higher percentage as NOM may announce in advance, for which that Option Participant's assigned options series are open for trading. An LMM shall not be required to make two-sided markets in any Quarterly Option Series, any Adjusted Option Series, and any option series with an expiration of nine months or greater for options on equities and exchange-traded funds (“ETFs”) or with an expiration of twelve months or greater for index options. However, an LMM may still receive a participation entitlement in such series if it elects to quote in such series and otherwise satisfies the requirements of Options 3, Section 10.

(a) An adjusted option series is defined as an option series wherein one option contract in the series represents the delivery of other than 100 shares of underlying stock or Exchange-Traded Fund Shares ("Adjusted Options Series").

(2) Specifically, the Exchange will calculate subparagraph (1) above by (i) taking the total number of seconds the Options Participant disseminates quotes in each assigned options series, excluding Quarterly Option Series, any Adjusted Option Series, and any option series with an expiration of nine months or greater for options on equities and ETFs or with an expiration of twelve months or greater for index options; and (ii) dividing that time by the eligible total number of seconds each assigned option series is open for trading that day. Quoting is not required in every assigned options series. Compliance with this requirement is determined by reviewing the aggregate of quoting in assigned options series for the Options Participant.

(3) NOM Regulation may consider exceptions to the requirement to quote 90% (or higher) of the trading day based on demonstrated legal or regulatory requirements or other mitigating circumstances. For purposes of the Exchange's surveillance of an Options Participant compliance with this Rule, the Exchange may determine compliance on a monthly basis. The Exchange's monthly compliance evaluation of the quoting requirement does not relieve an Options Participant of the obligation to provide two-sided quotes on a daily basis, nor will it prohibit the Exchange from taking disciplinary action against an Options Participant for failing to meet the quoting obligation each trading day.

(4) If a technical failure or limitation of a System of the Exchange prevents an LMM from maintaining, or prevents an LMM from communicating to the Exchange, timely and accurate electronic quotes in an issue, the duration of such failure shall not be considered in determining whether the LMM has satisfied the 90% quoting standard with respect to that option issue. The Exchange may consider other exceptions to this intra-day electronic quote obligation based on demonstrated legal or regulatory requirements or other mitigating circumstances.

(k) *Required Submission of Quotations*. An LMM may be called upon by NOM Regulation to submit a single quote or maintain intra-day quotes in one or more series of an option issue within its appointment whenever, in the judgment of NOM Regulation, it is necessary to do so in the interest of maintaining fair and orderly markets.

(l) *Firm Quotes*. An LMM shall be compelled to buy/sell a specified quantity of option contracts at the disseminated bid/offer pursuant to his obligations with respect to firm quotes.

(1) All quotes and orders entered into the System by Options Participants are firm under this Rule and Rule 602 of Regulation NMS under the Exchange Act ("SEC Rule 602") for the number of contracts specified and according to the size requirements set forth herein.

(2) Market Maker bids and offers are not firm under this Rule and SEC Rule 602:

(a) for the period prior to the Opening Process; or

(b) if any of the circumstances provided in paragraph (b)(3) or (c)(4) of SEC Rule 602 exist.

Section 5. Market Maker Quotations

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(d) *Intra-day Quotes*. A Market Maker must enter bids and offers for the options to which it is registered, as follows:

(1) A Market Maker must enter bids and offers for the options to which it is registered, except in an assigned options series listed intra-day on the Exchange. On a daily basis, a

Market Maker must make markets consistent with the applicable quoting requirements specified below. An Options Participant will be required to meet each market making obligation separately. Quotes submitted through the Specialized Quote Feed interface, utilizing badges and options series assigned to a Market Maker, will be counted toward the requirement to provide two-sided quotations in 60% of the cumulative number of seconds, or such higher percentage as NOM may announce. An Options Participant that is a Market Maker in an options series where the Options Participant is also assigned as the Lead Market Maker, pursuant to Options 2, Section 4, in an option series will be held to both the Lead Market Maker and Market Maker obligations, pursuant to Options 2, Section 5(d), separately, in that options series.

(A) Market Makers, associated with the same Options Participant, are collectively required to provide two-sided quotations in 60% of the cumulative number of seconds, or such higher percentage as NOM may announce in advance, for which that Options Participant's assigned options series are open for trading. Notwithstanding the foregoing, a Market Maker shall not be required to make two-sided markets pursuant to this subparagraph in any Quarterly Option Series, any Adjusted Option Series, and any option series with an expiration of nine months or greater for options on equities and exchange-traded funds ("ETFs") or with an expiration of twelve months or greater for index options.

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(D) If a technical failure or limitation of a System of NOM prevents a Market Maker from maintaining, or prevents a Market Maker from communicating to NOM timely and accurate quotes, the duration of such failure or limitation shall not be included in any of the calculations under this [sub]paragraph ([A]d) with respect to the affected quotes.

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Section 6. Market Maker Orders

(a) Market Makers may enter all order types defined in Options 3, Section 7 in the options classes to which they are appointed and non-appointed under Options 2, Sections 1 and 3, except Reserve Orders.

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Options 3 Options Trading Rules

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Section 3. Minimum Increments

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(c) A quote submitted to the System with an invalid trading increment will be re-priced and displayed at the nearest minimum price variation,[. The quote will be] rounded up to the nearest valid minimum price variation for offers and rounded down for bids. Quotes will not be accepted in sub-penny increments.

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The changes below will be operative during a migration period beginning July 27, 2026 and ending August 10, 2026.

Section 7. Types of Orders and Order and Quote Protocols

The Exchange may determine to make certain order types and time-in-force, respectively, available on a class or System basis. [(a)] The term "Order" shall mean a single order submitted to the System by a Participant that is eligible to submit such orders. The term "Order Type" shall mean the unique processing prescribed for designated orders that are eligible for entry into the System, and shall include:

(a) *Market Orders*. A Market Order is an order to buy or sell a stated number of options contracts that is to be executed at the best price obtainable when the order reaches the Exchange. Participants can designate that their Market Orders not executed after a pre-established period of time, as established by the Exchange, will be cancelled back to the Participant, once an options series has opened for trading. Market Orders on the order book would be immediately cancelled if an options series is halted, provided the Participant designated the cancellation of Market Orders.

(b) *Limit Orders*. A Limit Order is an order to buy or sell a stated number of options contracts at a specified price or better.

> (1) *Marketable Limit Orders*. A marketable limit order is a limit order to buy (sell) at or above (below) the best offer (bid) on the Exchange.
>
> (2) *Fill-or-Kill Orders*. A fill-or-kill order is a limit order that is to be executed in its entirety as soon as it is received and, if not so executed, treated as cancelled.
>
> (3) *Intermarket Sweep Orders*. An Intermarket Sweep Order ("ISO") is a limit order that meets the requirements of Options 5, Section 1(8). Orders submitted to the Exchange as ISO are not routable and will ignore the ABBO and trade at allowable prices on the Exchange. ISOs must have a TIF designation of IOC. ISOs may not be submitted during the Opening Process.

(c) *All-Or-None Orders*. An All-Or-None ("AON") Order is a limit or market order that is to be executed in its entirety or not at all. An AON Order may only be entered as an Immediate-or-Cancel Order. AON Orders will only execute against multiple, aggregated orders if the executions would occur simultaneously. AON Orders may not be submitted during the Opening Process.

(d) *Stop Orders*. 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 option is bid or trades on the Exchange at, or above, the specified stop price. A stop order to sell is elected when the option is offered or trades on the Exchange at, or below, the specified stop price. A Stop Order shall be cancelled if it is immediately electable upon receipt. Stop Orders may only be entered through FIX. A Stop Order shall not be elected by a trade that is reported late or out of sequence.

(e) *Stop Limit Orders*. 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 option is bid or trades on the Exchange at, or above, the specified stop price. A stop limit order to sell becomes a sell limit order when the option is offered or trades on the Exchange at, or below, the specified stop price. A Stop Limit Order shall be cancelled if it is immediately electable upon receipt. Stop Limit Orders may only be entered through FIX. A Stop Limit Order shall not be elected by a trade that is reported late or out of sequence.

(f) *Cancel and Replace Orders.* Cancel and Replace Orders shall mean a single message for the immediate cancellation of a previously received order and the replacement of that order with a new order. If the previously placed order is already filled partially or in its entirety, the replacement order is automatically canceled or reduced by the number of contracts that were executed. The replacement order will retain the priority of the cancelled order, if the order posts to the Order Book, provided the price is not amended or size is not increased. In the case of Reserve Orders, the replacement order will retain the priority of the cancelled order, if the order posts to the Order Book, provided the price is not amended or size (displayed and non-displayed) is not changed. If the replacement portion of a Cancel and Replace Order does not satisfy the System's price or other reasonability checks (e.g. Order Price Protection and Market Order Spread Protection within Options 3, Section 15(a)(1) and (a)(2), respectively), the existing order shall be cancelled and not replaced.

(g) *Reserve Orders*. A Reserve Order is a limit order that contains both a displayed portion and a non-displayed portion. Market Makers may not enter Reserve Orders pursuant to Options 2, Section 6.

(1) Both the displayed and non-displayed portions of a Reserve Order are available for potential execution against incoming marketable orders. A non-marketable Reserve Order will rest on the order book.

(2) The displayed portion of a Reserve Order shall be ranked at the specified limit price and the time of order entry.

(3) The displayed portion of a Reserve Order will trade in accordance with Options 3, Section 10(a)(1)(C)(1)(a) or Options 3, Section 10(a)(2)(i) for Public Customer Orders and Options 3, Section 10(a)(1)(C)(1)(d) or Options 3, Section 10(a)(2)(iv) or (v) for non-Public Customer Orders.

(4) Reserve Orders may be entered with an instruction for the displayed portion of the order to be refreshed: (A) upon full execution of the displayed portion or upon any partial execution; and (B) up to the initial size of the displayed portion or with a random refresh quantity within a range determined by the Participant.

(5) When the displayed portion of a Reserve Order is decremented, either in full or in part, it shall be refreshed from the non-displayed portion of the resting Reserve Order. If the displayed portion is refreshed in part, the new displayed portion shall include the previously displayed portion. Upon any refresh, the entire displayed portion shall be ranked at the specified limit price and obtain a new time stamp, i.e., the time that the new displayed portion of the order was refreshed. The new displayed portion will trade in accordance with Options 3, Section 10(a)(1)(C)(1)(a) or Options 3, Section 10(a)(2)(i) for

Public Customer Orders and Options 3, Section 10(a)(1)(C)(1)(d) or Options 3, Section 10(a)(2)(iv) or (v) for non-Public Customer Orders.

(6) The initial non-displayed portion of a Reserve Order rests on the order book and is ranked based on the specified limit price and time of order entry. Thereafter, non-displayed portions, if any, always obtain the same time stamp as that of the new displayed portion in subparagraph (5) above. The non- displayed portion of any Reserve Order is available for execution only after all displayed interest has been executed. The non-displayed portion of any Reserve Order will trade in accordance with Options 3, 10(a)(1)(C)(1)(a) or Options 3, Section 10(a)(2)(i) for Public Customer Orders, and Options 3, Section 10(a)(1)(C)(1)(d) or Options 3, Section 10(a)(2)(iv) or (v) for non-Public Customer Orders.

(h) Reserved.

(i) – (l) Reserved.

(m) *Price Improving Orders.* A Price Improving Order is an order 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 one cent. Price Improving Orders that are available for display 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.

(n) *Add Liquidity Order*. An Add Liquidity Order is a limit order that is to be executed in whole or in part on the Exchange (i) only after being displayed on the Exchange's limit order book; and (ii) without routing any portion of the order to another market center. Participants may specify whether an Add Liquidity Order shall be cancelled or re-priced to $.01 below the current low offer (for bids) or above the current best bid (for offers) and displayed by the System at one minimum price increment below the current low offer (for bids) or above the current best bid (for offers) if, at the time of entry, the order: (i) is executable on the Exchange; or (ii) the order is not executable on the Exchange, but would lock or cross the national best bid or offer. If at the time of entry, an Add Liquidity Order would lock or cross one or more non-displayed orders or quotes on the Exchange, the Add Liquidity Order shall be cancelled or re-priced to $.01 below the current low offer (for bids) or above the current best bid (for offers) and displayed by the System at one minimum price increment below the current low offer (for bids) or above the current best bid (for offers). Notwithstanding the aforementioned, if an Add Liquidity Order would not lock or cross an order or quote on the System but would lock or cross the NBBO, the order will be handled pursuant to Options 3, Section 5(c) and (d). An Add Liquidity Order will be ranked in the Exchange's limit order book in accordance with Options 3, Section 10. Add Liquidity Orders may only be submitted when an options series is open for trading. Add Liquidity Orders may only have a time-in-force designation of Day.

(o) – (t) Reserved.

(u) *Opening Sweep*. An Opening Sweep is a one-sided order entered by a Market Maker through SQF for execution against eligible interest in the System during the Opening Process. This order type is not subject to any protections listed in Options 3, Section 15, except for Automated Quotation Adjustments and Market Wide Risk Protection. The Opening Sweep will only participate in the Opening Process pursuant to Options 3, Section 8(b) and will be cancelled upon the open if not executed.

(v) – (z) Reserved.

[(1) Cancel-Replacement Order is a single message for the immediate cancellation of a previously received order and the replacement of that order with a new order with new terms and conditions. If the previously placed order is already filled partially or in its entirety, the replacement order is automatically canceled or reduced by the number of contracts that were executed. The replacement order will retain the priority of the cancelled order, if the order posts to the Order Book, provided the price is not amended, and the size is not increased.

(2) "Limit Order" is an order to buy or sell an option at a specified price or better. A marketable limit order is a limit order to buy (sell) at or above (below) the best offer (bid) on the Exchange.

(3) "Minimum Quantity Order" is an order that requires that a specified minimum quantity of contracts be obtained, or the order is cancelled. Minimum Quantity Orders are treated as having a time-in-force designation of Immediate or Cancel. Minimum Quantity Orders received prior to the opening cross or after market close will be rejected.

(4) "Market Order" is an order to buy or sell at the best price available at the time of execution. Participants can designate that their Market Orders not executed after a pre-established period of time, as established by the Exchange, will be cancelled back to the Participant, once an option series has opened for trading. Market Orders on the Order Book would be immediately cancelled if an options series halted, provided the Participant designated the cancellation of Market Orders.

(5) "Price Improving Order" is an order 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 one cent. Price Improving Orders that are available for display 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.

(6) "On the Open Order" is an order with a designated time-in-force of "OPG". An On the Open Order will be executable only during the Opening Cross. If such order is not executed in its entirety during the Opening Cross, the order, or any unexecuted portion of such order, will be cancelled back to the entering participant.

(7) "Intermarket Sweep Order" or "ISO" is a Limit Order that meets the requirements of Options 5, Section 1(8). Orders submitted to the Exchange as ISO are not routable and will ignore the ABBO and trade at allowable prices on the Exchange. ISOs may be entered on the Order Book. ISOs may have any time-in-force designation and are handled

within the System pursuant to Options 3, Section 10 and shall not be eligible for routing as set out in Options 5, Section 4. ISO Orders may not be submitted during the opening.

(A) Simultaneously with the routing of an ISO to the System, one or more additional limit orders, as necessary, are routed by the entering party to execute against the full displayed size of any protected bid or offer (as defined in Options 5, Section 1) in the case of a limit order to sell or buy with a price that is superior to the limit price of the limit order identified as an intermarket sweep order (as defined in Options 5, Section 1). These additional routed orders must be identified as ISOs.

(8) "All-or-None Order" is a Market or Limit Order which is to be executed in its entirety or not at all. All-or-None Orders are treated as having a time-in-force designation of Immediate or Cancel. All-or-None Orders received prior to the opening cross or after market close will be rejected.

(9) "Add Liquidity Order" is an order that will not remove liquidity from the System. Add Liquidity Orders are to be ranked and executed on the Exchange or cancelled, as appropriate, without routing away to another market. Add Liquidity Orders are evaluated at the time of entry with respect to locking or crossing other orders as follows: (i) if an Add Liquidity Order would lock or cross an order on the System, the order will be re-priced to $.01 below the current low offer (for bids) or above the current best bid (for offers) and displayed by the System at one minimum price increment below the current low offer (for bids) or above the current best bid (for offers); and (ii) if a Add Liquidity Order would not lock or cross an order on the System but would lock or cross the NBBO as reflected in the protected quotation of another market center, the order will be handled pursuant to Options 3, Section 5(b) – (d). Participants may choose to have their Add Liquidity Orders returned whenever the order would lock or cross the NBBO or be placed on the order book at a price other than its limit price. Add Liquidity Orders received prior to the Opening Process will be eligible for execution during the Opening Process and will be processed as per Options 3, Section 8. Add Liquidity Orders received after market close will be rejected. Add Liquidity Orders may not have a time-in-force designation of Good Til Cancelled or Immediate or Cancel.]

Supplementary Material to Options 3, Section 7

.01 Reserved

[(b)].02 The term "**Time in Force**" or "TIF" shall mean the period of time that the System will hold an order for potential execution, and shall include:

(a) **Day**. An order to buy or sell entered with a TIF of "DAY," which, if not executed, expires at the end of the day on which it was entered. All orders by their terms are Day orders unless otherwise specified. Day orders may be entered through FIX or OTTO.

(b) **Good-Till-Canceled**. An order to buy or sell entered with a TIF of "GTC" that remains in force until the order is filled, canceled or the option contract expires; provided, however, that GTC orders will be canceled in the event of a corporate action that results in an adjustment to the terms of an option contract. GTC orders may be entered through FIX.

(c) **Good-Till-Date**. An order to buy or sell entered with a TIF of "GTD," which, if not executed, will be cancelled at the sooner of the end of the expiration date assigned to the order, or the expiration of the series; provided, however, that GTD orders will be canceled in the event of a corporate action that results in an adjustment to the terms of an option contract. GTD orders may be entered through FIX.

(d) **Immediate-or-Cancel**. An order entered with a TIF of "IOC" that is to be executed in whole or in part upon receipt. Any portion not so executed is to be treated as cancelled.

(1) Orders entered with a TIF of IOC are not eligible for routing.

(2) IOC orders may be entered through FIX, OTTO or SQF, provided that an IOC order entered by a Market Maker through the SQF protocol will not be subject to the Order Price Protection, the Market Order Spread Protection, or Size Limitation in Options 3, Section 15(a)(1), (a)(2), and (b)(2), respectively.

(e) **Opening Only**. An Opening Only ("OPG") order is entered with a TIF of "OPG." This order can only be executed in the Opening Process pursuant to Options 3, Section 8. Any portion of the order that is not executed during the Opening Process is cancelled. OPG orders may not route. This order type is not subject to any protections listed in Options 3, Section 15, except Size Limitation and Market Wide Risk Protection.

[(1) "On the Open Order" or "OPG" shall mean for orders so designated, that if after entry into the System, the order is not fully executed in its entirety during the Opening Cross, the order, or any unexecuted portion of such order, will be cancelled back to the entering participant. OPG orders may not route. This order type is not subject to any protections listed in Options 3, Section 15, except Size Limitation.

(2) "Immediate-Or-Cancel" or "IOC" is a Market Order or Limit Order to be executed in whole or in part upon receipt. Any portion not so executed is cancelled and/or routed pursuant to Participant's instruction. IOC orders may be entered through FIX, or SQF, provided that an IOC Order entered by a Market Maker through SQF is not subject to the Order Price Protection, the Market Order Spread Protection, or Size Limitation in Options 3, Section 15(a)(1), (a)(2), and (b)(2), respectively. IOC Orders entered through SQF may not route.

(3) "DAY" is an order entered with a TIF of "Day" that expires at the end of the day on which it was entered, if not executed. All orders by their terms are Day Orders unless otherwise specified. Day orders may be entered through FIX.

(4) "Good Til Cancelled" or "GTC" is an order entered with a TIF of "GTC" that, if not fully executed, will remain available for potential display and/or execution unless cancelled by the entering party, or until the option expires, whichever comes first. GTC Orders shall be available for entry from the time prior to market open specified by the Exchange until market close. GTC Orders may only be entered through FIX.]

[(c) Routing Strategies. Orders may be entered on the Exchange with a routing strategy of SEEK, SRCH or Do-Not-Route ("DNR") as provided in Options 5, Section 4 through FIX only.

(d) The term "Order Size" shall mean the number of contracts up to 999,999 associated with the Order.]

.03 [(e) Entry and Display of Orders and Quotes.]Participants may enter orders and quotes into the System as specified below. [(1)]The Exchange offers Participants the following protocols for entering orders and quotes respectively:

([A]a) "**Financial Information eXchange**" or "**FIX**" is an interface that allows Participants and their Sponsored Customers to connect, send, and receive messages related to orders to and from the Exchange. Features include the following: (1) execution messages; (2) order messages; [and](3) risk protection triggers and cancel notifications, and (4) post trade allocation messages.

(b) "**Ouch to Trade Options**" or "**OTTO**" is an interface that allows Participants and their Sponsored Customers to connect, send, and receive messages related to orders to the Exchange. Features include the following: (1) options symbol directory messages (e.g., underlying instruments); (2) System event messages (e.g., start of trading hours messages and start of opening); (3) trading action messages (e.g., halts and resumes); (4) execution messages; (5) order messages; (6) risk protection triggers and cancel notifications; and (7) post trade allocation messages.

([B]c) "**Specialized Quote Feed**" or "**SQF**" is an interface that allows Market Makers to connect, send, and receive messages related to quotes and Immediate-or- Cancel Orders into and from the Exchange. Features include the following: (1) options symbol directory messages (e.g., underlying instruments); (2) system event messages (e.g., start of trading hours messages and start of opening); (3) trading action messages (e.g., halts and resumes); (4) execution messages; (5) quote messages; (6) Immediate-or-Cancel Order messages; (7) risk protection triggers and purge notifications; and (8) opening imbalance messages. The SQF Purge Interface only receives and notifies of purge requests from the Market Maker. Market Makers may only enter interest into SQF in their assigned options series. Immediate-or-Cancel Orders entered into SQF are not subject to the Order Price Protection, Market Order Spread Protection, or Size Limitation Protection in Options 3, Section 15(a)(1) and (a)(2), and (b)(2), respectively.

[(C) Reserved.]

[(D) "**Quote Using Orders**" or "**QUO**" is an interface that allows Market Makers to connect, send, and receive messages related to single-sided orders to and from the Exchange. Order Features include the following: (1) options symbol directory messages (e.g., underlying); (2) system event messages (e.g., start of trading hours messages and start of opening); (3) trading action messages (e.g., halts and resumes); (4) execution messages; (5) order messages; and (6) risk protection triggers and cancel notifications. Orders submitted by Market Makers over this interface are treated as quotes. Market Makers may only enter interest into QUO in their assigned options series. Orders entered into QUO are not subject to the Order Price Protection or Size Limitation in Options 3, Section 15(a)(1) and (b)(2), respectively.]

(d) Reserved.

.04 **Routing Strategies.** Orders may be entered on the Exchange with a routing strategy of FIND, SRCH or Do-Not-Route ("DNR") as provided in Options 5, Section 4 through FIX only.

Section 8. Options Opening Process[and Halt Cross]

(a) **Definitions**. The Exchange conducts an opening for all option series traded on the Exchange using its System.

(1) An "Away Best Bid or Offer" or "ABBO" is the displayed National Best Bid or Offer not including the Exchange's Best Bid or Offer.

(2) An "imbalance" is the number of unmatched contracts priced through the Potential Opening Price.

(3) A "market for the underlying security" is either the primary listing market or an alternative market designated by the primary market. In the event that the primary market is unable to open and an alternative market is not designated by the primary market and/or the alternative market designated by the primary market does not open, the Exchange may utilize a non-primary market to open all underlying securities from the primary market. The Exchange will select the non-primary market with the most liquidity in the aggregate for all underlying securities that trade on the primary market for the previous two calendar months, excluding the primary and alternative markets.

(4) An Opening Price is described herein in sections (i) and (k).

(5) An Opening Process is described herein in section (d).

(6) A Potential Opening Price is described herein in section (h).

(7) A Pre-Market BBO is the highest bid and the lowest offer among Valid Width Quotes.

(8) A "Valid Width National Best Bid or Offer" or "Valid Width NBBO" is the combination of all away market quotes and Valid Width Quotes received over the SQF.

The Valid Width NBBO will be configurable by the underlying security, and tables with valid width differentials, which will be posted by the Exchange on its website. Away markets that are crossed will void all Valid Width NBBO calculations. If any Market Maker quotes on the Exchange are crossed internally, then all Exchange quotes will be excluded from the Valid Width NBBO calculation.

(9) A "Valid Width Quote" is a two-sided electronic quotation, submitted by a Market Maker, quoted with a difference not to exceed $5 between the bid and offer regardless of the price of the bid. However, respecting in-the-money series where the market for the underlying security is wider than $5, the bid/ask differential may be as wide as the quotation for the underlying security on the primary market, or its decimal equivalent rounded down to the nearest minimum increment. The Exchange may establish differences other than the above for one or more series or classes of options.

(10) A "Zero Bid Market" is where the best bid for an options series is zero.

(b) Eligible interest during the Opening Process includes Valid Width Quotes, Opening Sweeps and orders, including Opening Only Orders, but excluding orders with a Time in Force of "Immediate-or-Cancel" and Add Liquidity Orders. Quotes, other than Valid Width Quotes, will not be included in the Opening Process. The displayed and non-displayed portions of Reserve Orders are considered for execution and in determining the Opening Price throughout the Opening Process.

(1) Opening Sweep. An Opening Sweep is defined at Options 3, Section 7(u).

(A) A Market Maker assigned in a particular option may only submit an Opening Sweep if, at the time of entry of the Opening Sweep, the Market Maker has already submitted and maintained a Valid Width Quote. All Opening Sweeps in the affected series entered by a Market Maker will be cancelled immediately if that Market Maker fails to maintain a continuous quote with a Valid Width Quote in the affected series.

(B) Opening Sweeps may be entered at any price on either side of the market, at single or multiple price level(s), and may be cancelled and re-entered. A single Market Maker may enter multiple Opening Sweeps, with each Opening Sweep at a different price level. If a Market Maker submits multiple Opening Sweeps, the System will consider only the most recent Opening Sweep at each price level submitted by such Market Maker in determining the Opening Price. Unexecuted Opening Sweeps will be cancelled once the affected series is open.

(2) The System will allocate interest pursuant to Options 3, Section 10.

(c) Reserved.

(d) Market Maker Valid Width Quotes and Opening Sweeps received starting at 9:25 AM are included in the Opening Process. Orders entered at any time before an option series opens are included in the Opening Process.

(1) The Opening Process for an option series will be conducted pursuant to paragraphs (f)- (k) below, on or after 9:30 AM, when the System has received an opening trade or quote on the market for the underlying security in the case of equity options or in the case of index options.

(2) For all options, the underlying security, including indexes, must be open on the market for the underlying security for a certain time period, as determined by the Exchange, for the Opening Process to commence. The time period shall be no less than 100 milliseconds and no more than 5 seconds.

(3) The Opening Process will stop and an option series will not open, if the ABBO becomes crossed. Once this condition no longer exists, the Opening Process in the affected option series will start again pursuant to paragraphs (f) - (k) below.

(4) The Opening Process will stop and an options series will not open, if a Valid Width NBBO is no longer present pursuant to paragraph (i)(2). Once this condition no longer exists, the Opening Process in the affected options series will start again pursuant to paragraphs (j) and (k) below.

(e) **Reopening After a Trading Halt**. The procedure described in this Rule will be used to reopen an option series after a trading halt. If there is a trading halt or pause in the underlying security, the Opening Process will start again irrespective of the specific times listed in paragraph (d).

(f) **Opening with a BBO (No Trade)**. If there are no opening quotes or orders that lock or cross each other, and no routable orders locking or crossing the ABBO, the System will open with an opening quote by disseminating the Exchange's best bid and offer among quotes and orders ("BBO") that exist in the System at that time, if any of the below conditions are satisfied:

(1) a Valid Width NBBO is present;

(2) a certain number of other options exchanges (as determined by the Exchange) have disseminated a firm quote on OPRA; or

(3) a certain period of time (as determined by the Exchange) has elapsed.

(g) **Pre-Market BBO Calculation**. If there are opening Valid Width Quotes or orders that lock or cross each other, the System will calculate the Pre-Market BBO.

(h) **Potential Opening Price**. The Potential Opening Price indicates a price where the System may open once all other Opening Process criteria are met. To calculate the Potential Opening Price, the System will take into consideration all Valid Width Quotes and orders (including Opening Sweeps and displayed and non-displayed portions of Reserve Orders)) for the option series and identify the price at which the maximum number of contracts can trade ("maximum quantity criterion"). In addition, paragraphs (i)(1)(C) and (j)(5) - (7) below contain additional provisions related to the Potential Opening Price.

(1) More Than One Potential Opening Price. When two or more Potential Opening Prices would satisfy the maximum quantity criterion and leave no contracts unexecuted, the System takes the highest and lowest of those prices and takes the mid-point; if such mid-point is not expressed as a permitted minimum price variation, it will be rounded up to the minimum price variation .

(2) If two or more Potential Opening Prices for the affected series would satisfy the maximum quantity criterion and leave contracts unexecuted, the Opening Price will be either the lowest executable bid or highest executable offer of the largest sized side.

(3) The Opening Price is bounded by the better away market price that may not be satisfied with the Exchange routable interest.

(i) **Opening with Trade**.

(1) The Exchange will open the option series for trading with a trade on Exchange interest only at the Opening Price, if any of these conditions occur:

(A) the Potential Opening Price is at or within the best of the Pre-Market BBO and the ABBO, which is also a Valid Width NBBO;

(B) the Potential Opening Price is at or within the non-zero bid ABBO, which is also a Valid Width NBBO, if the Pre-Market BBO is crossed; or

(C) where there is no ABBO, the Potential Opening Price is at or within the Pre-Market BBO, which is also a Valid Width NBBO.

(2) If there is more than one Potential Opening Price, which meets the conditions set forth in subparagraph (1) above, where:

(A) no contracts would be left unexecuted and

(B) any value used for the mid-point calculation (which is described in subparagraph (g) above) would cross either:

(i) the Pre-Market BBO, or

(ii) the ABBO,

then, for the purposes of calculating the midpoint, the Exchange will use the better of the Pre-Market BBO or ABBO as a boundary price and will open the option series for trading with an execution at the resulting Potential Opening Price. If these conditions are not met, but a Valid Width NBBO is present, an Opening Quote Range will be calculated pursuant to paragraph (j) below and, thereafter, the Price Discovery Mechanism in paragraph (k) below will commence.

(j) The System will calculate an Opening Quote Range ("OQR") for a particular option series that will be utilized in the Price Discovery Mechanism described below, if the Exchange has not opened subject to any of the provisions above. OQR is constrained by the least aggressive limit prices within the broader limits of OQR. The least aggressive buy order or Valid Width Quote bid and least aggressive sell order or Valid Width Quote offer within the OQR will further bound the OQR.

(1) Except as provided in paragraphs (3) and (4) below, to determine the minimum value for the OQR, an amount, as defined in a table to be determined by the Exchange, will be subtracted from the highest quote bid among Valid Width Quotes on the Exchange and on the away market(s), if any.

(2) Except as provided in paragraphs (3) and (4) below, to determine the maximum value for the OQR, an amount, as defined in a table to be determined by the Exchange, will be added to the lowest quote offer among Valid Width Quotes on the Exchange and on the away market(s), if any.

(3) If one or more away markets are disseminating a BBO that is not crossed (the Opening Process will stop and an options series will not open if the ABBO becomes crossed pursuant to (d)(3)) and there are Valid Width Quotes on the Exchange that cross each other or cross the ABBO:

(A) the minimum value for the OQR will be the highest away bid.

(B) the maximum value for the OQR will be the lowest away offer.

(4) If there is more than one Potential Opening Price possible, where no contracts would be left unexecuted, any price used for the mid-point calculation (which is described in subparagraph (h) above) that is wider than the OQR will be restricted to the OQR price on that side of the market for the purposes of the mid-point calculation.

(5) If there is more than one Potential Opening Price possible, where no contracts would be left unexecuted pursuant to paragraph (h)(3) above when contracts will be routed, the System will use the away market price as the Potential Opening Price.

(6) If the Exchange determines that non-routable interest can execute the maximum number of contracts against Exchange interest, after routable interest has been determined by the System to satisfy the away market, then the Potential Opening Price is the price at which the maximum number of contracts can execute, excluding the interest which will be routed to an away market, which may be executed on the Exchange as described in paragraph (h) above. The System will route all routable interest pursuant to Options 3, Section 10(a)(1).

(k) **Price Discovery Mechanism**. If the Exchange has not opened pursuant to paragraphs (f) or (i) above, after the OQR calculation in paragraph (j), the Exchange will conduct the following Price Discovery Mechanism.

(1) First, the System will broadcast an Imbalance Message for the affected series (which includes the symbol, side of the imbalance, size of matched contracts, size of the imbalance, and Potential Opening Price bounded by the Pre-Market BBO) to participants, and begin an "Imbalance Timer," not to exceed three seconds. The Imbalance Timer will be for the same number of seconds for all options traded on the Exchange. Each Imbalance Message is subject to an Imbalance Timer.

(A) An Imbalance Message will be disseminated showing a "0" volume and a $0.00 price if no executions are possible, but routable interest is priced at or through the ABBO. Where the Potential Opening Price is through the ABBO, an imbalance message will display the side of interest priced through the ABBO.

(2) Any new interest received by the System will update the Potential Opening Price. If during or at the end of the Imbalance Timer, the Opening Price is at or within the OQR, the Imbalance Timer will end and the System will open with a trade at the Opening Price if the executions consist of Exchange interest only without trading through the ABBO and without trading through the limit price(s) of interest within OQR, which is unable to be fully executed at the Opening Price. If no new interest comes in during the Imbalance Timer, and the Potential Opening Price is at or within OQR and does not trade through the ABBO, the Exchange will open with a trade at the end of the Imbalance Timer at the Potential Opening Price.

(3) Next, provided the option series has not opened pursuant to (k)(2) above, the System will:

(A) send a second Imbalance Message with a Potential Opening Price that is bounded by the OQR (and would not trade through the limit price(s) of interest within OQR, which is unable to be fully executed at the Opening Price) and includes away market volume in the size of the imbalance to participants; and concurrently

(B) initiate a Route Timer, not to exceed one second. The Route Timer operates as a pause before an order is routed to an away market. If during the Route Timer, interest is received by the System, which would allow the Opening Price to be within OQR without trading through away markets and without trading through the limit price(s) of interest within OQR, which is unable to be fully executed, the System will open with trades and the Route Timer will simultaneously end. The System will monitor quotes and orders received during the Route Timer period and make ongoing corresponding changes to the permitted OQR and Potential Opening Price to reflect them.

(C) If no trade occurred pursuant to (B) above, when the Route Timer expires, and if the Potential Opening Price is within OQR (and would not trade through the limit price(s) of interest within OQR, which is unable to be fully executed at the Opening Price), the System will determine if the total number of contracts displayed at better prices than the Exchange's Potential Opening Price on away markets ("better priced away contracts") would satisfy the number of marketable contracts available on the Exchange. The Exchange will open the option series by routing and/or trading on the Exchange, pursuant to (i)-(iii) below.

(i) If the total number of better priced away contracts would satisfy the number of marketable contracts available on the Exchange on either the buy or sell side, the System will route all marketable contracts on the Exchange to such better priced away markets as an Intermarket Sweep Order ("ISO") designated as an Immediate-or-Cancel ("IOC") Order(s), and determine an opening NOM Best Bid/Offer ("BBO") that reflects the interest remaining on the Exchange. The System will price any contracts routed to away markets at the Exchange's Opening Price; or

(ii) If the total number of better priced away contracts would not satisfy the number of marketable contracts the Exchange has, the System will determine how many contracts it has available at the Exchange Opening Price. If the total number of better priced away contracts, plus the number of contracts available at the Exchange Opening Price, would satisfy the number of marketable contracts on the Exchange, on either the buy or sell side, the System will contemporaneously route, based on price/time priority of routable interest, a number of contracts that will satisfy interest at away markets at prices better than the Opening Price, and trade available contracts on the Exchange at the Exchange Opening Price. The System will price any contracts routed to away markets at the better of the Exchange Opening Price or the order's limit price pursuant to this sub-paragraph; or

(iii) If the total number of better priced away contracts, plus the number of contracts available at the Exchange Opening Price, plus the contracts available at away markets at the Exchange Opening Price would satisfy the number of marketable contracts the Exchange has, on either the buy or sell side, the System will contemporaneously route, based on price/time priority of routable interest, a number of contracts that will satisfy interest at away markets at prices better than the Exchange Opening Price (pricing any contracts routed to away markets at the better of the Exchange Opening Price or the order's limit price), trade available contracts on the Exchange at the Exchange Opening Price, and route a number of contracts that will satisfy interest at away markets at prices equal to the Exchange Opening Price.

(D) The System may send up to two additional Imbalance Messages (which may occur while the Route Timer is operating) bounded by OQR and reflecting away market interest in the volume. After the Route Timer has expired, the processes in paragraph (C) will repeat (except no new Route Timer will be initiated).

(E) *Forced Opening*. After all additional Imbalance Messages have occurred pursuant to paragraph (D) above, the System will open the series by executing as many contracts as possible, by routing to away markets at prices better than the Exchange Opening Price for their disseminated size, trading available contracts on the Exchange at the Exchange Opening Price bounded by OQR (without trading through the limit price(s) of interest within OQR which is unable to be fully executed at the Opening Price), and routing contracts to away markets at prices equal to the Exchange Opening Price at their disseminated size. In this situation, the System will price any contracts routed to away markets at the better of the Exchange Opening Price or the order's limit price. Any unexecuted interest from the imbalance not traded or routed will be cancelled back to the entering participant, if they remain unexecuted and priced through the Opening Price. All other interest will be eligible for trading after opening, if consistent with the Participant's instruction.

(F) The System will execute orders at the Opening Price that have contingencies (such as, without limitation, Reserve Orders) and non-routable orders, such as a "Do-Not-Route" or "DNR" Orders, to the extent possible. The System will only route non-contingency orders, except that Reserve Orders may route up to their full volume.

(4) Pursuant to Options 3, Section 8(k)(3)(F), the System will re-price Do Not Route Orders (that would otherwise have to be routed to the exchange(s) disseminating the ABBO for an opening to occur) to the current ABBO, and disseminate the re-priced DNR Order as part of the new BBO.

(5) The System will cancel any order or quote that is priced through the Opening Price. All other interest will be eligible for trading after opening.

(6) During the opening of the option series, where there is an execution possible, the System will give priority to Market Orders first, then to resting Limit Orders and quotes. The allocation provisions of Options 3, Section 10 will apply.

(7) Upon opening of an option series, regardless of an execution, the System disseminates the price and size of the Exchange's best bid and offer (BBO).

(8) Remaining contracts, which are not priced through the Exchange Opening Price after routing a number of contracts to satisfy better priced away contracts, will be posted to the Order Book at the better of the away market price or the order's limit price.

(l) **Opening Process Cancel Timer**. The Opening Process Cancel Timer represents a period of time since the underlying market has opened, and shall be established and disseminated by the Exchange on its website. If an option series has not opened before the conclusion of the Opening Process Cancel Timer, a Participant may elect to have orders returned by providing written notification to the Exchange. These orders include all non Good-Til-Cancel Orders and Good-Till-Date Orders received over the FIX or OTTO protocol.

The changes below will be operative during a migration period beginning July 27, 2026 and ending August 10, 2026.

[(a) Definitions. For the purposes of this Rule the term:

(1) "Imbalance" shall mean the number of contracts of Eligible Interest that may not be matched with other order contracts at a particular price at any given time.

(2) "Order Imbalance Indicator" shall mean a message disseminated by electronic means containing information about Eligible Interest and the price in penny increments at which such interest would execute at the time of dissemination. The Order Imbalance Indicator shall disseminate the following information:

(A) "Current Reference Price" shall mean an indication of what the opening cross price would be at a particular point in time.

(B) the number of contracts of Eligible Interest that are paired at the Current Reference Price;

(C) the size of any Imbalance; and

(D) the buy/sell direction of any Imbalance.

(3) "NOM Opening Cross" shall mean the process for opening or resuming trading pursuant to this Rule and shall include the process for determining the price at which Eligible Interest shall be executed at the open of trading for the day, or the open of trading for a halted option, and the process for executing that Eligible Interest.

(4) "Eligible Interest" shall mean any quotation or any order that may be entered into the system and designated with a time-in-force of IOC (immediate-or-cancel), DAY (day order), GTC (good-till-cancelled), and OPG (On the Open Order). However, orders received via FIX protocol prior to the NOM Opening Cross designated with a time-in-force of IOC will be rejected and shall not be considered eligible interest. Orders received via SQF prior to the NOM Opening Cross designated with a time-in-force of IOC will remain in-force through the opening and shall be cancelled immediately after the opening.

(5) "Market for the Underlying Security" shall mean either the primary listing market, the primary volume market (defined as the market with the most liquidity in that underlying security for the previous two calendar months), or the first market to open the underlying security, as determined by the Exchange on an issue-by-issue basis and announced to the membership on the Exchange's web site.

(6) "Valid Width National Best Bid or Offer" or "Valid Width NBBO" shall mean the combination of all away market quotes and any combination of NOM-registered Market Maker orders and quotes received over the SQF Protocols within a specified bid/ask differential as established and published by the Exchange. The Valid Width NBBO will be configurable by underlying, and tables with valid width differentials will be posted by NOM on its website. Away markets that are crossed will void all Valid Width NBBO calculations.

If any Market Maker orders or quotes on NOM are crossed internally, then all such orders and quotes will be excluded from the Valid Width NBBO calculation.

(7) "Away Best Bid or Offer" or "ABBO" shall mean the displayed National Best Bid or Offer not including the Exchange's Best Bid or Offer.

(b) Processing of NOM Opening Cross. For the opening of trading of option series traded on NOM, the Opening Cross shall occur at or after 9:30, if the dissemination of a regular market hours quote or trade (as determined by the Exchange) by the Market for the Underlying Security has occurred (or, in the case of index options, the Exchange has received the opening price of the underlying index). Or, in the case of a trading halt, the Opening Cross shall occur when trading resumes pursuant to Options 3, Section 9. Market hours trading shall commence or, in the case of a halted option, resume when the NOM Opening Cross concludes.

In each case, the opening of trading or resumption of trading after a halt of option series will be dependent on the following criteria, provided the ABBO is not crossed:

(1) If there is a possible trade on NOM, a Valid Width NBBO must be present.

(2) If no trade is possible on NOM, then NOM will open dependent upon one of the following:

(A) A Valid Width NBBO is present;

(B) A certain number of other options exchanges (as determined by the Exchange) have disseminated a firm quote on OPRA; or

(C) A certain period of time (as determined by the Exchange) has elapsed.

(3) NOM shall disseminate by electronic means an Order Imbalance Indicator every 5 seconds beginning between 9:20 and 9:28, or a shorter dissemination interval as established by the Exchange, with the default being set at 9:25 a.m. The start of dissemination, and a dissemination interval, shall be posted by NOM on its website.

(4)

(A) The NOM Opening Cross shall occur at the price that maximizes the number of contracts of Eligible Interest in NOM to be executed at or within the ABBO and within a defined range, as established and published by the Exchange, of the Valid Width NBBO.

(B) If more than one price exists under subparagraph (A), and there are no contracts that would remain unexecuted in the cross, the NOM Opening Cross shall occur at the midpoint price, rounded to the penny closest to the price of the last execution in that series (and in the absence of a previous execution price, the price will round up, if necessary) of (1) the National Best Bid or the last offer on NOM against which contracts will be traded whichever is higher, and (2) the National Best Offer or the last bid on NOM against which contracts will be traded whichever is lower.

(C) If more than one price exists under subparagraph (A), and contracts would remain unexecuted in the cross, then the opening price will be the highest/lowest price, in the case of a buy/sell imbalance, at which the maximum number of contracts can trade which is equal to or within a defined range, as established and published by the Exchange, of the Valid Width NBBO on the contra side of the imbalance that would not trade through the ABBO.

Regarding unexecuted contracts:

(i) If unexecuted contracts remain with a limit price that is equal to the opening price, then the remaining unexecuted contracts will be posted at the opening price, displayed one minimum price variation (MPV) away if displaying at the opening price would lock or cross the ABBO, with the contra-side NOM BBO reflected as firm;

(ii) If unexecuted contracts remain with a limit price that is through the opening price, and there is a contra side ABBO at the opening price, then the remaining unexecuted contracts will be posted at the opening price, displayed one minimum price variation (MPV) away, with the contra side NOM BBO reflected as firm and order handling of any remaining interest will be done in accordance with the routing and time-in-force instructions of such interest with the opening price representing the reference price set forth in Options 3, Section 10;

(iii) If unexecuted contracts remain with a limit price that is through the opening price, and there is no contra side ABBO at the opening price, then the remaining contracts will be posted at the opening price, with the contra-side NOM BBO reflected as non-firm; and

(iv) Order handling of any residual unexecuted contracts will be done in accordance with Options 3, Section 8(b)(7), with the opening price representing the reference price.

(5) If the NOM Opening Cross price is selected and fewer than all contracts of Eligible Interest that are available in NOM would be executed, all Eligible Interest shall be executed at the NOM Opening Cross price in accordance with the execution algorithm assigned to the associated underlying option.

(6) All Eligible Interest executed in the NOM Opening Cross shall be executed at the NOM Opening Cross price, and disseminated via a national market system plan. The NOM Opening Cross price shall be the NOM Official Opening Price for options that participate in the NOM Opening Cross.

(7) If the conditions specified in (b) above have occurred, but there is an imbalance containing marketable routable interest, then one additional Order Imbalance Indicator will be disseminated, after which the cross will occur, executing the maximum number of contracts at the price provided for in subsection (b)(4) of this Rule. Any remaining Imbalance will be canceled, posted, or routed as per the directions on the customer's order.

(c) Absence of Opening Cross. If an Opening Cross in a symbol is not initiated before the conclusion of the Opening Order Cancel Timer, a firm may elect to have orders returned by providing written notification to the Exchange. These orders include all non GTC orders received over the FIX protocol. The Opening Order Cancel Timer represents a period of time since the underlying market has opened, and shall be established and disseminated by NOM on its website.]

Section 9. Trading Halts

(a) *Halts*. Nasdaq Regulation 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:

* * * * *

(6) Trading Pauses. Trading on the Exchange in any option contract shall be halted whenever trading in the underlying security has been paused by the primary listing market.

* * * * *

(B) During the halt, the Exchange will maintain existing orders on the book, accept orders, and process cancels, except that Market Maker interest entered pursuant to the obligations contained in Options 2, Section 4 is [cancelled]<u>not maintained</u>.

* * * * *

(d) Capitalized terms used in this paragraph shall have the same meaning as provided for in the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS, as it may be amended from time to time ("LULD Plan"). During a Limit State and Straddle State in the Underlying NMS stock:

(1) The [Exchange]<u>System</u> will not open an affected option.

(2) After the opening, the Exchange shall reject Market Orders, as defined in Options 3, Section 7, and shall notify Participants of the reason for such rejection. <u>Provided the Exchange has opened an affected option for trading, the Exchange shall elect Stop Orders if the condition as provided in Options 3, Section 7(d) is met, and, because they become Market Orders, shall cancel them back and notify Participants of the reason for such rejection.</u>

* * * * *

(f) [The Exchange shall nullify any transaction that occurs with respect to equity options (including options overlying ETFs), during a regulatory halt as declared by the primary listing market for the underlying security.]<u>Resumption of Trading After a Halt. Trading in an option that has been the subject of a halt under this Rule shall be resumed upon the determination by Nasdaq Regulation, 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. Trading shall resume according to the process set forth in Options 3, Section 8 of these rules.</u>

The changes below will be operative during a migration period beginning July 27, 2026 and ending August 10, 2026.

Section 10. Order Book Allocation

(a) System Orders shall be executed through the [Nasdaq Book Process]NOM Order Book set forth below:

(1) Execution Algorithm - The Exchange will determine to apply, for each option, one of the following execution algorithms described in paragraphs (A) or (B). The Exchange will issue an Options Alert specifying which execution algorithm will govern which options any time it is modified.

(A) 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. Within each price level, if there are two or more quotes or orders at the best price, trading interest will be executed in time priority. Allocation of displayed interest shall occur before allocation of non-displayed interest at each price level.

(B) Size Pro-Rata - The System shall execute trading interest within the System in price 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. Within each price level, if there are two or more quotes or orders at the [best price, trading interest will be executed based on the size of each Participant's quote or order as a percentage of the total size of all orders and quotes resting at that]same price, the System allocates contracts from an incoming order or quote to resting orders and quotes beginning with the resting order or quote displaying the largest size proportionally according to displayed size, based on the total number of contracts displayed at that price. If the result is not a whole number, it will be rounded [down]up to the nearest whole number. If there are still contracts to be allocated after the displayed size of all orders at that price has been executed, the remaining size from the incoming order will be allocated proportionally against non-displayed interest according to remaining total size of each resting order at such price, beginning with the order which has the largest total size remaining.[If there are residual contracts remaining after rounding, such contracts will be distributed one contract at a time to the remaining Participants in time priority.]

(C) Priority Overlays[Applicable to Size Pro-Rata Execution Algorithm: the Exchange will apply the following designated Participant priority overlays, which are always in effect when the Size Pro-Rata execution algorithm is in effect.]

(1) Priority Overlays Applicable to Price/Time Execution Algorithm: the Exchange may apply the following designated Participant priority overlays, when the Price/Time execution algorithm is in effect:

([i]a) **Public Customer Priority**: the highest bid and lowest offer shall have priority except that Public Customer orders shall have priority over non-Public Customer orders at the same price. If there are two or more Public Customer orders for the same options series at the same price, priority shall be afforded to such Public Customer orders in the sequence in which they are received by the System. Public Customer Priority is always in effect when the Price/Time execution algorithm is in effect.

(b) **Lead Market Maker ("LMM") Priority**: An LMM may be assigned by the Exchange in each option class in accordance with Options 2, Section 3. LMM participant entitlements shall only be in effect when the Public Customer Priority Overlay is also in effect. After all Public Customer orders have been fully executed, upon receipt of an order, provided the LMM's quote is at or improves on the better of the NBBO or internal BBO, the LMM will be afforded a participation entitlement. The LMM shall not be entitled to receive a number of contracts that is greater than the displayed size associated with such LMM. LMM participation entitlements will be considered after the Opening Process. The LMM participation entitlement is as follows:

(1) A NOM LMM shall receive the greater of:

(a) contracts the LMM would receive if the allocation was based on time priority pursuant to subparagraph (C)(1)(a) above with Public Customer priority;

(b) 50% of remaining interest if there is one other non-Public Customer Order or Market Maker order or quote at that price;

(c) 40% of remaining interest if there are two other non-Public Customer Order or Market Maker orders or quotes at that price; or

(d) 30% of remaining interest if there are more than two other non-Public Customer Order or Market Maker orders or quotes at that price.

Rounding will be up to the nearest integer.

(c) **Entitlement for Orders of 5 contracts or fewer.** This Entitlement for Orders of 5 contracts or fewer shall be allocated to the Lead Market Maker as described below. The allocation will only apply after the Opening Process. A Lead Market Maker is not entitled to receive a number of contracts that is greater than the size that is associated with its quote. On a quarterly basis, the Exchange will evaluate what percentage of the volume executed on the Exchange is comprised of orders for 5 contracts or fewer allocated to Lead Market Makers, and will reduce the size of the orders included in this provision if such percentage is over 40%.

(1) An LMM is entitled to priority with respect to Orders of 5 contracts or fewer if the LMM has a quote at the better of the internal BBO or the NBBO, with no other Public Customer interest with a higher priority.

(2) If the LMM's quote is at the better of the internal BBO or the NBBO, with other Public Customer interest, an LMM is not entitled to priority with respect to Orders of 5 contracts or fewer; thereafter orders will be allocated pursuant to paragraph (a)(1)(C)(1)(d).

(d) **All Other Remaining Interest:** If there are contracts remaining, after LMM participation entitlements have been applied, such contracts shall be executed based on the Price/Time execution algorithm.

(2) Priority Overlays Applicable to Size Pro-Rata Execution Algorithm: the Exchange may apply the following designated Participant priority overlays, when the Size Pro-Rata execution algorithm is in effect.

(i) **Public Customer Priority:** the highest bid and lowest offer shall have priority except that Public Customer orders shall have priority over non-Public Customer orders at the same price. If there are two or more Public Customer orders for the same options series at the same price, priority shall be afforded to such Public Customer orders in the sequence in which they are received by the System. Public Customer Priority is always in effect when Size Pro-Rata execution algorithm is in effect.

(ii) **LMM Priority:** An LMM may be assigned by the Exchange in each option class in accordance with Options 2, Section 3. After all Public Customer orders have been fully executed, upon receipt of an order, provided the LMM's quote is at or improves on the better of the NBBO or internal BBO, the LMM will be afforded a participation entitlement. The LMM shall not be entitled to receive a number of contracts that is greater than the displayed size associated with such LMM. LMM participation entitlements will be considered after the Opening Process. The LMM participation entitlement is as follows:

(1) A NOM LMM shall receive the greater of:

(a) the LMM's Size Pro-Rata share under (1)(C)(2)(iv) below;

(b) 50% of remaining interest if there is one other Market Maker order or quote at that price;

(c) 40% of remaining interest if there are two other Market Maker orders or quotes at that price; or

(d) 30% of remaining interest if there are more than two other Market Maker orders or quotes at that price.

Rounding will be up to the nearest integer.

(iii) **Entitlement for Orders of 5 contracts or fewer.** This Entitlement for Orders of 5 contracts or fewer shall be allocated to the LMM as described below. The allocation will only apply after the Opening Process. A LMM is not entitled to receive a number of contracts that is greater than the size that is associated with its quote. On a quarterly basis, the Exchange will evaluate what percentage of the volume executed on the Exchange is comprised of orders for 5 contracts or fewer allocated to LMMs, and will reduce the size of the orders included in this provision if such percentage is over 40%.

(1) A LMM is entitled to priority with respect to Orders of 5 contracts or fewer if the LMM has a quote at the better of the internal BBO or the NBBO, with no other Public Customer interest with a higher priority.

(2) If the LMM's quote is at the better of the internal BBO, or the NBBO, with other Public Customer interest, a LMM is not entitled to priority with respect to Orders of 5 contracts or fewer, however the LMM is eligible to receive such contracts pursuant to paragraph (a)(1)(C)(2)(iv); thereafter orders will be allocated pursuant to paragraph (a)(1)(C)(2)(v).

([ii]iv) **Market Maker Priority**: After all Public Customer orders have been fully executed[,] and LMM Participation entitlements applied, if applicable, NOM Market Makers [Options Market Makers] shall have priority over all other Participant orders at the same price. If there are two or more [Options]NOM Market Maker quotes and orders for the same options series at the same price, those shall be executed based on the Size Pro-Rata execution algorithm. [If there are contracts remaining after all Market Maker interest has been fully executed, such contracts shall be executed based on the Size Pro-Rata execution algorithm.]

(v) **All Other Remaining Interest:** If there are contracts remaining after all Market Maker interest has been fully executed, such contracts shall be executed based on the Size Pro-Rata execution algorithm.

(2) Decrementation - Upon execution, an order shall be reduced by an amount equal to the size of that execution.

(3) 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 order [B]book.

(4) Nasdaq-listed options that are the subject of a trading halt initiated pursuant to Options 3, Section 9, shall open for trading at the time specified by Nasdaq pursuant to Options 3, Section 9. When the System opens, orders shall be added to the order book in time priority and executed as described above in subsection (1).

(5) **Zero-Bid Option Series.** In the case where the bid price for any options contract is $0.00, a market order accepted into the System to sell that series shall be considered a limit order to sell at a price equal to a $0.01 and displayed at the minimum trading increment as defined in Options 3, Section 3. Orders will be placed on the limit order book in the order in which they were received by the System. With respect to market orders to sell which are submitted prior to the Opening Process and persist after the Opening Process, those orders are posted at a price equal to the minimum trading increment as defined in Options 3, Section 3.

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Section 15. Risk Protections

(a) The following are order risk protections on NOM:

(1) **Order Price Protection ("OPP").** OPP is a feature of the System that prevents [l]Limit [o]Orders at prices outside of pre-set standard limits from being accepted by the System. [OPP applies to all options but does not apply to Intermarket Sweep Orders. OPP does not apply to orders entered through QUO.]

* * * * *

(3) **Market Wide Risk Protection.** All Participants must provide parameters for the order entry and execution rate protections as described herein. The Exchange will also establish default values for each of these parameters that apply to Participants that do not submit the required parameters, and will announce these default values in an Options Trader Alert to be distributed to Participants. The System will maintain one or more counting programs for each Participant that count orders entered and contracts traded on NOM. Participants can use multiple counting programs to separate risk protections for different groups established within the Participant. The counting programs will maintain separate counts, over rolling time periods specified by the Participant for each count, of: (1) the total number of orders entered in the order book; and (2) the total number of contracts traded. The minimum and maximum duration of the applicable time period will be established by the Exchange and announced via an Options Trader Alert.

(A) If, during the applicable time period, the Participant exceeds thresholds that it has set for any of the order entry or execution counts described above on NOM, the System will automatically reject all subsequent incoming orders entered by the Participant.

(B) Participants may also choose to have the System automatically cancel all of their existing orders on NOM when the Market Wide Risk Protection is triggered.

(C) The Market Wide Risk Protection will remain engaged until the Participant manually notifies the Exchange to enable the acceptance of new orders. For Participants that still have open orders on the order book that have not been cancelled pursuant to subparagraph (B) above, the System will continue to allow those Participants to interact with existing orders entered before the protection was triggered, including sending cancel order messages and receiving trade executions for those orders.

(b) The following are order and quote risk protections on NOM:

(1) **Acceptable Trade Range.** After the Opening Process, [T]the System will calculate an Acceptable Trade Range to limit the range of prices at which an order/quote will be allowed to execute. The Acceptable Trade Range is calculated by taking the reference price, plus or minus a value to be determined by the Exchange. (i.e., the reference price - (x) for sell orders/quotes and the reference price + (x) for buy orders/quotes). Upon receipt of a new order/quote, the reference price is the better of the NBB or internal best bid for sell orders/quotes and the better of the NBO or internal best offer for buy orders/quotes or the last price at which the order/quote is posted whichever is higher for a buy order/quote or lower for a sell order/quote. The Acceptable Trade Range will not be available for All-or-None Orders.

(A) If an order/quote reaches the outer limit of the Acceptable Trade Range (the "Threshold Price") without being fully executed, it will be posted at the Threshold Price for a brief period, not to exceed one second ("Posting Period"), to allow more liquidity to be collected. Upon posting, either the current Threshold Price of the order/quote or an updated NBB for buy orders/quotes or the NBO for sell orders/quotes (whichever is higher for a buy order/quote or lower for a sell order/quote) then becomes the reference price for calculating a new Acceptable Trade Range. If the order/quote remains unexecuted after the Posting Period, a [N]new Acceptable Trade Range will be calculated and the order/quote will execute, route, or post up to the new [Acceptable Trade Range]Threshold Price, unless a Participant[s] has requested that their quotes or orders be returned if the quotes or orders would post[ed] at the outer limit of the Acceptable Trade Range (in which case, the [w]quotes or orders will be returned). This process will repeat until either (i) the order/quote is executed, cancelled, or posted at its limit price or (ii) the order/quote has been subject to a configurable number of instances of the Acceptable Trade Range as determined by the Exchange (in which case it will be returned).

* * * * *

(c) The following are quote risk protections on NOM:

(1) **Anti-Internalization.** Quotes and orders entered by Options Market Makers will not be executed against quotes and orders entered on the opposite side of the market by the same [m]Market [m]Maker using the same Market Maker identifiers, or alternatively, if selected by the Participant, the same Exchange account number or Participant firm identifier. In such a case, the System will cancel the oldest of the quotes or orders back to the entering party prior to execution. This functionality shall not apply during an Opening Process.

(2) **Quotation Adjustments.**

(A) **Rapid Fire**. Market Makers are required to utilize the Percentage or Volume Threshold, each a Threshold, described in (i) and (ii) below. In addition, Market Makers may utilize the Delta and Vega Thresholds, each a Threshold, described in (iii) and (iv) below. For each of these features, the System will automatically remove a Market Maker's quotes in all series in an options class when any of the Percentage Threshold, Volume Threshold, Delta Threshold or Vega Threshold, as described below, has been exceeded. A Market Maker is required to specify a period of time not to exceed 30 seconds ("Specified Time Period") during which the System will automatically remove a Market Maker's quotes in all series of an options class. The Specified Time Period will commence for an options class every time an execution occurs in any series in such option class and will continue until the System removes quotes as described in paragraphs (D) and (E) below or the Specified Time Period expires. The Specified Time Period operates on a rolling basis among all series in an options class in that there may be Specified Time Periods occurring simultaneously for each Threshold and such Specified Time Periods may overlap. The Specified Time Periods will be the same value for each protection described in (i) - (iv) below.

(i) **Percentage Threshold**. A Market Maker must provide a specified percentage ("Percentage Threshold"), of not less than 1%, by which the System will automatically remove a Market Maker's quotes in all series of an options class. For each series in an options class, the System will determine (1) during a Specified Time Period and for each side in a given series, a percentage calculated by dividing the size of a Market Maker's quote size executed in a particular series (the numerator) by the Marker Maker's quote size available at the time of execution plus the total number of the Market Marker's quote size previously executed during the unexpired Specified Time Period (the denominator) ("Series Percentage"); and (2) the sum of the Series Percentage in the options class ("Issue Percentage") during a Specified Time Period. The System tracks and calculates the net impact of positions in the same options class; long call percentages are offset by short call percentages, and long put percentages are offset by short put percentages in the Issue Percentage. If the Issue Percentage exceeds the Percentage Threshold the System will automatically remove a Market Maker's quotes in all series of the options class during the Specified Time Period.

(ii) **Volume Threshold**. A Market Maker must provide a Volume Threshold by which the System will automatically remove a Market Maker's quotes in all series of an options class when the Market Maker executes a number of contracts which exceeds the designated number of contracts in all series in an options class.

(iii) **Delta Threshold**. A Market Maker may provide a Delta Threshold by which the System will automatically remove a Market Maker's quotes in all series of an options class. For each class of options, the System will maintain a Delta counter, which tracks the absolute value of the difference between (1) purchased call contracts plus sold put contracts and (2) sold call contracts plus purchased put contracts. If the Delta counter exceeds the Delta Threshold established by the Participant, the System will automatically remove a Market Maker's quotes in all series of the options class.

(iv) **Vega Threshold**. A Market Maker may provide a Vega Threshold by which the System will automatically remove a Market Maker's quotes in all series of an options class. For each class of options, the System will maintain a Vega counter, which tracks the absolute value of purchased contracts minus sold contracts. If the Vega counter exceeds the Vega Threshold established by the Participant, the System will automatically remove a Market Maker's quotes in all series of the options class.

[(A) A NOM Market Maker may provide a specified time period and a specified percentage (as these terms are defined below) by which the Exchange's System will automatically remove a NOM Market Maker's quotes in all series of an underlying security submitted through designated NOM protocols, as specified by the Exchange, during a specified time period established by the NOM Market Maker not to exceeds 15 seconds ("Percentage-Based Specified Time Period"). For each series in an option, the System will determine: (i) the percentage that the number of contracts executed in that series represents relative to the number of contracts available at the time of execution plus the number of contracts executed in unexpired prior executions of each side in that series ("Series Percentage"); and (ii) the sum of the Series Percentage in the option issue ("Issue Percentage"). The System tracks and calculates the net impact of positions in the same option issue; long call percentages are offset by short call percentages, and long put percentages are offset by short put percentages in the Issue Percentage. If the Issue Percentage, rounded to the nearest integer, equals or exceeds a percentage established by a NOM Market Maker, not less than 1% ("Specified Percentage"), the System will automatically remove a NOM Market Maker's quotes in all series of the underlying security submitted through designated NOM protocols, as specified by the Exchange, during the Percentage-Based Specified Time Period ("Percentage-Based Threshold"). A Percentage-Based Specified Time Period will commence for an option every time an execution occurs in any series in such option and will continue until the System removes quotes as described in (iv) or (v) or the Percentage-Based Specified Time Period expires. A Percentage -Based Specified Time Period operates on a rolling basis among all series in an option in that there may be multiple Percentage-Based Specified Time Periods occurring simultaneously and such Percentage-Based Specified Time periods may overlap.]

(B) **Active Quote Protection.** In lieu of Rapid Fire, a Market Maker may provide an executed contract limit ("Contract Limit") that, if exceeded, the System will automatically remove the Market Maker's quotes in all series of an options class submitted through SQF. The System will apply the Contract Limit for the duration of the trading day. For each class of options, the System will maintain an active limit counter that will track the current number of contracts executed through the Market Maker's quotes ("Limit Counter"). If the Limit Counter exceeds the Contract Limit established by the Market Maker, the System will automatically remove the Market Maker's quotes as described in paragraph (D) below. Market Makers may submit a request (i) to decrement their Limit Counter by a specified number of contracts, or (ii) to fully decrement their Limit Counter to zero, including to re-enter the System as described in paragraph (F) below.

[A NOM Market Maker may provide a specified time period and a volume threshold by which the Exchange's System will automatically remove a NOM Market Maker's quotes in all series of an underlying security submitted through designated NOM protocols, as specified by the Exchange, during a specified time period established by the NOM Market Maker not to exceed 15 seconds ("Volume-Based Specified Time Period") when the NOM Market Maker executes a number of contracts which equals or exceeds the designated number of contracts in all options series in an underlying security ("Volume-Based Threshold"). The NOM Market Maker's Volume-Based Specified Time Period must be the same length of time as designated for purposes of the Percentage-Based Threshold. A Volume- Based Specified Time Period will commence for an option every time an execution occurs in any series in such option and will continue until the System removes quotes as described in (f)(iv) or (f)(v) or the Volume-Based Specified Time Period expires. The Volume-Based Specified Time Period operates on a rolling basis among all series in an option in that there may be multiple Volume-Based Specified Time Periods occurring simultaneously and such Volume-Based Specified Time periods may overlap.]

(C) **Multi-Trigger.** A NOM Market Maker or NOM Market Maker Group (multiple affiliated NOM Market Makers is a "Group" as defined by a NOM Participant and provided by such Participant to the Exchange) may provide a specified time period and number of allowable triggers by which the Exchange will automatically remove quotes in all options series in all underlying issues submitted through designated NOM protocols as specified by the Exchange ("Multi-Trigger Threshold"). During a specified time period established by the NOM Market Maker not to exceed [15]30 seconds ("Multi- Trigger Specified Time Period"), the number of times the System automatically removes the NOM Market Maker's or Group's quotes in all options series will be based on the number of triggers of the Percentage[-Based] Threshold[,] described in paragraph ([f]A)(i) above, [as well as] the Volume[-Based] Threshold described in paragraph ([f]A)(ii) above, the Delta Threshold described in paragraph (A)(iii) above, the Vega Threshold described in paragraph (A)(iv) above, and the Contract Limit described in paragraph (B) above. Once the System determines that the number of triggers [equals or]exceeds a number established by either the NOM Market Maker or Group, during a Multi-Trigger Specified Time Period, the System will automatically remove all quotes in all options series in all underlying issues for that NOM Market Maker or Group. A trigger is defined as the event which causes the System to automatically remove quotes in all options series in an underlying issue. A Multi-Trigger Specified Time Period will commence after every trigger of [either] the Percentage[-Based] Threshold,[or the] Volume[-Based] Threshold, Delta Threshold, Vega Threshold, or Contract Limit, and will continue until the System removes quotes as described in paragraph (D) below [(f)(iv)] or the Multi-Trigger Specified Time Period expires. The System counts triggers within the Multi-Trigger Specified Time Period across all triggers for the NOM Market Maker or Group. A Multi-Trigger Specified Time Period operates on a rolling basis in that there may be multiple Multi-Trigger Specified Time Periods occurring simultaneously and such Multi-Trigger Specified Time Periods may overlap.

(D) The System will automatically remove quotes in all series of an options class in an underlying security when the Percentage[-Based] Threshold,[or] Volume[-Based] Threshold, Delta Threshold, Vega Threshold, or the Contract Limit has been [reached]exceeded. The System will automatically remove quotes in all series of an options class in all underlying securities when the Multi-Trigger Threshold has been [reached]exceeded. The System will send a Purge Notification Message to the NOM Market Maker for all affected options when the above thresholds have been [reached]exceeded.

(i) The Percentage[-Based] Threshold,[or] Volume[-Based] Threshold, Delta Threshold, Vega Threshold, Contract Limit and Multi-Trigger Threshold[,] are considered independently of each other.

(ii) [Quotes will be automatically executed up to the NOM Market Maker's size regardless of whether the execution exceeds the Percentage-Based Threshold or Volume-Based Threshold.] The System will execute any marketable orders or quotes that are executable against a Market Maker's quote and received prior to the time the Percentage Threshold, Volume Threshold, Delta Threshold, Vega Threshold, or Contract Limit is triggered up to the size of the Market Maker's quote, even if such execution results in executions in excess of the Market Maker's applicable Threshold or Contract Limit with respect to any parameter.

(E) If a NOM Market Maker requests the System to remove quotes in all options series in an underlying issue, the System will automatically reset the [Percentage-Based Threshold or Volume-Based] Specified Time Period(s) for the Percentage, Volume, Delta, or Vega Threshold. The Multi-Trigger Specified Time Period(s) will not automatically reset for the Multi-Trigger Threshold.

(F) When the System removes quotes as a result of exceeding the Percentage[-Based] Threshold, [or] Volume[-Based] Threshold, Delta Threshold, or Vega Threshold, the NOM Market Maker must send a re-entry indicator to re-enter the System. When the System removes quotes as a result of exceeding the Contract Limit, the Market Maker must submit a request to fully decrement their Limit Counter to zero in order to re-enter the System. When the System removes quotes as a result of the Multi-Trigger Threshold, the System will not accept quotes through designated protocols until the NOM Market Maker or Group manually requests re-entry. After quotes are removed as a result of the Multi-Trigger Threshold, Exchange staff must set a re-entry indicator in this case to enable re-entry, which will cause the System to send a Reentry Notification Message to the NOM Market Maker or Group for all options series in all underlying issues. The Market Maker's Clearing Firm will be notified regarding the trigger and re-entry into the System after quotes are removed as a result of the Multi-Trigger Threshold, provided the Market Maker's Clearing Firm has requested to receive such notification.

(G) The Exchange will require NOM Market Makers to utilize [either] the Percentage[-Based] Threshold, [or]the Volume[-Based] Threshold, or the Contract Limit. For Market Makers that elect to utilize the Contract Limit, the Percentage Threshold, Volume Threshold, Delta Threshold, and Vega Threshold will not be available for use on the Market Maker's badge. The Delta, Vega and Multi-Trigger Thresholds are optional. [The Multi-Trigger Threshold is optional.]

(3) **Post-Only Quoting Protection**. NOM Market Makers may elect to configure their SQF [or QUO]protocols to prevent their quotes from removing liquidity ("Post-Only Quote Configuration"). A Post-Only Quote Configuration would re-price or cancel a NOM Market Maker's quote that would otherwise lock or cross any resting order or quote on the NOM order book upon entry. When configured for re-price, quotes would be re-priced to $.01 below the current low offer (for bids) or above the current best bid (for offers) and displayed by the System at one minimum price increment below the current low offer (for bids) or above the current best bid (for offers). Notwithstanding the aforementioned, [as is the case today,] if a quote with a Post-Only Quote Configuration would not lock or cross an order or quote on the System but would lock or cross the NBBO, the quote will be handled pursuant to Options 3, Section 4(b)(6). When configured for cancel, Participants will have their quotes returned whenever the quote would lock or cross the NBBO or be placed on the book at a price other than its limit price. This functionality shall not apply during an Opening Process.

* * * * *

Section 17. Kill Switch

(a) Nasdaq Options Kill Switch is an optional tool that enables NOM Participants to initiate a message(s) to the System to promptly cancel [orders] and restrict their order activity on the Exchange, as described in section (a)(1) below. Participants may submit a Kill Switch request to the System to cancel orders based on certain identifier(s) on [either]a user [or group]level ("Identifier"). [Permissible groups must reside within a single broker-dealer.] The System will send an automated message to the NOM Participant when a Kill Switch request has been processed by the Exchange's System.

([i]1) [If orders are cancelled by the NOM Participant utilizing the Kill Switch, it will result in the cancellation of all orders requested for the Identifier(s). The NOM Participant will be unable to enter additional orders for the affected Identifier(s) until re-entry has been enabled pursuant to section (a)(ii).] A Participant may submit a request to the System through FIX or OTTO to cancel all existing orders and restrict entry of additional orders for the requested Identifier(s) on a user level on the Exchange.

([ii]2) [After orders are cancelled by the NOM Participant utilizing the]Once a Participant initiates the Kill Switch pursuant to (a)(1) above, the NOM Participant will be unable to enter additional orders for the affected Identifier(s) until the NOM Participant has made a verbal request to the Exchange and Exchange staff has set a re-entry indicator to enable re-entry. Once enabled for re-entry, the System will send a Re-entry Notification Message to the NOM Participant. The applicable Clearing Participant also will be notified of the re-entry into the System after orders are cancelled as a result of the Kill Switch, provided the Clearing Participant has requested to receive such notification.

The changes below will be operative during a migration period beginning July 27, 2026 and ending August 10, 2026.

Section 18. Detection of Loss of Communication

(a) Definitions[When the SQF Port detects the loss of communication with a NOM Participant's Client Application because the Exchange's server does not receive a Heartbeat message for a certain time period ("nn" seconds), the Exchange will automatically logoff the NOM Participant's affected Client Application and automatically cancel all of the NOM Participant's open quotes. Quotes will be cancelled across all Client Applications that are associated with the same NOM Options Market Maker ID and underlying issues].

(1) A "Heartbeat" message is a communication which acts as a virtual pulse between the SQF, OTTO or FIX Port and the Client Application. The Heartbeat message sent by the NOM Participant and subsequently received by the Exchange allows the SQF, OTTO or FIX Port to continually monitor its connection with the NOM Participant.

(2) SQF Port is the Exchange's System component through which NOM Participants communicate their quotes from the Client Application.

(3) OTTO Port is the Exchange's proprietary System component through which Participants communicate their orders from the Client Application.

([3]4) FIX Ports are the Exchange's System component through which NOM Participants communicate their orders from the Client Application.

[(4) QUO is the Exchange's System component through which NOM Market Makers communicate orders from the Client Application.]

(5) Client Application is the System component of the Participant through which the NOM Participant communicates its quotes and orders to the Exchange.

(6) Session of Connectivity shall mean each time the Participant connects to the Exchange's System. Each new connection, intra-day or otherwise, is a new Session of Connectivity.

(b) When the SQF Port detects the loss of communication with a Participant's Client Application because the Exchange's server does not receive a Heartbeat message for a certain time period ("nn" seconds), the Exchange will automatically logoff the Participant's affected Client Application and automatically cancel all of the Participant's open quotes. Quotes will be cancelled across all Client Applications that are associated with the same NOM Options Market Maker ID and underlying issues.

(c) When the OTTO Port detects the loss of communication with a Participant's Client Application because the Exchange's server does not receive a Heartbeat message for a certain time period ("nn" seconds), the Exchange will automatically logoff the Participant's affected Client Application and if the Participant has elected to have its orders cancelled pursuant to Section 18(f), automatically cancel all orders.

([b]d) When the FIX Port detects the loss of communication with a NOM Participant's Client Application because the Exchange's server does not receive a Heartbeat message for a certain time period ("nn" seconds), the Exchange will automatically logoff the NOM Participant's affected Client Application and, if the NOM Participant has elected to have its orders cancelled pursuant to Options 3, Section 18([e]g), automatically cancel all open orders posted.

[(c) When the QUO Port detects the loss of communication with a NOM Market Maker's Client Application because the Exchange's server does not receive a Heartbeat message for a certain time period ("nn" seconds), the Exchange will automatically logoff the NOM Market Maker's affected Client Application and if the NOM Market Maker has elected to have its orders cancelled pursuant to Options 3, Section 18(f) automatically cancel all open orders posted.]

([d]e) The default time period ("nn" seconds) for SQF Ports shall be fifteen (15) seconds. A NOM Market Maker may determine another time period of "nn" seconds of no technical connectivity, as required in paragraph ([a]b) above, to trigger the disconnect and must communicate that time to the Exchange. The period of "nn" seconds may be modified to a number between one hundred (100) milliseconds and 99,999 milliseconds for SQF Ports prior to each [session of connectivity]Session of Connectivity to the Exchange. This feature is enabled for each NOM Market Maker and may not be disabled.

> ([A]1) If the NOM Market Maker systemically changes the default number of "nn" seconds, that new setting shall be in effect throughout the current [session of connectivity]Session of Connectivity and will then default back to fifteen seconds. The NOM Market Maker change the default setting systemically prior to each [session of connectivity]Session of Connectivity.
>
> ([B]2) If a time period is communicated to the Exchange by calling Exchange operations, the number of "nn" seconds selected by the NOM Market Maker shall persist for each subsequent [session of connectivity]Session of Connectivity until the NOM Market Maker either contacts Exchange operations and changes the setting or the NOM Market Maker systemically selects another time period prior to the next [session of connectivity]Session of Connectivity.

(f) The default period of “nn” seconds for OTTO Ports shall be fifteen (15) seconds for the disconnect and, if elected, the removal of orders. A Participant may determine another time period of “nn” seconds of no technical connectivity, as required in paragraph (c) above, to trigger the disconnect and, if so elected, the removal of orders and communicate that time to the Exchange. The period of “nn” seconds may be modified to a number between one hundred (100) milliseconds and 99,999 milliseconds for OTTO Ports prior to each Session of Connectivity to the Exchange. This feature may be disabled for the removal of orders, however the Participant will be disconnected.

> (1) If the Participant changes the default number of “nn” seconds, that new setting shall be in effect throughout the current Session of Connectivity and will then default back to fifteen seconds. The Participant may change the default setting prior to each Session of Connectivity.

(2) If the time period is communicated to the Exchange by calling Exchange operations, the number of “nn” seconds selected by the Participant shall persist for each subsequent Session of Connectivity until the Participant either contacts Exchange operations by phone and changes the setting or the Participant selects another time period through the Client Application prior to the next Session of Connectivity.

([e]g) The default period of "nn" seconds for FIX Ports shall be thirty (30) seconds for the disconnect and, if elected, the removal of orders. If the Participant elects to have its orders removed, in addition to the disconnect, the Participant may determine another time period of "nn" seconds of no technical connectivity, as required in paragraph ([b]d) above, to trigger the disconnect and removal of orders and communicate that time to the Exchange. The period of "nn" seconds may be modified to a number between one (1) second and thirty (30) seconds for FIX Ports prior to each [session of connectivity]Session of Connectivity to the Exchange. This feature may be disabled for the removal of orders, however the Participant will be disconnected.

([A]1) If the Participant systemically changes the default number of "nn" seconds, that new setting shall be in effect throughout the current [session of connectivity]Session of Connectivity and will then default back to thirty seconds. The Participant may change the default setting systemically prior to each [session of connectivity]Session of Connectivity.

([B]2) If the time period is communicated to the Exchange by calling Exchange operations, the number of "nn" seconds selected by the Participant shall persist for each subsequent [session of connectivity]Session of Connectivity until the Participant either contacts Exchange operations and changes the setting or the Participant systemically selects another time period prior to the next [session of connectivity]Session of Connectivity.

[(f) The default time period ("nn" seconds) for QUO Ports shall be fifteen (15) seconds for the disconnect and, if elected, the removal of orders. If the NOM Market Maker elects to have its orders removed, in addition to the disconnect, the NOM Market Maker may determine another time period of "nn" seconds of no technical connectivity, as required in paragraph (c) above, to trigger the disconnect and removal of orders and communicate that time to the Exchange. The period of "nn" seconds may be modified to a number between one hundred (100) milliseconds and 99,999 milliseconds for QUO Ports prior to each session of connectivity to the Exchange. This feature may be disabled for the removal of orders, however the NOM Market Maker will be disconnected.

(A) If the NOM Market Maker systemically changes the default number of "nn" seconds, that new setting shall be in effect throughout the current session of connectivity and will then default back to fifteen seconds. The NOM Market Maker may change the default setting systemically prior to each session of connectivity.

(B) If a time period is communicated to the Exchange by calling Exchange operations, the number of "nn" seconds selected by the NOM Market Maker shall persist for each subsequent session of connectivity until the NOM Market Maker either contacts Exchange operations and changes the setting or the NOM Market Maker systemically selects another time period prior to the next session of connectivity.]

([g]h) The trigger for the SQF, OTTO and FIX[, and QUO] Ports is event and Client Application specific. The automatic cancellation of the NOM Market Maker's quotes for SQF Ports and open orders for OTTO and FIX[and QUO] Ports entered into the respective SQF, OTTO, or FIX[, or QUO] Ports via a particular Client Application will neither impact nor determine the treatment of the quotes of other NOM Market Makers entered into SQF Ports or orders of the same or other Participants entered into the OTTO or FIX [or QUO]Ports via a separate and distinct Client Application.

* * * * *

Section 20 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 Participant to use the mutual adjustment process to circumvent any applicable Exchange rule, the Act or any of the rules and regulations thereunder.

* * * * *

(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 an Official 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 an Official 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.

([i]j) *Linkage Trades*. If the Exchange routes an order pursuant to the Plan (as defined in Options 5, Section 1(16)) 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.

([j]k) *Verifiable Disruption or Malfunction of Exchange Systems*. Parties to a trade may have a trade nullified or its price adjusted if it resulted from a verifiable disruption or malfunction of Exchange execution, dissemination, or communication systems that caused a quote/order to trade in excess of its disseminated size (e.g. a quote/order that is frozen, because of an Exchange system error, and repeatedly traded). Parties to a trade may have a trade nullified or its price adjusted if it resulted from a verifiable disruption or malfunction of an Exchange dissemination or communication system that prevented a Member from updating or canceling a quote/order for which the Member is responsible where there is Exchange documentation providing that the Member sought to update or cancel the quote/order.

([k]l) *Appeals*. A party to a transaction affected by a decision made under this section may appeal that decision to the Exchange Review Council. An appeal must be made in writing, and must be received by NOM within thirty (30) minutes after the person making the appeal is given the notification of the determination being appealed, except that if such notification is made after 3:30 p.m. Eastern Time, either party has until 9:30 a.m. Eastern Time on the next trading day to request a review. The Exchange Review Council panel shall review the facts and render a decision on the day of the transaction, or the next trade day in the case where a request is properly made after 3:30 p.m. on the day of the transaction or where the request is properly made the next trade day. The Exchange Review Council may review any decision appealed, including whether a complaint was timely, whether an Obvious Error or Catastrophic Error occurred, whether the correct Theoretical Price was used, and whether an adjustment was made at the correct price.

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Section 22. Limitations on Order Entry

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Supplementary Material to Options 3, Section 22

.01 With respect to the non-displayed reserve portion of a Reserve Order, the exposure requirement of paragraphs (a) and (c) are satisfied if the displayable portion of the Reserve Order is displayed at its displayable price for one second.

Section 23. Data Feeds and Trade Information

(a) The following data feeds are offered by NOM:

(1) **Nasdaq Options Market Depth of Market Feed ("Depth of Market Feed")** [Nasdaq ITCH to Trade Options (ITTO)] is a data feed that provides full order and quote depth information for individual orders and quotes on the order [NOM]book and last sale information for trades executed on NOM. The data provided for each options series includes the symbols (series and underlying security), put or call indicator, expiration date, the strike price of the series, and whether the option series is available for trading on NOM and identifies if the series is available for closing transactions only. The feed also provides order imbalances on opening/reopening (size of matched contracts and size of the imbalance).

(2) **Nasdaq Options Market Top of Market Feed ("Top of Market Feed")** calculates and disseminates the Exchange's best bid and offer position, with aggregate size based on

displayable order and quote interest in the System.[Best of Nasdaq Options (BONO) is a data feed that provides the NOM Best Bid and Offer and last sale information for trades executed on NOM.] The data contained in the Top of Market data feed is identical to the data simultaneously sent to the processor for the OPRA and subscribers of the data feed. The data provided for each options series includes the symbols (series and underlying security), put or call indicator, expiration date, the strike price of the series, and whether the option series is available for trading on NOM and identifies if the series is available for closing transactions only.

(3) **Nasdaq Options Market Order Feed ("Order Feed")** provides pricing information on new orders resting on the NOM Order book (e.g., price, quantity and Attributable Order tags when provided by a Member). The data provided for each options series includes the symbols (series and underlying security), displayed order types, order attributes, put or call indicator, expiration date, the strike price of the series, and whether the option series is available for trading on NOM and identifies if the series is available for closing transactions only. The feed also provides auction and exposure notifications and order imbalances on opening/reopening (size of matched contracts and size of the imbalance).

(4) **Nasdaq Options Market Trades Feed ("Trades Feed")** displays last trade information. The data provided for each option series includes the symbols (series and underlying security), put or call indicator, expiration date, the strike price of the series, and whether the option series is available for trading on NOM and identifies if the series is available for closing transactions only.

(b) The following order and execution information is available to Participants:

* * * * *

(2) Reserved.[**TradeInfo,** a user interface, permits a Participant to: (i) search all orders submitted in a particular security or all orders of a particular type, regardless of their status (open, canceled, executed, etc.); (ii) cancellation of open orders at the order, port or firm mnemonic level; (iii) a view of orders and executions; and (iv) download of orders and executions for recordkeeping purposes.]

(3) **FIX DROP** is a real-time order and execution update message that is sent to a Participant after an order has been received/modified or an execution has occurred and contains trade details specific to that Participant. The information includes, among other things, the following: (i) executions; (ii) cancellations; (iii) modifications to an existing order and (iv) busts or post-trade corrections.

[(4) **QUO DROP** provides real-time information regarding orders entered through QUO and the execution of those orders. The QUO DROP data feed is not a trading interface and does not accept order messages.]

* * * * *

Section 28. [Reserved]<u>Optional Risk Protections</u>

<u>(a) The following are optional risk protections:</u>

<u>(1) Notional dollar value per order (quantity x limit price x number of underlying shares);</u>

<u>(2) Daily aggregate notional dollar value;</u>

<u>(3) Quantity per order; and</u>

<u>(4) Daily aggregate quantity</u>

<u>(b) Participants may elect one or more of the above optional risk protections by contacting Market Operations and providing a per order value (for (a)(1) and (a)(3)) or daily aggregate value (for (a)(2) and (a)(4)) for each order protection. Participants may modify their settings through Market Operations.</u>

<u>(c) The System will reject all incoming aggregated Participant orders for any of the (a)(2) and (a)(4) risk protections after the value configured by the Participant is exceeded.</u>

<u>(d) The System will reject all incoming Participant orders for any of the (a)(1) and (a)(3) risk protections upon arrival if the value configured by the Participant is exceeded by the incoming order.</u>

<u>(e) If a Participant sets a notional dollar value, a Market Order would not be accepted from that Participant.</u>

<u>(f) The risk protections are only available for orders entered through FIX. Additionally, all settings are firm-level.</u>

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Options 4 Options Listing Rules

The rules contained in Nasdaq ISE Options 4, as such rules may be in effect from time to time (the "Options 4 Rules"), are hereby incorporated by reference into this NOM Options 4, and are thus NOM Rules and thereby applicable to NOM Participants. NOM Participants shall comply with the Options 4 Rules as though such rules were fully set forth herein. All defined terms, including any variations thereof, contained in the Options 4 Rules shall be read to refer to the NOM related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term "Exchange" in the Options 4 Rules shall be read to refer to NOM; the defined term "Rule" in the Options 4 Rules shall be read to refer to the NOM Rule; the defined terms "Competitive Market Maker" and "Market Maker" in the Options 4 Rules shall be read to refer to the NOM Market Maker<u>; the defined term "Primary Market Maker" in the</u>

Options 4 Rules shall be read to refer to the NOM Lead Market Maker[(NOM does not have an equivalent to the "Lead Market Maker" term on ISE)]; and the defined terms "Electronic Access Member," "EAM," or "Member" in the Options 4 Rules shall be read to refer to the NOM Participant.

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Options 4A Options Index Rules

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Section 11. Trading Sessions

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(b) To begin trading at 9:30 am, an opening shall be held in each class of index options as provided in Options 3, Section 8 (Options Opening [and Halt Cross]Process).

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Options 4C U.S. Dollar-Settled Foreign Currency Options

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Section 2. Definitions

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(b) **Definitions.** The following terms as used in the Rules shall, unless the context otherwise indicates, have the meanings herein specified:

* * * * *

(2) The term "**foreign currency**" is as defined within Options 1, Section 1(a)([27]20).

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Options 5 Order Protection and Locked and Crossed Markets

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Section 4. Order Routing

(a) NOM offers two routing strategies, [SEEK]FIND and SRCH. Each of these routing strategies will be explained in more detail below. An order may in the alternative be marked Do Not Route or "DNR". The Exchange notes that for purposes of this rule the System will route [SEEK]FIND and SRCH Orders with no other contingencies. Immediate-or-Cancel ("IOC") Orders will be rejected and will not be routed. The System checks the Order Book for available contracts for potential execution against the [SEEK]FIND or SRCH orders. After the System checks the Order Book for available contracts, orders are sent to other available market centers for potential execution. When checking the Order Book, the System will seek to execute at the price at which it would send the order to an away market. For purposes of this rule, the Exchange's best bid or offer or "BBO" does not include Stop Orders and Stop-Limit Orders which have not been triggered. The "internal BBO" shall refer to the actual better price of an order resting on the Exchange's Order Book, which is not displayed, but available for execution, excluding Stop Orders and Stop-Limit Orders which have not been triggered. For purposes of this Rule, a Route Timer shall not exceed one second and shall begin at the time orders are accepted into the System, and the System will consider whether an order can be routed at the conclusion of each Route Timer. Finally, for purposes of this Rule, "exposure" or "exposing" an order shall mean a notification sent to participants with the price, size, and side of interest that is available for execution. Exposure notifications will be sent to participants in accordance with the routing procedures described in Options 5, Section 4(a)(iii) below except if an incoming order is joining an already established BBO price when the ABBO is locked or crossed with the BBO, in which case such order will join the established BBO price and no exposure notification will be sent. An order exposure will be sent if the order size is modified. For purposes of this rule, NOM's opening process is governed by Options 3, Section 8 and includes an opening after a trading halt ("Opening Process[and Halt Cross]"). Routing instructions 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 instruction. The order routing process shall be available to Participants from 9:30 a.m. Eastern Time until market close and shall route orders as described below. Participants can designate orders as either available for routing or not available for routing. All routing of orders shall comply with [Chapter XII]Options 5, Options Order Protection and Locked and Crossed Market Rules.

* * * * *

(iii) The following order types are available:

(A) **DNR Order.** A DNR Order will never be routed outside of the Exchange regardless of the prices displayed by away markets. A DNR Order may execute on the Exchange at a price equal to or better than, but not inferior to, the best away market price but, if that best away market remains, the DNR Order will remain in the Exchange book and be displayed at a price one minimum price variation ("MPV")[away from that ABBO] inferior to that away best bid/offer. If the DNR Order is locking or crossing the ABBO, the DNR Order shall be entered into the Order Book at the ABBO price and displayed one MPV away from the ABBO. The Exchange shall immediately expose the order at the ABBO to participants, provided the option series has opened for trading. Any incoming order interacting with such a resting DNR Order will execute at the ABBO price, unless (1) the ABBO is improved to a price which crosses the DNR Order's already displayed price, in which case the incoming order will execute at the previous ABBO price as the away market crossed a displayed price; or (2) the ABBO is improved to a price which locks the DNR Order's displayed price, in which case the incoming order will execute at the DNR Order's displayed price. Should the best away market move to an inferior price level, the DNR Order will automatically re-price from its one MPV inferior to the original ABBO and display one MPV away from the new ABBO or its original limit price, and expose such orders at the new ABBO or its original limit price. Once booked at its original limit price, it will remain at that price until executed or cancelled. Should the best away market improve its price such that it locks or crosses the DNR Order limit price, the Exchange will execute the resulting incoming order that is routed from the away market that locked or crossed the DNR Order limit price.

(B) **FIND Order.** A FIND Order is an order that is: (i) routable at the conclusion of an Opening Process; and (ii) routable upon receipt during regular trading, after an option series is open. FIND Orders submitted after an Opening Process initiate their own Route Timers and are routed in the order in which their Route Timers end. FIND Orders that are not marketable with the ABBO upon receipt will be treated as DNR for the remainder of the trading day and post to the Order Book, even in the event that there is a new Opening Process after a trading halt.

(1) At the end of an Opening Process, any FIND Order that is priced through the Opening Price, pursuant to Options 3, Section 8(a)(iii), will be cancelled, and any FIND Order that is at or inferior to the Opening Price will execute or book pursuant to Options 3, Section 8(k).

(2) Generally, a FIND Order will be included in the displayed BBO at its limit price (or one MPV inferior to its limit price for Price Improving Orders), unless the FIND Order locks or crosses the ABBO, in which case it will be entered into the Order Book at the ABBO price and displayed one MPV inferior to the ABBO. If there exists a locked ABBO when the FIND Order is entered onto the Order Book, the FIND Order will be entered into the Order Book at the ABBO price and displayed one MPV inferior to the ABBO. If during a Route Timer, ABBO markets move such that the FIND Order is no longer marketable against the ABBO nor marketable against the BBO, the FIND Order will post at its limit price. If the FIND Order is locked or crossed by away quotes, it will route at the completion of the Route Timer. If the ABBO worsens but remains better than the BBO, the FIND Order will reprice and be re-exposed at the new price(s) without interrupting the Route Timer. If, during the Route Timer, any new interest arrives opposite the FIND Order that is equal to or better than the ABBO price, the FIND Order will trade against such new interest at the ABBO price, unless the ABBO is improved to a price which crosses the FIND Order's already displayed price, in which case the incoming order will execute at the previous ABBO price as the away market crossed a displayed price.

(3) A FIND Order received after an Opening Process that is not marketable against the BBO or the ABBO will be entered into the Order Book at its limit price. The FIND Order will be treated as DNR for the remainder of the trading day, even in the event that there is a new Opening Process after a trading halt.

(4) A FIND Order received after an Opening Process that is marketable against the BBO when the ABBO is inferior to the BBO will be traded on the Exchange at or better than the BBO price. If the FIND Order has size remaining after exhausting the BBO, it may: (1) trade at the next BBO price (or prices) if the order price is locking or crossing that price (or prices) up to and including the

ABBO price, (2) be entered into the Order Book at its limit price, or (3) if locking or crossing the ABBO, be entered into the Order Book at the ABBO price and displayed one MPV away from the ABBO. The FIND Order will be treated as DNR for the remainder of the trading day, even in the event that there is a new Opening Process after a trading halt.

(5) A FIND Order received after an Opening Process that is marketable against the BBO when the ABBO is equal to the BBO will be traded on the Exchange at the BBO. If the FIND Order has size remaining after exhausting the BBO, it will initiate a Route Timer, and expose the FIND Order at the ABBO to allow market participants an opportunity to interact with the remainder of the FIND Order. During the Route Timer, the FIND Order will be included in the BBO at a price one MPV away from the ABBO. If during the Route Timer, the ABBO markets move such that the FIND Order is no longer marketable against the ABBO, it may: (i) trade at the next BBO price (or prices) if the FIND Order price is locking or crossing that price (or prices), and/or (ii) be entered into the Order Book at its limit price if not locking or crossing the BBO.

(6) If, at the end of the Route Timer pursuant to subparagraph (5) above, the FIND Order is still marketable with the ABBO, the FIND Order will route to an away market up to a size equal to the lesser of either: (1) an away market's size or (2) the remaining size of the FIND Order. If the FIND Order still has remaining size after routing, it will (i) trade at the next BBO price or better, subject to the order's limit price, and, if contracts still remain unexecuted, the remaining size will be routed to away markets disseminating the same price as the BBO, or (ii) be entered into the Order Book and posted either at its limit price or displayed one MPV away if the order would otherwise lock or cross the ABBO. If size still remains, the FIND Order will not be eligible for routing until the next time the option series is subject to a new Opening Process, which may include a re-opening after a trading halt.

(7) A FIND Order received after an Opening Process that is marketable against the ABBO when the ABBO is better than the BBO will initiate a Route Timer, and expose the FIND Order at the ABBO to allow Participants and other market participants an opportunity to interact with the FIND Order.

(8) If, at the end of the Route Timer pursuant to subparagraph (7) above, the ABBO is still the best price and is marketable with the FIND Order, the order will route to the away market(s) whose disseminated price(s) is better than the BBO, up to a size equal to the lesser of either: (1) the away markets' size, or (2) the remaining size of the FIND Order. If the FIND Order still has remaining size after such routing, it will (i) trade at the BBO price or better, subject to the order's limit price, and, if contracts still remain unexecuted, the remaining size will be routed to away markets disseminating the same price as the BBO, or (ii) be entered into the Order Book and posted either at its limit price or displayed one MPV away if

the order would otherwise lock or cross the ABBO. If size remains, the FIND Order will not be eligible for routing until the next time the option series is subject to a new Opening Process, which may include a re-opening after a trading halt.

(9) A FIND Order that is routed to an away market(s) will be marked as an Intermarket Sweep Order "ISO" and designated as an IOC Order.

[**SEEK Order**. SEEK is a routing option pursuant to which an order will first check the System for available contracts for execution, and then is sent to other available market centers for potential execution.

(1) If a SEEK is received during the Opening Process it may route as part of the Opening and Halt Cross pursuant to Options 3, Section 8(b)(7).

(2) A SEEK Order received after the Opening Process that is marketable against the ABBO will route immediately after exhausting all Exchange BBO interest at the same or better price.

(3) If the SEEK Order still has remaining size after an initial route attempt, it may: (i) trade at the next Exchange BBO price (or prices) if the SEEK Order price is locking or crossing that price (or prices) up to the next ABBO price, and/or (ii) be entered into the Order Book at its limit price if not locking or crossing the Exchange BBO or the ABBO, except a Price Improving SEEK Order will book at its limit price and display one MPV inferior to its limit price. If the SEEK Order trades at the next Exchange BBO price (or prices) and the SEEK Order still has remaining size after the execution, then it may start a Route Timer if the SEEK Order is locking or crossing the ABBO, provided the SEEK Order is not booked at its limit price.

(4) If during the Route Timer, the ABBO markets move such that the SEEK Order is no longer marketable against the ABBO, it may: (i) trade at the next Exchange BBO price (or prices) if the SEEK Order price is locking or crossing that price (or prices), and/or (ii) be entered into the Order Book at its limit price (or one MPV inferior to its limit price for Price Improving Orders) if not locking or crossing the Exchange BBO. A SEEK Order will be included in the displayed Exchange BBO, unless the SEEK Order locks or crosses the ABBO, in which case it will be entered into the Order Book at the ABBO price and displayed one MPV inferior to the ABBO. If there exists a locked ABBO when the SEEK Order is entered onto the Order Book, the SEEK Order will be entered at the ABBO price and displayed one MPV inferior to the ABBO. If during the Route Timer any new interest arrives opposite the SEEK Order that is marketable against the SEEK Order, such interest will trade against the SEEK Order at the ABBO price unless the ABBO is improved to a price which crosses the SEEK Order's already displayed price, in which case the incoming order will execute at the previous

ABBO price as the away market crossed a displayed price. Eligible unexecuted orders will continue to be routed as described in paragraph (B)(3).

(5) SEEK Orders booked at their limit price will subsequently be treated as DNR and will not be eligible for routing until the next time the option series is subject to an Opening and Halt Cross Process pursuant to Options 3, Section 8.]

(C) **SRCH Order**. A SRCH Order is routable at any time. A SRCH Order on the Order Book during an Opening Process (including a re-opening following a trading halt), whether it is received prior to an Opening Process or it is a GTC or GTD SRCH Order from a prior day, may be routed as part of an Opening Process. Orders initiate their own Route Timers and are routed in the order in which their Route Timers end. [SRCH Order is a routing option pursuant to which an order will first check the System for available contracts for execution, and then is sent to other available market centers for potential execution.]

(1) At the end of an Opening Process, any SRCH Order that is priced through the Opening Price, pursuant to Options 3, Section 8(a)(iii), will be cancelled, and any SRCH Order that is at or inferior to the Opening Price will execute or book pursuant to Options 3, Section 8(k).

(2) Generally, a SRCH Order will be included in the displayed BBO at its limit price (or one MPV inferior to its limit price for Price Improving Orders), unless the SRCH Order locks or crosses the ABBO, in which case it will be entered into the Order Book at the ABBO price and displayed one MPV inferior to the ABBO. If there exists a locked ABBO when the SRCH Order is entered onto the Order Book, the SRCH Order will be entered into the Order Book at the ABBO price and displayed one MPV inferior to the ABBO. Once on the Order Book, the SRCH Order is eligible for routing if it is locked or crossed by an away market. If during a Route Timer, ABBO markets move such that the SRCH Order is no longer marketable against the ABBO nor marketable against the BBO, the SRCH Order will book at its limit price. If, during the Route Timer, any new interest arrives opposite the SRCH Order that is equal to or better than the ABBO price, the SRCH Order will trade against such new interest at the ABBO price, unless the ABBO is improved to a price which crosses the SRCH Order's already displayed price, in which case the incoming order will execute at the previous ABBO price as the away market crossed a displayed price. If the ABBO worsens but remains better than the BBO, the SRCH Order will reprice and be re-exposed at the new price(s) without interrupting the Route Timer. If an ABBO locks or crosses the SRCH Order during a new Route Timer, which would subsequently initiate at the conclusion of any Route Timer if interest remains, the SRCH Order may route to the away market at the ABBO at the conclusion of such Route Timer. If the SRCH Order is locked or crossed by away quotes, it will route at the completion of the Route Timer. The System will route and execute contracts contemporaneously at the end of the Route Timer.

(3) A SRCH Order received after an Opening Process that is not marketable against the BBO or the ABBO will be entered into the Order Book at its limit price. Once on the Order Book, the SRCH Order is eligible for routing if it is locked or crossed by an away market.

(4) A SRCH Order received after an Opening Process that is marketable against the BBO when the ABBO is inferior to the BBO will be traded on the Exchange at or better than the BBO price. If the SRCH Order has size remaining after exhausting the BBO, it may: (1) trade at the next BBO price (or prices) if the order price is locking or crossing that price (or prices) up to and including the ABBO price, and/or (2) be routed, subject to a Route Timer, to away markets if all NOM interest at better or equal prices has been exhausted, and/or (3) be entered into the Order Book at its limit price if not locking or crossing the BBO or the ABBO.

(5) A SRCH Order received after an Opening Process that is marketable against the BBO when the ABBO is equal to the BBO will be traded on the Exchange at the BBO. If the SRCH Order has size remaining after exhausting the BBO, it will initiate a Route Timer and expose the SRCH Order at the ABBO to allow participants and other market participants an opportunity to interact with the remainder of the SRCH Order. During the Route Timer, the SRCH Order will be included in the BBO at a price one MPV away from the ABBO.

(6) If, at the end of the Route Timer pursuant to subparagraph (5) above, the SRCH Order is still marketable with the ABBO, the SRCH Order will route to an away market up to a size equal to the lesser of either: (1) the away markets' size, or (2) the remaining size of the SRCH Order. If the SRCH Order still has remaining size after routing, it may: (i) trade at the next BBO price (or prices) if the order price is locking or crossing that price (or prices) up to the ABBO price, and/or (ii) be entered into the Order Book at its limit price if not locking or crossing the BBO or the ABBO.

(7) A SRCH Order received after an Opening Process that is marketable against the ABBO when the ABBO is better than the BBO will initiate a Route Timer, and expose the SRCH Order at the ABBO to allow participants and other market participants an opportunity to interact with the SRCH Order. If during the Route Timer, the ABBO markets move such that the SRCH Order is no longer marketable against the ABBO, it may: (i) trade at the next BBO price (or prices) if the SRCH Order price is locking or crossing that price (or prices), and/or (ii) be entered into the Order Book at its limit price if not locking or crossing the BBO.

(8) If, at the end of the Route Timer pursuant to subparagraph (7) above, the ABBO is still the best price and is marketable with the SRCH Order, the order will route to the away market(s) whose disseminated price(s) is better than the BBO, up to a size equal to the lesser of either: (1) the away markets' size, or (2) the remaining size of the SRCH Order. If the SRCH Order still has remaining size after such routing, it may: (i) trade at the next BBO price (or prices) if the order price is locking or crossing that

price (or prices) up to the ABBO price, and/or (ii) be entered into the Order Book at its limit price if not locking or crossing the BBO or the ABBO.

(9) A SRCH Order that is routed to an away market(s) will be marked as an ISO and designated as an IOC Order.

[(1) If a SRCH Order is received during the Opening Process it may route as part of the Opening and Halt Cross pursuant to Options 3, Section 8(b)(7).

(2) A SRCH Order received after the Opening Process that is marketable against the ABBO will route immediately after exhausting all Exchange BBO interest at the same or better price.

(3) If the SRCH Order still has remaining size after an initial route attempt, it may: (i) trade at the next Exchange BBO price (or prices) if the SRCH Order price is locking or crossing that price (or prices) up to the next ABBO price, and/or (ii) be entered into the Order Book at its limit price if not locking or crossing the Exchange BBO or the ABBO, except a Price Improving SRCH Order will book at its limit price and display one MPV inferior to its limit price. If the SRCH Order trades at the next Exchange BBO price (or prices) and the SRCH Order still has remaining size after the execution, then it may start a Route Timer if the SRCH Order is locking or crossing the ABBO.

(4) If during the Route Timer, the ABBO markets move such that the SRCH Order is no longer marketable against the ABBO, it may: (i) trade at the next Exchange BBO price (or prices) if the SRCH Order price is locking or crossing that price (or prices), and/or (ii) be entered into the Order Book at its limit price (or one MPV inferior to its limit price for Price Improving Orders) if not locking or crossing the Exchange BBO. A SRCH Order will be included in the displayed Exchange BBO, unless the SRCH Order locks or crosses the ABBO, in which case it will be entered into the Order Book at the ABBO price and displayed one MPV inferior to the ABBO. If there exists a locked ABBO when the SRCH Order will be entered into the Order Book, the SRCH Order will be entered at the ABBO price and displayed one MPV inferior to the ABBO. If during the Route Timer any new interest arrives opposite the SRCH Order that is marketable against the SRCH Order, such interest will trade against the SRCH Order at the ABBO price, unless the ABBO is improved to a price which crosses the SRCH Order's already displayed price, in which case the incoming order will execute at the previous ABBO price as the away market crossed a displayed price. Eligible unexecuted orders will continue to be routed as described in paragraph (C)(3).

(5) While on the Order Book at the limit price, should the SRCH Order subsequently be locked or crossed by another market center, it may attempt to route at the conclusion of the Route Timer.]

* * * * *

Options 6 Options Trade Administration

The changes below will be operative during a migration period beginning July 27, 2026 and ending August 10, 2026.

Section 1. Authorization to Give Up

(a) General. [All transactions will automatically clear through the Participant's guarantor at the time of the trade.]For each transaction in which a Participant participates, the Participant may indicate, through post-trade allocation, any Options Clearing Corporation ("OCC") number of a Clearing Participant through which a transaction will be cleared ("Give Up"), provided the Clearing Participant has not elected to Opt In, as defined and described in paragraph (b) below, and restrict one or more of its OCC number(s) ("Restricted OCC Number"). A Participant may Give Up a Restricted OCC Number provided the Participant has written authorization as described in paragraph (b)(ii) below ("Authorized Participant").

* * * * *

(c) *System*. The System will not allow an unauthorized Participant to Give Up a Restricted OCC Number. If an unauthorized Give Up with a Restricted OCC Number is submitted to the System, the System will process that transaction using the Participant's default OCC clearing number. [Give Up with a Restricted OCC Number to be submitted at the firm mnemonic level at the point of order entry.]

* * * * *

Options 6B Exercises and Deliveries

Section 1. Exercise of Options Contracts

* * * * *

(l) Clearing Participants 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 Participants must also follow the procedures set forth below with respect to American-style cash-settled index options:

* * * * *

(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:

* * * * *

(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 Options 3, Section 8 (Options Opening [and Halt

Cross]Process)), 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 3 are subject to the authority of the Exchange to impose restrictions on transactions and exercises pursuant to Options 9, Section 18 (Limit on Outstanding Uncovered Short Positions).

* * * * *

Options 7 Pricing Schedule

Section 1 General Provisions

(**a**) For purposes of assessing fees and paying rebates, the following references should serve as guidance.

* * * * *

The term "**Customer**" or ("C") applies to any transaction that is identified by a Participant for clearing in the Customer range at The Options Clearing Corporation ("OCC") which is not for the account of broker or dealer or for the account of a "Professional" (as that term is defined in Options 1, Section 1(a)([47]48)).

* * * * *

The term "**Professional**" or ("P") means any person or entity that (i) is not a broker or dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s) pursuant to Options 1, Section 1(a)([47]48). All Professional orders shall be appropriately marked by Participants.

* * * * *

Section 3 Nasdaq Options Market - Ports and Other Services

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(i) The following order and quote protocols are available on NOM:

* * * * *

(4) [QUO]OTTO Port Fee	$750 per port, per month, per account number

(ii) The following order and execution information is available to Participants.

The changes below will be operative during a migration period beginning July 27, 2026 and ending August 10, 2026.

(1) CTI Port Fee	$650 per port, per month
(2) FIX DROP Port Fee	$650 per port, per month
[(3) TradeInfo NOM Interface	$95, per user, per month (Assessed only to Participant not subscribing to the Nasdaq Workstation)]
[(4) QUO DROP Port Fee	$650 per port, per month]

* * * * *

(iii) The following data port fees apply in connection with data subscriptions pursuant to Nasdaq Rules at Options 7, Section 4. The below port fees do not apply if the subscription is delivered via multicast. These ports are available to non-NOM Participants and NOM Participants.

(1) [ITTO] Depth of Market Feed Port Fee	$650 per port, per month
(2) [BONO] Top of Market Feed Port Fee	$650 per port, per month

* * * * *

Section 4 Nasdaq Options Market Data Distributor Fees

(a) The charges to be paid by recipients of Top of Market Feed[BONO SM] and Depth of Market Feed[ITTO options data feeds] as well as NOTO and Hardware-Based delivery of NOM Depth data shall be:

	Monthly Internal Distributor Fee	**Monthly External Distributor Fee**
Top of Market Feed[BONO SM]	$1,566 (op. 1/1/25); $1,618 (op. 1/1/26); $1,648 (op. 1/1/27)/firm	$$2,089 (op. 1/1/25); $2,158 (op. 1/1/26); $2,197 (op. 1/1/27)/firm
Depth of Market Feed [ITTO]	$1,566 (op. 1/1/25); $1,618 (op. 1/1/26); $1,648 (op. 1/1/27)/firm	$2,089 (op. 1/1/25); $2,158 (op. 1/1/26); $2,197 (op. 1/1/27)/firm

Non-Display Enterprise License Fee

A $10,530 (op. 1/1/25); $10,942 (op. 1/1/26); $11,177 (op. 1/1/27) per month enterprise license fee permits distribution of Top of Market Feed[BONO SM] and Depth of Market Feed[ITTO] as provided in Section 4(c). This fee is in addition to the Monthly Internal and External Distributor Fees set forth above.

The changes below will be operative during a migration period beginning July 27, 2026 and ending August 10, 2026.

One distributor fee allows access to either the Top of Market Feed[BONO SM] or the Depth of Market Feed[ITTO data feed].

	Monthly Internal Per User Fee	**Monthly External Per User Fee**
Top of Market Feed[BONO SM] and Depth of Market Feed[ITTO]	$42.10 (op. 1/1/25); $43.75 (op. 1/1/26); $44.70 (op. 1/1/27)/professional user	$42.10 (op. 1/1/25); $43.75 (op. 1/1/26); $44.70 (op. 1/1/27)/professional user $1/non-professional user
	Monthly End of Day Product Subscriber	**Monthly Intra-Day Product Subscriber**
Nasdaq Options Trade Outline ("NOTO")	$575	$2,000

* * * * *

(c) An "enterprise license" entitles a distributor to provide Top of Market Feed[BONO SM] or Depth of Market Feed [ITTO] market data pursuant to this section to an unlimited number of non-display devices within the firm without any per user charge.

(d) Top of Market Feed[Best of Nasdaq Options ("BONO SM")] is a data feed that provides The Nasdaq Options Market ("NOM") Best Bid and Offer and last sale information for trades executed on NOM.

(e) Depth of Market Feed [Nasdaq ITCH to Trade Options ("ITTO")] is a data feed that provides quotation information for individual orders on the NOM book, last sale information for trades executed on NOM, and Order Imbalance Information as set forth in NOM Rules Options 3, Section 23(a)(1).

(1) "Hardware-Based Delivery" means that a distributor is processing data sourced from a Nasdaq hardware coded market data format such as NOM Depth of Market Feed [ITTO] FPGA.

(2) Distributors of NOM Depth data also are subject to the market data fees as set forth in this section.

* * * * *