The Exchange will implement the following rule changes on or before December 20, 2025:

- SR-Phlx-2023-22
- SR-Phlx-2024-24
- SR-Phlx-2024-71
- SR-Phlx-2025-04
- SR-Phlx-2025-05
- SR-Phlx-2025-17
- SR-Phlx-2025-20
- SR-Phlx-2025-35
- SR-Phlx-2025-38
- SR-Phlx-2025-39

Phlx will commence its implementation with a limited symbol migration and continue to migrate symbols over several weeks. The Exchange will issue an Options Trader Alert to Members to provide notification of the symbols that will migrate and the relevant dates.

EXHIBIT 5

New text is underlined; deleted text is in brackets.

Nasdaq PHLX LLC Rules

* * * * *

Options Rules

* * * * *

OPTIONS 1 GENERAL PROVISIONS

Section 1. Applicability, Definitions and References

(a) **Applicability.** The Rules in Options 1 Part shall be applicable to the trading on the Exchange in option contracts issued by The Options Clearing Corporation, the terms and conditions of such contracts, the exercise and settlement thereof, the handling of orders, and the conduct of accounts and other matters relating to options trading. Except to the extent that specific Rules in this Part govern or unless the context otherwise requires, the provisions of the By-Laws and of all other Rules and Policies of the Board of Directors shall be applicable to the trading on the Exchange of option contracts.

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

(1) The term "**account number**" means a number assigned to a member organization. Member organizations may have more than one account number.

(2) The term "**aggregate exercise price**" means the exercise price of an option contract multiplied by the number of shares of the underlying stock (in the case of an option on a stock), the number of Exchange-Traded Fund Shares (in the case of an option on an Exchange-Traded Fund Share) or the number of units of the underlying foreign currency (in the case of an option on a foreign currency) covered by such option contract.

(3) The term "**American Option**" or "**American Style Option**" mean an option contract that may be exercised at any time from its commencement until its expiration.

(4) The term "**Approved person**" means an individual or corporation, partnership or other entity which controls a member or member organization, or which is engaged in the securities business and either controlled by or under common control with a member or member organization.

(5) The term "**Away Best Bid or Offer**" or "**ABBO**" mean the displayed National Best Bid or Offer not including the Exchange's Best Bid or Offer.

(6) The term "**badge**" means an account number, which may contain letters and/or numbers, assigned to Lead Market Makers and Market Makers. A Lead Market Maker or Market Maker account may be associated with multiple badges.

(7) The term **"bid"** means a quote or limit order to buy one or more options contracts.

(8) The term "**call**" means an option contract under which the holder of the option has the right, in accordance with the terms of the option, to purchase from The Options Clearing Corporation the number of shares of the underlying stock (in the case of an option on a stock), the number of Exchange-Traded Fund Shares (in the case of an option on an Exchange-Traded Fund Share) or the number of units of the underlying foreign currency (in the case of an option on a foreign currency) covered by the option contract.

(9) The term **"class of options"** means all options contracts covering the same underlying security.

(10) The term "**Clearing Member**" means a member organization which has been admitted to membership in The Options Clearing Corporation pursuant to the provisions of the rules of The Options Clearing Corporation.

(11) The term "**closing purchase transaction**" means an Exchange options transaction in which the purchaser's intention is to reduce or eliminate a short position in the series of options involved in such transaction.

(12) The term "**closing sale transaction**" means an Exchange options transaction in which the seller's intention is to reduce or eliminate a long position in the series of options involved in such transaction.

(13) The term "**conforming ratio"** is where the ratio between the sizes of the options components of a Complex Order is equal to or greater than one-to-three (.333) and less than or equal to three-to-one (3.00). For example, a one-to-two (.5) ratio, a two-to-three (.667) ratio, or a two-to-one (2.00) ratio is a conforming ratio, whereas a one-to-four (.25) ratio or a four-to-one (4.0) ratio is not; where one component of the Complex Order is the underlying security, the ratio between any options component and the underlying security component must be less than or equal to eight contracts to 100 shares of the underlying security.

(14) The term "**covered**" in respect of a short position in a call option contract on a stock means that the writer's obligation is secured by a "specific deposit" or an "escrow deposit" meeting the conditions of rule 610(f) or 610(h), respectively, of the rules of The Options Clearing Corporation, or the writer holds in the same account as the short position, on a share-for-share basis, a long position either in the underlying stock or Exchange-Traded Fund Share, or in an option contract of the same class of options having an exercise price equal to or less than the

exercise price of the option contract in such short position. The term "covered" in respect of a short position in a call option contract on a foreign currency means that the writer's obligation is secured in any of the ways set forth in subparagraphs (H)(i), (H)(ii) or (H)(iii) of Rule 722 of the rules of The Options Clearing Corporation or the writer holds in the same account as the short position, on a unit-for-unit basis, a long position in an option contract of the same class of options having an exercise price equal to or less than the exercise price of the option contract in such short position.

(14A) The term "**covered**" in respect of a short position in a put option contract on a stock means that the writer holds in the same account as the short position on a share-for-share basis, a long position in an option contract of the same class of options having an exercise price equal to or greater than the exercise price of the option contract in such short position. The term "covered" in respect of a short position in a put option contract on a foreign currency means that the writer's obligation is secured in the manner set forth in subparagraphs (H)(iv) or (H)(v) of Rule 722 of the rules of The Options Clearing Corporation or that the writer holds in the same account as the short position on a unit-for-unit basis, a long position in an option contract of the same class of options having an exercise price equal to or greater than the exercise price of the option contract in such short position.

(15) The term "**currency index group**" means a group of currencies each of whose inclusion and relative representation in the group is determined by its inclusion and relative representation in a currency index.

(16) The term "**European Option**" or "**European Style Option**" mean an option contract that can be exercised only on the day it expires.

(17) The term "**Exchange options transaction**" means a transaction effected on the Exchange between members for the purchase or sale of an option contract, or for the closing out of a long or short position in an option contract.

(18) The term "**Exchange Spot Price**" in respect of an option contract on a foreign currency means the cash market spot price, for the sale of one foreign currency for another, quoted by various foreign exchange participants for the sale of a single unit of such foreign currency for immediate delivery that is calculated from the foreign currency price quotation reported by the foreign currency price quotation dissemination system selected by the Exchange, to which an appropriate multiplier is applied. The multiplier(s) will be: 100 for the British pound, the Euro, the Swiss Franc, the Canadian dollar, the Australian dollar, the Brazilian real, and the New Zealand dollar; 1,000 for the Chinese yuan, the Danish krone, the Mexican peso, the Norwegian krone, the South African rand, and the Swedish krona; 10,000 for the Japanese yen and the Russian ruble; and 100,000 for the South Korean won.

(19) The term "**Exchange-Traded Fund Share**" shall have the meaning assigned to it in Options 4, Section 3, Supplementary Material .06.

(20) The term "**exercise strike price**" in respect of an option contract means the stated price per share at which the underlying stock or Exchange-Traded Fund Share may be purchased (in the case of a call option on a stock or Exchange-Traded Fund Share) or sold (in the case of a put option on a stock or Exchange-Traded Fund Share) or the stated price per unit at which the underlying foreign currency may be purchased (in the case of a call option on a foreign currency) or sold (in the case of a put option on a foreign currency), or, in the case of U.S. dollar-settled

foreign currency option contracts, the stated price per unit which determines the differential received upon the exercise of such option contract.

(21) The term "**expiration date**" in the case of options on stocks or Exchange-Traded Fund Shares, is (i) in the case of such an option expiring prior to February 1, 2015, 11:59 p.m. Eastern Time, the Saturday immediately following the third Friday of the expiration month of such option contract and (ii) in the case of such an option expiring on or after February 1, 2015, 11:59 p.m. Eastern Time, the third Friday of the expiration month of such option contract, or if such Friday is a day on which the Exchange on which such option is listed is not open for business, the preceding day on which such Exchange is open for business. Notwithstanding the foregoing, in the case of certain options expiring on or after February 1, 2015 that The Options Clearing Corporation has designated as grandfathered, the term "expiration date" shall mean the Saturday immediately following the third Friday of the expiration month. In the case of options on foreign currencies listed on or after June 13, 1993, the expiration date is 11:59 p.m. Eastern Time, on the Friday preceding the third Wednesday of the expiration month except in the following instances:

(1) In the case where American style foreign currency options contracts are listed subsequent to the European style options contracts for the June and December 1994 series of foreign currency options;

(2) In the case of end of the month foreign currency option contracts listed on or after August 1, 1993, the expiration date is 11:59 p.m. Eastern Time on the last Friday of the expiration month; provided, however, that if the last Friday of the expiration month of such option contracts is December 25th, then the term "expiration date" shall be the Friday immediately preceding December 25th, and if the last Friday of the expiration month of such option contracts is December 31st, then the term "expiration date" shall be the Friday immediately preceding December 24th.

(3) In the case of U.S. dollar-settled foreign currency option contracts, the expiration date is (i) in the case of such an option expiring prior to February 1, 2015,11:59 p.m. Eastern Time, the Saturday immediately following the third Friday of the expiration month of such option contract and (ii) in the case of such option expiring on or after February 1, 2015, 11:59 p.m. Eastern Time, the third Friday of the expiration month of such option contract, or if such Friday is a day on which the Exchange on which such option is listed is not open for business, the preceding day on which the Exchange is open for business.

(22) The term "**expiration month**" in respect of an option contract means the month and year in which such option contract expires.

(23) The term "**foreign broker-dealer**" means any person or entity that is registered, authorized or licensed, or required to be by a foreign governmental agency or foreign regulatory organization to perform the function of a broker or a dealer in securities, or both. The terms "broker" or "dealer" mean the same as set out in Sections 3(a)(4) and 3(a)(5) of the Exchange Act, as amended, provided that a broker or dealer may be a bank. For purposes of Options 2, Section 4, Options 3, Section 7 and Options 8, Section 34, the term broker-dealer includes foreign broker-dealers, which are not Public Customers.

(24) The term "**foreign currency**" means the standard unit of the official medium of exchange of a sovereign government including the United States Government (e.g., the British pound, the Swiss franc, the Canadian dollar, the Australian dollar, the Japanese yen, the Mexican peso, the

Brazilian real, the Chinese yuan, the Danish krone, the New Zealand dollar, the Norwegian krone, the Russian ruble, the South African rand, the South Korean won, the Swedish krona, or the United States dollar) or the Euro.

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

(26) The term "**forward sales prices**" in respect of an option contract on a foreign currency means the prices, quoted by various interbank foreign exchange participants for the sale of a single unit of the underlying foreign currency for other than immediate delivery (which generally means delivery more than two business days following the date on which the terms of such a sale are agreed upon), as reflected in the foreign currency price quotations reported by the foreign currency price quotation dissemination system selected by the Exchange.

(27) The term "**in-the-money**" means the following: for call options, all strike prices at or below the offer in the underlying security on the primary listing market; for put options, all strike prices at or above the bid in the underlying security on the primary listing market. This definition shall only apply for purposes of quoting obligations in Options 2, Section 4 and Options 3, Section 8.

(28) A "**Lead Market Maker**" means a member who is registered as an options Lead Market Maker pursuant to Options 2, Section 12(a). A Lead Market Maker includes a Remote Lead Market Maker which is defined as a Lead Market Maker in one or more classes that does not have a physical presence on the Exchange's Trading Floor and is approved by the Exchange pursuant to Options 2, Section 11.

(29) A "**Market Maker**" means a Streaming Quote Trader or a Remote Streaming Quote Trader who enters quotations for his own account electronically into the System.

(30) A "**mnemonic**" means an acronym comprised of letters and/or numbers assigned to member organizations. A member organization account may be associated with multiple mnemonics.

(31) The term "**Non-Public Customer**" means a person or entity that is a broker or dealer in securities, or is a Professional.

(32) The term **"offer"** means a quote or limit order to sell one or more options contracts.

(33) The term "**Order Entry Firm** or "**OEF**" means a member organization that submits orders, as agent or principal, on the Exchange.

(34) The term "**opening purchase transaction**" means an Exchange options transaction in which the purchaser's intention is to create or increase a long position in the series of options involved in such transaction.

(35) The term "**opening writing transaction**" means an Exchange options transaction in which the seller's (writer's) intention is to create or increase a short position in the series of options involved in such transaction.

(36) The term "**The Options Clearing Corporation**" means The Options Clearing Corporation, a subsidiary of the Participating Exchanges.

(37) The term "**option contract**" means a put or a call issued, or subject to issuance, by The Options Clearing Corporation pursuant to the Rules of The Options Clearing Corporation.

(38) The term "**Option Exchange Official**" means an Exchange staff member or contract employee designated as such by the Chief Regulatory Officer. A list of individual Options Exchange Officials shall be displayed on the Exchange website. The Chief Regulatory Officer shall maintain the list of Options Exchange Officials and update the website each time a name is added to, or deleted from, the list of Options Exchange Officials. In the event no Options Exchange Official is available to rule on a particular matter, the Chief Regulatory Officer or his/her designee shall rule on such matter.

(39) The term "**options trading**" when not preceded by the word "Exchange," means trading in any option issued by The Options Clearing Corporation, whether or not of a class or series which has been approved for trading on the Exchange.

(40) The term "**Order**" means a single order submitted to the System by a member that is eligible to submit such orders.

(41) 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 quoting obligations in Options 2, Section 4 and Options 3, Section 8.

(42) The term "**outstanding**" in respect of an option contract means an option contract which has been issued by The Options Clearing Corporation and has neither been the subject of a closing sale transaction on the Exchange or a comparable closing transaction on another Participating Exchange nor been exercised nor reached its expiration date.

(43) The term "**Participating Exchange**" means a national securities exchange which has qualified for participation in The Options Clearing Corporation pursuant to the provisions of the rules of The Options Clearing Corporation.

(44) The term "**primary market**" means, in the case of securities listed on The Nasdaq Stock Market, the market that is identified as the listing market pursuant to Section X(d) of the approved national market system plan governing the trading of Nasdaq-listed securities, and, in the case of securities listed on another national securities exchange, the market that is identified as the listing market pursuant to Section XI of the Consolidated Tape Association Plan.

(45) 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). Member organizations must indicate whether orders are for Professionals.

(i) Calculation of Professional Orders. With respect to computing the number of orders in listed options per day on average during a calendar month for its own beneficial account(s), the following shall apply:

(a) Each order is counted toward the number of orders, regardless of the options exchange to which the order was routed in determining Professional orders, except FLEX orders.

(b) A cancel and replace order which replaces a prior order shall be counted as a second order, or multiple new orders in the case of Complex Order comprising 9 options legs or more, including "single-strike algorithms." A cancel message is not an order. A series of cancel and replace orders in an individual strike, which track the NBBO, shall be counted as new orders.

(c) Complex Orders consisting of 8 legs or fewer will be counted as a single order, and respecting Complex Orders of 9 options legs or more, each leg will count as a separate order. Stock orders shall not count toward the number of legs.

(d) An order that converts into multiple subordinate orders to achieve an execution strategy shall be counted as one order per side and series, even if the order is routed away. An order that cancels and replaces the resulting subordinate order and results in multiple sides/series shall be counted as a new order per side and series. An order that cancels and replaces the subordinate order on the same side and series will count as one order. For purposes of counting Customer orders, if one Customer order on the same side and series is subsequently broken-up by a broker into multiple orders for purposes of execution or routed away, this order will count as one order.

(46) 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 (b)(45).

(47) The term "**put**" means an option contract under which the holder of the option has the right, in accordance with the terms of the option, to sell to The Options Clearing Corporation the number of shares of the underlying stock (in the case of an option on a stock), the number of Exchange-Traded Fund Shares (in the case of an option on an Exchange-Traded Fund Share) or the number of units of the underlying foreign currency (in the case of an option on a foreign currency) covered by the option contract.

(48) The term "**Quarterly Options Series**" means a series in an options class that is approved for listing and trading on the Exchange in which the series is opened for trading on any business day and expires at the close of business on the last business day of a calendar quarter.

(49) A "**Remote Streaming Quote Trader**" or "**RSQT**" means a Market Maker that is a member affiliated with an Remote Streaming Quote Trader Organization with no physical trading floor presence who has received permission from the Exchange to generate and submit option quotations electronically in options to which such RSQT has been assigned. A qualified RSQT may function as a Remote Lead Market Maker upon Exchange approval. An RSQT is also known as a Remote Market Maker ("RMM") pursuant to Options 2, Section 11. A Remote Streaming Quote Organization ("RSQTO") or Remote Market Maker Organization ("RMO") are Exchange member organizations that have qualified pursuant to Options 2, Section 1.

(50) The term "**rules of The Options Clearing Corporation**" means the by-laws and the rules of The Options Clearing Corporation, and all written interpretations thereof, as the same may be in effect from time to time.

(51) The term "**series of options**" means all options contracts of the same class having the same exercise price and expiration date.

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

(53) 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.

(54) A "**Streaming Quote Trader**" or "**SQT**" means a Market Maker who has received permission from the Exchange to generate and submit option quotations electronically in options to which such SQT is assigned. An SQT may only submit such quotations while such SQT is physically present on the trading floor of the Exchange. An SQT may only submit quotes in classes of options in which the SQT is assigned.

(55) The terms "**stock index group**", "**broad stock index group**" and "**industry stock index group**" in respect of stock index warrants shall have the same meaning as in respect of stock index options.

(56) The term "**stock index warrant**" means a warrant on a stock index group.

(57) The term "**System**" shall mean the automated system for order execution and trade reporting owned and operated by the Exchange which comprises:

(i) an order execution service that enables members to automatically execute transactions in option series; and provides members with sufficient monitoring and updating capability to participate in an automated execution environment;

(ii) a trade reporting service that submits "locked-in" trades for clearing to a registered clearing agency for clearance and settlement; transmits last-sale reports of transactions automatically to the Options Price Reporting Authority ("OPRA") for dissemination to the public and industry; and provides participants with monitoring and risk management capabilities to facilitate participation in a "locked-in" trading environment; and

(iii) the data feeds described at Options 3, Section 23.

(58) The term "**type of option**" means the classification of an option contract as either a put or a call.

(59) The term "**uncovered**" in respect of a short position in an option contract means that the short position is not covered.

(60) 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.

(61) The term "**unit of underlying foreign currency**" means a single unit of the foreign currency (e.g., one British pound, one Swiss franc, one Canadian dollar, one Australian dollar, one Japanese yen, one Mexican peso, one Euro, one Brazilian real, one Chinese yuan, one Danish krone, one New Zealand dollar, one Norwegian krone, one Russian ruble, one South African rand, one South Korean won, or one Swedish krona).

(c) **References.** Exchange Contracts as defined in General 2, Section 18 include option contracts purchased or sold in Exchange options transactions.

(d) **Local Time.** All times are stated in these Rules in terms of the local time in effect in New York City.

Adopted Feb. 3, 2020 (20-03); amended January 26, 2021 (SR-Phlx-2021-05); amended May 24, 2021 (SR-Phlx-2021-32); amended Nov. 22, 2022 (SR-Phlx-2022-48); amended Dec. 20, 2024 (SR-Phlx-2024-75), operative Jan. 19, 2025; amended Apr. 3, 2025 (SR-Phlx-2025-17), operative Oct. 3, 2025; amended Apr. 22, 2025 (SR-Phlx-2025-20), operative Oct. 1, 2025.

OPTIONS 2 OPTIONS MARKET PARTICIPANTS

Section 1 Application for Approval as an SQT, RSQT, or RSQTO and Assignment in Options

(a) Approval as an SQT, RSQT, or RSQTO. Market Makers, as defined in Options 1, Section 1(b)(29), may apply for approval as Streaming Quote Traders ("SQTs") and Remote Streaming Quote Traders ("RSQTs"), as defined in Options 1, Sections (1)(b)(54) and (49), respectively. Member organizations may function as Remote Streaming Quote Trader Organizations ("RSQTOs") pursuant to this rule. RSQTOs may also be referred to as Remote Market Maker Organizations ("RMOs") and RSQTs may also be referred to as Remote Market Markers ("RMMs").

This Rule places no limit on the number of qualifying Market Makers that may become SQTs; any applicant that is qualified as an Market Maker in good standing, and that satisfies the technological readiness and testing requirements described in subsection (b)(ii) below, shall be approved as an SQT. This Rule places no limit on the number of member organizations that are converted to or may become RSQTOs. Any member organization in good standing, and that satisfies the RSQTO readiness and testing requirements described in this rule, shall be approved as an RSQTO. As many as five RSQTs at any time may be identified by and affiliated with an RSQTO. Each of the affiliated RSQTs must be qualified as an Market Maker and must be in good standing. However, based on system constraints, capacity restrictions or other factors relevant to the maintenance of a fair and orderly market, the Exchange may defer, for a period to be determined in the Exchange's discretion, approval of qualifying applications for SQT or RSQT status pending any action required to address the issue of concern to the Exchange. The Exchange may not defer a determination of the approval of the application of any SQT or RSQT applicant or place any limitation(s) on access to the Exchange's electronic quoting and System on any SQT or RSQT applicant unless the basis for such limitation(s) or deferral have been objectively determined by the Exchange, subject to SEC approval or effectiveness pursuant to a rule change filing under Section 19(b) of the Exchange Act, as amended. The Exchange shall provide written notification to any SQT or RSQT applicant whose application is the subject of such limitation(s) or deferral, describing the objective basis for such limitation(s) or deferral.

RSQTO application. A member organization that is not currently qualified as an RSQTO may apply to the Exchange to be an RSQTO with up to five affiliated RSQTs. Each RSQTO application shall be submitted to the Exchange's designated staff in writing (electronically or otherwise as specified by the Exchange) in a form and/or format prescribed by the Exchange and shall include, at a minimum, the name of the RSQTO applicant, the appropriate Exchange account number, and the name of each RSQT affiliated with the RSQTO applicant (the "Application Process").

(1) RSQTO applicants must demonstrate that they have:

(A) Significant market-making and/or Lead Market Maker experience in a broad array of securities;

(B) Superior resources, including capital, technology and personnel;

(C) Demonstrated history of stability, superior electronic capacity, and superior operational capacity;

(D) Proven ability to interact with order flow in all types of markets;

(E) Existence of order flow commitments;

(F) Willingness to accept allocations as an RSQT in options overlying 400 or more securities; and

(G) Willingness and ability to make competitive markets on the Exchange and otherwise to promote the Exchange in a manner that is likely to enhance the ability of the Exchange to compete successfully for order flow in the options it trades.

(2) SQT and RSQT applicants must demonstrate that they have:

(A) Significant market-making and/or Lead Market Maker experience in a broad array of securities;

(B) Superior resources, including capital, technology and personnel;

(C) Demonstrated history of stability, superior electronic capacity, and superior operational capacity;

(D) Proven ability to interact with order flow in all types of markets;

(E) Willingness and ability to make competitive markets on the Exchange and otherwise to promote the Exchange in a manner that is likely to enhance the ability of the Exchange to compete successfully for order flow in the options it trades.

(F) A current affiliation with an Exchange-approved RSQTO (RSQT applicants only).

(b)(1) *Application and Assignment in Options*. Each RSQTO, RSQT or SQT application for assignment in an option shall be submitted to the Exchange's designated staff in writing (electronically or otherwise as specified by the Exchange) in a form and/or format prescribed by the Exchange and shall include, at a minimum, the name of the SQT or RSQT applicant, the appropriate Exchange account number, the requested start date for each option applied for, and the name of the RSQTO member organization with whom the RSQT applicant is affiliated or the member organization with whom the SQT is affiliated. If the Exchange does not have applications for assignment in a particular option or options that it desires to assign or reassign, the Exchange may request such applications.

(2) No application for initial assignment in an option shall be approved without verification that (A) the RSQTO, SQT or RSQT applicant has sufficient technological ability to support his/her continuous quoting requirements as set forth in Options 2, Section 6(b)(ii), and (B) the RSQTO, SQT or RSQT applicant has successfully completed, or is scheduled to complete, testing of its quoting system with the Exchange.

(3) In addition to the criteria described in this sub-paragraph, the Exchange shall consider the following factors in making its decision concerning an application for assignment in an option:

(A) the financial and technical resources available to the applicant;

(B) the applicant's experience and expertise in market making or options trading;

(C) the applicant's prior performance as a Lead Market Maker, SQT or RSQT based on good standing pursuant to Options 2, Section 9.

(c) Decisions concerning applications for assignment in Streaming Quote Options shall be in writing and shall be distributed to the applicants.

(d) The RSQTO, SQT or RSQT, upon initial assignment in an option, may not withdraw from such option assignment for ten (10) or fewer business days after the effective date of assignment. However, the Exchange may, in exceptional circumstances, approve withdrawal from an option assignment in ten (10) or fewer business days. If an RSQTO, SQT or RSQT seeks to withdraw from assignment in an option, it should so notify the Exchange at least one business day prior to the desired effective date of such withdrawal.

(e) An appeal to the Board of Directors from a decision of the Exchange may be requested by a member or member organization interested therein by filing with the Secretary of the Exchange written notice of appeal within ten (10) days after the decision has been rendered. Any appeal from a decision pursuant to this Rule shall be heard by the Board of Directors ("Board") or a panel appointed by the Board of Directors ("Board Panel") composed of three (3) members not involved in the Exchange decision appealed from and who otherwise have no conflict of interest. If a Board Panel is appointed by the Board, three persons shall be selected to serve on the Board Panel and in making such selections the Board shall choose individuals whose background, experience and training qualify them to consider and make determinations regarding the subject matter to be presented to the Board Panel. The Board Panel shall consist of two members of the Exchange, or general partners or officers of member organizations and one other person who would qualify as a public member as defined in Article I of the By-Laws, whom the Board considers to be qualified. The person requesting review shall be permitted to submit a written statement to and/or appear before this Board or Board Panel. The Secretary of the Exchange shall certify the record of the proceeding, if any and the written decision and shall submit these documents to the Board or Board Panel. The Board's or Board Panel's review of the action shall be based solely on the record, the written decision and any statement submitted by the person requesting the review. The Board or Board Panel shall prepare and deliver to such person a written decision and reasons therefore. If the Board or Board Panel affirms the action, the action shall become effective ten (10) days from the date of the Board's or Board Panel's decision. There shall be no appeal to the Board from any decision of the Board Panel.

(f) Nothing in this Rule shall be construed to automatically qualify an RSQT to be a Remote Lead Market Maker on the Exchange.

(g) Within not more than thirty business days after assignment of an option pursuant to this Rule, an assigned SQT or RSQT shall begin to generate and submit electronic quotations for such option through the Exchange's electronic quotation, execution, and System.

(1) If electronic quotes are not generated and submitted by an assigned SQT or RSQT within the requisite time, the Exchange shall have the ability to terminate the assignment in question

after providing written notice to the assigned SQT or RSQT, and make a re-assignment, unless there are exigent circumstances that the Exchange believes may not have allowed timely generation and submission of electronic quotes.

Adopted Feb. 3, 2020 (20-03); amended Nov. 22, 2022 (SR-Phlx-2022-48); amended Apr. 3, 2025 (SR-Phlx-2025-17), operative Oct. 3, 2025; amended Apr. 22, 2025 (SR-Phlx-2025-20), operative Oct. 1, 2025.

Section 2. Reserved

Adopted Feb. 3, 2020 (20-03); amended Jun. 27, 2022 (SR-Phlx-2022-28), operative Aug. 10, 2022; amended Nov. 22, 2022 (SR-Phlx-2022-48).

Section 3. Allocation Application, Allocation, Reallocation, Transfer and Voluntary Resignation

(a) When an options class is to be allocated or reallocated by the Exchange, the Exchange will solicit applications from all eligible Lead Market Maker unit. 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 or reallocation application shall be submitted in writing to the Exchange's designated staff and shall include, at a minimum, the name and background of the head Lead Market Maker and back-up Lead Market Maker(s) (except that a Remote Lead Market Maker need not include a back-up Lead Market Maker), the unit's experience and capitalization demonstrating an ability to trade the particular options class sought, and any other reasons why the unit believes it should be assigned or allocated the security. In addition, the Exchange may also require that the application include other information. 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, reallocation, or transfer decisions and automatic allocations shall be communicated in writing to Exchange members.

(d) Upon allocation, reallocation, or transfer of an options class, the options class must be registered in either the name of the Lead Market Maker unit, or jointly in the name of the unit and the Lead Market Maker ("Registrant"). Each Registrant must be an Exchange member and an approved Lead Market Maker. The Registrant shall act as Lead Market Maker for the options class for at least one year ("minimum Lead Market Maker period"); unless some other period is defined by the Exchange pursuant to this rule. After expiration of the minimum Lead Market Maker period, the Exchange may re-allocate the options class. Once the Lead Market Maker unit is allocated, reallocated, or transferred an options class, such Lead Market Maker unit shall immediately notify the Exchange in writing regarding any material change in the application for any assigned options class.

(e) If a Lead Market Maker unit 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) *Transfer Application*. Any proposed agreement between or among Lead Market Maker units to transfer one or more options classes already allocated to a specified Lead Market Maker unit shall be identified to the Exchange in writing before the proposed transfer. An agreement to transfer a Lead Market Maker unit's options classes may not become effective until approved by the Exchange. Failure to provide the Exchange prior notice of a transfer in accordance with this Rule, or failure to obtain Exchange approval of a transfer, permits the Exchange to recover the allocated securities and reallocate them pursuant to this Rule.

(g) *Voluntary Resignation of Options Privileges*. If an option Lead Market Maker unit voluntarily resigns from allocation in a particular option and the Exchange determines such resignation to be in the best interest of the Exchange, and that option is subsequently delisted, barring any Lead Market Maker performance or disciplinary issues, the option Lead Market Maker unit which last traded that option may be given preference in any future allocation decision regarding that option.

Supplementary Material to Options 2, Section 3

.01 Allocation Preclusion. A Lead Market Maker unit may not apply for any new listings (allocations) for a six (6) month period after an option was taken away from the Lead Market Maker in: (i) an involuntary reallocation proceeding; or (ii) a disciplinary proceeding. Such Lead Market Maker is also prohibited from applying for any new listings (allocations) for a second six month period unless the Exchange is satisfied that adequate corrective actions have been undertaken by the Lead Market Maker.

02. Automatic Allocation of Options on Related Securities.

For purposes of Supplementary Material. 02, 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 "spin-off" 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 a Lead Market Maker on the Exchange ("Currently Allocated Options").

The term Related Securities does not include Exchange Traded Funds.

03. Alternate Lead Market Maker Period.

The Exchange may establish that a Registrant shall act as a Lead Market Maker in an allocated options class for a shorter period defined by the Exchange that is less than one year ("alternate Lead Market Maker period"). If the Exchange establishes an alternate Lead Market Maker period, it will communicate such period in solicitation applications (notices) pursuant to this Rule.

After expiration of the alternate Lead Market Maker period, the Exchange may reallocate the options class.

(a) Options on Related Securities ("Related Options") shall be automatically allocated to the Lead Market Maker unit that is already the Lead Market Maker in Currently Allocated

Options ("Current Lead Market Maker"), unless the Current Lead Market Maker is subject to an Allocation Preclusion regarding new listings (allocations) pursuant to this Rule. In such an event, the Exchange may, nonetheless, allocate the Related Options to the Current Lead Market Maker if the Exchange determines that the trading characteristics of the Related Options to be allocated are similar to the Currently Allocated Options.

Adopted Feb. 3, 2020 (20-03); amended April 14, 2020 (20-21).

Section 4. Obligations of Market Makers

(a) *General*. Transactions of a Lead Market Maker and a Market Maker should constitute a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and those members should not enter into transactions or make bids or offers that are inconsistent with such a course of dealings.

(b) Each Market Maker electing to engage in Exchange options transactions shall be assigned by the Exchange one or more classes of options. The obligations of a Market Maker with respect to those classes of options to which he is assigned shall take precedence over his other Market Maker activities.

(1) The off-floor orders for which a Market Maker receives Lead Market Maker margin treatment shall be subject to the obligations of paragraph (a) and, in general, be effected for the purpose of hedging, reducing risk of, or rebalancing positions of the Market Maker. A Market Maker is responsible for evidencing compliance with these provisions. The Exchange may exempt one or more classes of options.

(2) An RSQT may only submit quotations electronically from off the floor of the Exchange. An RSQT may not simultaneously quote both as RSQT and Remote Lead Market Maker in a particular security. If an RSQT is a Remote Lead Market Maker in a particular security, the Remote Lead Marker Maker must make a market as a Remote Lead Market Maker and may not make a market as an RSQT in that particular security.

(3) The Exchange shall assign SQTs and RSQTs in accordance with Options 2, Section 1 and allocate one or more options to Remote Lead Market Makers in accordance with Options 2, Section 11. An SQT or RSQT may be assigned to and a Remote Lead Market Maker may be allocated (and thus submit quotes electronically in) any option for which they are approved by the Exchange.

(4) An RSQT shall be required to maintain information barriers that are reasonably designed to prevent the misuse of material, non-public information with any affiliates that may conduct a brokerage business in options assigned to the RSQT or act as a Lead Market Maker or Market Maker in any security underlying options assigned to the RSQT, and otherwise comply with the requirements of Options 2, Section 12 regarding restrictions on the flow of privileged information between the affiliate and the Lead Market Maker organization.

(5) A Market Maker electing to engage in Exchange options transactions is designated as a specialist on the Exchange for all purposes under the Exchange Act and the rules and regulations thereunder with respect to options transactions initiated and effected by him in his capacity as a Market Maker.

(c) **Appointment**. Without limiting the foregoing, a Lead Market Maker and a Market Maker are expected to perform the following activities in the course of maintaining a fair and orderly market. The following bid/ask differentials only apply to electronic quotations following the Opening Process.

(1) Intra-Day Bid/Ask Differentials (Quote Spread Parameters). Options on equities (including Exchange-Traded Fund Shares), index options and options on U.S. dollar-settled FCOs may be quoted electronically with a difference not to exceed $5 between the bid and offer regardless of the price of the bid, provided that the foregoing bid/ask differentials shall not apply to in-the-money series where the market for the underlying security is wider than the differentials set forth above. For such series, the bid/ask differentials 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.

(A) Bid/ask differentials shall not apply to such options series until the time to expiration is less than nine (9) months for equity options, exchange-traded products, and foreign currencies. Bid/ask differentials shall not apply to such options series until the time to expiration is less than twelve (12) months for index options.

(d) ***Classes of Options To Which Not Appointed***. With respect to classes of options to which a Market Maker is not appointed, it should not engage in transactions for an account in which it has an interest that are disproportionate in relation to, or in derogation of, the performance of his obligations as specified in paragraph (c) above with respect to those classes of options to which it is appointed, a Market Maker should not

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

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

Adopted Feb. 3, 2020 (20-03); amended April 14, 2020 (20-21); amended January 26, 2021 (SR-Phlx-2021-05); amended May 4, 2021 (SR-Phlx-2021-28), operative June 3, 2021; amended May 24, 2021 (SR-Phlx-2021-32).

Section 5. Electronic Market Maker Obligations and Quoting Requirements

For purposes of this rule an "electronic Market Maker" shall mean an SQT, RSQT, Lead Market Maker (including Remote Lead Market Maker), Directed SQT and Directed RSQT who enters electronic quotations into the Exchange's System.

(a) In registering as an electronic Market Maker, a member organization commits to various obligations. Transactions of an electronic Market Maker in its market making capacity must constitute a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and those member organizations should not make bids or offers or enter into transactions that are inconsistent with such course of dealings. Electronic Market Makers should not effect purchases or sales except in a reasonable and orderly manner. Ordinarily during trading hours, an electronic Market Maker must:

(1) Maintain a two-sided market in those options in which the electronic Market Maker is registered to trade, in a manner that enhances the depth, liquidity and competitiveness of the market.

(2) Engage, to a reasonable degree under the existing circumstances, in dealings for its 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 (or demand for) a particular option contract, or a temporary distortion of price relationships between option contracts of the same class.

(3) Compete with other electronic Market Makers in all options in all capacities in which the electronic Market Maker is registered to trade.

(4) Make markets that will be honored for the number of contracts entered into the System in all options in which the electronic Market Maker is registered to trade.

(5) Update quotations in response to changed market conditions in all options in which the electronic Market Maker is registered to trade.

(6) Maintain active markets in all options in which the electronic Market Maker is registered.

(7) Honor all orders attributed to the electronic Market Maker that the System routes to away markets pursuant to Options 5, Section 4.

(b) If Phlx Regulation finds any substantial or continued failure to engage in a course of dealings as specified in paragraph (a) of this section, the electronic Market Maker will be subject to disciplinary action or suspension or revocation of registration in one or more of the securities in which the electronic Market Maker is registered. Nothing in this rule will limit any other power of the Board under these Rules, or procedures of Phlx with respect to the registration of a Market Maker or in respect of any violation by a Market Maker pursuant to this rule.

(c) Electronic Market Makers 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, an electronic Market Maker must make markets consistent with the applicable quoting requirements specified below. A member organization 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 Phlx may announce. 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 Phlx may announce. A member organization that is an SQT in an options series where the member organization is also assigned as the Lead Market Maker in an options series will be held to both the Lead Market Maker and Market Maker obligations, pursuant to Options 2, Section 5(c), separately, in that options series. An SQT or RSQT who receives a Directed Order shall be held to the standard of a Directed SQT or Directed RSQT, as appropriate.

(1) Size Associated with Quotes. An electronic Market Maker's bid and offer for a series of options contracts shall be accompanied by the number of contracts at that price the electronic Market Maker is willing to buy or sell. The best bid and best offer submitted by an electronic Market Maker must have a size of not less than the minimum number of contracts determined by the Exchange on a class by class basis, which minimum shall be at least one (1) contract.

(2) Two-Sided Quotes. An electronic Market Maker that enters a bid (offer) in a series of an option in which he is registered on Phlx must enter an offer (bid). These quotations must meet the legal quote width requirements specified in Options 2, Section 4(c).

(A) SQTs and RSQTs, associated with the same member organization, are collectively required to provide two-sided quotations in 60% of the cumulative number of seconds, or such higher percentage as Phlx may announce in advance, for which that member organization's assigned options series are open for trading. Notwithstanding the foregoing, a member organization shall not be required to make two-sided markets pursuant to this paragraph (c)(2) above 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.

(i) 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").

(B) Lead Market Makers (including Remote Lead Market Makers), associated with the same member organization, are collectively required to provide two-sided quotations in 90% of the cumulative number of seconds, or such higher percentage as Phlx may announce in advance, for which that member organization's assigned options series are open for trading. Lead Market Makers shall be required to make two-sided markets pursuant to this rule 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 ETFs or with an expiration of twelve months or greater for index options.

(C) Directed Lead Market Makers, Directed SQTs and Directed RSQTs ("Directed Market Makers"), associated with the same member organization, are collectively required to provide two-sided quotations in 90% of the cumulative number of seconds, or such higher percentage as Phlx may announce in advance, among all options series in which the Directed Market Maker has executed a Directed Order on a daily basis, except that a Directed Market Maker shall not be required to make two-sided markets in any Quarterly Options Series, any Adjusted Options Series, and any options 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. A Directed Market Maker has the ongoing quoting obligation from the time a Directed Market Maker executes its first Directed Order in the options in which the Directed Market Maker is assigned until a Directed Market Maker notifies the Exchange that the Directed Market Maker is no longer directed.

A Directed Market Maker shall not be required to make two-sided markets in any Quarterly Options Series, any Adjusted Options Series, and any options 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 would receive a participation entitlement in the Quarterly Options Series, the Adjusted Options Series, and an options 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 for the Directed Order, only if it complies with the heightened 90% quoting requirement.

(D) Specifically, the Exchange will calculate subparagraphs (A) - (C) above by (i) taking the total number of seconds the member organization 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 for SQTs, RSQTs, Directed SQTs and Directed RSQTs; 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 member organization.

(3) Phlx Regulation may consider exceptions to the above-referenced requirement to quote based on demonstrated legal or regulatory requirements or other mitigating circumstances. For purposes of the Exchange's surveillance of member organization 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 a member organization of the obligation to provide two-sided quotes on a daily basis, nor will it prohibit the Exchange from taking disciplinary action against a member organization for failing to meet the quoting obligation each trading day.

(4) If a technical failure or limitation of a System of Phlx prevents a member organization from maintaining, or prevents a member organization from communicating to Phlx timely and accurate quotes, the duration of such failure or limitation shall not be included in any of the calculations under paragraph (c)(2) above with respect to the affected quotes.

Adopted Feb. 3, 2020 (20-03); amended June 30, 2021 (SR-Phlx-2021-38), operative August 2, 2021; amended August 23, 2021 (SR-Phlx-2021-48); amended Jul. 16, 2024 (SR-Phlx-2024-26), operative Aug. 15, 2024.

Section 6. Market Maker Orders

(a) Market Makers may enter all order types defined in Options 3, Section 7(b) and 14 in the options classes to which they are appointed and non-appointed, except for Customer Cross Orders subject to Options 3, Section 12(a) and Reserve Orders subject to Options 3, Section 7(g).

(b) The total number of contracts executed during a quarter by a Market Maker and Lead Market Maker in options series to which it is not appointed may not exceed twenty-five percent (25%) of the total number of contracts executed by the Market Maker and Lead Market Maker in options series.

Adopted Feb. 3, 2020 (20-03); amended April 16, 2020 (20-22); amended Jan. 26, 2021 (SR-Phlx2021-05); amended Dec. 12, 2024 (SR-Phlx-2024-71), operative on or before Dec. 20, 2025.

Section 7. Securities Accounts and Orders of Lead Market Makers and Market Makers

(a) *Identification of Accounts*—In a manner prescribed by the Exchange, each Lead Market Maker and Market Maker shall file with the Exchange upon request and keep current a list identifying all accounts for stock, Exchange-Traded Fund Share, option and related securities or foreign currencies, physical commodities, physical commodity options, commodity futures

contracts, options on commodity futures contracts, any other derivatives based on such commodity and other related trading in which the Lead Market Maker or Market Maker may, directly or indirectly, engage in trading activities or over which he exercises investment discretion. No Lead Market Maker or Market Maker shall engage in stock, Exchange-Traded Fund Share, option, or related securities or foreign currencies, physical commodities, physical commodity options, commodity futures contracts, options on commodity futures contracts, any other derivatives based on such commodity and other related trading in an account which has not been reported (pursuant to this Rule) in a manner prescribed by the Exchange.

(b) No Lead Market Maker or Market Maker in options on a foreign currency shall fail to make available to the Exchange such books, records or other information maintained by or in the possession of such person, or any corporation or partnership associated with such person's member organization, pertaining to transactions by such person, corporation or partnership for its own account in any foreign currency with respect to which options are traded on the Exchange, in any futures contract on such a foreign currency, in any option contract on such a foreign currency (including options on foreign currency futures contracts), or in other foreign currency derivatives as may be called for under the Rules of the Exchange or as may be requested by the Exchange in the course of any investigation, any examination or other official inquiry.

(c) Reports of accounts and orders required to be filed with the Exchange pursuant to this Rule relate only to accounts in which a Lead Market Maker or Market Maker, as an individual, directly or indirectly, controls trading activities or has a direct interest in the profits or losses of such accounts. Reports are required for accounts over which a Lead Market Maker or Market Maker exercises investment discretion as well as his proprietary accounts. For purposes of this Rule, related securities include securities convertible into or exchangeable for underlying securities. In the case of Lead Market Makers and Market Makers in options on a foreign currency, the provisions of this Rule governing identification of accounts shall apply to accounts for the trading of foreign currencies, foreign currency futures contracts and foreign currency options (including options on foreign currency futures contracts).

(d) In addition to the existing obligations under Exchange Rules regarding the production of books and records, a Lead Market Maker or Market Maker in commodity futures contracts, options on commodity futures contracts or any other derivatives based on such commodity, shall make available to the Exchange such books, records or other information pertaining to transactions in the applicable physical commodity, physical commodity options, commodity futures contracts, options on commodity futures contracts, or any other derivatives on such commodity, as may be requested by the Exchange.

Adopted Feb. 3, 2020 (20-03).

Section 8. Reserved

Adopted Feb. 3, 2020 (20-03).

Section 9. Good Standing for Lead Market Maker, SQT, and RSQT

(a) To remain in good standing as a Lead Market Maker (including Remote Lead Market Maker), SQT, or RSQT, the Lead Market Maker, SQT, or RSQT must:

(1) continue to meet the requirements established in SEC Rule 15c3-1(a)(6)(i), and the requirements set forth in Options 2 in the Rules of the Exchange;

(2) continue to satisfy the Lead Market Maker, SQT, or RSQT qualification and market making requirements specified by the Exchange, as amended from time to time;

(3) comply with the Rules of the Exchange and the Options Rules as well as the rules of The Options Clearing Corporation and the rules of the Federal Reserve Board; and

(4) pay on a timely basis such member, transaction, and other fees as the Exchange shall prescribe.

(b) The good standing of a Lead Market Maker (including Remote Lead Market Maker), SQT, or RSQT may be suspended, terminated, or otherwise withdrawn, as provided in the Exchange's rules, if any of said conditions for approval cease to be maintained or the Lead Market Maker, SQT, or RSQT violates any of its agreements with the Exchange or any of the provisions of the Rules of the Exchange or of the Options Rules.

(1) *Informal Meeting*. The Exchange will provide written notice to a Lead Market Maker (including Remote Lead Market Maker), SQT, or RSQT of a contemplated action regarding good standing pursuant to this Rule. A Lead Market Maker (including Remote Lead Market Maker), SQT, or RSQT may request and the Exchange may hold an informal meeting to discuss the alleged failure to remain in good standing and to explore possible appropriate remedies. Written notice of the date and time of the meeting will be given to the Lead Market Maker (including Remote Lead Market Maker), SQT, or RSQT and no verbatim record will be kept. If the Exchange believes there are no mitigating circumstances that would demonstrate substantial improvement of or reasonable justification for the failure to meet the good standing requirements of this Rule, the Exchange may take appropriate action pursuant to subsection (b) of this Rule. Nothing in this Informal Meeting process limits the Exchange from bringing disciplinary actions for violations of these rules.

(c) *Appeal rights*. An appeal by a Lead Market Maker (including Remote Lead Market Maker), SQT, or RSQT to the Board of Directors ("Board") from a decision of the Exchange may be requested by a member or member organization interested therein by filing with the Secretary of the Exchange written notice of appeal within ten (10) days after the decision has been rendered. Any appeal from a decision pursuant to this Rule shall be heard by the Board or a panel appointed by the Board of Directors ("Board Panel") composed of three (3) members not involved in the Exchange decision appealed from and who otherwise have no conflict of interest. If a Board Panel is appointed by the Board, three persons shall be selected to serve on the Board Panel and in making such selections the Board shall choose individuals whose background, experience and training qualify them to consider and make determinations regarding the subject matter to be presented to the Board Panel. The Board Panel shall consist of two members of the Exchange, or general partners or officers of member organizations and one other person who would qualify as a public member as defined in Article I of the By-Laws, whom the Board considers to be qualified. The person requesting review shall be permitted to submit a written

statement to and/or appear before the Board or Board Panel. The Secretary of the Exchange shall certify the record of the proceeding, if any, and the written decision and shall submit these documents to the Board or Board Panel. The Board's or Board Panel's review of the action shall be based solely on the record, the written decision and any statement submitted by the person requesting the review. The Board or Board Panel shall prepare and deliver to such person a written decision and reasons therefore. If the Board or Board Panel affirms the action, the action shall become effective ten (10) days from the date of the Board's or Board Panel's decision. There shall be no appeal to the Board from any decision of the Board Panel.

Adopted Feb. 3, 2020 (20-03).

Section 10. Directed Orders

(a) Lead Market Makers, RSQTs and SQTs may receive Directed Orders (as defined in this Rule) in accordance with the provisions of this rule.

(i) Definitions

(A) The term "Directed Order" means any order to buy or sell which has been directed to a particular Lead Market Maker, RSQT, or SQT by an Order Flow Provider, as defined below. To qualify as a Directed Order, an order must be delivered to the Exchange via the System.

(B) The term "Order Flow Provider" ("OFP") means any member or member organization that submits, as agent, orders to the Exchange.

(C) The term "Directed Lead Market Maker, RSQT, or SQT" means a Lead Market Maker, RSQT, or SQT that receives a Directed Order.

(ii) When the Exchange's disseminated price is the NBBO at the time of receipt of the Directed Order, and the Directed Lead Market Maker, SQT or RSQT is quoting at the better of the internal PBBO or the NBBO, the Directed Order shall be automatically executed and allocated in accordance with Options 3, Section 10(a)(1)(C).

(iii) When the Exchange's disseminated price is the NBBO, and the quotation disseminated by the Directed Lead Market Maker, RSQT, or SQT on the opposite side of the market from the Directed Order is inferior to the internal PBBO or the NBBO at the time of receipt of the Directed Order, the Directed Order shall be automatically executed and allocated to those quotations and orders at the NBBO in accordance with Options 3, Section 10(a)(1).

(iv) If the Exchange's disseminated price is not the NBBO at the time of receipt of the Directed Order, the Directed Order shall be handled in accordance with Exchange rules.

Adopted Feb. 3, 2020 (20-03); amended August 23, 2021 (SR-Phlx-2021-48); amended Jul. 16, 2024 (SR-Phlx-2024-26), operative Aug. 15, 2024.

Section 11. Lead Market Maker Appointment

(a) Upon application by a qualified member organization, the Exchange will approve such organization as an approved Lead Market Maker unit. An application to act as a Lead Market

Maker must include, for ordinary and extraordinary circumstances, the identity of the individual who will act as head Lead Market Maker as well as the individual(s) who will act as back-up Lead Market Maker(s).

(b) Initial application(s) to become a Lead Market Maker unit shall be in a form and/or format prescribed by the Exchange and shall include the following: (1) the identity of the unit's staff positions and who will occupy those positions; (2) the unit's clearing arrangements; (3) the unit's capital structure, including any lines of credit; and (4) the unit's back up arrangements endorsed by the parties providing the following support: a substitute Lead Market Maker unit not associated with the Lead Market Maker unit which shall serve as a substitute Lead Market Maker unit in the event that the Lead Market Maker unit is unable to perform the duties of a Lead Market Maker.

Subsequent applications shall be in a form and/or format prescribed by the Exchange and shall include the information requested therein.

(c) Initial applications for individuals to act as Lead Market Maker shall be in a form and/or format prescribed by the Exchange and include an account of the abilities and background of the applicant as well as any other special requirements that the Exchange may require. Applications for individuals to act as a Lead Market Maker on behalf of a Lead Market Maker unit, must be approved by the Exchange prior to that individual acting in such capacity. The Exchange must approve an individual prior to that individual moving from one Lead Market Maker unit to another Lead Market Maker unit.

Subsequent applications shall be in a form and/or format prescribed by the Exchange and shall include the information requested therein.

(d) To be approved as a Lead Market Maker unit and to retain the privilege of such status, an options or foreign currency options Lead Market Maker unit must maintain the approved clearing arrangements and capital structure stated on their application as described in (b)(2) and (b)(3) above. Changes regarding the requirements in (b)(4) must be submitted and approved by the Exchange.

(e) Once an applicant is approved by the Exchange as a Lead Market Maker unit, any material change in the capital or staff of the unit or any move by a head or back-up Lead Market Maker from one unit to another shall be reported in writing to the Exchange and in no circumstances shall be reported more than two business days after the change.

(f) A Remote Streaming Quote Trader ("RSQT"), as defined in Options 1, Section 1(b)(49), may submit an application as described above to be approved in one or more classes as a Remote Lead Market Maker as defined in Options 2, Section 12(a)(2).

(i) A Remote Lead Market Maker does not need to meet the back-up Lead Market Maker staffing requirement pursuant to paragraph (d) of this rule.

Adopted Feb. 3, 2020 (20-03); amended April 14, 2020 (20-21).

Section 12. Registration and Functions of Options Lead Market Makers

(a) A Lead Market Maker is not required to be assigned to an options series.

(1) Notwithstanding the foregoing, no member shall act as an options Lead Market Maker (to include a Remote Lead Market Maker as defined in paragraph (a)(2) below) in any option unless such member is registered as an options Lead Market Maker in such option by the Exchange pursuant to Options 2, Section 11 and such registration may be revoked or suspended at any time by the Exchange.

(2) A Remote Lead Market Maker is an options Lead Market Maker in one or more classes that does not have a physical presence on an Exchange floor and is approved by the Exchange pursuant to Options 2, Section 11.

(3) A Remote Lead Market Maker has all the rights and obligations of an options Lead Market Maker, unless Exchange rules provide otherwise.

(4) A Remote Lead Market Maker shall be accessible to Exchange staff and members during all trading hours for the product(s) allocated to such Lead Market Maker and shall provide Exchange staff and members with telephonic and/or electronic communication access to such Lead Market Maker and/or associated staff at all times during trading hours.

(5) A Remote Lead Market Maker can have a Designee in a physical trading crowd during trading hours. The Designee may trade in open outcry in the option classes allocated to the Remote Lead Market Maker, but the Remote Lead Market Maker shall not receive a participation entitlement under Options 3, Section 10(a)(1)(B) with respect to orders represented by the Designee in open outcry.

(A) A Designee is an individual who is approved by the Exchange for the time period specified by the Exchange to represent a Remote Lead Market Maker in its capacity as a Remote Lead Market Maker. The Exchange may require specified supervision of a Designee and/or limit a Designee's authority to represent a Remote Lead Market Maker.

(B) A Designee must be a member of the Exchange, an affiliate of the Remote Lead Market Maker, and a Market Maker pursuant to the rules of the Exchange.

The Exchange shall have the discretion to permit an individual who is not affiliated with a Remote Lead Market Maker to act as a Designee for the Remote Lead Market Maker on an emergency basis, provided that the individual satisfies the other requirements of subparagraph (a)(5)(B) of this Rule.

(C) A Designee may not trade as a Market-Maker in securities allocated to the Remote Lead Market Maker unless the Designee is acting on behalf of the Remote Lead Market Maker in its capacity as a Remote Lead Market Maker.

(b) As a condition of a member's being registered as a Lead Market Maker in one or more options, it is to be understood that a Lead Market Maker is to engage in a course of dealings for his own account to assist in the maintenance insofar as reasonably practicable, of a fair and orderly market on the Exchange in such options in accordance with and when viewed in relation to the criteria set forth in paragraphs (c) and (d) of this Rule and the commentary thereto. If the Exchange shall have found any substantial or continued failure by a Lead Market Maker to engage in such a course of dealings, the registration of such Lead Market Maker shall be subject to suspension or cancellation by the Exchange in one or more of the options in which he is

registered. Nothing herein shall limit any other power of the Board of Directors under the By-Laws or any Rule of the Exchange with respect to the registration of a Lead Market Maker or in respect of any violation by a Lead Market Maker of the provisions of this Rule.

(c) A Lead Market Maker or his member organization shall not effect on the Exchange purchases or sales of any option in which such Lead Market Maker is registered, for any account in which he or his member organization is directly or indirectly interested, unless such dealings are reasonably necessary to permit such Lead Market Maker to maintain a fair and orderly market.

(d) In connection with the function of a Lead Market Maker in relation to assisting in the maintenance, insofar as reasonably practicable, of a fair and orderly market in the options in which he is registered, it is ordinarily expected that a Lead Market Maker will engage, to a reasonable degree under the existing circumstances, in dealings for his own account in options when lack of price continuity or lack of depth in the options market or temporary disparity between supply and demand in the options market exists or is reasonably to be anticipated. Transactions on the Exchange for his own account effected by a Lead Market Maker in the options in which he is registered are to constitute a course of dealings reasonably calculated to contribute to the maintenance of price continuity with reasonable depth, and to the minimizing of the effects of temporary disparity between supply and demand, immediate or reasonably to be anticipated. Transactions in such options not part of such a course of dealings are not to be effected by a Lead Market Maker for his own account.

(e) In effecting transactions for his own account for the purpose of establishing or increasing a position, a Lead Market Maker is to effect such transactions in a reasonable and orderly manner in relation to the condition of the general market, the market in the particular option and the adequacy of his position to the immediate and reasonably anticipated needs of the options market.

(f) Transactions by a Lead Market Maker for his own account in liquidating or decreasing his position in an option in which he is registered are to be effected in a reasonable and orderly manner in relation to the condition of the general market, the market in the particular option and the adequacy of the Lead Market Maker's positions to the immediate and reasonably anticipated needs of the options market.

Adopted Feb. 3, 2020 (20-03); amended May 24, 2021 (SR-Phlx-2021-32).

Section 13. Affiliated Persons Of Specialists

No issuer, or parent or subsidiary thereof, or any officer, director or 10% stockholder thereof, may become an approved person in a specialist member organization whose members are registered in options overlying a security of that issuer.

Adopted Feb. 3, 2020 (20-03); amended Mar. 14, 2024 (SR-Phlx-2024-13), operative Apr. 13, 2024.

Section 14. Reserved

Adopted Feb. 3, 2020 (20-03); amended Mar. 14, 2024 (SR-Phlx-2024-13), operative Apr. 13, 2024.

OPTIONS 2A. RESERVED

Reserved

Adopted Feb. 3, 2020 (20-03).

OPTIONS 3 OPTIONS TRADING RULES

Section 1. Hours of Business

(a) General 3, Rule 1030 governs the days the Exchange will be open for business. This rule will govern the hours of such days during which transactions may be made on the Exchange.

(b) Options on any series of Exchange-Traded Fund Shares, as defined in Options 4, Section 3(h), so designated by the Exchange, options on exchange-traded notes including Index-Linked Securities, as defined in Options 4, Section 3(k)(1), and options on Alpha Indexes, as defined in Options 4A, Section 3(f), may be traded on the Exchange until 4:15 P.M. Eastern Time each business day.

(c) Options on a broad-based index, as defined in Options 4A, Section 12, Supplementary Material .01, may be traded on the Exchange until 4:15 p.m. each business day, except that on the last trading day, transactions in expiring p.m.-settled broad-based index options may be effected on the Exchange between the hours of 9:30 a.m. (Eastern time) and 4:00 p.m. (Eastern time).

(d) Except under unusual conditions as may be determined by the Board (or the Exchange official or officials designated by the Board) foreign currency option trading sessions shall be conducted at such times as the Board of Directors shall specify between 6:00 P.M. Eastern Time Sundays and 3:00. P.M. Eastern Time Fridays, provided that U.S. dollar-settled foreign currency options shall trade during the same hours as narrow-based index options.

(e) Options on a sector index as provided for within Options 4A, Section 12 may be traded on the Exchange until 4:00 p.m. each business day.

Supplementary Material .01 to Options 3, Section 1

.01 Options Trading after 4:00 P.M. Eastern Time. A trading rotation in any class of option contracts may be effected even though employment of the rotation will result in the transaction on the Exchange after 4:00 P.M. Eastern Time provided such rotation is conducted pursuant to Options 3, Section 9 or Options 4A, Section 18. The Exchange may close trading at an early time to coincide with the close of trading in a related futures contract on the last business day of the month, or any other day when a related futures contract closes earlier than 4:15 P.M. Eastern Time.

Section 2. Units of Trading

The unit of trading in each series of options dealt in on the Exchange shall be the unit of trading established for that series by The Options Clearing Corporation pursuant to the rules of The Options Clearing Corporation.

Adopted Feb. 3, 2020 (20-03).

Section 3. Minimum Increments

(a) Except as provided in Supplementary Material to Options 3, Section 3 below, all options on stocks, index options, and Exchange Traded Fund Shares trading at a price of $3.00 or higher shall have a minimum increment of $.10, and all options on stocks and index options trading at a price under $3.00 shall have a minimum increment of $.05.

(1) An order received at a price expressed in other than the appropriate minimum trading increment described in this Rule shall be rejected by the System.

(2) Different minimum trading increments for dealings in option contracts other than those specified in paragraph (a) may also be fixed by the Exchange from time to time for option contracts of a particular series.

Supplementary Material to Options 3, Section 3

.01 Requirements for Penny Interval Program. The Exchange will list option classes for the Penny Interval Program ("Penny Program") with minimum quoting requirements ("penny increments") of one cent ($0.01) and five cents ($0.05), as set forth in this Supplementary Material .01 to Options 3, Section 3. The list of the option classes included in the Penny Program will be announced by the Exchange via Options Trader Alert and published by the Exchange on its website.

(a) For options contracts traded pursuant to the Penny Program as described in this Supplementary Material .01, the following minimum increments will apply:

(1) one cent ($0.01) for all options contracts in QQQ, SPY, and IWM;

(2) one cent ($0.01) for all other options contracts included in the Penny Program that are trading at less than $3.00; and

(3) five cents ($0.05) for all other options contracts included in the Penny Program that are trading at or above $3.00.

(b) Initial Selection. On the first trading day of the third full calendar month after April 1, 2020, the Penny Program will apply only to the 363 most actively traded multiply listed option classes, based on OCC's National Cleared Volume in the six full calendar months ending in the month of approval, that (i) currently quote in penny increments, or (ii) overlie securities priced below $200, or any index at an index level below $200. Eligibility for inclusion in the Penny Program will be determined at the close of trading on the monthly Expiration Friday of the second full month following April 1, 2020.

(c) Annual Review. Commencing in December 2020 and each December thereafter, OCC will rank all multiply listed option classes based on National Cleared Volume for the six full calendar months from June 1 through November 30 for determination of the most actively traded option classes.

(1) Addition to the Penny Program. Based on the Annual Review, any option class not in the Penny Program that is among the 300 most actively traded multiply listed option classes overlying securities priced below $200, or an index at an index level below $200, will be added to the Penny Program on the first trading day of January.

(2) Removal from the Penny Program. Except as provided in (d), (e), (f) and (g) below, based on the Annual Review, any option class in the Penny Program that falls outside the 425 most

actively traded multiply listed option classes will be removed from the Penny Program on the first trading day of April.

(d) Newly listed Option Classes. The Exchange may add to the Penny Program a newly listed option class provided that (i) it is among the 300 most actively traded multiply listed option classes, as ranked by National Cleared Volume at OCC, in its first full calendar month of trading and (ii) the underlying security is priced below $200 or the underlying index is at an index level below $200. Any option class added under this provision will be added on the first trading day of the month after it qualifies and will remain in the Penny Program for one full calendar year, after which it will be subject to the Annual Review stated in section (c) above.

(e) Classes with Significant Growth in Activity. The Exchange may add any option class to the Penny Program, provided that (i) it is among the 75 most actively traded multiply listed option classes, as ranked by National Cleared Volume at OCC, in the past six full calendar months of trading and (ii) the underlying security is priced below $200 or the underlying index is at an index level below $200. Any option class added under this provision will be added on the first trading day of the second full month after it qualifies and will remain in the Penny Program for the rest of the calendar year, after which it will be subject to the Annual Review stated in section (c) above.

(f) Corporate Actions. If a corporate action involves one or more option classes in the Penny Program, all adjusted and unadjusted series of the option class will be included in the Penny Program. Any new option class added to the Penny Program under this provision will remain in the Penny Program for at least one full calendar year, after which it will be subject to the Annual Review stated in section (c) above.

(g) Delisted or Ineligible Option Classes. Any series in an option class participating in the Penny Program in which the underlying security has been delisted, or are identified by OCC as ineligible for opening customer transactions, will continue to quote pursuant to the terms of the Penny Program until all such options have expired.

02 Notwithstanding any other provision of this Rule, complex strategies may be traded in the increments described in Options 3, Section 14(c)(1).

.03 All options on foreign currencies where the underlying foreign currency is not the U.S. dollar shall have a minimum increment of $.01.

.04 Nasdaq 100 Micro Index Options (XND) (as long as QQQ options ("QQQ") participate in the Penny Interval Program) shall have a minimum increment of $.01.

.05 All options on Alpha Indexes shall have a minimum increment of $.01 if options on either component of the index have a minimum increment of $.01.

Adopted Feb. 3, 2020 (20-03); amended Mar. 5, 2020 (20-08), operative April 4, 2020; amended Jun. 23, 2020 (20-32); amended Apr. 9, 2021 (SR-Phlx-2021-07), operative Apr. 15, 2021; amended Mar. 15, 2022 (SR-Phlx-2022-13); amended May. 5, 2021 (SR-Phlx-2020-41), operative Jun. 14, 2022; amended Jun. 6, 2022 (SR-Phlx-2022-25), operative Jun. 14, 2022; amended Apr. 3, 2025 (SR-Phlx-2025-17), operative Oct. 3, 2025; amended Apr. 22, 2025 (SR-Phlx-2025-20), operative Oct. 1, 2025.

Section 4. Entry and Display of Quotes

(a) All bids or offers for option contracts dealt in on the Exchange made and accepted in accordance with these Rules shall constitute binding contracts between the parties thereto but shall be subjected to applicable requirements and the rules of the Clearing Corporation.

(b) Quotes are subject to the following requirements and conditions:

(1) RSQTs or Remote Lead Market Makers may generate and submit option quotations.

(2) The System shall time-stamp a quote which shall determine the time ranking of the quote for purposes of processing the quote.

(3) Lead Market Makers, Remote Lead Market Makers and Market Makers may enter bids and/or offers in the form of a two-sided quote. Only one quote may be submitted at a time for an option series. Quotes may be submitted as a bulk message.

(i) A "bulk message" means a single electronic message submitted to the Exchange which may contain a specified number of quotations as designated by the Exchange. The bulk message, submitted via SQF, may enter, modify, or cancel quotes. Bulk messages are handled by the System in the same manner as it handles a single quote message.

(4) The System accepts quotes for the Opening Process as specified in Options 3, Section 8.

(5) Firm Quote. When quotes in options on another market or markets are subject to relief from the firm quote requirement set forth in the SEC Quote Rule, orders and quotes will receive an automatic execution at or better than the NBBO based on the best bid or offer in markets whose quotes are not subject to such relief. Such determination may be made by way of notification from another market that its quotes are not firm or are unreliable; administrative message from the Option Price Reporting Authority ("OPRA"); quotes received from another market designated as "not firm" using the appropriate indicator; and/or telephonic or electronic inquiry to, and verification from, another market that its quotes are not firm. The Exchange shall maintain a record of each instance in which another exchange's quotes are excluded from the Exchange's calculation of NBBO, and shall notify such other exchange that its quotes have been so excluded. Where quotes in options on another market or markets previously subject to relief from the firm quote requirement set forth in the Quote Rule are no longer subject to such relief, such quotations will be included in the calculation of NBBO for such options. Such determination may be made by way of notification from another market that its quotes are firm; administrative message from OPRA; and/or telephonic or electronic inquiry to, and verification from, another market that its quotes are firm.

(6) Trade-Through Compliance and Locked or Crossed Markets. A quote will not be executed at a price that trades through another market or displayed at a price that would lock or cross another market. If, at the time of entry, a quote would cause a locked or crossed market violation or would cause a trade-through violation, it will be re-priced to the current national best offer (for bids) or the current national best bid (for offers) as non-displayed and displayed at one minimum price variance above (for offers) or below (for bids) the national best price, or immediately cancelled, as configured by the member organization.

(7) The System automatically executes eligible quotes using the Exchange's displayed best bid and offer ("BBO") or the Exchange's non-displayed order book ("internal BBO") if the

best bid and/or offer on the Exchange has been repriced pursuant to Options 3, Section 5(d) below and subsection (6) above.

(8) Quotes submitted to the System are subject to the following: minimum increment provided for in Options 3, Section 3, and risk protections provided for in Options 3, Section 15.

(c) Quotes will be displayed in the System as described in Options 3, Section 23.

Adopted Feb. 3, 2020 (20-03); amended Jun. 27, 2023 (SR-Phlx-2023-27), operative Jul. 27, 2023; amended Dec. 12, 2024 (SR-Phlx-2024-71), operative on or before Dec. 20, 2025.

Section 5. Entry and Display of Orders

(a) Members can enter orders into the System, subject to the following requirements and conditions:

(1) Members shall be permitted to transmit to the System multiple orders at a single as well as multiple price levels.

(2) The System accepts orders beginning at a time specified by the Exchange and communicated on the Exchange's web site.

(3) The System shall time-stamp an order which shall determine the time ranking of the order for purposes of processing the order.

(4) Orders submitted to the System are subject to the following: minimum increments provided for in Options 3, Section 3, risk protections provided for in Options 3, Section 15, and the restrictions of any order type as provided for in Options 3, Section 7(b). Orders may execute at multiple prices.

(5) Nullification by Mutual Agreement. Trades may be nullified if all parties participating in the trade agree to the nullification. In such case, one party must notify the Exchange and the Exchange promptly will disseminate the nullification to OPRA. It is considered conduct inconsistent with just and equitable principles of trade for a party to use the mutual adjustment process to circumvent any applicable Exchange rule, the Exchange Act or any of the rules and regulations thereunder.

(b) NBBO Price Protection. Orders, other than Intermarket Sweep Orders (as defined in Options 5, Section 1(h)), will not be automatically executed by the System at prices inferior to the NBBO (as defined in Options 5, Section 1(j)). There is no NBBO price protection with respect to any other market whose quotations are Non-Firm (as defined in Options 5, Section 1(k)).

(c) The System automatically executes eligible orders using the Exchange's displayed best bid and offer ("PBBO") or the Exchange's non-displayed order book ("internal PBBO") if there are non-displayed orders on the order book or the best bid and/or offer on the Exchange has been repriced pursuant to subsection (d) below or Options 3, Section 4(b)(6) above.

(d) Trade-Through Compliance and Locked or Crossed Markets. An order will not be executed at a price that trades through another market or displayed at a price that would lock or cross another market. An order that is designated by the member as routable will be routed in compliance with applicable Trade-Through and Locked and Crossed Markets restrictions. An order that is

designated by a member as non-routable will be re-priced in order to comply with applicable Trade-Through and Locked and Crossed Markets restrictions. If, at the time of entry, an order that the entering party has elected not to make eligible for routing would cause a locked or crossed market violation or would cause a trade-through violation, it will be re-priced to the current national best offer (for bids) or the current national best bid (for offers) as non-displayed, and displayed at one minimum price variance above (for offers) or below (for bids) the national best price.

(e) Orders will be displayed in the System as described in Options 3, Section 23.

Adopted Feb. 3, 2020 (20-03); amended Jun. 27, 2023 (SR-Phlx-2023-27), operative Jul. 27, 2023.

Section 6. Collection and Dissemination of Quotes

(a) Each Market Maker shall communicate to the Exchange its bid and offers in accordance with the requirements of Rule 602 of Regulation NMS under the Exchange Act and the Rules of the Exchange.

(b) The Exchange will disseminate to quotation vendors the highest bid and the lowest offer, and the aggregate quotation size associated therewith that is available to Public Customer Orders, in accordance with the requirements of Rule 602 of Regulation NMS under the Exchange Act.

(c) *Unusual Market Conditions*.

(1) An Exchange official designated by the Board shall have the power to determine that the level of trading activities or the existence of unusual market conditions is such that the Exchange is incapable of collecting, processing, and making available to quotation vendors the data for the option in a manner that accurately reflects the current state of the market on the Exchange. Upon making such a determination, the Exchange shall designate the market in such option to be "fast." When a market for an option is declared fast, the Exchange will provide notice that its quotations are not firm by appending an appropriate indicator to its quotations.

(2) If a market is declared fast, designated Exchange officials shall have the power to: (i) direct that one or more trading rotations be employed pursuant to Options 3, Section 8; (ii) suspend the minimum size requirement of Options 2, Section 5(c)(1); or (iii) take such other actions as are deemed in the interest of maintaining a fair and orderly market.

(3) The Exchange will monitor the activity or conditions that caused a fast market to be declared, and a designated Exchange official shall review the condition of such market at least every thirty (30) minutes. Regular trading procedures shall be resumed by the Exchange when a designated Exchange official determines that the conditions supporting a fast market declaration no longer exist. The Exchange will provide notice that its quotations are once again firm by removing the indicator from its quotations.

Adopted Feb. 3, 2020 (20-03); amended January 26, 2021 (SR-Phlx-2021-05); amended Dec. 12, 2024 (SR-Phlx-2024-71), operative on or before Dec. 20, 2025.

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. Orders may not be unbundled, nor may a firm solicit a customer to unbundle an order for this purpose.

(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. Member organizations 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 member organization 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 member organization 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(h). 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 pursuant to Options 3, Section 8. ISOs may be entered on the single leg order book or into the Facilitation Mechanism, Solicited Order Mechanism, or into PIXL, pursuant to Supplementary Material .06 and .07 to Options 3, Section 11, and Supplementary Material .08 to Options 3, Section 13.

(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. A Stop Order shall not be elected by a trade that is reported late or out of sequence or by a Complex Order trading with another Complex Order. Stop Orders may only be entered through FIX.

(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. A Stop Limit Order shall not be elected by a trade that is reported late or out of sequence or by a Complex

Order trading with another Complex Order. Stop Limit Orders may only be entered through FIX.

(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. Options 3, Section 15(a)(1) and Options 3, Section 15(a)(2) 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)(A) for Public Customer Orders, and Options 3, Section 10(a)(1)(F) 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 member organization.

(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)(A) for Public Customer Orders, Options 3, Section 10(a)(1)(E) for Market Makers, and Options 3, Section 10(a)(1)(F) 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 paragraph (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, Section 10(a)(1)(A) for Public

Customer Orders, Options 3, Section 10(a)(1)(E) for Market Makers, and Options 3, Section 10(a)(1)(F) for non-Public Customer Orders.

(h) **Attributable Orders**. An Attributable Order is a market or limit order which displays the user firm ID for purposes of electronic trading on the Exchange. Use of Attributable Orders is voluntary. Attributable Orders may not be available for all Exchange Systems. The Exchange will issue an Options Regulatory Alert specifying the Systems for which the Attributable Order type shall be available.

(i) **Customer Cross Orders**. A Customer Cross Order is comprised of a Public Customer Order to buy and a Public Customer Order to sell at the same price and for the same quantity. Such orders will trade in accordance with Options 3, Section 12(a).

(j) **Qualified Contingent Cross Order**. A Qualified Contingent Cross ("QCC") Order is comprised of an originating order to buy or sell at least 1000 contracts that is identified as being part of a qualified contingent trade, as that term is defined in Supplementary Material .01 below, coupled with a contra-side order or orders totaling an equal number of contracts. QCC Orders will trade in accordance with Options 3, Section 12(c). QCC Orders may only be entered through FIX.

(k) **Legging Orders**. A Legging Order is a Limit Order on the single-leg limit order book in an individual series that represents one leg of a two-legged Complex Options Order that is to buy or sell an equal quantity of two options series resting on the Exchange's Complex Order Book. Legging Orders are firm orders that are included in the Exchange's displayed best bid or offer. Legging Orders are not routable and have a TIF of Day.

The System will evaluate whether Legging Orders may be generated (1) when a Complex Options Order enters the Complex Order Book, and (2) after a time interval (to be determined by the Exchange, not to exceed 1 second) when the NBBO or Exchange best bid or offer in any component of a Complex Options Order changes. The Exchange may determine to limit the number of Legging Orders generated on an objective basis and may determine to remove existing Legging Orders in order to maintain a fair and orderly market in times of extreme volatility or uncertainty. Legging Orders are treated as having no Public Customer capacity on the single-leg order book, regardless of being generated from Public Customer Complex Options Orders.

(1) *Generation of Legging Orders*. A Legging Order may be automatically generated for one or both leg(s) of a Complex Options Order resting on top of the Complex Order Book at a price: (i) that matches or improves upon the best displayed bid or offer on the single-leg limit order book; and (ii) at which the net price can be achieved when the other leg is executed against the best displayed bid or offer on the single-leg limit order book, excluding other Legging Orders. Legging Orders will be generated and executed in the minimum increment for that options series.

(2) *When Legging Orders Will Not Be Generated*. A Legging Order will not be generated: (i) at a price that locks or crosses the best bid or offer of another exchange, (ii) if there is a complex auction on either side in the Complex Options Strategy, or a single-leg auction on either side in any component of the Complex Options Strategy, or a Posting Period in progress on the same side in the series, pursuant to Options 3, Section 15 regarding Acceptable Trade Range; (iii) if the price of the leg(s) of a Complex Options Order is outside

of the price limits described in Options 3, Section 16(a); (iv) if there is already a Legging Order in that options series on the same side of the market at the same price; (v) for Complex Orders with 2 option legs, where both legs are buying or both legs are selling and both legs are calls or both legs are puts, as described in Options 3, Section 14(d)(3)(A); (vi) if the Exchange has not opened; or a particular option series has not opened or such options series is halted.

(3) *Execution of Legging Orders*. A Legging Order is executed only after all other executable orders (including any non-displayed size) and quotes at the same price are executed in full. When a Legging Order is executed, the other leg of the Complex Options Order will be automatically executed against the displayed best bid or offer on the Exchange and any other Legging Order not executed as part of the Complex Options Order will be removed. Two Legging Orders related to the same Complex Options Order can be generated, and both can execute as part of the execution of a particular Complex Options Order.

(4) *Removal of Generated Legging Orders*. A Legging Order is automatically removed from the single-leg limit order book if: (i) the price of the Legging Order is no longer at the displayed best bid or offer on the single-leg limit order book or is at a price that locks or crosses the best bid or offer of another exchange, (ii) execution of the Legging Order would no longer achieve the net price of the Complex Options Order when the other leg is executed against the best displayed bid or offer on the single-leg limit order book, excluding other Legging Orders, (iii) the Complex Options Order is executed in full or in part on the Complex Order Book, (iv) the Complex Options Order is cancelled or modified, (v) the price of the leg(s) of a Complex Options Order is outside of the price limits described in Options 3, Section 16(a), (vi) the System initiates a complex auction on either side in the Complex Options Strategy, or the System initiates a single-leg auction on either side in any component of the Complex Options Strategy, or (vii) a Legging Order is generated by a different Complex Order in the same leg at a better price or the same price for a participant with a higher price priority.

(l) **Directed Orders**. A Directed Order is as described in Options 2, Section 10.

(m) Reserved.

(n) **Add Liquidity Orders**. 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. Member organizations may specify whether an Add Liquidity Order shall be cancelled or re-priced to the minimum price variation above the national best bid price (for sell orders) or below the national best offer price (for buy orders) 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 the minimum price variation above the best non-displayed bid price (for sell orders) or below the best non-displayed offer price (for buy orders). 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(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.

(o) Reserved.

(p) Reserved.

(q) Reserved.

(r) Reserved.

(s) Reserved.

(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)(i) and will be cancelled upon the open if not executed.

(v) **Block Order**. A block order is an order entered into the Block Order Mechanism as described in Options 3, Section 11(a).

(w) **Facilitation order**. A facilitation order is a paired order entered into the Facilitation Mechanism as described in Options 3, Section 11(b).

(x) **SOM order**. A SOM order is a paired order entered into the Solicited Order Mechanism as described in Options 3, Section 11(d).

(y) **PIXL Order**. A PIXL Order is as described in Options 3, Section 13(a).

Supplementary Material to Options 3, Section 7

.01 A "qualified contingent trade" is a transaction consisting of two or more component orders, executed as agent or principal, where:

(a) At least one component is an NMS Stock, as defined in Rule 600 of Regulation NMS under the Exchange Act;

(b) all components are effected with a product or price contingency that either has been agreed to by all the respective counterparties or arranged for by a broker-dealer as principal or agent;

(c) the execution of one component is contingent upon the execution of all other components at or near the same time;

(d) the specific relationship between the component orders (e.g., the spread between the prices of the component orders) is determined by the time the contingent order is placed;

(e) the component orders bear a derivative relationship to one another, represent different classes of shares of the same issuer, or involve the securities of participants in mergers or with intentions to merge that have been announced or cancelled; and

(f) the transaction is fully hedged (without regard to any prior existing position) as a result of other components of the contingent trade.

.02 **Time in Force**. 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" 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 (A) Order Price Protection, Market Order Spread Protection, and Size Limitation Protection as defined in Options 3, Section 15(a)(1), (a)(2), and (b)(2) respectively, for single leg orders, or (B) Complex Order Price Protection as defined in Options 3, Section 16(c)(1) for Complex Orders.

(3) Block Orders, Facilitation Orders, Complex Facilitation Orders, SOM Orders, Complex SOM Orders, PIXL Orders, Complex PIXL Orders, QCC Orders, QCC Complex Orders, Customer Cross Orders, and Customer Cross Complex Orders are considered to have a TIF of IOC. By their terms, these orders will be: (1) executed either on entry or after an exposure period, or (2) cancelled.

(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. This order type is not subject to any protections listed in Options 3, Section 15, except Size Limitation and Market Wide Risk Protection. Any portion of the order that is not executed during the Opening Process is cancelled. OPG Orders may not route.

.03 The Exchange offers members the following protocols for entering orders and quotes respectively:

(A) "**Financial Information eXchange**" or "**FIX**" is an interface that allows members and their Sponsored Customers to connect, send, and receive messages related to orders and auction orders and responses 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 member organizations and their Sponsored Customers to connect, send, and receive messages related

to orders, auction orders, and auction responses to the Exchange. Features include the following: (1) options symbol directory messages (e.g., underlying and complex 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; (7) auction notifications; (8) auction responses; and (9) post trade allocation messages.

(C) "**Specialized Quote Feed**" or "**SQF**" is an interface that allows Lead Market Makers, Streaming Quote Traders ("SQTs") and Remote Streaming Quote Traders ("RSQTs") to connect, send, and receive messages related to quotes, Immediate-or-Cancel Orders, and auction responses into and from the Exchange. Features include the following: (1) options symbol directory messages (e.g., underlying and complex 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; (8) opening imbalance messages; (9) auction notifications; and (10) auction responses. The SQF Purge Interface only receives and notifies of purge requests from the Lead Market Maker, SQT or RSQT. Lead Market Makers, SQTs and RSQTs 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, the Market Order Spread Protection, and Size Limitation Protection in Options 3, Section 15(a)(1), (a)(2) and (b)(2), respectively, for single leg orders, or (ii) Complex Order Price Protection as defined in Options 3, Section 16(c)(1) for Complex Orders.

(D) **Options Floor Based Management System or ("FBMS")** is a component of the System designed to enable members and/or their employees to enter, route and report transactions stemming from options orders received on the Exchange. The FBMS also is designed to establish an electronic audit trail for options orders negotiated, represented and executed by members on the Exchange, to the extent permissible pursuant to Options 8, Section 22(a), such that the audit trail provides an accurate, time-sequenced record of electronic and other orders, quotations and transactions on the Exchange, beginning with the receipt of an order by the Exchange, and further documenting the life of the order through the process of execution, partial execution, or cancellation of that order. The features of FBMS are described in Options 8, Sections 28(e) and 29. In addition, a non-member or member may utilize an FBMS FIX interface to create and send an order into FBMS to be represented by a Floor Broker for execution.

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

Adopted Feb. 3, 2020 (20-03); amended Feb. 14, 2020 (20-05); amended Mar. 4, 2020 (20-07); amended January 26, 2021 (SR-Phlx-2021-05); amended May 24, 2021 (SR-Phlx-2021-32); amended Jun. 27, 2023 (SR-Phlx-2023-27), operative Jul. 27, 2023; amended Aug. 3, 2023 (SR-Phlx-2023-34), operative Jan. 29, 2024; amended Dec. 12, 2024 (SR-Phlx-2024-71), operative on or before Dec. 20, 2025; amended Jan. 29, 2025 (SR-Phlx-2025-05), operative on or before December 20, 2025; amended Apr. 3, 2025 (SR-Phlx-2025-17), operative Oct. 3, 2025; amended Apr. 22, 2025 (SR-Phlx-2025-20), operative Oct. 1, 2025; amended Aug. 5, 2025 (SR-Phlx-2025-35), operative Nov. 8, 2025.

Section 8. Options Opening Process

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

(i) The ABBO is the Away Best Bid or Offer.

(ii) The "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.

(iii) The Opening Price is described herein in sections (i) and (k).

(iv) The Opening Process is described herein in section (d).

(v) A Phlx Electronic Market Maker is a Lead Market Maker, Streaming Quote Trader ("SQT") or Remote SQT ("RSQT") who is required to submit two sided electronic quotations pursuant to Options 3, Section 5.

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

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

(viii) A Quality Opening Market is a bid/ask differential applicable to the best bid and offer from all Valid Width Quotes defined in a table to be determined by the Exchange and published on the Exchange's web site. The calculation of Quality Opening Market is based on the best bid and offer of Valid Width Quotes. The differential between the best bid and offer are compared to reach this determination. The allowable differential, as determined by the Exchange, takes into account the type of security (for example, Penny versus non-Penny Interval Program issue), volatility, option premium, and liquidity. The Quality Opening Market differential is intended to ensure the price at which the Exchange opens reflects current market conditions.

(ix) A Valid Width Quote is a two-sided electronic quotation submitted by a Phlx Electronic Market Maker that meets the following requirements: options on equities and index options bidding and/or offering so as to create differences of no more than $5, provided that, in the case of equity options, the bid/ask differential stated above shall not apply to in-the-money series where the market for the underlying security is wider than the differential set forth above. For such series, the bid/ask differentials 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. Such differences will be posted by the Exchange on its website.

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

(xi) The term "imbalance" means the number of unmatched contracts priced through the Potential Opening Price.

(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. Non-SQT Market Makers may submit orders.

(i) Opening Sweep. An Opening Sweep is defined at Options 3, Section 7(b)(6).

(A) A Phlx Electronic Market Maker assigned in a particular option may only submit an Opening Sweep if, at the time of entry of the Opening Sweep, that Phlx Electronic Market Maker has already submitted and maintained a Valid Width Quote. All Opening Sweeps in the affected series entered by a Phlx Electronic Market Maker will be cancelled immediately if that Phlx Electronic 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 with a minimum price variation applicable to the affected series, on either side of the market, at single or multiple price level(s), and may be cancelled and re-entered. A single Phlx Electronic Market Maker may enter multiple Opening Sweeps, with each Opening Sweep at a different price level. If a Phlx Electronic Market Maker submits multiple Opening Sweeps, the System will consider only the most recent Opening Sweep at each price level submitted by such Phlx Electronic Market Maker in determining the Opening Price. Unexecuted Opening Sweeps will be cancelled once the affected series is open.

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

(c) Orders Represented by Floor Brokers. To be considered in the Opening Process, orders represented by Floor Brokers must be entered electronically.

(d) Phlx Electronic 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.

(i) The Opening Process for an option series will be conducted pursuant to paragraphs (f) - (k) below on or after 9:30 AM Eastern Time if: the ABBO, if any, is not crossed; and the System has received, within two minutes (or such shorter time as determined by the Exchange and disseminated to membership on the Exchange's web site) of the opening trade or quote on the market for the underlying security in the case of equity options or, in the case of index options, within two minutes of the receipt of the opening price in the underlying index (or such shorter time as determined by the Exchange and disseminated to membership on the Exchange's web site), or within two minutes of market opening for the underlying security in the case of U.S. dollar-settled FCO (or such shorter time as determined by the Exchange and disseminated to membership on the Exchange's web site) any of the following:

(A) the Lead Market Maker's Valid Width Quote; or

(B) the Valid Width Quote of at least one Phlx Electronic Market Maker other than the Lead Market Maker.

(ii) 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.

(iii) The Lead Market Maker assigned in a particular equity or index option must enter a Valid Width Quote, in 90% of their assigned series, not later than one minute following the dissemination of a quote or trade by the market for the underlying security or, in the case of index options, following the receipt of the opening price in the underlying index. The Lead Market Maker assigned in a particular U.S. dollar-settled FCO must enter a Valid Width Quote, in 90% of their assigned series, not later than 30 seconds after the announced market opening. The Lead Market Maker must promptly enter a Valid Width Quote in the remainder of their assigned series, which did not open within one minute following the dissemination of a quote or trade by the market for the underlying security or, in the case of index options, following the receipt of the opening price in the underlying index or, with respect to a U.S. dollar-settled FCO, following the announced market opening.

(iv) A Phlx Electronic Market Maker other than a Lead Market Maker that submits a quote pursuant to this Options 3, Section 8 in any option series when the Lead Market Maker's quote has not been submitted shall be required to submit continuous, two-sided quotes in such option series until such time as the Lead Market Maker submits his/her quote, after which the Phlx Electronic Market Maker that submitted such quote shall be obligated to submit quotations pursuant to Options 2, Section 5.

(v) The Opening Process will stop and an option series will not open if the ABBO becomes crossed or when a Valid Width Quote(s) pursuant to paragraph (d)(i) is no longer present. Once each of these conditions no longer exist, the Opening Process in the affected option series will start again pursuant to paragraphs (f) - (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 PBBO (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 ("PBBO") that exist in the System at that time, unless all three of the following conditions exist: (i) a Zero Bid Market; (ii) no ABBO; and (iii) no Quality Opening Market. If all of these conditions exist, the Exchange will calculate an Opening Quote Range pursuant to paragraph (j) and conduct the Price Discovery Mechanism pursuant to paragraph (k) below.

(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 is 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)(A)(iii) and (j)(5) - (7) below contain additional provisions related to Potential Opening Price.

(A) 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.

(B) 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.

(C) 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. (A) 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:

(i) the Potential Opening Price is at or within the best of the Pre-Market BBO and the ABBO;

(ii) the Potential Opening Price is at or within the non-zero bid ABBO if the Pre-Market BBO is crossed; or

(iii) where there is no ABBO, the Potential Opening Price is at or within the Pre-Market BBO which is also a Quality Opening Market.

(B) If there is more than one Potential Opening Price which meets the conditions set forth in (A) above where:

(1) no contracts would be left unexecuted and

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

(a) the Pre-Market BBO, or

(b) 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, 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 such that the least aggressive buy order or Valid Width Quote bid and least aggressive sell order or Valid Width Quote offer within the OQR further bounds 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)(v)) 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 are Valid Width Quotes on the Exchange that cross each other, and there is no away market disseminating a BBO in the affected option series:

(a) The minimum value for the OQR will be the lowest quote bid among Valid Width Quotes on the Exchange.

(b) The maximum value for the OQR will be the highest quote offer among Valid Width Quotes on the Exchange.

(5) 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.

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

(7) 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 routable interest pursuant to Options 3, Section 10(a).

(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.

(A) 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.

(1) An Imbalance Message will be disseminated showing a "0" volume and a $0.00 price if: (i) no executions are possible but routable interest is priced at or through the ABBO; (ii) internal quotes are crossing each other; or (iii) there is a Valid Width Quote, but there is no Quality Opening Market. Where the Potential Opening Price is through the ABBO, an imbalance message will display the side of interest priced through the ABBO.

(B) 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.

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

(1) 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

(2) 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.

(3) If no trade occurred pursuant to (2) above, when the Route Timer expires, if the Potential Opening Price is within OQR (and would not trade through the limit price(s) of interest within OQR that 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 Phlx Best Bid/Offer ("PBBO") 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.

(4) 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 (3) will repeat (except no new Route Timer will be initiated).

(5) Forced Opening. After all additional Imbalance Messages have occurred pursuant to paragraph (4) 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 member's instructions.

(6) 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.

(D) Pursuant to Options 3, Section 8(k)(C)(6), 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 away best offer (for bids) or the current away best bid (for offers) as non-displayed, and display at a price that is one minimum trading increment inferior to the ABBO, and disseminate the re-priced DNR Order as part of the new PBBO. 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.

(E) 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.

(F) 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 (PBBO).

(G) 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 Phlx on its website. If an option series has not opened before the conclusion of the Opening Process Cancel Timer, a member 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.

Adopted Feb. 3, 2020 (20-03); amended Mar. 23, 2020 (20-14); amended April 14, 2020 (20-20), operative June 22, 2020; amended Jun. 23, 2020 (20-32); amended July 19, 2021 (SR-Phlx-2021-42); amended Jun. 27, 2023 (SR-Phlx-2023-27), operative Jul. 27, 2023; amended Aug. 3, 2023 (SR-Phlx-2023-34), operative Jan. 29, 2024; amended Dec. 12, 2024 (SR-Phlx-2024-71), operative on or before Dec. 20, 2025; amended Jan. 29, 2025 (SR-Phlx-2025-05), operative on or before December 20, 2025; amended Aug. 14, 2025 (SR-Phlx-2025-39), operative Dec. 8, 2025.

Section 9. Trading Halts

(a) Automated Trading Halts. Trading will automatically be halted by the System in an option when:

(1) trading in the underlying stock or Exchange-Traded Fund Share has been halted or suspended in the primary market or is subject to a regulatory halt on the primary market;

(2) the opening of such underlying stock or Exchange-Traded Fund Share has been delayed because of unusual circumstances; or

(3) trading in the underlying stock or Exchange-Traded Fund Share has been paused by the primary market.

(b) Manual Trading Halt. Trading on the Exchange in any class of option contracts shall be halted whenever an Options Exchange Official deems such action appropriate in the interests of a fair and orderly market and to protect investors. Among the factors that may be considered are that:

(1) occurrence of an act of God or other event outside the Exchange's control;

(2) a Trading System (for purposes of this Rule, "Trading System" or "System" is defined as the Exchange's current automated System or any other Exchange quotation, transaction reporting, execution, order routing or other Systems for trading options) technical failure or failures including, but not limited to, the failure of a part of the central processing System, a number of member or member organization trading applications, or the electrical power supply to the System itself or any related System; or

(3) other unusual conditions or circumstances are present.

Manual Authority. An Options Exchange Official shall have the authority, respecting a particular class or series of options, to delay the opening, to halt and reopen after a halt, to open where the underlying stock or Exchange-Traded Fund Share has not opened or current quotations are unavailable for any foreign currency, and to conduct a closing rotation on the business day of expiration, or, in the case of an option contract expiring on a day that is not a business day, on the trading day prior to expiration where the underlying stock or Exchange-Traded Fund Share did not open or was halted, whenever such action is deemed necessary in the interests of maintaining a fair and orderly market in such class or series of options and to protect investors.

(c) In the event the Exchange halts trading pursuant to paragraphs (a) or (b) above, all trading in the affected option shall be halted. The Exchange shall disseminate through its trading facilities and over OPRA a symbol with respect to such option indicating that trading has been halted, and a record of the time and duration of the halt shall be made available to vendors.

No member or member organization or person associated with a member or member organization shall effect a trade on the Exchange in any option in which trading has been halted under the provisions of this Rule during the time in which the halt remains in effect.

(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 will not open an affected option.

(2) After the opening, the Exchange shall reject Market Orders, as defined in Options 8, Section 32(a) (including Market Complex Orders, as defined in Options 3, Section 14(b), and shall notify members and member organizations of the reason for such rejection. The Exchange shall cancel Market Complex Orders residing in the System, if the Market Complex Order becomes marketable while the affected underlying is in a Limit or Straddle State. Market Complex Orders exposed for price improvement pursuant to Supplementary Material .01 to Options 3, Section 14, pending in the System will continue to be processed. If at the end of the exposure period the affected underlying is in a Limit or Straddle State, the Market Complex Order will be cancelled. If the affected underlying is no longer in a Limit or Straddle State after the exposure period, the Market Complex Order will be processed with normal handling.

(3) After the Opening Process, if a Stop Order is elected, as defined in Options 3, Section 7(d) because they become Market Orders, the System shall cancel them back and notify market participants of the reason for such cancellation.

(4) When evaluating whether a Market Maker or Lead Market Maker has met the continuous quoting obligations of Options 2, Section 5(c)(2)(A) and (B), respectively, in options overlying NMS stocks, the Exchange will not consider as part of the trading day the time that an NMS stock underlying an option was in a Limit State or Straddle State.

(5) Electronic trades are not subject to an obvious error or catastrophic error review pursuant to Options 3, Section 20(c) or (d). Nothing in this provision shall prevent electronic trades from review on Exchange motion pursuant to Options 3, Section 20(c)(3), or subject to nullification or adjustment pursuant to Options 3, Section 20(e) - (k).

(e) The Exchange shall halt trading in all options whenever the equities markets initiate a market-wide trading halt commonly known as a circuit breaker in response to extraordinary market conditions.

(f) During a halt, the Exchange will maintain existing orders on the book (but not existing quotes), accept orders and quotes, and process cancels and modifications. During a halt, existing quotes are cancelled and auction orders and auction responses, as well as Crossing Orders, are rejected.

(g) Resumption of Trading After a Halt. Trading in an option that has been the subject of a halt under this rule shall be resumed: (A) in the case of a manual halt, upon the determination by an Options Exchange Official 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; or (B) in the case of an automatic trading halt, the conditions which led to the halt are no longer present, and, in either case, in no circumstances will trading be resumed before the Exchange has received notification that the underlying stock or Exchange-Traded Fund Share has resumed trading on at least one exchange. If, however, trading has not been resumed on the primary market for the underlying stock or Exchange-Traded Fund Share after ten minutes have passed since the underlying stock or Exchange-Traded Fund Share was paused by the primary market, trading in such options contracts may be resumed by the Exchange if the underlying stock or Exchange-Traded Fund Share has resumed trading on at least one exchange. Trading shall resume according to the process set forth in Options 3, Section 8.

Adopted Feb. 3, 2020 (20-03); amended Dec. 12, 2024 (SR-Phlx-2024-71), operative on or before Dec. 20, 2025; amended Apr. 3, 2025 (SR-Phlx-2025-17), operative Oct. 3, 2025; amended Apr. 22, 2025 (SR-Phlx-2025-20), operative Oct. 1, 2025; amended Aug. 14, 2025 (SR-Phlx-2025-39), operative Dec. 8, 2025.

Section 10. Electronic Execution Priority and Processing in the System

(a) Execution Algorithm - The Exchange will apply a Size Pro-Rata execution algorithm to electronic orders, unless otherwise specified. 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. If the result is not a whole number, it will be rounded up to the nearest whole number. Size Pro-Rata Priority shall mean

that resting orders and quotes in the order book are prioritized according to price. If there are two or more resting orders or quotes at the 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 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.

(b) **Applicability**. This rule does not apply to the Block Order Mechanism described within Options 3, Section 11(a), the Facilitation Mechanism described within Options 3, Section 11(b), the Solicited Order Mechanism described within Options 3, Section 11(d), PIXL described within Options 3, Section 13, and orders described within Options 3, Section 12, unless Options 3, Section 10 is specifically referenced within Phlx Rules applicable to the aforementioned functionality.

(1) Priority Overlays Applicable to Size Pro-Rata Execution Algorithm: the Exchange will apply the following designated market participant priority overlays. No participant shall be entitled to receive a number of contracts that is greater than the displayed size that is associated with their quotation or order.

(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 interest at the same price, provided the Public Customer order is an executable order. 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.

(B) **Enhanced Lead Market Maker Priority**: A Lead Market Maker may be assigned by the Exchange in each option class in accordance with Options 2, Section 12. After all Public Customer orders have been fully executed, provided the Lead Market Maker's quote is at the better of the internal PBBO or the NBBO the Lead Market Maker may be afforded a participation entitlement. The Lead Market Maker shall not be entitled to receive a number of contracts that is greater than the displayed size associated with such Lead Market Maker. The Lead Market Maker shall be entitled to receive the allocation described in this paragraph (a)(1)(B)(i), unless the order is a Directed Order and the Lead Market Maker is not the Directed Market Maker.

(i) When the Lead Market Maker is at the same price as an SQT, RSQT or non-SQT Market Maker (collectively "Market Makers") and the number of contracts is greater than 5, the Lead Market Maker shall receive the greater of:

(a) (i) 60% of remaining interest if there is one other Market Maker at that price;(ii) 40% of remaining interest if there are two other Market Makers at that price; or (iii) 30% of remaining interest if there are more than two other Market Makers at that price (the "Lead Market Maker Participation Entitlement"); or

(b) the Lead Market Maker's Size Pro-Rata share under subparagraph (a)(1)(E) ("Market Maker Priority"); or

(c) the Directed Market Maker participation entitlement, if any, set forth in subparagraph (a)(1)(C) below (if the order is a Directed Order and the Lead Market Maker is also the Directed Market Maker) ("Directed Market Maker Priority").

When the Lead Market Maker is also the DROT the Lead Market Maker/Directed Market Maker does not participate in the below Market Maker Priority at (a)(1)(E).

(C) Directed Market Maker Priority: After all Public Customer orders have been fully executed, upon receipt of a Directed Order pursuant to Options 2, Section 10, provided the Directed Market Maker's quote or market maker order is at the better of the internal PBBO or the NBBO, the Directed Market Maker will be afforded a participation entitlement. This participation entitlement will be considered after the Opening Process.

(i) When the Directed Market Maker is at the same price as an SQT, RSQT or non-SQT Market Maker (collectively "Market Makers"), pursuant to the Directed Market Maker participation entitlement, the Directed Market Maker shall receive, with respect to a Directed Order, the greater of:

(a) 40% of remaining interest; or

(b) the Directed Market Maker's Size Pro-Rata share under subparagraph (a)(1)(E) ("Market Maker Priority"); or

(c) the Lead Market Maker Participation Entitlement in subparagraph (a)(1)(B), if the Directed Market Maker is also the Lead Market Maker

When a Directed Market Maker Priority is applied, the Directed Market Maker does not participate in the below Market Maker Priority at (a)(i)(E).

If there are multiple quotes for the same Directed Market Maker at the same price which are at the better of the internal PBBO or the NBBO when the Directed Order is received, the Directed Market Maker participation entitlement shall apply only to the Directed Market Maker quote which has the highest priority. The Directed Market Maker quote that received the Directed Order may not receive any further allocation of the Directed Order, except as noted in subparagraph (a)(1)(E) below.

(D) **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 and shall not apply to auctions. 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%.

(i) A Lead Market Maker is entitled to priority with respect to Orders of 5 contracts or fewer, including when the Lead Market Maker is also the Directed Market Maker, if the Lead Market Maker has a quote at the better of the internal PBBO or the NBBO, with no other Public Customer or Directed Market Maker interest with a higher priority.

(ii) If the Lead Market Maker's quote is at the better of the internal PBBO or the NBBO, with other Public Customer (including when the Lead Market Maker is also the Directed Market Maker) or other Directed Market Maker interest with a higher priority at the time of execution, a Lead Market Maker is not entitled to priority with respect to Orders of 5 contracts or fewer, however the Lead Market Maker is eligible to receive such contracts pursuant to paragraph (a)(1)(E).

(E) Market Maker Priority: After all Public Customer orders have been fully executed, provided the Public Customer order is an executable order, and Lead Market Maker Participation Entitlement or Directed Market Maker Priority are applied, if applicable, remaining Market Maker interest shall have priority over all other orders at the same price. If there are two or more Market Maker quotes or orders for the same options series at the same price, those shall be executed based on the Size Pro-Rata execution algorithm.

(F) All Other Remaining Interest: If there are contracts remaining after all Market Maker interest has been fully executed, notwithstanding Options 3, Section 7(g)(3) and (k)(2), such contracts shall be executed based on the Size Pro-Rata execution algorithm as described in Options 3, Section 10(a). Legging Orders will be allocated after all other non-displayed interest, pursuant to Options 3, Section 7(k)(3).

(2) A Market Maker is entitled only to an Enhanced Lead Market Maker Allocation pursuant to paragraph (a)(1)(B) or the Entitlement for Orders of 5 contracts or fewer pursuant to paragraph (a)(1)(D) on a quote, or the Directed Market Maker Priority pursuant to paragraph (a)(1)(C) on a quote.

(c) Zero-Bid Option Series. In the case where the bid price for any options series 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 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.

Adopted Feb. 3, 2020 (20-03); amended January 26, 2021 (SR-Phlx-2021-05); amended Jun. 27, 2023 (SR-Phlx-2023-27), operative Jul. 27, 2023; amended Aug. 3, 2023 (SR-Phlx-2023-34), operative Jan. 29, 2024; amended Dec. 12, 2024 (SR-Phlx-2024-71), operative on or before Dec. 20, 2025; amended Aug. 5, 2025 (SR-Phlx-2025-35), operative Nov. 8, 2025; amended Aug. 14, 2025 (SR-Phlx-2025-39), operative Dec. 8, 2025.

Section 11. Auction Mechanisms

For purposes of this Rule, a “broadcast message” means an electronic message that is sent by the Exchange to all members, and a "Response" means an electronic message that is sent by

members in response to a broadcast message. Responses represent non-firm interest that can be canceled or modified at any time prior to execution. Responses are not displayed to any market participants. Also, for purposes of this Rule, the time given to members to enter Responses for any of the below auction mechanisms shall be designated by the Exchange via an Options Trader Alert, but no less than 100 milliseconds and no more than 1 second.

(a) **Block Order Mechanism**. The Block Order Mechanism is a process by which a member can obtain liquidity for the execution of block-size orders. The Block Order Mechanism is for single leg transactions only. Block-size orders are orders for fifty (50) contracts or more.

(1) Upon the entry of an order into the Block Order Mechanism, a broadcast message will be sent that includes the series, and may include price, size and/or side, as specified by the member entering the order, and members will be given an opportunity to enter Responses with the prices and sizes at which they would be willing to trade with a block-size order.

(2) At the conclusion of the time given members to enter Responses, either an execution will occur automatically, or the order will be cancelled.

(A) Responses, orders, and quotes will be executed at a single block execution price that is the price for the block-size order at which the maximum number of contracts can be executed consistent with the member's instruction. Bids (offers) on the Exchange at the time the block order is executed that are priced higher (lower) than the block execution price, as well as Responses that are priced higher (lower) than the block execution price, will be executed in full at the block execution price up to the size of the block order.

(B) At the block execution price, Public Customer Orders and Public Customer Responses will be executed first in price time priority, and then quotes, non-Public Customer Orders, and non-Public Customer Responses will participate in the execution of the Block Order based upon the percentage of the total number of contracts available at the block execution price that is represented by the size of the quote, non-Public Customer Order, or non-Public Customer Response.

(3) If a trading halt is initiated after an order is entered into the Block Order Mechanism, such auction will be automatically terminated without execution.

(b) **Facilitation Mechanism**. The Facilitation Mechanism is a process by which a member can execute a transaction wherein the member seeks to facilitate a block-size order it represents as agent, and/or a transaction wherein the member solicited interest to execute against a block-size order it represents as agent. Member must be willing to execute the entire size of orders entered into the Facilitation Mechanism.

(1) Orders must be entered into the Facilitation Mechanism at a price that is (A) equal to or better than the NBBO and the internal PBBO on the same side of the market as the agency order unless there is a Public Customer order on the BBO or internal PBBO on the same side of the market as the agency order, in which case the order must be entered at an improved price over the Public Customer order; and (B) equal to or better than the ABBO on the opposite side. Orders that do not meet these requirements are not eligible for the Facilitation Mechanism and will be rejected.

(2) Upon the entry of an order into the Facilitation Mechanism, a broadcast message that includes the series, price and size of the agency Order, and whether it is to buy or sell, will be sent and members will be given an opportunity to enter Responses with the prices and sizes at which they want to participate in the facilitation of the order.

(3) Responses may be priced at the price of the order to be facilitated or at a better price and will only be considered up to the size of the order to be facilitated. Responses must be entered at a price that is equal to or better than the better of the internal PBBO or the NBBO: (1) on the same side of the market at the start of the auction; and (2) on the opposite side of the market at the time the Response is received.

(4) At the end of the period given for the entry of Responses, the facilitation order will be automatically executed.

(A) Unless there is sufficient size to execute the entire facilitation order at a better price, Public Customer Orders and Public Customer Responses to buy (sell) at the time the facilitation order is executed that are priced higher (lower) than the facilitation price will be executed at the facilitation price. Non-Public Customer Orders and non-Public Customer Responses to buy (sell), and Market Maker quotes at the time the facilitation order is executed that are priced higher (lower) than the facilitation price, will be executed at their stated price, thereby providing the order being facilitated a better price for the number of contracts associated with such higher bids (lower offers). The facilitation order will be cancelled at the end of the exposure period if an execution would take place at a price that is inferior to the Exchange best bid (offer), or if there is a Public Customer Order on the same side Exchange best bid (offer) at the same price as the facilitation price unless the Facilitation Order can execute at a price that is better than the same side Public Customer Order.

(B) The facilitating member will be allocated up to forty percent (40%) (or such lower percentage requested by the member) of the original size of the facilitation order, but only after better-priced Responses, orders and quotes, as well as Public Customer Orders and Public Customer Responses at the facilitation price, are executed in full at such price point. Thereafter, quotes, non-Public Customer Orders, and non-Public Customer Responses will execute pursuant to the priority allocations in Options 3, Section 10(a)(1)(E) and (F).

(C) Upon entry of an order into the Facilitation Mechanism, the facilitating member can elect to automatically match the price and size of orders, quotes and responses received during the exposure period up to a specified limit price or without specifying a limit price. If a member elects to auto-match, the facilitating member will be allocated the aggregate size of all competing quotes, orders, and Responses at each price point, or at each price point up to the specified limit price if a limit is specified, until a price point is reached where the balance of the order can be fully executed. At such price point, the facilitating member shall be allocated up to forty percent (40%) (or such lower percentage requested by the member) of the original size of the facilitation order, but only after Public Customer Orders and Public Customer Responses at such price point. Thereafter, non-Public Customer Orders, non-Public Customer Responses, and quotes will execute pursuant to the priority allocations in

Options 3, Section 10(a)(1)(E) and (F). An election to automatically match better prices cannot be cancelled or altered during the exposure period.

(D) Under no circumstances will the facilitating member receive an allocation percentage, at the final price point, of more than 40% of the original size of the Facilitation Order with one or multiple competing quote(s), order(s), or Response(s), except for rounding, when competing quotes, orders, or Responses have contracts available for execution.

(5) If a trading halt is initiated after an order is entered into the Facilitation Mechanism, such auction will be automatically terminated without execution.

(c) **Complex Facilitation Mechanism**. Members may use the Facilitation Mechanism in sub-paragraph (b) above to execute block-size Complex Orders at a net price. Each options leg of a Complex Order entered into the Complex Facilitation Mechanism must meet the minimum contract size requirement. The Complex Facilitation Mechanism is a process by which a member can execute a transaction wherein the member seeks to facilitate a block-size Complex Order it represents as agent, and/or a transaction wherein the member solicited interest to execute against a block-size Complex Order it represents as agent. Members must be willing to execute the entire size of Complex Orders entered into the Complex Facilitation Mechanism.

(1) Complex Orders entered into the Complex Facilitation Mechanism must be priced within the parameters described below. Complex Orders that do not meet these requirements are not eligible for the Complex Facilitation Mechanism and will be rejected.

(2) Complex Options Orders must be entered into the Complex Facilitation Mechanism at a price that is (A) equal to or better than the best bid or offer on the Complex Order Book on the same side of the market as the agency Order; and (B) equal to or better than the best net price achievable from the best Phlx bids and offers for the individual legs on the same side of the market as the agency Order; provided that, if there is a Public Customer order on the best bid or offer for any leg, the order must be entered at an improved price consistent with Options 3, Section 14(c)(2).

(3) Stock-Option Orders and Stock-Complex Orders must be entered into the Complex Facilitation Mechanism at a price that is (A) equal to or better than the best bid or offer on the Complex Order Book on the same side of the market as the agency Order; and (B) equal to or better than the best net price achievable from the best Phlx bids and offers for the individual legs on both sides of the market; provided that, if there is a Public Customer order on the best bid or offer for any leg, the order must be entered at an improved price consistent with Options 3, Section 14(c)(2).

(4) A Complex Order entered into the Complex Facilitation Mechanism will be rejected if any component of the Complex Order has not opened for trading, or if there is a trading halt in any series underlying the Complex Order. If a trading halt is initiated after the order is entered into the Complex Facilitation Mechanism, such auction will be automatically terminated without execution.

(5) Upon the entry of a Complex Order into the Complex Facilitation Mechanism, a broadcast message that includes the net price, side and size of the agency Complex Order will be sent and members will be given an opportunity to enter Responses with the net

prices and sizes at which they want to participate in the facilitation of the agency Complex Order. The time given to members to enter Responses shall be designated by the Exchange via Options Trader Alert, but will be no less than 100 milliseconds and no more than 1 second.

(6) Responses are only executable against the Complex Order with respect to which they are entered, and will only be considered up to the size of the Complex Order to be facilitated. Responses must be entered in the increments provided in Options 3, Section 14(c)(1) at the facilitation price or at a price that is at least one cent better for the agency Order.

(7) Responses submitted by members shall not be visible to other auction participants during the exposure period and can be modified or deleted before the exposure period has ended. At the end of the period given for the entry of Responses, the facilitation order will be automatically executed.

(A) Unless there is sufficient size to execute the entire facilitation order at a better net price, Public Customer Complex Orders and Public Customer Responses to buy (sell) at the time the facilitation order is executed that are priced higher (lower) than the facilitation price will be executed at the facilitation price. Non-Public Customer Complex Orders and non-Public Customer Responses to buy (sell) at the time the facilitation order is executed that are priced higher (lower) than the facilitation price will be executed at their stated price, thereby providing the Complex Order being facilitated a better price for the number of contracts associated with such higher bids (lower offers).

(B) The facilitating member will be allocated up to forty percent (40%) (or such lower percentage requested by the member) of the original size of the facilitation order, but only after better-priced Responses, Complex Orders, as well as Public Customer Complex Orders and Public Customer Responses at the facilitation price, are executed in full. Thereafter, non-Public Customer Complex Orders and non-Public Customer Responses will execute pursuant to the priority allocations in Options 3, Section 10(a)(1)(E) and (F).

(C) Upon entry of a Complex Order into the Complex Facilitation Mechanism, the facilitating member can elect to automatically match the net price and size of Complex Orders and Responses received during the exposure period up to a specified limit price or without specifying a limit price. This election will also automatically match the net price available from the Phlx best bids and offers on the individual legs for the full size of the order; provided that with notice to members the Exchange may determine whether to offer this option only for Complex Options Orders, Stock-Option Orders, and/or Stock Complex Orders. If a member elects to auto-match, the facilitating member will be allocated the aggregate size of all competing Complex Orders and Responses at each price point, or at each price point up to the specified limit price if a limit is specified, until a price point is reached where the balance of the order can be fully executed. At such price point, the facilitating member will be allocated up to forty percent (40%) (or such lower percentage requested by the member) of the original size of the facilitation order, but only after Public Customer Orders and Public Customer Responses at such price point. Thereafter, non-Public

Customer Complex Orders and non-Public Customer Responses at the price point will execute pursuant to the priority allocations in Options 3, Section 10(a)(1)(E) and (F). An election to automatically match better prices cannot be cancelled or altered during the exposure period.

(D) With respect to bids and offers for the individual legs of a Complex Order entered into the Complex Facilitation Mechanism, the priority rules applicable to the execution of Complex Orders contained in Options 3, Section 14(c)(2) will continue to be applicable and may prevent the execution of a Complex Order entered into the Facilitation Mechanism, in which case the transaction will be cancelled. If an improved net price for the Complex Order being executed can be achieved from Complex Orders, Responses and, for Complex Options Orders, the Phlx best bids and offers on the individual legs, the facilitation order will be executed against such interest.

(E) Under no circumstances will the facilitating member receive an allocation percentage, at the final price point, of more than 40% of the original size of the Complex Facilitation Order with one or multiple competing Complex Order(s) or Response(s), except for rounding, when competing Complex Orders or Responses have contracts available for execution.

(d) **Solicited Order Mechanism**. The Solicited Order Mechanism is a process by which a member can attempt to execute orders of 500 or more contracts it represents as agent (the "Agency Order") against contra orders that it solicited. Each order entered into the Solicited Order Mechanism shall be designated as all-or-none.

(1) Orders must be entered into the Solicited Order Mechanism at a price that is equal to or better than the NBBO and the internal PBBO on both sides of the market; provided that, if there is a Public Customer order on the BBO or internal PBBO, the order must be entered at an improved price over the Public Customer order. Orders that do not meet these requirements are not eligible for the Solicited Order Mechanism and will be rejected.

(2) Upon entry of both orders into the Solicited Order Mechanism at a proposed execution price, a broadcast message that includes the series, price and size of the Agency Order, and whether it is to buy or sell, will be sent and members will be given an opportunity to enter Responses with the prices and sizes at which they would be willing to participate in the execution of the Agency Order. Responses must be entered at a price that is equal to or better than the better of the internal PBBO or the NBBO: (1) on the same side of the market at the start of the auction; and (2) on the opposite side of the market at the time the Response is received.

(3) At the end of the period given to members to enter Responses, the Agency Order will be automatically executed in full or cancelled.

(A) If at the time of execution there is insufficient size to execute the entire Agency Order at an improved price (or prices), the Agency Order will be executed against the solicited order at the proposed execution price so long as, at the time of execution: (i) the execution price is equal to or better than the best bid or offer on Phlx, and (ii) there are no Public Customer Orders or Public Customer Responses on the Exchange

that are priced equal to the proposed execution price. If there are Public Customer Orders or Public Customer Responses on Phlx on the opposite side of the Agency Order at the proposed execution price and there is sufficient size to execute the entire size of the Agency Order, the Agency Order will be executed against the bid or offer, and the solicited order will be cancelled. The aggregate size of all orders, quotes and Responses at the bid or offer will be used to determine whether the entire Agency Order can be executed. Both the solicited order and Agency Order will be cancelled if an execution would take place at a price: (1) that is inferior to the best bid or offer on the Exchange; (2) if there is a Public Customer Order or Public Customer Response on the Exchange at the proposed execution price but there is insufficient size on Phlx to execute the entire Agency Order; (3) if there is a Public Customer Order on the same side Exchange best bid (offer) at the same price as the solicitation price unless the Solicitation Order can execute at a price that is better than the same side Public Customer Order.

(B) If at the time of execution there is sufficient size to execute the entire Agency Order at an improved price (or prices), the Agency Order will be executed at the improved price(s), subject to the condition in (A)(i), and the solicited order will be cancelled. The aggregate size of all orders, quotes and Responses at each price will be used to determine whether the entire agency order can be executed at an improved price (or prices).

(C) When executing the Agency Order against the bid or offer in accordance with paragraph (A) above, or at an improved price in accordance with paragraph (B) above, Public Customer Orders and Public Customer Responses will be executed first. Thereafter, non-Public Customer Orders, non-Public Customer Responses, and quotes will execute pursuant to the priority allocations in Options 3, Section 10(a)(1)(E) and (F).

(4) If a trading halt is initiated after an order is entered into the Solicited Order Mechanism, such auction will be automatically terminated without execution.

(5) Prior to entering Agency Orders into the Solicited Order Mechanism on behalf of a customer, members must deliver to the customer a written notification informing the customer that its order may be executed using the Phlx's Solicited Order Mechanism. Such written notification must disclose the terms and conditions contained in this Rule and must be in a form approved by the Exchange.

(e) **Complex Solicited Order Mechanism**. The Complex Solicited Order Mechanism is a process by which an member can attempt to execute Complex Orders it represents as agent (the "Agency Complex Order") against contra orders that it solicited according to sub-paragraph (d) above. Each Complex Order entered into the Solicited Order Mechanism shall be designated as all-or-none, and each options leg must meet the minimum contract size requirement contained in sub-paragraph (d) above.

(1) Complex Orders must be entered into the Complex Solicited Order Mechanism at a price that is (A) equal to or better than the best bid or offer on the Complex Order Book on both sides of the market; and (B) equal to or better than the best net price achievable from the best Phlx bids and offers for the individual legs on both sides of the market; provided that, if there is a Public Customer order on the best bid or offer for any leg, the

order must be entered at an improved price consistent with Options 3, Section 14(c)(2). Complex Orders that do not meet these requirements are not eligible for the Complex Solicited Order Mechanism and will be rejected.

(2) A Complex Order entered into the Complex Solicited Order Mechanism will be rejected if any component of the Complex Order has not opened for trading, or if there is a trading halt in any series underlying the Complex Order. If a trading halt is initiated after the order is entered into the Complex Solicited Order Mechanism, such auction will be automatically terminated without execution.

(3) Upon entry of both orders into the Complex Solicited Order Mechanism at a proposed execution net price, a broadcast message that includes the net price, side and size of the Agency Complex Order will be sent and members will be given an opportunity to enter Responses with the net prices and sizes at which they would be willing to participate in the execution of the Agency Complex Order. The time given to members to enter Responses shall be designated by the Exchange via Options Trader Alert, but will be no less than 100 milliseconds and no more than 1 second. Responses are only executable against the Complex Order with respect to which they are entered, and will only be considered up to the size of the Agency Complex Order. Responses must be entered in the increments provided in Options 3, Section 14(c)(1) at the proposed execution net price or at a price that is at least one cent better for the Agency Order.

(4) Responses submitted by members shall not be visible to other auction participants during the exposure period and can be modified or deleted before the exposure period has ended. At the end of the period given for the entry of Responses, the Agency Complex Order will be automatically executed in full pursuant to paragraphs (A) through (D) below, or cancelled.

(A) If at the time of execution there is insufficient size to execute the entire Agency Complex Order at an improved net price(s) pursuant to paragraph (e)(4)(C) below, the Agency Complex Order will be executed against the solicited Complex Order at the proposed execution net price so long as, at the time of execution: (i) the execution net price is equal to or better than the best net price achievable from the best Phlx bids and offers for the individual legs, (ii) the Complex Order can be executed in accordance with Options 3, Section 14(c)(2) with respect to the individual legs, (iii) the execution net price is equal to or better than the best bid or offer on the Complex Order Book, and (iv) there are no Public Customer Complex Orders or Responses that are priced equal to or better than the proposed execution price.

(B) If there are Public Customer Complex Orders or Responses on the opposite side of the Agency Complex Order at the proposed execution net price and there is sufficient size to execute the entire size of the Agency Complex Order, the Agency Complex Order will be executed against such interest, and the solicited Complex Order will be cancelled, provided that: (i) the execution net price is equal to or better than the best net price achievable from the best Phlx bids and offers for the individual legs, and (ii) the Complex Order can be executed in accordance with Options 3, Section 14(c)(2) with respect to the individual legs. The aggregate size of all Complex Orders, Responses and, for Complex Options Orders, the aggregate size available from the best bids and offers for the individual legs, will be used to

determine whether the entire Agency Complex Order can be executed pursuant to this paragraph.

(C) If at the time of execution there is sufficient size to execute the entire Agency Complex Order at an improved net price(s), the Agency Complex Order will be executed at the improved net price(s), and the solicited Complex Order will be cancelled, provided that: (i) the execution net price is equal to or better than the best net price achievable from the best Phlx bids and offers for the individual legs, and (ii) the Complex Order can be executed in accordance with Options 3, Section 14(c)(2) with respect to the individual legs. The aggregate size of all Complex Orders, Responses, and the aggregate size available from the best bids and offers for the individual legs for a Complex Options Order, will be used to determine whether the entire Agency Complex Order can be executed at an improved net price(s).

(D) When executing the Agency Complex Order against other interest in accordance with Options 3, Section 14(d)(2)(ii), Public Customer Complex Orders and Public Customer Responses will be executed first. Thereafter, non-Public Customer Complex Orders and non-Public Customer Responses will execute pursuant to the priority allocations in Options 3, Section 10(a)(1)(E) and (F). Finally, for Complex Options Orders, bids and offers for the individual legs will be executed pursuant to Options 3, Section 14 and the Supplementary Material thereto.

(5) Prior to entering Agency Orders into the Complex Solicited Order Mechanism on behalf of a customer, members must deliver to the customer a written notification informing the customer that its order may be executed using Phlx's Solicited Order Mechanism. Such written notification must disclose the terms and conditions contained in this Rule and must be in a form approved by the Exchange.

(f) **Limitation on Concurrent Complex Strategy Auctions**. Only one Exposure Auction at Supplementary Material .01 to Options 3, Section 14, Complex PIXL auction at Options 3, Section 13, Complex Facilitation Mechanism auction at Options 3, Section 11(c), or Complex Solicited Order Mechanism auction at Options 3, Section 11(e), respectively, will be ongoing at any given time in a Complex Strategy, and such auctions will not queue or overlap in any manner. The Exchange will not initiate an Exposure Auction, Complex PIXL auction, Complex Facilitation Mechanism auction, or Complex Solicited Order Mechanism auction in a Complex Strategy while another Exposure Auction, Complex PIXL auction, Complex Facilitation Mechanism auction, or Complex Solicited Order Mechanism auction in that Complex Strategy is ongoing. If a Complex PIXL auction, Complex Facilitation Mechanism auction, or Complex Solicited Order Mechanism auction for a Complex Strategy has been initiated, an Exposure Auction for that Complex Strategy will not be initiated, and an Exposure Only Complex Order for the Complex Strategy will be cancelled back to the member. An Exposure Order for the Complex Strategy will be processed as an order that is not marked for price improvement.

(g) **Concurrent Complex Order and single leg auctions**. An auction in the Block Order Mechanism at Options 3, Section 11(a), Facilitation Mechanism at Options 3, Section 11(b), Solicited Order Mechanism at Options 3, Section 11(d), or PIXL at Options 3, Section 13, respectively, for an option series may occur concurrently with a Complex Order Exposure Auction at Supplementary Material .01 to Options 3, Section 14, Complex Facilitation Auction at Options 3, Section 11(c), Complex Solicited Order Auction at Options 3, Section 11(e), or

Complex PIXL auction at Options 3, Section 13, respectively, for a Complex Order that includes that series. To the extent that there are concurrent Complex Order and single leg auctions involving a specific option series, each auction will be processed sequentially based on the time the auction commenced. At the time an auction concludes, including when it concludes early, the auction will be processed pursuant to Options 3, Section 11(a), (b), (d), or Section 13, as applicable, for the single option, or pursuant to Supplementary Material .01 to Options 3, Section 14, Options 3, Section 11(c), 11(e), Options 3, Section 13, as applicable, for the Complex Order, except as provided for at Options 3, Section 13.

Supplementary Material to Options 3, Section 11

.01 It will be a violation of a member's duty of best execution to its customer if it were to cancel a facilitation order to avoid execution of the order at a better price. The availability of the Facilitation Mechanism does not alter a member's best execution duty to get the best price for its customer. Accordingly, while facilitation orders can be canceled during the time period given for the entry of Responses, if a member were to cancel a facilitation order when there was a superior price available on the Exchange and subsequently re-enter the facilitation order at the same facilitation price after the better price was no longer available without attempting to obtain that better price for its customer, there would be a presumption that the member did so to avoid execution of its customer order in whole or in part by other brokers at the better price. Additionally, any solicited contra orders entered by members into the Facilitation Mechanism to trade against agency orders may not be for the account of a Phlx Market Maker that is assigned to the options class.

.02 Reserved.

.03 Under paragraph (d) above, members may enter contra orders that are solicited. The Solicited Order Mechanism provides a facility for members that locate liquidity for their customer orders. Members may not use the Solicited Order Mechanism to circumvent Exchange Options 3, Section 22(b) limiting principal transactions. This may include, but is not limited to, members entering contra orders that are solicited from (1) affiliated broker-dealers, or (2) broker-dealers with which the member has an arrangement that allows the member to realize similar economic benefits from the solicited transaction as it would achieve by executing the customer order in whole or in part as principal. Additionally, any solicited contra orders entered by members to trade against Agency Orders may not be for the account of a Phlx Market Maker that is assigned to the options class.

.04 **Split Prices.** Orders and Responses may be entered into the Facilitation and Solicitation Mechanisms and receive executions at the mid-price between the standard minimum trading increments for the options series ("Split Prices"). This means that orders and Responses for options with a minimum increment of 5 cents may be entered into the Facilitation and Solicited Order Mechanisms and receive executions in 2.5 cent increments (e.g., $1.025, $1.05, $1.075, etc.), and that orders and Responses for options with a minimum increment of 10 cents may be entered into the Facilitation and Solicited Order Mechanism and receive executions at 5 cent increments (e.g., $4.05, $4.10, $4.15, etc.). Orders and Responses in the market that receive the benefit of the facilitation price under paragraph (b)(3)(i) may also receive executions at Split Prices.

.05 **Penny Prices**. Orders and Responses may be entered into the Block Order Mechanism and receive executions at penny increments. Orders and quotes in the market that receive the benefit

of the block execution price under paragraph (a)(2)(A) may also receive executions at penny increments.

.06 **Facilitation ISO Order**. A Facilitation ISO order ("Facilitation ISO") is the transmission of two orders for crossing pursuant to paragraph (b) above without regard for better priced Protected Bids or Protected Offers (as defined in Options 5, Section 1) because the member transmitting the Facilitation ISO to the Exchange has, simultaneously with the transmission of the Facilitation ISO, routed one or more ISOs, as necessary, to execute against the full displayed size of any Protected Bid or Protected Offer that is superior to the starting Facilitation auction price. Any execution(s) resulting from such sweeps shall accrue to the agency order.

.07 **Solicitation ISO Order**. A Solicitation ISO order ("Solicitation ISO") is the transmission of two orders for crossing pursuant to paragraph (d) above without regard for better priced Protected Bids or Protected Offers (as defined in Options 5, Section 1) because the member transmitting the Solicitation ISO to the Exchange has, simultaneously with the transmission of the Solicitation ISO, routed one or more ISOs, as necessary, to execute against the full displayed size of any Protected Bid or Protected Offer that is superior to the starting Solicitation auction price and has swept all interest in the Exchange's book priced better than the proposed auction starting price. Any execution(s) resulting from such sweeps shall accrue to the Agency Order.

.08 **Complex Facilitation and Complex SOM Orders with stock/ETF components**.

(a) Members may only submit Complex Facilitation Orders, Complex SOM Orders, and/or Responses with a stock/ETF component if such orders/Responses comply with the Qualified Contingent Trade Exemption from Rule 611(a) of Regulation NMS. Members submitting such orders with a stock/ETF component represent that such orders comply with the Qualified Contingent Trade Exemption. Members of FINRA or The Nasdaq Stock Market ("Nasdaq") are required to have a Uniform Service Bureau/Executing Broker Agreement ("AGU") with Nasdaq Execution Services, LLC ("NES") in order to trade orders containing a stock/ETF component; firms that are not members of FINRA or Nasdaq are required to have a Qualified Special Representative ("QSR") arrangement with NES in order to trade orders containing a stock/ETF component.

(b) Where one component of a Complex Facilitation Order, Complex SOM Order, and/or Response is the underlying security, the Exchange shall electronically communicate the underlying security component of a Complex Facilitation Order or Complex SOM Order to NES, its designated broker-dealer, for immediate execution. Such execution and reporting will not occur on the Exchange and will be handled by NES pursuant to applicable rules regarding equity trading. The execution price must be within a certain price from the current market, as determined by the Exchange pursuant to Options 3, Section 16(a). If the stock price is not within these parameters, the Complex Facilitation Order, Complex SOM Order, and/or Response is not executable and would be cancelled.

(c) When the short sale price test in Rule 201 of Regulation SHO is triggered for a covered security, NES will not execute a short sale order in the underlying covered security component of a Complex Facilitation Order, Complex SOM Order and/or Response if the price is equal to or below the current national best bid. However, NES will execute a short sale order in the underlying covered security component of a Complex Facilitation Order, Complex SOM Order and/or Response if such order is marked "short exempt," regardless of whether it is at a price that is equal to or below the current national best bid. When a response or an unrelated limit complex

order on the complex order book includes a short sale order in the underlying covered security, NES will execute such order at (1) its stated limit price if the facilitating member's contra order or the contra-side solicited Complex Order does not include a short sale order in the underlying security; or (2) its stated limit price or better if the facilitating member' contra order or the solicited contra-side Complex Order includes a short sale order in the underlying covered security. If NES cannot execute the underlying covered security component of a Complex Facilitation Order, Complex SOM Order and/or Response in accordance with Rule 201 of Regulation SHO, the Exchange will cancel back the Complex Facilitation Order, Complex SOM Order and/or Response to the entering member. For purposes of this paragraph, the term "covered security" shall have the same meaning as in Rule 201(a)(1) of Regulation SHO.

.09 If an allocation would result in less than one contract, then one contract will be allocated.

Adopted Dec. 8, 2025 (SR-Phlx-2025-35).

Section 12. Crossing Orders

(a) **Customer Cross Orders**. Customer Cross Orders are automatically executed upon entry provided that the execution is at or between the best bid and offer on the Exchange and (i) is not at the same price as a Public Customer Order on the Exchange's limit order book and (ii) will not trade through the NBBO.

(1) Customer Cross Orders will be automatically canceled if they cannot be executed.

(2) Customer Cross Orders may only be entered in the regular trading increments applicable to the options class under Options 3, Section 3.

(3) Options 3, Section 22(b)(1) applies to the entry and execution of Customer Cross Orders.

(b) **Complex Customer Cross Orders.** Complex Orders may be entered as Customer Cross Orders, as defined in Options 3, Section 7(i). Such orders will be automatically executed upon entry so long as: (i) the price of the transaction is at or within the best bid and offer for the same complex strategy on the Complex Order Book; (ii) there are no Public Customer Complex Orders for the same strategy at the same price on the Complex Order Book; and (iii) the options legs can be executed at prices that comply with the provisions of Options 3, Section 14(c)(2). Complex Customer Cross Orders will be rejected if they cannot be executed. Options 3, Section 22(b)(1) applies to Complex Customer Cross Orders.

(1) Members may only submit Complex Customer Cross Orders with a stock/ETF component if such orders comply with the Qualified Contingent Trade Exemption from Rule 611(a) of Regulation NMS. Members submitting such orders with a stock/ETF component represent that such orders comply with the Qualified Contingent Trade Exemption. Members of FINRA or The Nasdaq Stock Market ("Nasdaq") are required to have a Uniform Service Bureau/Executing Broker Agreement ("AGU") with Nasdaq Execution Services, LLC ("NES") in order to trade orders containing a stock/ETF component; firms that are not members of FINRA or Nasdaq are required to have a Qualified Special Representative ("QSR") arrangement with NES in order to trade orders containing a stock/ETF component.

(2) Where one component of a Complex Customer Cross Order is the underlying security, the Exchange shall electronically communicate the underlying security component of a

Complex Customer Cross Order to NES, its designated broker-dealer, for immediate execution. Such execution and reporting will not occur on the Exchange and will be handled by NES pursuant to applicable rules regarding equity trading. The execution price must be within a certain price from the current market, as determined by the Exchange. If the stock price is not within these parameters, the Complex Customer Cross Order is not executable.

(3) When the short sale price test in Rule 201 of Regulation SHO is triggered for a covered security, NES will not execute a short sale order in the underlying covered security component of a Complex Customer Cross Order if the price is equal to or below the current national best bid. However, NES will execute a short sale order in the underlying covered security component of a Complex Customer Cross Order if such order is marked "short exempt," regardless of whether it is at a price that is equal to or below the current national best bid. If NES cannot execute the underlying covered security component of a Complex Customer Cross Order in accordance with Rule 201 of Regulation SHO, the Exchange will cancel back the Complex Customer Cross Order to the entering member. For purposes of this paragraph, the term “covered security” shall have the same meaning as in Rule 201(a)(1) of Regulation SHO.

(c) **Qualified Contingent Cross Orders**. Qualified Contingent Cross Orders are automatically executed upon entry provided that the execution (i) is not at the same price as a Public Customer Order on the Exchange's limit order book and (ii) is at or between the better of the internal PBBO or the NBBO.

(1) Qualified Contingent Cross Orders will be automatically canceled if they cannot be executed.

(2) Qualified Contingent Cross Orders may only be entered in the regular trading increments applicable to the options class under in Options 3, Section 3.

(d) **Complex Qualified Contingent Cross Orders**. Complex Options Orders may be entered as Qualified Contingent Cross Orders, as defined in Options 3, Section 7(j). Such orders will be automatically executed upon entry so long as: (i) the price of the transaction is at or within the best bid and offer for the same complex options strategy on the Complex Order Book; (ii) there are no Public Customer Complex Options Orders for the same strategy at the same price on the Complex Order Book; and (iii) the options legs can be executed at prices that (A) are at or between the better of the internal PBBO or the NBBO for the individual series, and (B) comply with the provisions of Options 3, Section 14(c)(2)(i), provided that no legs of the Complex Options Order can be executed at the same price as a Public Customer Order on the Exchange in the individual options series. Complex Qualified Contingent Cross Orders will be rejected if they cannot be executed. Complex Qualified Contingent Cross Orders may be entered in one cent increments. Each leg of a Complex Options Order must meet the 1,000 contract minimum size requirement for Qualified Contingent Cross Orders.

Adopted Feb. 3, 2020 (20-03); amended Mar. 5, 2020 (20-08), operative April 4, 2020; amended Aug. 3, 2023 (SR-Phlx-2023-34), operative Jan. 29, 2024; amended Aug. 5, 2025 (SR-Phlx-2025-35), operative Nov. 8, 2025, (SR-Phlx-2025-35), operative Dec. 8, 2025.

Section 13. Price Improvement XL ("PIXL")

A member may electronically submit for execution an order it represents as agent on behalf of a Public Customer, broker-dealer, or any other entity ("PIXL Order") against principal interest or against any other order (except as provided in sub-paragraph (a)(7) below) it represents as agent (an "Initiating Order") provided it submits the PIXL Order for electronic execution into the PIXL Auction ("Auction") pursuant to this Rule.

(a) Auction Eligibility Requirements. All options traded on the Exchange are eligible for PIXL. A member (the "Initiating Member") may initiate an Auction provided all of the following are met:

(1) If the PIXL Order (except if it is a Complex Order) is for less than 50 option contracts, and if the difference between the National Best Bid and National Best Offer ("NBBO") or the difference between the internal best bid and the internal best offer ("internal PBBO") is $0.01, the Initiating Member must stop the entire PIXL Order at a price that is:

(A) $0.01 better than the NBBO and the internal PBBO on the **opposite side** of the market from the PIXL Order, and

(B) on the **same side** of the market as the PIXL Order,

(i) equal to or better than the NBBO and

(ii) better than any Limit Order on the Limit Order book. If the PIXL Order is for a Non-Public Customer, the PIXL Order must also be better than any quote on the same side of the market as the PIXL Order.

(2) If the PIXL Order (except if it is a Complex Order) is for the account of a Public Customer and such order is for 50 option contracts or more, or if the difference between the NBBO or the difference between the internal PBBO is greater than $0.01, the Initiating Member must stop the entire PIXL Order (except if it is a Complex Order) at a price that is:

(A) equal to or better than the NBBO and the internal market PBBO on the opposite side of the market from the PIXL Order, and

(B) on the same side of the market as the PIXL Order,

(i) at least $0.01 better than any Limit Order on the Limit Order book,

(ii) at or better than the PIXL Order's limit price (if the order is a Limit Order), and

(iii) equal to or better than the NBBO.

(3) If the PIXL Order (except if it is a Complex Order) is for the account of a broker dealer or any other person or entity that is not a Public Customer and such order is for 50 option contracts or more, or if the difference between the NBBO or the difference between the internal PBBO is greater than $0.01, the Initiating Member must stop the entire PIXL Order (except if it is a Complex Order) at a price that is:

(A) equal to or better than the NBBO and the internal market PBBO on the opposite side of the market from the PIXL Order, and

(B) on the same **side** of the market as the PIXL Order:

(i) at least $0.01 better than any Limit Order or quote on the Phlx order book, and

(ii) equal to or better than the NBBO.

(4) If the PIXL Order is a Complex Order the Initiating member must stop the entire PIXL order at a price that is better than the best net price (debit or credit)

(A) available on the Complex Order book on both sides of the market regardless of the Complex Order book size, and
(B) achievable from the best Phlx bids and offers for the individual options on both sides of the market (an "improved net price"),. Complex Orders consisting of a ratio other than a conforming ratio will not be accepted. This subparagraph (4) shall apply to all Complex Orders submitted into PIXL.

(5) PIXL Orders that do not comply with the requirements of sub-paragraphs (1), (2), (3), and (4) above are not eligible to initiate an Auction and will be rejected.

(6) PIXL Orders submitted at or before the opening of trading are not eligible to initiate an Auction and will be rejected.

(7) An Initiating Order may not be a solicited order for the account of any Exchange Lead Market Maker, SQT, RSQT or non-streaming Market Maker assigned in the affected series.

If any of the above criteria are not met, the PIXL Order will be rejected. The Exchange will continue to reject a PIXL Order to buy (sell) if the NBBO is only $0.01 wide and the agency order is stopped on the bid (offer) if there is a resting order on the bid (offer).

(b) Auction Process. Only one Auction may be conducted at a time in the same series or same strategy, otherwise the orders will be rejected. Once commenced, an Auction may not be cancelled and shall proceed as follows:

(1) Auction Period and PIXL Auction Notification ("PAN").

(i) a single price at which it seeks to execute the PIXL Order (a "stop price"); or

(ii) that it is willing to either:

(a) stop the entire order at a single stop price and automatically match as principal or as agent on behalf of an Initiating Order the price and size of all PAN responses and trading interest ("auto-match"); or

(b) stop the entire order at a single stop price and auto-match PAN responses and trading interest at a price or prices that improve the stop price to a specified price (a "Not Worse Than" or "NWT" price).

In all cases, if the PBBO on the same side of the market as the PIXL Order represents a Limit Order on the book, the stop price must be at least $0.01 better than the booked Limit Order's limit price. Once the Initiating member has submitted a PIXL Order for processing pursuant to this subparagraph, such PIXL Order may not be modified or cancelled. Under any of the circumstances described in subparagraphs (i)-(ii) above, the NWT price may be improved to the benefit of the PIXL Order during the Auction, but may not be cancelled. Under no circumstances will the Initiating member receive an allocation percentage, at the final price point, of more than 50% with one

competing quote, order or PAN response or 40% with multiple competing quotes, orders or PAN responses, except for rounding when competing quotes, orders or PAN responses have contracts available for execution.

For purposes of this Rule, Surrender shall mean the target allocation percentage the contra-side requests to be allocated from 0% to 39%. If the Initiating member requests 40% for the contra-side, then the contra-side order would receive its full priority and trade allocation provisions that it would be entitled to pursuant to Section 13(b)(5)(B)(i) and (ii). When starting an Auction, the Initiating member may submit the Initiating Order with a percentage designation (a percentage from 0% up to 40% as noted above) of "Surrender", which will result in the Initiating member being allocated its designated percentage pursuant to paragraph (b)(5)(B)(i) and (ii). If zero (0%) is specified, the Initiating Order will only trade if there is not enough interest available to fully execute the PIXL Order at prices which are equal to or improve upon the stop price. The Surrender function will never result in more than the maximum allowable allocation percentage to the Initiating member than that which the Initiating member would have otherwise received in accordance with the allocation procedures set forth in this Rule. Surrender information will not be available to other market participants and may not be modified.

(B) To initiate the PIXL Complex Order Auction, the Initiating member must mark the PIXL Order for Auction processing, and specify either: (i) a single price at which it seeks to execute the PIXL Order (a "stop price"); or (ii) that it is willing to either: a) stop the entire order at a single stop price and auto-match PAN responses and trading interest at a price or prices that improve the stop price to a specified price (a "Not Worse Than" or "NWT" price); or (b) stop the entire order at a single stop price and auto-match all PAN responses and trading interest at or better than the stop price. Once the Initiating member has submitted a PIXL Complex Order for processing pursuant to this subparagraph, such PIXL Order may not be modified or cancelled. Under any of the circumstances described in sub-paragraphs (i)-(ii) above, the NWT price may be improved to the benefit of the PIXL Order during the Auction, but may not be cancelled.

For purposes of this Rule, Surrender shall mean the target allocation percentage the contra-side requests to be allocated from 0% to 39%. If the member requests 40%, then the member would receive its full priority and trade allocation provisions that it would be entitled to pursuant to Section 13(b)(5)(B)(i) and (ii). When starting a PIXL Complex Order Auction, the Initiating member may submit the Initiating Order with a percentage designation (a percentage from 0% up to 40% as noted above) of "Surrender", which will result in the Initiating member being allocated its designated percentage pursuant to paragraph (b)(5)(B)(iv). If zero (0%) is specified the Initiating Order will only trade if there is not enough interest available to fully execute the PIXL Order at prices which are equal to or improve upon the stop price. The Surrender function will never result in more than the maximum allowable allocation percentage to the Initiating member than that which the Initiating member would have otherwise received in accordance with the allocation procedures set forth in this Rule. Surrender information will not be available to other market participants and may not be modified.

(C) When the Exchange receives a PIXL Order for Auction processing, a PAN detailing the price, side and size and option series of the PIXL Order will be sent over the Exchange's Phlx Orders data feed pursuant to Options 3, Section 23(a)(1) and Specialized Quote Feed pursuant to Supplementary Material .03(C) to Options 3, Section 7.

(D) The Auction will last for a period of time, as determined by the Exchange and announced on the Nasdaq Trader website. The Auction period will be no less than one hundred milliseconds and no more than one second.

(E) Any person or entity may submit responses to the PAN, provided such response is properly marked specifying price, size and side of the market.

(F) PAN responses will not be visible to Auction participants, and will not be disseminated to OPRA.

(G) (i) The minimum price increment for PAN responses and for an Initiating member,' stop price and/or NWT price (except if it is a Complex Order) shall be $0.01.

(ii) The minimum price increment for PAN responses and for an Initiating member's stop price and/or NWT price in the case of a Complex Order shall be entered in the increments provided in Options 3, Section 14(c)(1). Responses that improve the stop price must improve the price by at least $0.01.

(H) A PAN response size will be considered for any size up to the size of the PIXL Order.

(I) A PAN response (except if it is a Complex Order) must be equal to or better than the better of the NBBO and the internal PBBO: (1) on the same side of the market at the start of the Auction; and (2) on the opposite side of the market at the time the PAN response is received. PAN responses may be modified or cancelled during the Auction. A PAN or Complex Order PAN response which is inferior to the stop price of the PIXL order will be cancelled at the conclusion of the PIXL Auction.

(J) PAN responses on the same side of the market as the PIXL Order are considered invalid and will be rejected.

(K) Multiple PAN responses from the same member may be submitted during the Auction. Multiple orders at a particular price point submitted by a member in response to a PAN may not exceed, in the aggregate, the size of the PIXL Order. However, a member using the same badge/mnemonic may only submit a single PAN response per auction ID for a given auction. If an additional PAN response is submitted for the same auction ID from the same badge/mnemonic, then that PAN response will automatically replace the previous PAN response.

(2) Conclusion of Auction. The PIXL Auction shall conclude at the earlier to occur of (A) through (F) below, with the PIXL Order executing pursuant to paragraph (2)(A) through (D) below.

(A) The end of the Auction period;

(B) For a PIXL Auction (except if it is a Complex Order), any time the internal PBBO crosses the PIXL Order stop price on the same side of the market as the PIXL Order;

(C) For a Complex Order PIXL Auction, upon the receipt of a Complex Order in the same complex strategy on either side of the market that is marketable against the Complex Order Book or bids and offers for the individual legs;

(i) When a marketable Complex Order on the opposite side of the Complex PIXL Order ends the exposure period, it will participate in the execution of the Complex PIXL Order at the price that is mid-way between the best counter-side interest and the same side best bid or offer on the Complex Order Book or net price from Exchange's best bid or offer on the individual legs, whichever is better, so that both the marketable Complex Order and the Complex PIXL Order receive price improvement. Transactions will be rounded, when necessary, to the $0.01 increment that favors the Complex PIXL Order.

(ii) When a marketable Complex Order on the same side of the PIXL Complex Order ends the exposure period, the Complex PIXL Order will trade pursuant to Options 3, Section 13(b)(8).

(D) For a Complex Order PIXL Auction, upon the receipt of a non-marketable Complex Order in the same complex strategy on the same side of the market as the PIXL Complex Order that would cause the execution of the Complex PIXL Order to be at or outside of the best bid or offer on the Complex Order Book;

(E) For a Complex Order PIXL Auction, when a resting Complex Order in the same complex strategy on either side of the market becomes marketable against the Complex Order Book or bids and offers for the individual legs; or

(F) Any time there is a trading halt on the Exchange in the affected series.

(3) In the case of a trading halt on the Exchange in the affected series, the entire PIXL Order would be executed at the stop price solely against the Initiating Order. Any unexecuted PAN responses will be cancelled. If a trading halt is initiated after the order is entered into the Complex PIXL, such auction will be automatically terminated without an execution.

(4) Unrelated market or marketable interest (against the PBBO) on the opposite side of the market from the PIXL Order received during the Auction will not cause the Auction to end early and will execute against interest outside of the Auction. If contracts remain from such unrelated interest at the time the Auction ends, they will be considered for participation in the order allocation process described in sub-paragraph (5) below.

(5) Order Allocation. At the conclusion of the Auction, the PIXL Order will be allocated at the best price(s) as follows:

(A) Public Customer orders shall have priority at each price level.

(B) After Public Customer interest at a particular price level has been satisfied, remaining contracts will be allocated among all Exchange quotes, orders and PAN responses as set forth below. Notwithstanding the below, generally, with respect

to bids and offers for the individual legs of a Complex Order entered into the Complex PIXL, the priority rules applicable to the execution of Complex Orders contained in Options 3, Section 14(c)(2) will continue to be applicable and may prevent the execution of a Complex Order entered into the Complex PIXL, in which case the transaction will be cancelled. If an improved net price for the Complex Order being executed can be achieved from Complex Orders, PAN Responses and, for Complex Options Orders, the Phlx best bids and offers on the individual legs, the PIXL Complex Order will be executed against such interest.

(i) If the Initiating member selected the single stop price option of the PIXL Auction (except if it is a Complex Order), PIXL executions will occur at prices that improve the stop price, and then at the stop price with up to 40% (or such lower percentage requested by the Initiating member) of the initial size of the PIXL Order after Public Customer interest is satisfied being allocated to the Initiating member at the stop price. However, if only one other participant matches the stop price, then the Initiating member may be allocated up to 50% of the contracts executed at such price, provided the Initiating member had not designated a percentage designation of "Surrender" when initiating the Auction. Remaining contracts shall be allocated pursuant to the algorithm set forth in Options 3, Section 10(a)(1)(E) and (F) among remaining quotes, orders and PAN responses at the stop price. Thereafter, remaining contracts, if any, shall be allocated to the Initiating member. The allocation will account for Surrender, if applicable.

(ii) If the Initiating member selected the auto-match option of the PIXL Auction (except if it is a Complex Order), the Initiating member shall be allocated an equal number of contracts as the aggregate size of all other quotes, orders and PAN responses at each price point until a price point is reached where the balance of the order can be fully executed, except that the Initiating member shall be entitled to receive up to 40% if there are multiple competing quotes, orders or PAN responses (or such lower percentage requested by the Initiating member) or 50% if there is only one competing quote, order or PAN response (provided the Initiating member had not designated a percentage designation of "Surrender" when initiating the Auction) of the initial size of the PIXL Order at the final price point (including situations where the stop price is the final price) after Public Customer interest has been satisfied but before remaining interest. If there are other quotes, orders and PAN responses at the final price point the contracts will be allocated to such interest pursuant to the algorithm set forth in Options 3, Section 10(a)(1)(E) and (F). Any remaining contracts shall be allocated to the Initiating member.

(iii) In the case of a PIXL (except if it is a Complex Order), if the Initiating member selected the "stop and NWT" option of the PIXL Auction pursuant to Options 3, Section 13(b)(1)(B)(ii)(a), contracts shall be allocated as follows:

a. first to quotes, orders and PAN responses at prices better than the NWT price (if any), beginning with the best price, pursuant to the algorithm set forth in Options 3, Section 10(a)(1)(A) and (E) – (F) at each price point;

b. next, to quotes, orders and PAN responses at prices at the Initiating member's NWT price and better than the Initiating member's stop price, beginning with the NWT price. The Initiating member shall be allocated an equal number of contracts as the aggregate size of all other quotes, orders and PAN responses at each price point, except that the Initiating member shall be entitled to receive up to 40% (if there are multiple competing quotes, orders or PAN responses) or 50% (if there is only one competing quote, order or PAN response) of the initial size of the PIXL Order at the final price point (including situations where the final price is the stop price) after Public Customer interest has been satisfied but before remaining interest. In the case of an Initiating Order with a NWT price at the market, the Initiating member shall be allocated an equal number of contracts as the aggregate size of all other quotes, orders and PAN responses at all price points, except that the Initiating member shall be entitled to receive up to 40% (if there are multiple competing quotes, orders or PAN responses) or 50% (if there is only one competing quote, order or PAN response) of the initial size of the PIXL Order at the final price point (including situations where the final price is the stop price) after Public Customer interest has been satisfied but before remaining interest. If there are other quotes, orders and PAN responses at the final price point the contracts will be allocated to such interest pursuant to the algorithm set forth in paragraph Options 3, Section 10(a)(1)(E) – (F). Any remaining contracts shall be allocated to the Initiating member.

(iv) In the case of a Complex Order PIXL, if the Initiating member selected the single stop price option of the PIXL Auction, PIXL executions will occur at prices that improve the stop price, and then at the stop price with up to 40% (or such lower percentage requested by the Initiating member) of the initial size of the PIXL Order after Public Customer complex interest is satisfied being allocated to the Initiating member at the stop price. If only one other participant matches the stop price, then the Initiating member may be allocated up to 50% of the contracts executed at such price, provided the Initiating member had not designated a percentage designation of "Surrender" when initiating the Auction. Complex Orders on the PHLX Complex Order Book, PAN responses, and quotes and orders which comprise the best net price achievable from the best bids and offers for the individual legs at the end of the Auction will be considered for allocation against the Complex PIXL order. Such interest will be allocated at a given price in the following order: (a) to Public Customer Complex Orders and PAN responses in time priority; (b) to Market Maker Complex Orders and PAN responses on a size pro-rata basis; c) to non-market maker off-floor broker-dealer Complex Orders and PAN responses on a size pro-rata basis, and d) to quotes and orders which comprise the best net price achievable from the best bids and offers for the individual legs at the end of the Auction on a size pro-rata basis pursuant to Options 3, Section 10(a)(1)(E) and (F). If the final price point is equal to the stop price, the Initiating member will be allocated 40% (or 50% if matching only one other participant) after Public Customer Complex Orders and PAN

responses have been satisfied, thereafter the allocation will continue as stipulated in b) through d) of this sub-paragraph. Thereafter, remaining contracts, if any, shall be allocated to the Initiating member. The allocation will account for Surrender, if applicable.

(v) In the case of a Complex Order PIXL, if the Initiating member selected the "stop and NWT" option of the PIXL Auction, contracts shall be allocated as follows:

a. First to Complex Orders and PAN responses at prices better than the NWT price, as well as to quotes and orders which comprise the best net price achievable from the best bids and offers for the individual legs at the end of the Auction, if such best net price achievable from the best bids and offers for the individual legs is better than the NWT price, pursuant to the algorithm set forth above in (b)(5)(B)(iv)(a) through d) of this rule;

b. Next, to Complex Orders and PAN responses, as well as to quotes and orders which comprise the best net price achievable from the best bids and offers for the individual legs at the end of the Auction, at the Initiating member's NWT price and at prices better than or equal to the Initiating member's stop price, beginning with the NWT price. The Initiating member shall be allocated an equal number of contracts as the aggregate size of all other interest at each price point, except that the Initiating member shall be entitled to receive up to 40% (or 50% if matching only one other participant) of the initial size of the PIXL Order after Public Customer Complex Orders and PAN responses have been satisfied, at the final price point (including situations where the final price is the stop price). In the case of an Initiating Order with a NWT price at the market, the Initiating member shall be allocated an equal number of contracts as the aggregate size of all other interest at all price points, except that the Initiating member shall be entitled to receive up to 40% (or 50% if matching only one other participant) of the initial size of the PIXL Order, after Public Customer Complex Orders and PAN responses have been satisfied, at the final price point (including situations where the final price is the stop price). If there is other interest at the final price point the contracts will be allocated to such interest pursuant to the algorithm set forth in (b)(5)(B)(iv)(a) through d) of this rule. Any remaining contracts shall be allocated to the Initiating member.

(vi) A single quote, order or PAN response shall not be allocated a number of contracts that is greater than its size. Where the allocation of contracts results in remaining amounts, the number of contracts to be allocated shall be rounded up to the nearest integer. After Public Customer interest on the Complex Order Book and PAN responses at a given net price, non-Public Customer interest on the Complex Order Book and PAN responses will participate in the execution of the Complex PIXL Order based upon the percentage of the total number of contracts available at the price that is represented by the size of such interest pursuant to Options 3, Section 10(a)(1)(E) and (F). The allocation will account for Surrender, if applicable.

(vii) A Complex PIXL Order consisting of a stock/ETF component will not execute against interest comprising the best net price achievable from the best bids and offers for the individual legs at the end of the Auction.

(6) If there are PAN responses (except if it is a Complex Order) that cross the then existing better of the internal PBBO and NBBO (provided such NBBO is not crossed) or Complex Order PAN responses that cross the best net price achievable from the best bids and offers for the individual legs at the time of the conclusion of the Auction, such PAN responses will be executed, if possible, at their limit price(s).

(7) If the PIXL Auction execution price (except if it is a Complex Order) would be the same or better than an order on the Limit Order book represented in the PBBO on the same side of the market as the PIXL Order, the PIXL Order may only be executed at a price that is at least $0.01 better than the resting order's limit price. If such resting order's limit price is equal to or crosses the stop price, then the entire PIXL Order will trade at the stop price with all better priced interest being considered for execution at the stop price.

(8) If the execution Complex Order PIXL Auction price would be the same or better than a Complex Order on the Complex Order Book on the same side of the market as the PIXL Order, the PIXL Order may only be executed at a price that is at least one minimum price variation (as provided in Options 3, Section 14(c)(1)) better than the resting order's limit price. If such resting order's limit price is equal to or crosses the stop price, then the entire PIXL Order will trade at the stop price with all better priced interest being considered for execution at the stop price.

(9) Any unexecuted PAN responses will be cancelled.

(10) Complex PIXL Orders with stock/ETF components.

(i) Member organizations may only submit Complex PIXL Orders, Initiating Orders, Complex Orders, and/or PAN responses with a stock/ETF component if such orders/responses comply with the Qualified Contingent Trade Exemption from Rule 611(a) of Regulation NMS. Member organizations submitting such orders with a stock/ETF component represent that such orders comply with the Qualified Contingent Trade Exemption. Members of FINRA or The Nasdaq Stock Market ("Nasdaq") are required to have a Uniform Service Bureau/Executing Broker Agreement ("AGU") with Nasdaq Execution Services, LLC ("NES") in order to trade orders containing a stock/ETF component; firms that are not members of FINRA or Nasdaq are required to have a Qualified Special Representative ("QSR") arrangement with NES in order to trade orders containing a stock/ETF component.

(ii) Where one component of a Complex PIXL Order, Initiating Order, Complex Order, or PAN response is the underlying security, the Exchange shall electronically communicate the underlying security component of a Complex PIXL Order (together with the Initiating Order, Complex Order, or PAN response, as applicable) to NES, its designated broker-dealer, for immediate execution. Such execution and reporting will occur otherwise than on the Exchange and will be handled by NES pursuant to applicable rules regarding equity trading. The

execution price must be within a certain price from the current market pursuant to Options 3, Section 16(a), as determined by the Exchange. If the stock price is not within these parameters, the Complex PIXL Order and/or PAN response is not executable and would be cancelled.

(iii) When the short sale price test in Rule 201 of Regulation SHO is triggered for a covered security, NES will not execute a short sale order in the underlying covered security component of a Complex PIXL Order, Initiating Order, Complex Order, or PAN response if the price is equal to or below the current national best bid. However, NES will execute a short sale order in the underlying covered security component of a Complex PIXL Order, Initiating Order, Complex Order, or PAN response if such order is marked "short exempt," regardless of whether it is at a price that is equal to or below the current national best bid. When a PAN response or an unrelated limit complex order on the complex order book includes a short sale order in the underlying covered security, NES will execute such order at (1) its stated limit price if the Initiating Order does not include a short sale order in the underlying security; or (2) its stated limit price or better if the Initiating Order includes a short sale order in the underlying covered security. If NES cannot execute the underlying covered security component of a Complex PIXL Order and/or PAN response in accordance with Rule 201 of Regulation SHO, the Exchange will cancel back the Complex PIXL Order and/or PAN response to the entering member. For purposes of this paragraph, the term "covered security" shall have the same meaning as in Rule 201(a)(1) of Regulation SHO.

(11) *PIXL ISO Order*. A PIXL ISO order (PIXL ISO) is the transmission of two orders for crossing pursuant to this Rule without regard for better priced Protected Bids/Offers (as defined in Options 5, Section 1) because the member transmitting the PIXL ISO to the Exchange has, simultaneously with the routing of the PIXL ISO, routed one or more ISOs, as necessary, to execute against the full displayed size of any Protected Bid/Offer that is superior to the starting PIXL Auction price and has swept all interest in the Exchange's book priced better than the proposed Auction starting price. Any execution(s) resulting from such sweeps shall accrue to the PIXL Order.

(c) The PIXL Auction may be used only where there is a genuine intention to execute a bona fide transaction. It will be considered a violation of this Rule and will be deemed conduct inconsistent with just and equitable principles of trade and a violation of General 9, Section 1(c) if an Initiating Member submits a PIXL Order (initiating an Auction) and also submits its own PAN response in the same Auction.

(d) A pattern or practice of submitting multiple orders in response to a PAN at a particular price point that exceeds, in the aggregate, the size of the PIXL Order, will be deemed conduct inconsistent with just and equitable principles of trade and a violation of General 9, Section 1(c).

(e) A pattern or practice of submitting unrelated orders or quotes that cross the stop price, causing a PIXL Auction to conclude before the end of the PIXL Auction period will be deemed conduct inconsistent with just and equitable principles of trade and a violation of General 9, Section 1(c). It will also be deemed conduct inconsistent with just and equitable principles of trade and a violation of General 9, Section 1(c) to engage in a pattern of conduct where the

Initiating Member breaks up a PIXL Order into separate orders for the purpose of gaining a higher allocation percentage than the Initiating Member would have otherwise received in accordance with the allocation procedures contained in subparagraph (b)(5) above.

(f) There will be no minimum size requirement for orders to be eligible for the Auction.

Supplementary Material .01 to Options 3, Section 13

.01 If an allocation would result in less than one contract, then one contract will be allocated.

Adopted Feb. 3, 2020 (20-03); amended Mar. 5, 2020 (20-08), operative April 4, 2020; amended January 26, 2021 (SR-Phlx-2021-05); amended August 23, 2021 (SR-Phlx-2021-48); amended Aug. 30, 2023 (SR-Phlx-2023-41), operative Sep. 29, 2023; amended Aug. 3, 2023 (SR-Phlx-2023-34), operative Jan. 29, 2024; amended Aug. 5, 2025 (SR-Phlx-2025-35), operative Nov. 8, 2025.

Section 14. Complex Orders

(a) Definitions.

(1) *Complex Options Strategy*. A Complex Options Strategy is the simultaneous purchase and/or sale of two or more different options series in the same underlying security, for the same account, in a ratio that is equal to or greater than one-to-three (.333) and less than or equal to three-to-one (3.00) and for the purpose of executing a particular investment strategy. Only those Complex Options Strategies with no more than the applicable number of legs, as determined by the Exchange on a class-by-class basis, are eligible for processing.

(2) *Stock-Option Strategy*. A Stock-Option Strategy is the purchase or sale of a stated number of units of an underlying stock or a security convertible into the underlying stock ("convertible security") coupled with the purchase or sale of options contract(s) on the opposite side of the market representing either (A) the same number of units of the underlying stock or convertible security, or (B) the number of units of the underlying stock necessary to create a delta neutral position, but in no case in a ratio greater than eight-to-one (8.00), where the ratio represents the total number of units of the underlying stock or convertible security in the option leg to the total number of units of the underlying stock or convertible security in the stock leg.

(3) *Stock-Complex Strategy*. A Stock-Complex Strategy is the purchase or sale of a stated number of units of an underlying stock or a security convertible into the underlying stock ("convertible security") coupled with the purchase or sale of a Complex Options Strategy on the opposite side of the market representing either (A) the same number of units of the underlying stock or convertible security, or (B) the number of units of the underlying stock necessary to create a delta neutral position, but in no case in a ratio greater than eight-to-one (8.00), where the ratio represents the total number of units of the underlying stock or convertible security in the option legs to the total number of units of the underlying stock or convertible security in the stock leg. Only those Stock-Complex Strategies with no more than the applicable number of legs, as determined by the Exchange on a class-by-class basis, are eligible for processing.

(4) The term "complex strategy" includes Complex Options Strategies, Stock-Option Strategies, and Stock-Complex Strategies.

(5) The terms "Complex Options Order," "Stock-Option Order," and "Stock-Complex Order" refer to orders for a Complex Options Strategy, Stock-Option Strategy, and Stock-Complex Strategy, respectively. The term "Complex Order" includes Complex Options Orders, Stock-Option Orders, and Stock-Complex Orders.

(b) *Types of Complex Orders*. Unless otherwise specified, the definitions used below have the same meaning contained in Options 3, Section 7. The Exchange may determine to make certain order types and/or times-in-force available on a class or System basis. Complex Orders may be entered using the following orders or designations:

(1) Market Complex Order. A Market Complex Order is a Complex Order to buy or sell a complex strategy that is to be executed at the best price obtainable. If not executable upon entry, such orders will rest on the Complex Order Book unless designated as fill-or-kill or immediate-or-cancel.

(2) Limit Complex Order. A Limit Complex Order is a Complex Order to buy or sell a complex strategy that is entered with a limit price expressed as a net purchase or sale price for the components of the order.

(3) All-Or-None Complex Order. A Complex Order may be designated as an All-or-None Order that is to be executed in its entirety or not at all. An All-Or-None Order may only be entered as an Immediate-or-Cancel Order.

(4) Attributable Complex Order. A Market or Limit Complex Order may be designated as an Attributable Order as provided in Options 3, Section 7(h).

(5) Complex Customer Cross Order. A Complex Customer Cross Order is comprised of a Public Customer Complex Order to buy and a Public Customer Complex Order to sell at the same price and for the same quantity. Such orders will trade in accordance with Options 3, Section 12(b).

(6) Qualified Contingent Cross Complex Order. A Complex Options Order may be entered as a Qualified Contingent Cross Order, as defined in Options 3, Section 7(j). Qualified Contingent Cross Complex Orders will trade in accordance with Options 3, Section 12(d).

(7) Day Complex Order. A Complex Order may be designated as a Day Order that if not executed, expires at the end of the day on which it was entered.

(8) Fill-or-Kill Complex Orders. A Complex Order may be designated as a Fill-or-Kill Order that is to be executed in its entirety as soon as it is received and, if not so executed, cancelled.

(9) Immediate-or-Cancel Complex Orders. A Complex Order may be designated as an Immediate-or-Cancel Order that is to be executed in whole or in part upon receipt. Any portion not so executed is cancelled.

(10) Opening Only Complex Order. An Opening Only Complex Order is a Complex Order that may be entered for execution during the Complex Opening Process described in Supplementary Material .04 to Options 3, Section 14. Any portion of the order that is not executed during the Complex Opening Process is cancelled.

(11) Good-Till-Date Complex Order. A Good-Till-Date Complex Order is an order to buy or sell which, if not executed, will be cancelled at the sooner of the end of the expiration date assigned to the Complex Order, or the expiration of any individual series comprising the order.

(12) Good-Till-Cancel Complex Order. A Good-Till-Cancel Complex Order is an order to buy or sell that remains in force until the order is filled, canceled or any series of the order expires; provided, however, that a Good-Till-Cancel Complex Order will be cancelled in the event of a corporate action that results in an adjustment to the terms of any series underlying the Complex Order.

(13) Exposure Complex Order. An Exposure Complex Order is an order that will be exposed upon entry as provided in Supplementary Material .01 to this Rule if eligible, or entered on the Complex Order Book if not eligible. Any unexecuted balance of an Exposure Complex Order remaining upon the completion of the exposure process will be entered on the Complex Order Book.

(14) Exposure Only Complex Order. An Exposure Only Complex Order is an order that will be exposed upon entry as provided in Supplementary Material .01 to this Rule if eligible, or cancelled if not eligible. Any unexecuted balance of an Exposure Only Complex Order remaining upon the completion of the exposure process will be cancelled.

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

(16) Complex Facilitation Order. A Complex Facilitation Order is an order entered into the Complex Facilitation Mechanism as described in Options 3, Section 11(c).

(17) Complex SOM Order. A Complex SOM Order is an order entered into the Complex Solicited Order Mechanism as described in Options 3, Section 11(e).

(18) Complex PIXL Order. A Complex PIXL Order is an order entered into the Complex Price Improvement Mechanism as described in Options 3, Section 13.

(19) Complex Directed Order. A Complex Directed Order is a Complex Order for which a member organization has designated a Directed Market Maker as described in Options 2, Section 10. The component leg(s) of a Complex Order with a Directed Order instruction may allocate pursuant to Options 3, Section 10(a)(1)(C) when the Complex Directed Order legs into the single-leg market provided that the Directed Market Maker is quoting at the better of the internal BBO or the NBBO for a component leg(s) of the Complex Directed Order at the time the Complex Directed Order is received. A Directed Market Maker will not receive an allocation pursuant to Options 3, Section 10(a)(1)(C) for a component leg(s) of a Complex Directed Order if the Directed Market Maker is not quoting at the better of the internal BBO or the NBBO for that leg at the time the Complex Directed Order is received.

(c) *Applicability of Exchange Rules*. Except as otherwise provided in this Rule, complex strategies shall be subject to all other Exchange Rules that pertain to orders and quotes generally.

(1) *Minimum Increments*. Bids and offers for Complex Options Strategies may be expressed in one cent ($0.01) increments, and the options leg of Complex Options Strategies may be executed in one cent ($0.01) increments, regardless of the minimum increments otherwise applicable to the individual options legs of the order. Bids and offers for Stock-Option Strategies or Stock-Complex Strategies may be expressed in any decimal price determined by the Exchange, and the stock leg of a Stock-Option Strategy or Stock-Complex Strategy may be executed in any decimal price permitted in the equity market. The options leg of a Stock-Option Strategy or Stock-Complex Strategy may be executed in one cent ($0.01) increments, regardless of the minimum increments otherwise applicable to the individual options legs of the order.

(2) *Complex Order*. Complex strategies will not be executed at prices inferior to the best net price achievable from the best Exchange bids and offers for the individual legs. Notwithstanding the provisions of Options 3, Section 10:

(i) a Complex Options Strategies may be executed at a total credit or debit price with one other member organization without giving priority to bids or offers established on the Exchange that are no better than the bids or offers in the individual options series comprising such total credit or debit; provided, however, that if any of the bids or offers established on the Exchange consist of a Public Customer Order, the price of at least one leg of the complex strategy must trade at a price that is better than the corresponding bid or offer on the Exchange by at least one minimum trading increment for the series as defined in Options 3, Section 3.

(ii) The option leg of a Stock-Option Strategy has priority over bids and offers for the individual options series established on the Exchange by Professional Orders and market maker quotes that are no better than the price of the options leg, but not over such bids and offers established by Public Customer Orders.

(iii) The options legs of a Stock-Complex Strategy are executed in accordance with subparagraph (c)(2)(i) above.

(3) Internalization. Complex Orders represented as agent may be executed (i) as principal as provided in Options 3, Section 22(b), or (ii) against orders solicited from member organizations and non-member organization broker-dealers as provided in Options 3, Section 22(c). The exposure requirements of Options 3, Section 22(b) or (c) must be met on the Complex Order Book unless the order is executed in one of the mechanisms described in Options 3, Sections 12 and 13.

(d) *Execution of Complex Strategies*. Complex strategies will be executed without consideration of any prices that might be available on other exchanges trading the same options contracts. Complex strategies are not executable unless all of the terms of the strategy can be satisfied and the options legs can be executed at prices that comply with the provisions of paragraph (c)(2) above. Complex strategies, other than those that are executed as crossing transactions pursuant to Options 3, Sections 12 and 13, are automatically executed as follows:

(1) Each Complex Order must specify upon entry whether it should be exposed upon entry if eligible, or whether such Complex Order should be processed without being exposed.

Eligible incoming Complex Orders that are designated for exposure will be exposed for price improvement pursuant to Supplementary Material .01 to this Rule.

(2) Complex Options Orders will be executed at the best net price available from Complex Order Exposure pursuant to Supplementary Material .01 to this Rule, executable Complex Orders on the Complex Order Book, and bids and offers for the individual options series; provided that at each price, executable Complex Options Orders will be automatically executed first against executable bids and offers on the Complex Order book prior to legging in the single leg order book. Notwithstanding the foregoing, executable Complex Options Orders will execute against Public Customer interest on the single leg book at the same price before executing against the Complex Order Book. Thus, Public Customer Orders on the single leg order book shall retain priority and will execute prior to any other Complex Order or non-Public Customer single leg interest at the same price. Stock Option Orders and Stock Complex Orders will be executed at the best net price available from Complex Order Exposure pursuant to Supplementary Material .01 to this Rule and executable Complex Orders on the Complex Order Book. The Exchange may designate on a class basis whether bids and offers at the same price on the Complex Order Book will be executed:

(i) in time priority; or

(ii) pro-rata based on size according to Options 3, Section 10(a)(1)(E) and (F).

(3) If there is no executable contra-side complex interest on the Complex Order Book at a particular price, executable Complex Options Orders up to a maximum number of legs (determined by the Exchange on a class basis as either two legs, three legs or four legs) may be automatically executed against bids and offers on the Exchange for the individual options series provided the Complex Order can be executed in full or in a permissible ratio by such bids and offers. Legging orders may be automatically generated on behalf of Complex Options Orders so that they are represented at the best bid and/or offer on the Exchange for the individual legs of the Complex Options Order as provided in Options 3, Section 7(k). Notwithstanding the foregoing:

(A) Complex Orders with 2 option legs where both legs are buying or both legs are selling and both legs are calls or both legs are puts may only trade against other Complex Orders in the Complex Order Book. The System will not generate legging orders for these Complex Orders.

(B) Complex Orders with 3 or 4 option legs where all legs are buying or all legs are selling may only trade against other Complex Orders in the Complex Order Book.

(4) Complex strategies that are not executable may rest on the Complex Order Book until they become executable.

Supplementary Material to Options 3, Section 14

.01 **Complex Order Exposure**. If designated by a member organization for exposure, eligible Complex Orders are exposed upon entry for a period of up to one (1) second pursuant to subparagraph (d)(1) as follows:

(a) A Complex Order that improves upon the best price for the same complex strategy on the Complex Order Book (i.e., a limit order to buy priced higher than the best bid, a limit order

to sell priced lower than the best offer, and a market order to buy or sell) is eligible to be exposed upon entry for a period of up to one (1) second as provided in Supplementary Material .01 to this Rule. Incoming orders will not be eligible to be exposed if there are market orders on the Complex Order Book on the same side of the market for the same complex strategy.

(b) Upon entry of an eligible Complex Order, a broadcast message that includes net price or at market, size, and side will be sent and member organizations will be given an opportunity to enter Responses with the prices and sizes at which they are willing to participate in the execution of the Complex Order.

(i) Responses are only executable against the Complex Order with respect to which they are entered, can be modified or withdrawn at any time prior to the end of the exposure period, and will be considered up to the size of the Complex Order being exposed. During the exposure period, the Exchange will broadcast the best Response price, and the aggregate size of Responses available at that price. At the conclusion of the exposure period, any unexecuted balance of a Response is automatically cancelled.

(ii) The exposure period for a Complex Order will end immediately: (A) upon the receipt of a Complex Order for the same complex strategy on either side of the market that is marketable against the Complex Order Book or bids and offers for the individual legs; (B) upon the receipt of a non-marketable Complex Order for the same complex strategy on the same side of the market that would cause the price of the exposed Complex Order to be outside of the best bid or offer for the same complex strategy on the Complex Order Book; or (C) when a resting Complex Order for the same complex strategy on either side of the market becomes marketable against interest on the Complex Order book or bids and offers for same individual legs of the complex strategy.

(c) At the end of the exposure period, if the Complex Order still improves upon the best price for the complex strategy on the same side of the market, it is automatically executed to the greatest extent possible pursuant to subparagraph (d)(2)-(3), taking into consideration: (i) bids and offers on the Complex Order Book (including interest received during the exposure period), (ii) bids and offers on the Exchange for the individual options series (including interest received during the exposure period), and (iii) Responses received during the exposure period, provided that when allocating pursuant to subparagraph (d)(2)(ii), Responses are allocated pro-rata based on size. Thereafter, any unexecuted balance will be placed on the Complex Order Book (or cancelled in the case of an Exposure Only Complex Order). Notwithstanding the foregoing, Supplementary Material .01(b)(ii) to this Rule shall not be applicable with respect to Stock Option Orders and Stock Complex Orders.

(d) If a trading halt is initiated during the exposure period in any series underlying the Complex Order, the Complex Order exposure process will be automatically terminated without execution.

.02 **Stock-Option and Stock-Complex Orders**. The Exchange will electronically communicate the stock leg of an executable Stock-Option Order and Stock-Complex Order to NES for execution. To execute Stock-Option Orders and Stock-Complex Orders on the Exchange, member organizations must enter into a brokerage agreement with NES. The Exchange will automatically transmit the stock leg of a trade to NES.

.03 Reserved.

.04 **Complex Opening Process**. After each of the individual component legs have opened, or reopened following a trading halt, Complex Options Strategies, Stock-Option Strategies and Stock-Complex Strategies will be opened pursuant to the Complex Opening Price Determination described in Supplementary Material .05 to this Rule.

.05 **Complex Opening Price Determination**.

(a) *Definitions*.

(1) "Boundary Price" is described herein in paragraph (d)(1).

(2) "Opening Price" is described herein in paragraph (d)(3).

(3) "Potential Opening Price" is described herein in paragraph (d)(3).

(b) *Eligible Interest*. Eligible interest during the Complex Opening Price Determination includes Complex Orders on the Complex Order Book. Bids and offers for the individual legs of the complex strategy are not eligible to participate in the Complex Opening Price Determination.

(c) If the best bid for a complex strategy does not lock or cross the best offer, there will be no trade in the Complex Opening Price Determination and the complex strategy will open pursuant to the Complex Uncrossing Process described in Supplementary Material .06(b) to this Rule.

(d) If the best bid for a complex strategy locks or crosses the best offer, the System will open the complex strategy as follows:

(1) *Boundary Prices*. The System calculates Boundary Prices at or within which Complex Orders may be executed during the Complex Opening Price Determination based on the NBBO for the individual legs; provided that, if the NBBO for any leg includes a Public Customer Order on the Exchange, the System adjusts the Boundary Prices according to subparagraph (c)(2).

(2) *Potential Opening Price*. The System will calculate the Potential Opening Price by identifying the price(s) at which the maximum number of contracts can trade ("maximum quantity criterion") taking into consideration all eligible interest pursuant to Supplementary Material .05(b) to this Rule.

(3) Opening Price Determination. When interest crosses and does not match in size, the System will calculate the Potential Opening Price based on the highest (lowest) executable offer (bid) price when the larger sized interest is offering (bidding), provided, however, that if there is more than one price at which the interest may execute, the Potential Opening Price when the larger sized interest is offering (bidding) shall be the mid-point of the highest (lowest) executable offer (bid) price and the next available executable offer (bid) price rounded, if necessary, down (up) to the closest minimum trading increment; or

When interest crosses and is equal in size, the System will calculate the Potential Opening Price based on the mid-point of lowest executable bid price and the highest executable offer price, rounded, if necessary, up to the closest minimum trading increment.

(A) Executable bids/offers include any interest which could be executed at the Potential Opening Price without trading through residual interest or the Boundary Price or without trading at the Boundary Price where there is Public Customer interest at the best bid or offer for any leg, consistent with paragraph Options 3, Section 14(c)(2).

(B) Executable bids/offers will be bounded by the Boundary Price on the contra-side of the interest, for determination of the Potential Opening Price described above.

(4) *Opening Price*. If the Potential Opening Price is at or within the Boundary Prices, the Potential Opening Price becomes the Opening Price and the complex strategy will open pursuant to Supplementary Material .05(d)(5) to this Rule. If the bid Boundary Price is higher than the offer Boundary Price, or if no valid Potential Opening Price can be found at or within the Boundary Prices, there will be no trade in the Complex Opening Price Determination and the complex strategy will open pursuant to the Complex Uncrossing Process described in Supplementary Material .06(b) to this Rule.

(5) *Allocation*. During the Complex Opening Price Determination, where there is an execution possible, the System will give priority to Market Complex Orders first, then to resting Limit Complex Orders on the Complex Order Book. The allocation provisions of subparagraph (d)(2) apply with respect to Complex Orders with the same price with priority given first to better priced interest.

(6) *Uncrossing*. If the Complex Order Book remains locked or crossed following paragraphs (d)(1) - (5), the System will process any remaining Complex Orders, including Opening Only Complex Orders in accordance with the Complex Uncrossing Process described in Supplementary Material .06(b) to this Rule. Bids and offers for the individual legs of the Complex Option Order will also be eligible to trade in the Complex Uncrossing Process.

.06 **Complex Uncrossing Process**.

(a) The Complex Order Book will be uncrossed using the Complex Uncrossing Process described in paragraph (b) below if a resting Complex Order that is locked or crossed with other interest becomes executable during regular trading or as part of the Complex Opening Process.

(b) Complex Strategies are uncrossed using the following procedure:

(1) The System identifies the oldest Complex Order among the best priced bids and offers on the Complex Order Book. A Complex Order entered with an instruction that it must be executed at a price that is equal to or better than the national best bid or offer pursuant to paragraph (a) above is considered based on its actual limit or market price and not the price of the national best bid or offer for the component legs.

(2) The selected Complex Order is matched pursuant to subparagraph (d)(2)-(3) with resting contra-side interest on the Complex Order Book and, for Complex Option Orders, bids and offers for the individual legs of the complex strategy.

(3) The process described in (1) through (2) is repeated until the Complex Order Book is no longer executable.

.07 **Qualified Contingent Trade Exemption**. Members and member organizations may only submit Complex Orders in Stock-Option Strategies and Stock-Complex Strategies if such Complex Orders comply with the Qualified Contingent Trade Exemption from Rule 611(a) of Regulation NMS under the Exchange Act. Members and member organizations submitting Complex Orders in Stock-Option Strategies and Stock-Complex Strategies represent that they comply with the Qualified Contingent Trade Exemption. Member organizations of FINRA or The Nasdaq Stock Market ("Nasdaq") are required to have a Uniform Service Bureau/Executing Broker Agreement ("AGU") with Nasdaq Execution Services, LLC ("NES") in order to trade Complex Orders in Stock-Option Strategies and Stock-Complex Strategies; firms that are not members of FINRA or Nasdaq are required to have a Qualified Special Representative ("QSR") arrangement with NES in order to trade Complex Orders in Stock-Option Strategies and Stock-Complex Strategies. In addition, the stock leg of a stock-option order must be marked "buy," "sell," "sell short," or "sell short exempt" in compliance with Regulation SHO under the Exchange Act.

Adopted Feb. 3, 2020 (20-03); amended Mar. 4, 2020 (20-07); amended Mar. 5, 2020 (20-08), operative April 4, 2020; amended Jun. 27, 2023 (SR-Phlx-2023-27), operative Jul. 27, 2023; amended Aug. 3, 2023 (SR-Phlx-2023-34), operative Jan. 29, 2024; amended Apr. 3, 2025 (SR-Phlx-2025-17), operative Oct. 3, 2025; amended Apr. 22, 2025 (SR-Phlx-2025-20), operative Oct. 1, 2025; amended Aug. 5, 2025 (SR-Phlx-2025-35), operative Nov. 8, 2025; amended Aug. 14, 2025 (SR-Phlx-2025-39), operative Dec. 8, 2025.

Section 15. Simple Order Risk Protections

The following order protections apply to Simple Orders.

(a) The following are order protections on Phlx:

(1) Order Price Protection ("OPP"). OPP is a feature of the System that prevents Limit 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 Stop-Limit Orders until elected.

(A) OPP is operational each trading day after the Opening Process until the close of trading, except during trading halts. OPP may be temporarily deactivated on an intra-day basis at the Exchange's discretion.

(B) OPP will reject incoming orders that exceed certain parameters according to the following algorithm.

(i) If the better of the NBBO or the internal market BBO (the "Reference BBO") on the contra-side of an incoming order is greater than $1.00, orders with a limit more than the greater of the below will cause the order to be rejected by the System upon receipt.

(A) 50% less (greater) than such contra-side Reference Best Bid (Offer); or

(B) a configurable dollar amount not to exceed $1.00 less (greater) than such contra-side Reference Best Bid (Offer) as specified by the Exchange announced via an Options Trader Alert.

(ii) If the Reference BBO on the contra-side of an incoming order is less than or equal to $1.00, orders with a limit more than the greater of the below will cause the order to be rejected by the System upon receipt.

(C) For purposes of this rule, the NBBO is defined as the PBBO for singly-listed issues.

(2) Market Order Spread Protection. Market Orders will be rejected if the best of the NBBO and the internal market PBBO (the "Reference PBBO") is wider than a preset threshold at the time the Market Order is received by the System. Market Order Spread Protection shall not apply to the Opening Process or during a trading halt. The Exchange may establish different thresholds for one or more series or classes of options.

(3) **Market Wide Risk Protection**. All member organizations must provide parameters for the order entry and execution rate protections described in this Rule. The Exchange will also establish default values for each of these parameters that apply to member organizations that do not submit the required parameters, and will announce these default values in an Options Trader Alert to be distributed to member organizations. The System will maintain one or more counting programs for each member organization that count orders entered and contracts traded on Phlx. Member organizations can use multiple counting programs to separate risk protections for different groups established within the member organizations. The counting programs will maintain separate counts, over rolling time periods specified by the member organization for each count, of: (1) the total number of orders entered in the regular order book; (2) the total number of Complex Option Orders entered in the complex order book; (3) the total number of Stock-Option and Stock-Complex Orders entered into the complex order book; (4) the total number of contracts traded in regular orders; (5) the total number of contracts traded in Complex Options Orders; and (6) the total number of contracts traded in Stock-Option and Stock-Complex Orders entered into the complex order book. 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 member organization exceeds thresholds that it has set for any of the order entry or execution counts described above on Phlx, the System will automatically reject all subsequent incoming orders entered by the member organization on Phlx.

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

(C) The Market Wide Risk Protection will remain engaged until the member organization manually notifies the Exchange to enable the acceptance of new orders. For member organizations that still have open orders on the book that have not been cancelled pursuant to subparagraph (B) above, the System will continue to allow those member organizations 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 protections on Phlx:

(1) **Acceptable Trade Range.**

(A) After the Opening Process, the System will calculate an Acceptable Trade Range to limit the range of prices at which an order or quote (except an All-or-None Order) 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 National Best Bid ("NBB") or internal best bid for sell orders/quotes and the National Best Offer ("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.

(B) 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 or an updated NBB for buy orders or the NBO for sell orders (whichever is higher for a buy order/lower for a sell order) then becomes the Reference Price for calculating a new Acceptable Trade Range. If the order/quote remains unexecuted after the Posting Period, a 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 member organization has requested that their quotes or orders be returned if the quotes or orders would post at the outer limit of the Acceptable Trade Range (in which case, the quotes/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) During the Posting Period, the Exchange will disseminate as a quotation: (i) the Threshold Price for the remaining size of the order/quote triggering the Acceptable Trade Range and (ii) on the opposite side of the market, the best price will be displayed using the "non-firm" indicator message in accordance with the specifications of the network processor. Following the Posting Period, the Exchange will return to a normal trading state and disseminate its best bid and offer.

(D) There will be three categories of options for Acceptable Trade Range: (1) Penny Interval Program Options trading in one cent increments for options trading at less than $3.00 and increments of five cents for options trading at $3.00 or more, (2) Penny Interval Program Options trading in one-cent increments for all prices, and (3) Non-Penny Interval Program Options.

(2) **Size Limitation**. There is a limit on the number of contracts an incoming order or quote may specify. Orders or quotes that exceed the maximum number of contracts are

rejected. The maximum number of contracts, which shall not be less than 10,000, is established by the Exchange from time-to-time.

(c) The following protections apply to Lead Market Makers and Market Makers on Phlx:

(1) **Anti-Internalization** - Quotes and orders entered by Lead Market Makers and Market Makers (as defined in Options 2, Section 4) will not be executed against quotes and orders entered on the opposite side of the market by the same Lead Market Maker or Market Maker using the same identifier, or alternatively, if selected by the member, the same Exchange account identifier or member firm identifier. In such a case, the System will cancel the resting quote or order back to the entering party prior to execution. This functionality shall not apply in any auction, with respect to complex order transactions or during an Opening Process.

(2) **Automated 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 member organization, 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 member organization, the System will automatically remove a Market Maker's quotes in all series of the options class.

(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 Section 15(c)(2)(D). 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 Section 15(c)(2)(E). 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.

(C) **Multi-Trigger.** A Market Maker or Market Maker Group (multiple affiliated Market Makers is a "Group" as defined by a Phlx member and provided by such member 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 Phlx protocols, as specified by the Exchange ("Multi-Trigger Threshold"). During a specified time period established by the Phlx Market Maker not to exceed 30 seconds ("Multi- Trigger Specified Time Period"), the number of times the System automatically removes the Phlx Market Maker's or Group's quotes in all options series will be based on the number of triggers of the Percentage Threshold described in paragraph (A)(i) above, the Volume Threshold described in paragraph (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 exceeds a number established by either the Phlx 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

Phlx 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 the Percentage Threshold, Volume Threshold, Delta Threshold, Vega Threshold, or Contract Limit and will continue until the System removes quotes as described in paragraph (D) below or the Multi-Trigger Specified Time Period expires. The System counts triggers within the Multi-Trigger Specified Time Period across all triggers for the Phlx 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 options in an underlying security when the Percentage Threshold, Volume Threshold, Delta Threshold, Vega Threshold or Contract Limit has been exceeded. The System will automatically remove quotes in all options in all underlying securities when the Multi-Trigger Threshold has been exceeded. The System will send a Purge Notification Message to the Phlx Market Maker for all affected options when the above thresholds have been exceeded.

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

(ii) 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) Notwithstanding subparagraph (c)(2)(A) and (D) above, if a Phlx Market Maker requests the System to remove quotes in all options series in an underlying issue, the System will automatically reset the 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 Threshold, Volume Threshold, Delta Threshold, or Vega Threshold, the Phlx 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 Phlx 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 Phlx 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 Phlx Market Makers to utilize either the Percentage Threshold, the Volume 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.

(3) **Post-Only Quoting Protection**. Phlx Market Makers may elect to configure their SQF protocols to prevent their quotes from removing liquidity ("Post-Only Quote Configuration"). A Post-Only Quote Configuration would re-price or cancel a Phlx Market Maker's quote that would otherwise lock or cross any resting order or quote on the Phlx order book upon entry. When configured for re-price, quotes would be re-priced to one minimum price variation 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 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, members and member organizations 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.

Adopted Feb. 3, 2020 (20-03); amended January 26, 2021 (SR-Phlx-2021-05); amended May 24, 2021 (SR-Phlx-2021-32); amended Jun. 27, 2023 (SR-Phlx-2023-27), operative Jul. 27, 2023; amended Jul. 16, 2024 (SR-Phlx-2024-26), operative Aug. 15, 2024; amended Dec. 12, 2024 (SR-Phlx-2024-71), operative on or before Dec. 20, 2025; amended Apr. 3, 2025 (SR-Phlx-2025-17), operative Oct. 3, 2025; amended Apr. 22, 2025 (SR-Phlx-2025-20), operative Oct. 1, 2025; amended Aug. 5, 2025 (SR-Phlx-2025-35), operative Nov. 8, 2025.

Section 16. Complex Order Risk Protections

The following are Complex Order risk protections on Phlx:

(a) **Price limits for Complex Orders**. As provided in Options 3, Section 14(d)(2), the legs of a complex strategy may be executed at prices that are inferior to the prices available on other exchanges trading the same options series. Notwithstanding, the System will not permit any leg of a complex strategy to trade through the NBBO for the series or any stock component by a configurable amount calculated as the lesser of (i) an absolute amount not to exceed $0.10, and (ii) a percentage of the NBBO not to exceed 500%, as determined by the Exchange on a class, series or underlying basis. A member organization can also include an instruction on a Complex Order that each leg of the Complex Order is to be executed only at a price that is equal to or better than the NBBO on the opposite side for the options series or any stock component, as applicable ("Do-Not-Trade-Through" or "DNTT").

(1) The System will reject orders for a complex strategy where all legs are to buy if entered at a price that is less than the minimum net price, which is calculated as the sum of the ratio on each leg relative to the other legs of the complex strategy multiplied by the minimum increment applicable to that leg pursuant to Options 3, Section 14(c)(1).

(b) **Strategy Protections**. The following protections will apply throughout the trading day, including pre-market, during the Opening Process and during a trading halt. The protections will

not apply to Complex Orders being auctioned and auction responses in the Facilitation Mechanism, Solicited Order Mechanism within Options 3, Section 11, and PIXL within Options 3, Section 13 and will not apply to Customer Cross Orders pursuant to Options 3, Section 12. Additionally, the following protections will not apply when a Complex Order includes at least one P.M.-settled leg and at least one A.M.-settled leg.

(1) **Vertical Spread Protection**. The Vertical Spread Protection will apply to a vertical spread. A vertical spread is an order to buy a call (put) option and to sell another call (put) option in the same security with the same expiration but at a higher (lower) strike price).

(A) The System will reject a Vertical Spread order when entered with a net price of less than zero (minus a pre-set value), and will prevent the execution of a Vertical Spread order at a price that is less than zero (minus a pre-set value) when entered as a Market Order to sell. The Exchange will set a pre-set value not to exceed $1.00 to be applied uniformly across all classes. The Exchange may amend the pre-set value uniformly across all classes.

(B) The System will reject a Vertical Spread order when entered with a net price greater than the value of the higher strike price minus the lower strike price (plus a pre-set value), and will prevent the execution of a Vertical Spread order at a price that is greater than the value of the higher strike price minus the lower strike price (plus a pre-set value) when entered as a Market Order to buy. The pre-set value used by the vertical spread check will be the lesser of (1) an absolute amount not to exceed $1.00 and (2) a percentage of the difference between the strike prices not to exceed 10% to be applied uniformly across all classes. The Exchange may amend the pre-set value uniformly across all classes.

(2) **Calendar Spread Protection**. The Calendar Spread Protection will apply to a Calendar Spread. A calendar spread is an order to buy a call (put) option with a longer expiration and to sell another call (put) option with a shorter expiration in the same security at the same strike price.

(A) The System will reject a Calendar Spread order when entered with a net price of less than zero (minus a preset value), and will prevent the execution of a Calendar Spread order at a price that is less than zero (minus a pre-set value) when entered as a Market Complex Order to sell. The Exchange will set a pre-set value not to exceed $1.00 to be applied uniformly across all classes. The Exchange may amend the pre-set value uniformly across all classes.

(3) **Butterfly Spread Protection**. The Butterfly Spread Protection will apply to a butterfly spread. A butterfly spread is a three legged Complex Order with the following: (1) two legs to buy (sell) the same number of calls (puts); (2) one leg to sell (buy) twice the number of calls (puts) with a strike price at mid-point of the two legs to buy (sell); (3) all legs have the same expiration; and (4) each leg strike price is equidistant from the next sequential strike price.

(A) A Butterfly Spread Limit Order that is priced higher than the Maximum Value or lower than the Minimum Value will be rejected. A Butterfly Spread Market Order (or Butterfly Spread Limit Order entered with a net price inside the Butterfly Spread Protection Range) to buy (sell) will be restricted from executing by legging into the single leg market with a

net price higher (lower) than the Maximum (Minimum) Value. The Butterfly Spread Protection Range is the absolute difference between the Minimum Value and the Maximum Value.

(i) The Initial Maximum Value is the distance between the strike price of the leg with the mid-point strike and either of the outer leg strike prices. The Maximum Value Buffer is the lesser of a configurable absolute dollar value or percentage of the Initial Maximum Value set by the Exchange and announced via a notice to member organizations. The Maximum Value is calculated by adding the Initial Maximum Value and Maximum Value Buffer.

(ii) The Initial Minimum Value is zero. The Minimum Value Buffer is a configurable absolute dollar value set by the Exchange and announced via a notice to member organizations. The Minimum Value is calculated by subtracting the Minimum Value Buffer from the Initial Minimum Value of zero.

(4) **Box Spread Protection**. The Box Spread Protection will apply to a box spread. A box spread is a four legged Complex Order with the following: (1) one pair of legs with the same strike price with one leg to buy a call (put) and one leg to sell a put (call); (2) a second pair of legs with a different strike price from the pair described in (1) with one leg to sell a call (put) and one leg to buy a put (call); (3) all legs have the same expiration; and (4) all legs have equal volume.

(A) A Box Spread Limit Order that is priced higher than the Maximum Value or lower than the Minimum Value will be rejected. A Box Spread Market Order (or Box Spread Limit Order entered with a net price inside the Box Spread Protection Range) to buy (sell) will be restricted from executing by legging into the single leg market with a net price higher (lower) than the Maximum (Minimum) Value. The Box Spread Protection Range is the absolute difference between the Minimum Value and the Maximum Value.

(i) The Initial Maximum Value is the distance between the strike prices of each pair of leg strike prices. The Maximum Value Buffer is the lesser of a configurable absolute dollar value or percentage of the Initial Maximum Value set by the Exchange and announced via a notice to member organizations. The Maximum Value is calculated by adding the Initial Maximum Value and Maximum Value Buffer.

(ii) The Initial Minimum Value is zero. The Minimum Value Buffer is a configurable absolute dollar value set by the Exchange and announced via a notice to member organizations. The Minimum Value is calculated by subtracting the Minimum Value Buffer from the Initial Minimum Value of zero.

(c) Other Price Protections which apply to Complex Orders.

(1) **Complex Order Price Protection**. There is a limit on the amount by which the net price of an incoming Limit Complex Order to buy may exceed the net price available from the individual options series on the Exchange and the national best bid or offer for any stock leg, and by which the net price of an incoming Limit Complex Order to sell may be below the net price available from the individual options series on the Exchange and the national best bid or offer for any stock leg. Limit Complex Orders that exceed the pricing limit are rejected. The limit is established by the Exchange from time-to-time for Limit Complex Orders to buy (sell) as the net price available from the individual options series on the

Exchange and the national best bid or offer for any stock leg plus (minus) the greater of: (i) an absolute amount not to exceed $2.00, or (ii) a percentage of the net price available from the individual options series on the Exchange and the national best bid or offer for any stock leg not to exceed 10%.

(2) **Size Limitation**. There is a limit on the number of contracts (and shares in the case of a Stock-Option Strategy or Stock-Complex Strategy) any single leg of an incoming Complex Order may specify. Orders that exceed the maximum number of contracts (or shares) are rejected. The maximum number of contracts (or shares), which shall not be less than 10,000 (or 100,000 shares), is established by the Exchange from time-to-time.

(3) **Price Level Protection**. There is a limit on the number of price levels at which an incoming Complex Order to sell (buy) will be executed automatically with the bids or offers of each component leg when there are no bids (offers) from other exchanges at any price for the options series. Complex Orders are executed at each successive price level until the maximum number of price levels is reached on any component leg where the protection has been triggered, and any balance is canceled. The number of price levels for the component leg, which may be from one (1) to ten (10), is determined by the Exchange from time-to-time on a class-by-class basis.

(d) **Stock-Tied NBBO**. For Complex Orders in Stock-Option Strategies and Stock-Complex Strategies, the Exchange shall electronically communicate the underlying security component of a Complex Order to Nasdaq Execution Services, LLC ("NES"), its designated broker dealer, for immediate execution. Such execution and reporting will not occur on the Exchange and will be handled by NES pursuant to applicable rules regarding equity trading. NES will ensure that the execution price is within the high-low range for the day in that stock at the time the Complex Order is processed and within a certain price from the current market pursuant to Options 3, Section 16(a). If the stock price is not within these parameters, the Complex Order is not executable and the Exchange will hold the Complex Order on the Order Book, if consistent with member organization instructions.

(e) **Stock-Tied Reg SHO**. When the short sale price test in Rule 201 of Regulation SHO is triggered for a covered security, NES will not execute a short sale order in the underlying covered security component of a Complex Order if the price is equal to or below the current national best bid. However, NES will execute a short sale order in the underlying covered security component of a Complex Order if such order is marked "short exempt," regardless of whether it is at a price that is equal to or below the current national best bid. If NES cannot execute the underlying covered security component of a Complex Order in accordance with Rule 201 of Regulation SHO, the Exchange will hold the Complex Order on the Complex Order Book, if consistent with member organization instructions. The order may execute at a price that is not equal to or below the current national best bid. For purposes of this paragraph, the term "covered security" shall have the same meaning as in Rule 201(a)(1) of Regulation SHO.

Adopted Feb. 3, 2020 (20-03); amended May 24, 2021 (SR-Phlx-2021-32); amended Apr. 3, 2025 (SR-Phlx-2025-17), operative Oct. 3, 2025; amended Apr. 22, 2025 (SR-Phlx-2025-20), operative Oct. 1, 2025; amended Aug. 5, 2025 (SR-Phlx-2025-35), operative Nov. 8, 2025.

Section 17. Kill Switch

(a) Phlx Options Kill Switch is an optional tool that enables Phlx members and member organizations (hereinafter collectively "member") to initiate a message(s) to the Exchange's System to promptly cancel and restrict their order activity on the Exchange, as described in section (a)(1) below. Members may submit a Kill Switch request to the System for certain identifier(s) ("Identifier") on a user level. The System will send an automated message to the Phlx member when a Kill Switch request has been processed by the Exchange's System.

(1) A Phlx member 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 Phlx.

(2) Once a Phlx member initiates the Kill Switch pursuant to section (a)(1) above, the Phlx member will be unable to enter additional orders for the affected Identifier(s) until the Phlx member 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 Phlx member. The applicable Clearing Member 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 Member has requested to receive such notification.

Adopted Feb. 3, 2020 (20-03); amended September 2, 2021 (SR-Phlx-2021-51), operative November 1, 2021; amended Jan. 29, 2025 (SR-Phlx-2025-05), operative on or before December 20, 2025.

Section 18. Detection of Loss of Communication

(a) Definitions

(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 member and subsequently received by the Exchange allows the SQF, OTTO or FIX Port to continually monitor its connection with the member.

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

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

(4) FIX Port is the Exchange's System component through which members communicate their orders from the Client Application.

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

(6) Session of Connectivity shall mean each time the member 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 member'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 member's affected Client Application and automatically cancel all of the member's open quotes. Quotes will be cancelled across all Client Applications that are associated with the same Phlx Options Market Maker ID and underlying issues.

(c) When the OTTO Port detects the loss of communication with a member'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 member's affected Client Application and if the member has elected to have its orders cancelled pursuant to Section 18(f), automatically cancel all orders.

(d) When the FIX Port detects the loss of communication with a member'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 member's affected Client Application and if the member has elected to have its orders cancelled pursuant to paragraph (g) automatically cancel all open orders posted.

(e) The default time period ("nn" seconds) for SQF Ports shall be fifteen (15) seconds. A Phlx member may determine another time period of "nn" seconds of no technical connectivity, as required in paragraph (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 to the Exchange. This feature is enabled for each member and may not be disabled.

(1) If the member 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 member may change the default setting systemically prior to each Session of Connectivity.

(2) If a time period is communicated to the Exchange by calling Exchange operations, the number of "nn" seconds selected by the member shall persist for each subsequent Session of Connectivity until the member either contacts Exchange operations and changes the setting or the member systemically selects another time period prior to the next 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 member 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 member will be disconnected.

(1) If the member 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 member 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 member shall persist for each subsequent Session of Connectivity until the member either contacts Exchange operations by phone and changes the setting or the member selects another time period through the Client Application prior to the next Session of Connectivity.

(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 Phlx member elects to have its orders

removed, in addition to the disconnect, the Phlx member may determine another time period of "nn" seconds of no technical connectivity, as required in paragraph (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 to the Exchange. This feature may be disabled for the removal of orders, however the member will be disconnected.

(1) If the member 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 thirty seconds. The member may change the default setting systemically 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 member shall persist for each subsequent Session of Connectivity until the member either contacts Exchange operations and changes the setting or the member systemically selects another time period prior to the next Session of Connectivity.

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

Adopted Feb. 3, 2020 (20-03); amended Jan. 29, 2025 (SR-Phlx-2025-05), operative on or before December 20, 2025.

Section 19. Mass Cancellation of Trading Interest

A member or member organization may cancel any bids, offers, and orders in any series of options by requesting Phlx Market Operations staff to effect such cancellation as per the instructions of the member or member organization.

Adopted Feb. 3, 2020 (20-03).

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

(a) *Definitions*.

(1) *Customer*. For purposes of this Rule, a Customer shall not include any broker-dealer or professional.

(2) *Erroneous Sell/Buy Transaction*. For purposes of this Rule, an "erroneous sell transaction" is one in which the price received by the person selling the option is erroneously low, and an "erroneous buy transaction" is one in which the price paid by the person purchasing the option is erroneously high.

(3) *Official*. For purposes of this Rule, an Official is an Options Exchange Official as defined in Options 1, Section 1(b)(38).

(4) *Size Adjustment Modifier*. For purposes of this Rule, the Size Adjustment Modifier will be applied to individual transactions as follows:

Number of Contracts per Execution	Adjustment - Theoretical Prices TP Plus/Minus
1-50	N/A
51-250	2 times adjustment amount
251-1000	2.5 times adjustment amount
1001 or more	3 times adjustment amount

(b) *Theoretical Price*. Upon receipt of a request for review and prior to any review of a transaction execution price, the "Theoretical Price" for the option must be determined. For purposes of this Rule, if the applicable option series is traded on at least one other options exchange, then the Theoretical Price of an option series is the last NBB just prior to the trade in question with respect to an erroneous sell transaction or the last NBO just prior to the trade in question with respect to an erroneous buy transaction unless one of the exceptions in subparagraphs (b)(1) through (3) below exists. For purposes of this provision, when a single order received by the Exchange is executed at multiple price levels, the last NBB and last NBO just prior to the trade in question would be the last NBB and last NBO just prior to Exchange's receipt of the order. The Exchange will rely on this paragraph (b) and Supplementary Material .05 of this Rule when determining Theoretical Price.

(1) *Transactions at the Open*. For a transaction occurring as part of the Opening Process (as defined in Options 3, Section 8) the Exchange will determine the Theoretical Price if there is

no NBB or NBO for the affected series just prior to the erroneous transaction or if the bid/ask differential of the NBB and NBO just prior to the erroneous transaction is equal to or greater than the Minimum Amount set forth in the chart contained in sub-paragraph (b)(3) below. If the bid/ask differential is less than the Minimum Amount, the Theoretical Price is the NBB or NBO just prior to the erroneous transaction.

(2) *No Valid Quotes*. The Exchange will determine the Theoretical Price if there are no quotes or no valid quotes for comparison purposes. Quotes that are not valid are:

(A) all quotes in the applicable option series published at a time where the last NBB is higher than the last NBO in such series (a "crossed market");

(B) quotes published by the Exchange that were submitted by either party to the transaction in question;

(C) quotes published by another options exchange if either party to the transaction in question submitted the quotes in the series representing such options exchange's best bid or offer, provided that the Exchange will only consider quotes invalid on other options exchanges in up to twenty-five (25) total options series that the party identifies to the Exchange the quotes which were submitted by such party and published by other options exchanges; and

(D) quotes published by another options exchange against which the Exchange has declared self-help.

(3) *Wide Quotes*.

(A) The Exchange will determine the Theoretical Price if the bid/ask differential of the NBB and NBO for the affected series just prior to the erroneous transaction was equal to or greater than the Minimum Amount set forth below and there was a bid/ask differential less than the Minimum Amount during the 10 seconds prior to the transaction. If there was no bid/ask differential less than the Minimum Amount during the 10 seconds prior to the transaction then the Theoretical Price of an option series is the last NBB or NBO just prior to the transaction in question, as set forth in paragraph (b) above.

Bid Price at Time of Trade	Minimum Amount
Below $2.00	$0.75
$2.00 to $5.00	$1.25
Above $5.00 to $10.00	$1.50

Above $10.00 to $20.00	$2.50
Above $20.00 to $50.00	$3.00
Above $50.00 to $100.00	$4.50
Above $100.00	$6.00

(B) Customer Transactions Occurring Within 10 Seconds or Less After an Opening or Re-Opening:

(i) The Exchange will determine the Theoretical Price if the bid/ask differential of the NBB and NBO for the affected series just prior to the Customer's erroneous transaction was equal to or greater than the Minimum Amount set forth in paragraph (A) above and there was a bid/ask differential less than the Minimum Amount during the 10 seconds prior to the transaction.

(ii) If there was no bid/ask differential less than the Minimum Amount during the 10 seconds prior to the transaction, then the Exchange will determine the Theoretical Price if the bid/ask differential of the NBB and NBO for the affected series just prior to the Customer's erroneous transaction was equal to or greater than the Minimum Amount set forth in paragraph (A) above and there was a bid/ask differential less than the Minimum Amount anytime during the 10 seconds after an opening or re-opening.

(iii) If there was no bid/ask differential less than the Minimum Amount during the 10 seconds following an Opening or Re-Opening, then the Theoretical Price of an option series is the last NBB or NBO just prior to the Customer transaction in question, as set forth in paragraph (b) above.

(iv) Customer transactions occurring more than 10 seconds after an opening or re-opening are subject to paragraph (A) above.

(c) *Obvious Errors*.

(1) *Definition*. For purposes of this Rule, an Obvious Error will be deemed to have occurred when the Exchange receives a properly submitted filing where the execution price of a transaction is higher or lower than the Theoretical Price for the series by an amount equal to at least the amount shown below:

Theoretical Price	Minimum Amount
Below $2.00	$0.25
$2.00 to $5.00	$0.40
Above $5.00 to $10.00	$0.50
Above $10.00 to $20.00	$0.80
Above $20.00 to $50.00	$1.00
Above $50.00 to $100.00	$1.50
Above $100.00	$2.00

(2) *Time* Deadline. A party that believes that it participated in a transaction that was the result of an Obvious Error must notify an Official in the manner specified from time to time by the Exchange in a notice distributed to members and member organizations. Such notification must be received by an Official within the timeframes specified below:

(A) *Customer Orders*. For an execution of a Customer order, a filing must be received by the Exchange within thirty (30) minutes of the execution, subject to sub-paragraph (C) below; and

(B) *"Non-Customer" Orders*. For an execution of any order other than a Customer order, a filing must be received by the Exchange within fifteen (15) minutes of the execution, subject to sub-paragraph (C) below.

(C) *Linkage Trades*. Any other options exchange will have a total of forty-five (45) minutes for Customer orders and thirty (30) minutes for non-Customer orders, measured from the time of execution on the Exchange, to file with the Exchange for review of transactions routed to the Exchange from that options exchange and executed on the Exchange ("linkage trades"). This includes filings on behalf of another options exchange filed by a third-party routing broker if such third-party broker identifies the affected transactions as linkage trades. In order to facilitate timely reviews of linkage trades the Exchange will accept filings from either the other options exchange or, if applicable, the third-party routing broker that routed the applicable order(s). The additional fifteen (15)

minutes provided with respect to linkage trades shall only apply to the extent the options exchange that originally received and routed the order to the Exchange itself received a timely filing from the entering participant (i.e., within 30 minutes if a Customer order or 15 minutes if a non- Customer order).

(3) Acting on Own Motion. The President or designee thereof, who is an officer of the Exchange (collectively "Exchange officer") may review a transaction believed to be erroneous on his/her own motion in the interest of maintaining a fair and orderly market and for the protection of investors. A transaction reviewed pursuant to this paragraph may be nullified or adjusted only if it is determined by the Exchange officer that the transaction is erroneous in accordance with the provisions of this Rule, provided that the time deadlines of sub-paragraph (c)(2) above shall not apply. The Exchange officer shall act as soon as possible after becoming aware of the transaction, and ordinarily would be expected to act on the same day that the transaction occurred. In no event shall the Exchange officer act later than 8:30 a.m. Eastern Time on the next trading day following the date of the transaction in question. A party affected by a determination to nullify or adjust a transaction pursuant to this provision may appeal such determination in accordance with paragraph (l) below; however, a determination by an Exchange officer not to review a transaction or determination not to nullify or adjust a transaction for which a review was conducted on an Exchange officer's own motion is not appealable. If a transaction is reviewed and a determination is rendered pursuant to another provision of this Rule, no additional relief may be granted under this provision.

(4) Adjust or Bust. If it is determined that an Obvious Error has occurred, the Exchange shall take one of the actions listed below. Upon taking final action, the Exchange shall promptly notify both parties to the trade electronically or via telephone.

(A) *Non-Customer Transactions*. Where neither party to the transaction is a Customer, the execution price of the transaction will be adjusted by the Official pursuant to the table below. Any non-Customer Obvious Error exceeding 50 contracts will be subject to the Size Adjustment Modifier defined in sub-paragraph (a)(4) above.

Theoretical Price (TP)	Buy Transaction Adjustment - TP Plus	Sell Transaction Adjustment - TP Minus
Below $3.00	$0.15	$0.15
At or above $3.00	$0.30	$0.30

(B) *Customer Transactions*. Where at least one party to the Obvious Error is a Customer, the execution price of the transaction will be adjusted by the Official pursuant to the table

immediately above. Any Customer Obvious Error exceeding 50 contracts will be subject to the Size Adjustment Modifier defined in sub-paragraph (a)(4) above. However, if such adjustment(s) would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the Customer's limit price, the trade will be nullified, subject to subparagraph (C) below.

(C) If any member or member organization submits requests to the Exchange for review of transactions pursuant to this rule, and in aggregate that member or member organization has 200 or more Customer transactions under review concurrently and the orders resulting in such transactions were submitted during the course of 2 minutes or less, where at least one party to the Obvious Error is a non-Customer, the Exchange will apply the non-Customer adjustment criteria set forth in sub-paragraph (A) above to such transactions.

(d) *Catastrophic Errors*.

(1) *Definition*. For purposes of this Rule, a Catastrophic Error will be deemed to have occurred when the execution price of a transaction is higher or lower than the Theoretical Price for the series by an amount equal to at least the amount shown below:

Theoretical Price	Minimum Amount
Below $2.00	$0.50
$2.00 to $5.00	$1.00
Above $5.00 to $10.00	$1.50
Above $10.00 to $20.00	$2.00
Above $20.00 to $50.00	$2.50
Above $50.00 to $100.00	$3.00
Above $100.00	$4.00

(2) *Time Deadline*. A party that believes that it participated in a transaction that was the result of a Catastrophic Error must notify an Official in the manner specified from time to time by the Exchange in a notice distributed to members and member organizations. Such notification must be received by an Official by 8:30 a.m. Eastern Time on the first trading day following the execution. For transactions in an expiring options series that take place on an expiration day, a party must notify an Official within 45 minutes after the close of trading that same day.

(3) *Adjust or Bust*. If it is determined that a Catastrophic Error has occurred, the Exchange shall take action as set forth below. Upon taking final action, the Exchange shall promptly notify both parties to the trade electronically or via telephone. In the event of a Catastrophic Error, the execution price of the transaction will be adjusted by the Official pursuant to the table below. Any Customer order subject to this sub-paragraph will be nullified if the adjustment would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the Customer's limit price.

Theoretical Price (TP)	Buy Transaction Adjustment - TP Plus	Sell Transaction Adjustment - TP Minus
Below $2.00	$0.50	$0.50
$2.00 to $5.00	$1.00	$1.00
Above $5.00 to $10.00	$1.50	$1.50
Above $10.00 to $20.00	$2.00	$2.00
Above $20.00 to $50.00	$2.50	$2.50
Above $50.00 to $100.00	$3.00	$3.00
Above $100.00	$4.00	$4.00

(e) *Significant Market Events*.

(1) *Definition*. For purposes of this Rule, a Significant Market Event will be deemed to have occurred when: criterion (A) below is met or exceeded or the sum of all applicable event statistics, where each is expressed as a percentage of the relevant threshold in criteria (A) through (D) below, is greater than or equal to 150% and 75% or more of at least one category is reached, provided that no single category can contribute more than 100% to the sum and any category contributing more than 100% will be rounded down to 100%. All criteria set forth below will be measured in aggregate across all exchanges.

(A) Transactions that are potentially erroneous would result in a total Worst-Case Adjustment Penalty of $30,000,000, where the Worst- Case Adjustment Penalty is computed as the sum, across all potentially erroneous trades, of:

(i) $0.30 (i.e., the largest Transaction Adjustment value listed in sub-paragraph (e)(3)(A) below); times

(ii) the contract multiplier for each traded contract; times

(iii) the number of contracts for each trade; times

(iv) the appropriate Size Adjustment Modifier for each trade, if any, as defined in subparagraph (e)(3)(A) below.

(B) Transactions involving 500,000 options contracts are potentially erroneous;

(C) Transactions with a notional value (i.e., number of contracts traded multiplied by the option premium multiplied by the contract multiplier) of $100,000,000 are potentially erroneous;

(D) 10,000 transactions are potentially erroneous.

(2) *Coordination with Other Options Exchanges*. To ensure consistent application across options exchanges, in the event of a suspected Significant Market Event, the Exchange shall initiate a coordinated review of potentially erroneous transactions with all other affected options exchanges to determine the full scope of the event. When this paragraph is invoked, the Exchange will promptly coordinate with the other options exchanges to determine the appropriate review period as well as select one or more specific points in time prior to the transactions in question and use one or more specific points in time to determine Theoretical Price. Other than the selected points in time, if applicable, the Exchange will determine Theoretical Price in accordance with paragraph (b) above.

(3) *Adjust or Bust*. If it is determined that a Significant Market Event has occurred then, using the parameters agreed as set forth in sub-paragraph (e)(2) above, if applicable, an Official will determine whether any or all transactions under review qualify as Obvious Errors. The Exchange shall take one of the actions listed below with respect to all transactions that qualify as Obvious Errors pursuant to sub-paragraph (c)(1) above. Upon taking final action, the Exchange shall promptly notify both parties to the trade electronically or via telephone.

(A) The execution price of each affected transaction will be adjusted by an Official to the price provided below unless both parties agree to adjust the transaction to a different

price or agree to bust the trade. In the context of a Significant Market Event, any error exceeding 50 contracts will be subject to the Size Adjustment Modifier defined in subparagraph (a)(4) above.

Theoretical Price (TP)	Buy Transaction Adjustment - TP Plus	Sell Transaction Adjustment - TP Minus
Below $3.00	$0.15	$0.15
At or above $3.00	$0.30	$0.30

(B) Where at least one party to the transaction is a Customer, the trade will be nullified if the adjustment would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the Customer's limit price.

(4) *Nullification of Transactions*. If the Exchange, in consultation with other options exchanges, determines that timely adjustment is not feasible due to the extraordinary nature of the situation, then the Exchange will nullify some or all transactions arising out of the Significant Market Event during the review period selected by the Exchange and other options exchanges consistent with this paragraph. To the extent the Exchange, in consultation with other options exchanges, determines to nullify less than all transactions arising out of the Significant Market Event, those transactions subject to nullification will be selected based upon objective criteria with a view toward maintaining a fair and orderly market and the protection of investors and the public interest.

(5) *Final Rulings*. With respect to rulings made pursuant to this paragraph, the number of affected transactions is such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest. Accordingly, rulings by the Exchange pursuant to this paragraph are non-appealable.

(f) *Trading Halts*. The Exchange shall nullify any transaction that occurs during a trading halt in the affected option on the Exchange pursuant to Supplementary Material .03 of this Rule.

(g) *Erroneous Print in Underlying*. A trade resulting from an erroneous print(s) disseminated by the underlying market that is later nullified by that underlying market shall be adjusted or busted as set forth in sub-paragraph (c)(4) of this Rule, provided a party notifies an Official in a timely manner as set forth below. For purposes of this paragraph, a trade resulting from an erroneous print(s) shall mean any options trade executed during a period of time for which one or more executions in the underlying security are nullified and for one second thereafter. If a party believes that it participated in an erroneous transaction resulting from an erroneous print(s) pursuant to this paragraph it must notify an Official within the timeframes set forth in subparagraph (c)(2) above, with the allowed notification timeframe commencing at the time of

notification by the underlying market(s) of nullification of transactions in the underlying security. If multiple underlying markets nullify trades in the underlying security, the allowed notification timeframe will commence at the time of the first market's notification.

(h) *Erroneous Quote in Underlying*. A trade resulting from an erroneous quote(s) in the underlying security shall be adjusted or busted as set forth in subparagraph (c)(4) this Rule, provided a party notifies an Official in a timely manner as set forth below. An erroneous quote occurs when the underlying security has a width of at least $1.00 and has a width at least five times greater than the average quote width for such underlying security during the time period encompassing two minutes before and after the dissemination of such quote. For purposes of this paragraph, the average quote width shall be determined by adding the quote widths of sample quotations at regular 15- second intervals during the four-minute time period referenced above (excluding the quote(s) in question) and dividing by the number of quotes during such time period (excluding the quote(s) in question). If a party believes that it participated in an erroneous transaction resulting from an erroneous quote(s) pursuant to this paragraph it must notify an Official in accordance with sub-paragraph (c)(2) above.

(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.

(j) *Linkage Trades*. If the Exchange routes an order pursuant to the Plan (as defined in Options 5, Section 1(n)) that results in a transaction on another options exchange (a "Linkage Trade") and such options exchange subsequently nullifies or adjusts the Linkage Trade pursuant to its rules, the Exchange will perform all actions necessary to complete the nullification or adjustment of the Linkage Trade.

(k) *Verifiable 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 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.

(l) *Appeals*. If a party affected by a determination made under this Rule so requests within the time permitted, the Exchange Review Council will review decisions made under this Rule. A request for review under this paragraph must be made within 30 minutes after a party receives verbal notification of a final determination by an Official under this Rule, 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. Such a request for review must be in writing or otherwise documented. The Exchange Review Council 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. Any determination by an Official or the Exchange Review Council shall be rendered without prejudice as to the rights of the parties to the transaction to submit their dispute to arbitration. The party initiating the appeal shall be assessed a $500.00 fee if the Exchange Review Council upholds the decision of the Official. In addition, in instances where the Exchange, on behalf of a member or member organization, requests a determination by another market center that a transaction is clearly erroneous, the Exchange will pass any resulting charges through to the relevant member or member organization.

Supplementary Material to Options 3, Section 20

.01 Complex Order Executions. If both parties to a trade that is one component of a complex order execution are parties to all of the trades that together comprise the execution of a complex order at a single net debit or credit, then if one of those component trades can be nullified under this Rule, all component trades that were part of the same complex order shall be nullified as well.

.02 For the purposes of this Rule, to the extent the provisions of this Rule would result in the Exchange applying an adjustment of an erroneous sell transaction to a price lower than the execution price or an erroneous buy transaction to a price higher than the execution price, the Exchange will not adjust or nullify the transaction, but rather, the execution price will stand.

.03 Trading Halts. Trades on the Exchange will be nullified when: (A) The trade occurred during a trading halt in the affected option on the Exchange; (B) with respect to equity options (including options overlying ETFs), the trade occurred during a regulatory halt as declared by the primary market for the underlying security; (C) Respecting index options, the trade occurred during a trading halt on the primary market in (y) underlying securities representing more than 10 percent of the current index value for stock index options, or (z) either component security of an Alpha Index for Alpha Index options; or (D) Respecting Treasury security options, the trade occurred during a trading halt of the underlying Treasury security instituted by the United States Government.

.04 Complex Orders and Stock-Option Orders.

(a) If a complex order executes against individual legs and at least one of the legs qualifies as an Obvious Error under paragraph (c)(1) or a Catastrophic Error under paragraph (d)(1), then the leg(s) that is an Obvious or Catastrophic Error will be adjusted in accordance with paragraphs (c)(4)(A) or (d)(3), respectively, regardless of whether one of the parties is a Customer. However, any Customer order subject to this paragraph (a) will be nullified if the adjustment would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the Customer's limit price on the complex order or individual leg(s). If any leg of a complex order is nullified, the entire transaction is nullified.

(b) If a complex order executes against another complex order and at least one of the legs qualifies as an Obvious Error under paragraph (c)(1) or a Catastrophic Error under paragraph (d)(1), then the leg(s) that is an Obvious or Catastrophic Error will be adjusted or busted in accordance with paragraph (c)(4) or (d)(3), respectively, so long as either: (i) the width of the National Spread Market for the complex order strategy just prior to the erroneous transaction was equal to or greater than the amount set forth in the wide quote table of paragraph (b)(3) or (ii) the net execution price of the complex order is higher (lower) than the offer (bid) of the National

Spread Market for the complex order strategy just prior to the erroneous transaction by an amount equal to at least the amount shown in the table in paragraph (c)(1). If any leg of a complex order is nullified, the entire transaction is nullified. For purposes of this Rule, the National Spread Market for a complex order strategy is determined by the National Best Bid/Offer of the individual legs of the strategy.

(c) If the option leg of a stock-option order qualifies as an Obvious Error under paragraph (c)(1) or a Catastrophic Error under paragraph (d)(1), then the option leg that is an Obvious or Catastrophic Error will be adjusted in accordance with paragraph (c)(4)(A) or (d)(3), respectively, regardless of whether one of the parties is a Customer. However, the option leg of any Customer order subject to this paragraph (c) will be nullified if the adjustment would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the Customer's limit price on the stock-option order, and the Exchange will attempt to nullify the stock leg. Whenever a stock trading venue nullifies the stock leg of a stock option order or whenever the stock leg cannot be executed, the Exchange will nullify the option leg upon request of one of the parties to the transaction or in accordance with paragraph (c)(3).

.05 Exchange Determining Theoretical Price. For purposes of this Rule, when the Exchange must determine Theoretical Price pursuant to sub-paragraphs (b)(1)-(3) of this Rule (i.e., at the open, when there are no valid quotes or when there is a wide quote), then the Exchange will determine Theoretical Price as follows.

(a) The Exchange will request Theoretical Price from the third party vendor defined in paragraph (d) below ("TP Provider") to which the Exchange and all other options exchanges have subscribed. The Exchange will apply the Theoretical Price provided by the TP Provider, except as otherwise described below.

(b) To the extent an Official of the Exchange believes that the Theoretical Price provided by the TP Provider is fundamentally incorrect and cannot be used consistent with the maintenance of a fair and orderly market, the Official shall contact the TP Provider to notify the TP Provider of the reason the Official believes such Theoretical Price is inaccurate and to request a review and correction of the calculated Theoretical Price. The Exchange shall also promptly provide electronic notice to other options exchanges that the TP Provider has been contacted consistent with this paragraph and include a brief explanation of the reason for the request.

(c) An Official of the Exchange may determine the Theoretical Price if the TP Provider has experienced a systems issue that has rendered its services unavailable to accurately calculate Theoretical Price and such issue cannot be corrected in a timely manner.

(d) The current TP Provider to which the Exchange and all other options exchanges have subscribed is: CBOE Livevol, LLC. Neither the Exchange, the TP Provider, nor any affiliate of the TP Provider (the TP Provider and its affiliates are referred to collectively as the "TP Provider"), makes any warranty, express or implied, as to the results to be obtained by any person or entity from the use of the TP Provider pursuant to this Supplementary Material .05. The TP Provider does not guarantee the accuracy or completeness of the calculated Theoretical Price. The TP Provider disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to such Theoretical Price. Neither the Exchange nor the TP Provider shall have any liability for any damages, claims, losses (including any indirect or consequential losses), expenses, or delays, whether direct or indirect, foreseen or unforeseen, suffered by any

person arising out of any circumstance or occurrence relating to the use of such Theoretical Price or arising out of any errors or delays in calculating such Theoretical Price.

Adopted Feb. 3, 2020 (20-03); amended Jan. 26, 2022 (SR-Phlx-2022-04), operative Jul. 1, 2022.

Section 21. Exchange Sharing of Participant-Designated Risk Settings

The Exchange may share any Phlx participant-designated risk settings in the System with the Clearing Member that clears transactions on behalf of the participant. For purposes of this rule, a participant is any Phlx Lead Market Maker, Streaming Quote Trader or Remote Streaming Quote Trader.

Adopted Feb. 3, 2020 (20-03).

Section 22. Limitations on Order Entry

(a) **Limit Orders**. Members organizations shall not enter Public Customer Limit Orders into the System in the same options series, for the account or accounts of the same or related beneficial owners, in such a manner that the beneficial owner(s) effectively is operating as a market maker by holding itself out as willing to buy and sell such options contract on a regular or continuous basis. In determining whether a beneficial owner effectively is operating as a Market Maker, the Exchange will consider, among other things: the simultaneous or near-simultaneous entry of Limit Orders to buy and sell the same options contract and the entry of multiple Limit Orders at different prices in the same options series.

(b) **Limitations on Principal Transactions**. Members may not execute as principal against orders on the Limit Order book they represent as agent unless: (i) agency orders are first exposed on the Limit Order book for at least 1 second; (ii) the member organization has been bidding or offering on the Exchange for at least 1 second prior to receiving an agency order that is executable against such bid or offer or; (iii) the member organization utilizes the Facilitation Mechanism pursuant to Options 3, Section 11(b) and (c); (iv) the member organization utilizes PIXL pursuant to Options 3, Section 13; (v) the member organization utilizes Qualified Contingent Cross Orders pursuant to Options 3, Section 12(c) and (d); (vi) the member organization utilizes a Customer Cross Order pursuant to Options 3, Sections 12(a) or (b); or (vii) the member organization utilizes a Complex Order Exposure pursuant to Supplementary Material .01 to Options 3, Section 14. Member organizations may not execute as principal orders they represent as agent within the Solicitation Mechanism pursuant to Options 3, Section 11(d) and (e).

(1) This Rule prevents a member organization from executing agency orders to increase its economic gain from trading against the order without first giving other trading interest on the Exchange an opportunity to either trade with the agency order or to trade at the execution price when the member organization was already bidding or offering on the book. However, the Exchange recognizes that it may be possible for a member organization to establish a relationship with a customer or other person (including affiliates) to deny agency orders the opportunity to interact on the Exchange and to realize similar economic benefits as it would achieve by executing agency orders as principal. It will be a violation of this Rule for a

member organization to be a party to any arrangement designed to circumvent this Rule by providing an opportunity for a customer or other person (including affiliates) to regularly execute against agency orders handled by the member organization immediately upon their entry into the System. Further, it would be a violation of this Rule for an Options Participant to circumvent this Rule by providing an opportunity for (A) a Public Customer affiliated with the Participant, or (B) a Public Customer with whom the Participant has an arrangement that allows the Participant to realize similar economic benefits from the transaction as the Participant would achieve by executing agency orders as principal, to regularly execute against agency orders handled by the firm immediately upon their entry as Public Customer-to-Public Customer immediate crosses.

(c) **Limitations on Solicitation Orders**. Member organizations may not execute orders they represent as agent on the Exchange against orders solicited from member organizations and non-member organization broker-dealers to transact with such orders unless (i) the unsolicited order is first exposed on the Exchange for at least one (1) second;(ii) the member organization utilizes the Solicited Order Mechanism pursuant to Options 3, Section 11(e), (iii) the member organization utilizes the Facilitation Mechanism pursuant to Options 3, Section 11(d); (iv) the member organization utilizes PIXL pursuant to Options 3, Section 13; (v) the member organization utilizes Qualified Contingent Cross Orders pursuant to Options 3, Section 12(c) and (d); (vi) the member organization utilizes a Customer Cross Order pursuant to Options 3, Sections 12(a) or (b); or (vii) the member organization utilizes a Complex Order Exposure pursuant to Supplementary Material .01 to Options 3, Section 14.

(d) Prior to or after submitting an order to Phlx, a member cannot inform another member or any other third party of any of the terms of the order for purposes of violating Options 3, Section 22.

Supplementary Material to Options 3, Section 22

.01 Options 3, Section 22(b) prevents member organizations from executing agency orders to increase its economic gain from trading against the order without first giving other trading interest on the Exchange an opportunity to either trade with the agency order or to trade at the execution price when the member was already bidding or offering on the book. However, the Exchange recognizes that it may be possible for a member organization to establish a relationship with a customer or other person (including affiliates) to deny agency orders the opportunity to interact on the Exchange and to realize similar economic benefits as it would achieve by executing agency orders as principal. It will be a violation of Options 3, Section 22(b) for a member organization to be a party to any arrangement designed to circumvent Options 3, Section 22(d) by providing an opportunity for a customer or other person (including affiliates) to regularly execute against agency orders handled by the member organization immediately upon their entry into the System.

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

.03 The exposure requirement of paragraph (b) applies to the entry of orders with knowledge that there is a pre-existing unexecuted agency, proprietary, or solicited order on the Exchange. Member organizations may demonstrate that orders were entered without knowledge by providing evidence that effective information barriers between the persons, business units and/or systems entering the orders onto the Exchange were in existence at the time the orders were

entered. Such information barriers must be fully documented and provided to the Exchange upon request.

Adopted Feb. 3, 2020 (20-03); amended Aug. 5, 2025 (SR-Phlx-2025-35), operative Nov. 8, 2025.

Section 23. Data Feeds and Trade Information

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

(1) **Nasdaq Phlx Top of Market ("TOPO")** calculates and disseminates the Exchange's best bid and offer position, with aggregate size (including total size in aggregate, for Professional Order size in the aggregate and Public Customer Order size in the aggregate), based on displayable order and quote interest in the System. The data contained in the TOPO 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 Phlx and identifies if the series is available for closing transactions only.

(2) **Nasdaq Phlx Order Feed ("Order Feed")** provides pricing information on new orders resting on the Phlx Order book (e.g. price, quantity, market participant capacity and Attributable Order tags when provided by a Member). Nasdaq Phlx Order Feed is currently provided as part of the TOPO Plus Orders data product. The data provided for each options series includes the symbols (series and underlying security), displayed order types, order attributes (e.g., OCC account number, give-up information, CMTA information), put or call indicator, expiration date, the strike price of the series, and whether the option series is available for trading on Phlx 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).

(3) **Nasdaq Phlx Depth of Market ("Depth of Market Feed")** is a data feed that provides full order and quote depth information for individual quotes and orders on the order book and last sale information for trades executed on Phlx. 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 Phlx 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).

(4) **Nasdaq Phlx 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 Phlx and identifies if the series is available for closing transactions only.

(5) **Nasdaq Phlx Spread Feed ("Spread Feed")** is a feed that consists of: (1) options orders for all Complex Orders (i.e., spreads, buy-writes, delta neutral strategies, etc.); (2) full Complex Order depth information, including prices, side, size, capacity, Attributable Complex Order tags when provided by a member or member organization, and order

attributes (e.g., OCC account number, give-up information, CMTA information), for individual Complex Orders on the Exchange book; (3) last trades information; and (4) calculating and disseminating Phlx's complex best bid and offer position, with aggregated size (including total size in aggregate, for Professional Order size in the aggregate and Public Customer Order size in the aggregate), based on displayable Complex Order interest in the System. The feed also provides Complex Order auction notifications.

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

(1) Clearing Trade Interface ("CTI") is a real-time clearing trade update message that is sent to a member after an execution has occurred and contains trade details specific to that member. The information includes, among other things, the following: (i) The Clearing Member Trade Agreement or "CMTA" or "OCC" number; (ii) Exchange badge or house number; (iii) the Exchange internal firm identifier; (iv) an indicator which will distinguish electronic and non-electronically delivered orders; (v) liquidity indicators and transaction type for billing purposes; and (vi) capacity.

(2) Reserved.

(3) FIX DROP is a real-time order and execution update message that is sent to a member after an order has been received/modified or an execution has occurred and contains trade details specific to that member. 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.

(c) The following trade information is available on an End of Day, Intra-Day, and historical basis:

(1) PHLX Options Trade Outline provides aggregate quantity and volume information for trades on the Exchange for all series during a trading session. Information is provided in the following categories: (i) total exchange volume for Intra-Day information and total exchange and industry volume for End of Day information for each reported series; (ii) open interest for the series; (iii) aggregate quantity of trades and aggregate trade volume effected to open a position, characterized by origin type (Customer, Broker-Dealer, Market Maker, Firm, and Professional), and for Customers and Professionals, further subdivided by trade size buckets; and (iv) aggregate quantity of trades and aggregate trade volume effected to close a position, characterized by origin type (Customer, Broker-Dealer, Market Maker, Firm, and Professional), and for Customers and Professionals, further subdivided by trade size buckets.

PHLX Options Trade Outline End of Day will also provide opening buy, closing buy, opening sell and closing sell information, which shall include option first trade price, option high trade price, option low trade price, and option last trade price.

End of Day information will be available the next business day. Intra-Day information is updated at 10-minute intervals over the course of the trading day. Historical information will be available upon request.

Adopted Feb. 3, 2020 (20-03); amended January 26, 2021 (SR-Phlx-2021-05); amended Aug. 3, 2023 (SR-Phlx-2023-34), operative Jan. 29, 2024; amended Sep. 6, 2024 (SR-Phlx-2024-48); amended Dec. 12, 2024 (SR-Phlx-2024-71), operative on or before Dec. 20, 2025; amended Jan. 15, 2025 (SR-Phlx-2025-04), operative on or before Dec. 20, 2025; amended Sep. 24, 2025 (SR-Phlx-2025-53), operative Oct. 24, 2025.

Section 24. Price of Execution Binding

Adopted Feb. 3, 2020 (20-03).

Section 25. Reserved

Adopted Feb. 3, 2020 (20-03).

Section 26. Message Traffic Mitigation

(a) The Exchange shall disseminate an updated bid and offer price, together with the size associated with such bid and offer, when:

(1) the Exchange's disseminated bid or offer price increases or decreases;

(2) the size associated with the Exchange's disseminated bid or offer decreases; or

(3) the size associated with the Exchange's bid (offer) increases by an amount greater than or equal to a percentage (never to exceed 20%) of the size associated with previously disseminated bid (offer). Such percentage, which shall never exceed 20%, will be determined by the Exchange on an issue-by-issue basis and posted on the Exchange's website.

Adopted Feb. 3, 2020 (20-03); amended August 23, 2021 (SR-Phlx-2021-48).

Section 27. Limitation of Exchange Liability and Reimbursement of Certain Expenses

(a) The Exchange, including for purposes of this Rule its officers, directors and employees, shall not be liable for any damages sustained by a member, member organization, or person associated with any of the foregoing, arising out of or relating to the use or enjoyment by such person or entity of the facilities afforded by the Exchange to members for the conduct of their business.

(b) The cost to the Exchange of producing, pursuant to court order or other legal process, records relating to the business or affairs of a member, member organization, or person associated with any of the foregoing, may, in the discretion of the Exchange, be required to be paid to the Exchange by such person or entity, whether such production is required at the instance of such person or entity, or at the instance of any other party.

(c) In the event any action or proceeding is brought, or claim made, to impose liability on the Exchange for an alleged failure on its part to prevent or to require action by a member, member organization, or person associated with any of the foregoing, such person or entity may, in the discretion of the Exchange, be required to reimburse the Exchange for:

(1) all expenses, including counsel fees, incurred by the Exchange in connection with said action, proceeding, or claim, (2) the recovery, if any, adjudged against the Exchange upon a final determination that the Exchange was liable for the damage sustained, and (3) any payment made by the Exchange with the approval of the member, member organization, or person associated with any of the foregoing in connection with any settlement of any such action, proceeding, or claim; provided, however, that no member, member organization, or person associated with any of the foregoing shall be required to reimburse the Exchange for

any fine or any other civil penalty imposed on the Exchange by the SEC or any other governmental entity for a violation by the Exchange of any provision of the Act or of any Commission regulation, or where indemnification would otherwise be prohibited by law.

(2) Each member organization that physically conducts a business on the Exchange's trading floor is required, at its sole cost, to procure and maintain liability insurance that provides defense and indemnity coverage for itself, any person associated with it and the Exchange for any action or proceeding brought, or claim made, to impose liability upon such member organization, associated person or the Exchange resulting from, relating to, or arising out of the conduct of the member organization or associated person (hereinafter, "Insurance"). The Insurance shall further provide defense and indemnity coverage to the Exchange for the Exchange's sole, concurrent, or contributory negligence, or other wrongdoing, relating to or in connection with such claim. The Exchange shall be expressly named by endorsement as an Additional Insured under the Insurance. The Exchange's status and rights to coverage under the Insurance shall be the same rights of the named insured of the Insurance, including, without limitation, rights to the full policy limits. In addition:

(i) The limits for the Insurance shall be not less than $1,000,000 without erosion by defense costs, but under no circumstance shall the Exchange be entitled to less than the full policy limits of such Insurance.

(ii) The Insurance shall state that it is primary to any insurance maintained by the Exchange.

(iii) Each member organization annually shall cause a certificate of insurance to be issued directly to the Exchange demonstrating that insurance compliant with this Rule has been procured and is maintained. Each member organization also shall furnish a copy of the Insurance to the Exchange for review upon the Exchange's request at any time.

(a) This section (2) is the only section of this Rule specifically limited to member organizations physically located on the Exchange's trading floor.

(d) In the event that a member, member organization, or person associated with any of the foregoing fails to remit any amount due the Exchange under this Rule or General 2, Section 3, such person shall be responsible for all costs of collection incurred by the Exchange, including counsel fees. This subsection does not apply to any objection or appeal by a member, member organization, or person associated with any of the foregoing considered by the Exchange or the Commission, or any appeal from a decision of the Commission.

(e) Paragraphs(a), (b) & (c) shall apply to any action, proceeding, claim, or other legal process brought, made, or asserted on or after the date of the filing of this Rule with the Commission. Paragraph (d) shall apply to any costs incurred by the Exchange upon approval of this Rule.

Adopted Feb. 3, 2020 (20-03).

Section 28. <u>Optional Risk Protections</u>

(a) The following are optional order risk protections:

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

(2) Daily aggregate notional dollar value;

(3) Quantity per order; and

(4) Daily aggregate quantity

(b) member organization or member organizations may elect one or more of the above optional risk protections by contacting Market Operations and providing a value (for (a)(1) and (a)(3)) or daily aggregate value (for (a)(2) or (a)(4)) for each order protection. A member or member organizations may modify their settings through Market Operations.

(c) The System will reject all incoming aggregated member or member organization orders for any of the (a)(2) and (a)(4) risk protections after the value configured by the member or member organization is exceeded.

(d) The System will reject all incoming member or member organization orders for any of the (a)(1) and (a)(3) risk protections upon arrival if the value configured by the member or member organization is exceeded by the incoming order.

(e) If a member or member organization sets a notional dollar value, a Market Order would not be accepted from that member or member organization.

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

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 Nasdaq PHLX Options 4, and are thus Nasdaq PHLX Rules and thereby applicable to Nasdaq PHLX members, member organizations, and associated persons and other personnel. Nasdaq PHLX members and member organizations 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 Nasdaq PHLX 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 Nasdaq PHLX; the defined term "Rule" in the Options 4 Rules shall be read to refer to the Nasdaq PHLX Rule; the defined term "Market Maker" in the Options 4 Rules shall be read to refer to the Nasdaq PHLX Market Maker; the defined term "Primary Market Maker" in the Options 4 Rules shall be read to refer to the Nasdaq PHLX Lead Market Maker; the defined term "Competitive Market Maker" in the Options 4 Rules shall be read to refer to Nasdaq PHLX Market Maker; and the defined terms "Electronic Access Member," "EAM," or "Member" in the Options 4 Rules shall be read to refer to the Nasdaq PHLX member organization.

Adopted Sep. 3, 2021 (SR-Phlx-2021-53), operative Dec. 16, 2021.

OPTIONS 4A OPTIONS INDEX RULES

Section 1. Applicability

(a) The Rules in Options 4A are applicable only to index options (options on indices of securities as defined below). In addition, except to the extent that specific rules in this Section govern, or

unless the context otherwise requires, the provisions of the Option Rules applicable to stock options and of the By-Laws and all other Rules and Policies of the Board of Directors shall be applicable to the trading on the Exchange of index options.

Adopted Feb. 3, 2020 (20-03).

Section 2. Definitions

(a) The following terms as used in the Rules in this Section shall, unless the context otherwise indicates, have the meanings herein specified.

(1) The term "aggregate exercise price" means the exercise price of the option contract times the index multiplier.

(2) The term "American option" or "American-style index option" means an option on an industry or market index that can be exercised on any business day prior to expiration.

(3) The term "A.M. settled index option" means an index option for which the current index value at expiration shall be determined as provided in Options 4A, Section 12(e).

(4) The term "call" means an option contract under which the holder of the option has the right, in accordance with the terms of the option, to purchase from The Options Clearing Corporation the current index value times the index multiplier.

(5) The term "covered" in respect of a short position in an index call option contract in an account means that the writer holds in the same account a long position in an index call option for the same underlying index with the same index multiplier as the short call and the expiration date of the long call is the same as or subsequent to the expiration date of the short call and the exercise price of the long call is equal to or less than the exercise price of the short call. The term "covered" in respect of a short position in an index put option contract in an account means that the writer holds in the same account a long position in an index put option for the same underlying index with the same index multiplier as the short put and the expiration date of the long put is the same as or subsequent to the expiration date of the short put and the exercise price of the long put is equal to or greater than the exercise price of the short put.

(6) The term "closing index value" in respect of a particular index means the last index value reported on a business day.

(7) The term "current index value" in respect of a particular index means the level of the index that is derived from the reported prices of the underlying securities that are the basis of the index, as reported by the reporting authority for the index.

(8) The term "exercise price" means the specific price per unit at which the current index value may be purchased in the case of a call or sold in the case of a put upon the exercise of the option.

(9) The term "European option" or "European-style index option" means an option on an industry or market index that can be exercised only on the business day of expiration, or, in the case of an option contract expiring on a day that is not a business day, on the last business day prior to the day it expires.

(10) The term "expiration date" means, in the case of options on stock indexes, the third Friday of the expiration month of such option contract, or if such Friday is a day on which

the Exchange is not open for business, the preceding day on which the Exchange is open for business.

(11) The terms "industry index" and "narrow-based index" mean an index designed to be representative of a particular industry or a group of related industries.

(12) The term "index multiplier" means the amount specified in the contract by which the current index value is to be multiplied to arrive at the value required to be delivered to the holder of a call or by the holder of a put upon valid exercise of the contract.

(13) The terms "market index" and "broad-based index" mean an index designed to be representative of a stock market as a whole or of a range of companies in unrelated industries.

(14) The term “Monthly Options Series” means, for the purposes of Options 4A, a series in an options class that is approved for listing and trading on the Exchange in which the series is opened for trading on any business day and that expires at the close of business on the last business day of a calendar month.

(15) The term "put" means an option contract under which the holder of the option has the right, in accordance with the terms and provisions of the option, to sell to The Options Clearing Corporation the current index value times the index multiplier.

(16) The term "Quarterly Options Series" means a series in an index 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.

(17) The term "reporting authority" in respect of a particular index means the institutions or reporting service designated by the Exchange as the official source for calculating and determining the current value or the closing index value of the index.

(18) The term "Short Term Option Series" means a series in an option class that is approved for listing and trading on the Exchange in which the series is opened for trading on any Thursday or Friday that is a business day and that expires on the Friday of the next business week. If a Thursday or Friday is not a business day, the series may be opened (or shall expire) on the first business day immediately prior to that Thursday or Friday, respectively.

(19) The term "underlying security" or "underlying securities" with respect to an index option contract means any of the securities that are the basis for the calculation of the index.

Supplementary Material to Options 4A, Section 2

.01 The term "narrow-based index" includes indices the constituents of which are all headquartered within a single country.

.02 The reporting authorities designated by the Exchange in respect of each index underlying an index options contract traded on the Exchange are as provided in the chart below.

Underlying Index	**Reporting Authority**
Full Value Nasdaq 100 Index	The Nasdaq Stock Market

Reduced Value Nasdaq 100 Index	The Nasdaq Stock Market
Nasdaq-100 Micro Index	The Nasdaq Stock Market
Nasdaq-100 ESG Index	The Nasdaq Stock Market
PHLX Oil Service Sector Index	The Nasdaq Stock Market
PHLX Semiconductor Sector Index	The Nasdaq Stock Market
PHLX Utility Sector Index	The Nasdaq Stock Market
PHLX Gold/Silver Sector Index	The Nasdaq Stock Market
PHLX Housing Sector Index	The Nasdaq Stock Market
KBW Bank Index	Keefe, Bruyette & Woods, Inc.

Adopted Feb. 3, 2020 (20-03); amended December 23, 2021 (SR-Phlx-2021-76); amended May 15, 2023 (SR-Phlx-2023-09); amended Nov. 29, 2023 (SR-Phlx-2023-54); amended Nov. 21, 2024 (SR-Phlx-2024-63), operative Dec. 21, 2024.

Section 3. Designation of the Index

(a) The underlying securities comprising the index shall be selected by the Exchange or by the index publisher if different from the Exchange and may be revised from time to time, if in the Exchange's or index publisher's discretion such revision is necessary or appropriate to maintain the quality and character of the index. The underlying securities that are the basis for the calculation of the index need not meet the requirements in Options 4, Section 3. The listing of a class of index options on a new underlying index will be treated by the Exchange as a proposed rule change subject to filing with and approved by the SEC under Section 19(b) of the Exchange Act.

(b) Notwithstanding paragraph (a) above, the Exchange may trade options on a narrow-based index pursuant to Rule 19b-4(e) of the Exchange Act, if each of the following conditions is satisfied:

(1) The options are designated as A.M.-settled index options;

(2) The index is capitalization-weighted, price-weighted, modified capitalization-weighted or equal dollar-weighted, and consists of ten or more component securities;

(3) Each component security has a market capitalization of at least $75 million, except that for each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index, the market capitalization is at least $50 million;

(4) Trading volume of each component security has been at least one million shares for each of the last six months, except that for each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index, trading volume has been at least 500,000 shares for each of the last six months;

(5) In a capitalization-weighted index, the lesser of the five highest weighted component securities in the index or the highest weighted component securities in the index that in the aggregate represent at least 30% of the total number of component securities in the index each have had an average monthly trading volume of at least 2,000,000 shares over the past six months;

(6) No single component security represents more than 30% of the weight of the index, and the five highest weighted component securities in the index do not in the aggregate account for more than 50% (65% for an index consisting of fewer than 25 component securities) of the weight of the index;

(i) With respect to the Gold/Silver Index, no single component shall account for more than 35% of the weight of the Index and the three highest weighted components shall not account for more than 65% of the weight of the Index. If the Index fails to meet this requirement, the Exchange shall reduce position limits to 8000 contracts on the Monday following expiration of the farthest-out, then trading, non-LEAP series.

(7) Component securities that account for at least 90% of the weight of the index and at least 80% of the total number of component securities in the index satisfy the requirements of Options 4, Section 3 applicable to individual underlying securities;

(8) Each component security must be an "NMS Stock" as defined in Rule 600 of Regulation NMS under the Exchange Act;

(9) Non-U.S. component securities (stocks or ADRs) that are not subject to comprehensive surveillance agreements do not in the aggregate represent more than 20% of the weight of the index;

(10) The current underlying index value will be reported at least once every fifteen seconds during the time the index options are traded on the Exchange;

(11) An equal dollar-weighted index will be rebalanced at least once every calendar quarter and a modified capitalization-weighted index will be rebalanced at least twice annually;

(12) If an underlying index is maintained by a broker-dealer, the index is calculated by a third party who is not a broker-dealer, and the broker-dealer has erected a "Chinese Wall" around its personnel who have access to information concerning changes in and adjustments to the index.

(c) The following maintenance listing standards shall apply to each class of index options originally listed pursuant to paragraph (b) above:

(1) The conditions stated in subparagraphs (b)(1), (3), (6), (7), (8), (9), (10), (11) and (12) must continue to be satisfied, provided that the conditions stated in subparagraph (b)(6) must be satisfied only as to the first day of January and July in each year;

(2) The total number of component securities in the index may not increase or decrease by more than 33 1/3% from the number of component securities in the index at the time of its initial listing, and in no event may be less than nine component securities;

(3) Trading volume of each component security in the index must be at least 500,000 shares for each of the last six months, except that for each of the lowest weighted component

securities in the index that in the aggregate account for no more than 10% of the weight of the index, trading volume must be at least 400,000 shares for each of the last six months;

(4) In a capitalization-weighted index, the lesser of the five highest weighted component securities in the index or the highest weighted component securities in the index that in the aggregate represent at least 30% of the total number of stocks in the index each have had an average monthly trading volume of at least 1,000,000 shares over the past six months;

In the event a class of index options listed on the Exchange fails to satisfy the maintenance listing standards set forth herein, the Exchange shall not open for trading any additional series of options of that class unless such failure is determined by the Exchange not to be significant and the Commission concurs in that determination, or unless the continued listing of that class of index options has been approved by the Commission under Section 19(b)(2) of the Exchange Act.

(d) Notwithstanding paragraph (a) above, the Exchange may trade options on a broad-based (market) index pursuant to Rule 19b-4(e) of the Exchange Act, if each of the following conditions is satisfied:

(1) The index is broad-based, as defined in Options 4A, Section 2(a)(13);

(2) Options on the index are designated as A.M.-settled index options;

(3) The index is capitalization-weighted, price-weighted, modified capitalization-weighted or equal dollar-weighted;

(4) The index consists of 50 or more component securities;

(5) Component securities that account for at least ninety-five percent (95%) of the weight of the index have a market capitalization of at least $ 75 million, except that component securities that account for at least sixty-five percent (65%) of the weight of the index have a market capitalization of at least $ 100 million;

(6) Component securities that account for at least eighty percent (80%) of the weight of the index satisfy the requirements of Options 4, Section 3 applicable to individual underlying securities;

(7) Each component security that accounts for at least one percent (1%) of the weight of the index has an average daily trading volume of at least 90,000 shares during the last six month period;

(8) No single component security accounts for more than ten percent (10%) of the weight of the index, and the five highest weighted component securities in the index do not, in the aggregate, account for more than thirty-three percent (33%) of the weight of the index;

(9) Each component security must be an "NMS Stock" as defined in rule 600 of Regulation NMS under the Exchange Act;

(10) Non-U.S. component securities (stocks or ADRs) that are not subject to comprehensive surveillance agreements do not, in the aggregate, represent more than twenty percent (20%) of the weight of the index;

(11) The current index value is widely disseminated at least once every fifteen (15) seconds by one or more major market data vendors during the time options on the index are traded on the Exchange;

(12) The Exchange reasonably believes it has adequate System capacity to support the trading of options on the index, based on a calculation of the Exchange's current Independent System Capacity Advisor (ISCA) allocation and the number of new messages per second expected to be generated by options on such index;

(13) An equal dollar-weighted index is rebalanced at least once every calendar quarter;

(14) If an index is maintained by a broker-dealer, the index is calculated by a third-party who is not a broker-dealer, and the broker-dealer has erected an informational barrier around its personnel who have access to information concerning changes in, and adjustments to, the index;

(15) The Exchange has written surveillance procedures in place with respect to surveillance of trading of options on the index.

(e) The following maintenance listing standards shall apply to each class of index options originally listed pursuant to paragraph (d) above:

(1) The conditions set forth in subparagraphs (d)(1), (2), (3), (9), (10), (11), (12), (13), (14) and (15) must continue to be satisfied. The conditions set forth in subparagraphs (d)(5), (6), (7) and (8) must be satisfied only as of the first day of January and July in each year;

(2) The total number of component securities in the index may not increase or decrease by more than ten percent (10%) from the number of component securities in the index at the time of its initial listing.

In the event a class of index options listed on the Exchange fails to satisfy the maintenance listing standards set forth herein, the Exchange shall not open for trading any additional series of options of that class unless the continued listing of that class of index options has been approved by the Commission under Section 19(b)(2) of the Exchange Act.

(f) Alpha Index Options

(1) Alpha Index options will be A.M.-settled. The exercise settlement value will be based upon the opening prices of the individual stock or ETF from the primary listing market on the business day of expiration, or, in the case of an option contract expiring on a day that is not a business day, the business day prior to the expiration date.

(2) At the time of listing an Alpha Index option, options on each underlying component of an Alpha Index will also be listed and traded on the Exchange and will meet the requirements of Options 4, Section 3, Criteria for Underlying Securities. Additionally, each underlying component's trading volume (in all markets in which the underlying security is traded) must have averaged at least 2,250,000 shares per day in the preceding twelve months.

(3) Following the listing of an Alpha Index option, options on each of the component securities of the Alpha Index will continue to meet the continued listing standards set forth by Options 4, Section 4, Withdrawal of Approval of Underlying Securities or Options. Additionally, each underlying component's trading volume (in all markets in which the

underlying security is traded) must have averaged at least 2,000,000 shares per day in the preceding twelve months.

(4) No Alpha Index option will be listed unless and until options overlying each of the Alpha Index component securities have been listed and traded on a national securities exchange with an average daily options trading volume during the three previous months of at least 10,000 contracts. Following the listing of an Alpha Index option, options on each of the component securities of the Alpha Index must continue to meet this options average daily volume standard.

Adopted Feb. 3, 2020 (20-03); amended Apr. 9, 2021 (SR-Phlx-2021-07), operative Apr. 15, 2021; amended May 15, 2023 (SR-Phlx-2023-09).

Section 4. Index Options Values for Settlement

(a) **Index Values for Settlement**. The Rules of The Options Clearing Corporation specify that, unless the Rules of the Exchange provide otherwise, the current index value used to settle the exercise of an index options contract shall be the closing index value for the day on which the index options contract is exercised in accordance with the Rules of The Options Clearing Corporation or, if such day is not a business day, for the most recent business day.

(b) **Pricing When Primary Market Does Not Open**. When the primary market for a security underlying the current index value of an index option does not open for trading on a given day, which is an expiration day, for the purposes of calculating the settlement price at expiration, the last reported sale price of the security from the previous trading day shall be used. This procedure shall not be used if the current index value at expiration is fixed in accordance with the Rules and By-Laws of The Options Clearing Corporation.

(c) **Discretion**. For any series of index options the Exchange may, in its discretion, provide that the calculation of the final index settlement value of any index on which options are traded at the Exchange will be determined by reference to the prices of the constituent stocks at a time other than the close of trading on the last trading day before expiration.

(1) With respect to any securities index on which options are traded on the Exchange, the source of the prices of component securities used to calculate the current index level at expiration is determined by the Reporting Authority for that index.

Adopted Feb. 3, 2020 (20-03); amended December 23, 2021 (SR-Phlx-2021-76).

Section 5. Dissemination of Information

(a) The Exchange shall disseminate or shall assure that the closing index value is disseminated after the close of business and the current index value is disseminated from time-to-time on days on which transactions in index options are made on the Exchange.

(b) The Exchange shall maintain, in files available to the public, information identifying the stocks whose prices are the basis for calculation of the index and the method used to determine the current index value.

Adopted Feb. 3, 2020 (20-03).

Section 6. Position Limits

(a) The position limit for a broad-based (market) index option shall be 25,000 contracts on the same side of the market except as provided below. Certain positions must be aggregated in accordance with paragraph (d) or (e) below.

(i) Respecting the Full Value Nasdaq 100 Options, the Reduced Value Nasdaq 100 Options, the Nasdaq 100-Micro Index Options, and the Nasdaq-100 ESG Index Options there shall be no position limits.

(b)(i) In determining compliance with Options 9, Section 13, option contracts on a narrow-based (industry) index shall, subject to the procedures specified in subparagraph (iii) of this Rule, be subject to the following position limits:

— 18,000 contracts (or 54,000 contracts for options on the PHLX Oil Service Sector, PHLX Semiconductor Sector, PHLX Utility Sector, PHLX Gold/Silver Sector, and PHLX Housing Sector) if the Exchange determines, at the time of a review conducted pursuant to subparagraph (ii) of this paragraph (b), that any single underlying stock accounted, on average, for 30% or more of the index value during the 30-day period immediately preceding the review; or

— 24,000 contracts (or 72,000 contracts for options on the PHLX Oil Service Sector, PHLX Semiconductor Sector, PHLX Utility Sector, PHLX Gold/Silver Sector, PHLX Housing Sector) if the Exchange determines, at the time of a review conducted pursuant to subparagraph (ii) of this paragraph (b), that any single underlying stock accounted, on average, for 20% or more of the index value or that any five underlying stocks together accounted, on average, for more than 50% of the index value, but that no single stock in the group accounted, on average, for 30% or more of the index value, during the 30-day period immediately preceding the review; or

— 31,500 contracts (or 94,500 contracts for options on the PHLX Oil Service Sector, PHLX Semiconductor Sector, PHLX Utility Sector, PHLX Gold/Silver Sector, PHLX Housing Sector)) if the Exchange determines that the conditions specified above which would require the establishment of a lower limit have not occurred, or

— 44,000 contracts total with respect to the KBW Bank Index.

(ii) The Exchange shall make the determinations required by subparagraph (i) of this paragraph (b) with respect to options on each industry index at the commencement of trading of such options on the Exchange and thereafter review the determination semiannually on January 1 and July 1.

(iii) If the Exchange determines, at the time of a semi-annual review, that the position limit in effect with respect to options on a particular industry index is lower than the maximum position limit permitted by the criteria set forth in subparagraph (i) of this paragraph (b), the Exchange may effect an appropriate position limit increase immediately. If the Exchange determines, at the time of a semi-annual review, that the position limit in effect with respect to options on a particular industry index exceeds the maximum position limit permitted by the criteria set forth in subparagraph (i) of this paragraph (b), the Exchange shall reduce the position limit applicable to such options to a level consistent with such criteria; provided, however, that such a reduction shall not become effective until after the expiration date of the most distantly expiring option series relating to such particular industry index, which is open for trading on the date of the review; and provided further that such a reduction shall not

become effective if the Exchange determines, at the next succeeding semi-annual review, that the existing position limit applicable to such options is consistent with the criteria set forth in subparagraph (i) of this paragraph (b).

(c) *Reporting Requirements for Options on Market Indexes.*—Each member or member organization that maintains a position on the same side of the market in excess of 100,000 contracts for its own account or for the account of a customer in excess of 100,000 contracts for its own account or for the account of a customer in Full Value Nasdaq-100® Options, NDX; or in excess of 100,000 contracts for its own account for the account of a customer in Nasdaq-100 ESG Index Options, must file a report with the Exchange that includes, but is not limited to, data related to the option positions, whether such positions are hedged and if applicable, a description of the hedge and information concerning collateral used to carry the positions. Market Makers are exempt from this reporting requirement. For positions exceeding the position limit in paragraph (a), Supplementary Material .01 contains the requirements for qualifying for the Index Hedge Exemption under this Rule.

(d) Except as provided in section (f) below with respect to options on Alpha Indexes, index option contracts shall not be aggregated with option contracts on any stocks whose prices are the basis for calculation of the index.

(e) *Aggregation*—Full value, reduced value, micro index value, long term, monthly expiring options and quarterly expiring options based on the same index shall be aggregated. Reduced value or mini-size and micro index contracts shall be aggregated with full value or full-size contracts and counted by the amount by which they equal a full value contract (e.g. a hundredth (1/100th)) value contracts equal one (1) full value contract). Positions in Short Term Options Series, Monthly Options Series and Quarterly Options Series shall be aggregated with positions in options contracts of the same index. Nonstandard Expirations (as provided for in Options 4A, Section 5(b)(vii)) on a broad-based index shall be aggregated with option contracts on the same broad-based index and shall be subject to the overall position limit.

(f) The position limit for an option on an Alpha Index shall be 60,000 contracts on the same side of the market unless the Target Component of the Alpha Index is an exchange traded fund share, in which case the position limit shall be 15,000 contracts on the same side of the market.

Positions in Alpha Index options will be aggregated with positions in equity options on the underlying securities for purposes of determining compliance with position limits.

Supplementary Material to Options 4A, Section 6

.01 Index Hedge Exemption.

(a) Index option positions may be exempt from established position limits for each option contract "hedged" by an equivalent dollar amount of the underlying component securities or securities convertible into such components; provided that, in applying such hedge, each option position to be exempted is hedged by a position in at least: (i) respecting industry index options, 75% of the number of component securities underlying the index, (ii) respecting market index options, 20 stocks in four industry groups comprising the index, of which no one component security accounts for more than 15% of the value of the portfolio hedging the index option position, or (iii) respecting Alpha Index options, each of the component securities underlying the index. In addition, the underlying value of the option position may not exceed the value of the underlying portfolio.

(b) The value of the underlying portfolio is:

(1) the total market value of the net stock position; less

(2) the value of:

(A) any offsetting calls and puts in the respective index option; and

(B) any offsetting positions in related stock index futures or options; and

(C) any economically equivalent positions.

The portfolio must be previously established and the options must be carried in an account with an Exchange member. Securities used as a hedge pursuant to this provision may not be used to hedge other option positions.

(c) Prior Exchange approval on the appropriate form designated by the Exchange is required. In no event may position limits for any hedged industry index option exceed two times above the limits established under Options 4A, Section 5(b)(i), in addition to that limit. In certain instances, the Exchange may determine to permit positions less than two times above the existing limits. An increase in the maximum number of contracts exempt from position limits may be requested periodically, as dollar values may warrant. This exemption is in addition to the position limit and any other exemptions available under Exchange Rules.

(d) This exemption requires that both the options and stock positions be initiated and liquidated in an orderly manner. Specifically, a reduction of the options position must occur at or before the corresponding reduction in the stock portfolio position. Initiating or liquidating positions should not be conducted in a manner calculated to cause unreasonable price fluctuations or unwarranted price changes or with a view toward taking advantage of any differential in price between a group of securities and an overlying stock position. The Exchange's Regulatory staff must be notified in writing for approval in advance of liquidating or initiating any such position as well as of any material change in the portfolio or futures positions which materially effects the unhedged value of the qualified portfolio, as defined above.

(e) The Exchange's Regulatory staff will monitor daily that each option contract is hedged by the equivalent dollar amount of component securities. In addition, the hedge exemption form must be kept current, with information updated as warranted. Any information concerning the dollar value and composition of the stock portfolio, or its equivalent, the current hedged and aggregate option positions, any stock index futures positions must be promptly provided to the Exchange.

(f) If any member or member organization carrying an account which has received an exemption pursuant to this Rule has reason to believe that as a result of an opening transaction, the position telescoping provisions of this Rule, or the execution of CMTA transactions, that its customer, acting alone or in concert with others, directly or indirectly, violates this position limit exemption, then the member or member organization has violated this Rule. Violations of any of these provisions, absent reasonable justification or excuse, shall result in withdrawal of the hedge exemption and subsequent denial of an application for a hedge exemption thereunder.

.02 *Firm Facilitation Exemption*—A member organization may be exempt from established position limits for index option positions held in its proprietary account where such position will

facilitate an order for a customer of that member organization, provided that such position satisfies the following:

(a) Maximum limit: the facilitating position may exceed the applicable position limit by two times that limit, in addition to the allowable amount. For example, where the position limit is 25,000 contracts, a firm facilitation exemption is available for an additional 50,000 contracts. This exemption is in addition to any other exemptions available under Exchange Rules.

(b) Approval Procedure: prior approval from an Options Exchange Official and the submission of a complete Firm Facilitation Form, which must be kept current, are required. Approval may be granted on the basis of verbal representations, in which case the member organization shall submit to the Exchange's Regulatory staff a completed form respecting such approval within two business days or the time specified when approval is granted. A member organization may request an exemption based on interest expressed by its customer, prior to obtaining an order. This exemption is not available where either the customer or facilitation order are all or none or fill or kill orders.

The facilitation firm shall promptly provide the Exchange with information or documents requested concerning the exempted and hedging positions. A copy of all applicable order tickets must be provided to the Exchange's Regulatory staff on the day of execution.

The facilitation firm shall establish and liquidate its own as well as its customer's option and stock positions in an orderly fashion, and not in a manner calculated to cause unreasonable price fluctuations or unwarranted price changes nor with a view toward taking advantage of any differential in price between a group of securities and an overlying stock index option. The facilitation firm shall notify the Exchange of any material change in the exempted option position or hedge. The facilitation firm shall not increase the exempt option position once it is liquidated unless prior approval is again received pursuant to this Rule.

(c) Facilitation Procedure: compliance with the facilitation procedures of Options 8, Section 30(b) is required, such that the terms of the order are disclosed and the market quoted, with bidding/offering by the facilitation firm providing an opportunity for the trading crowd to participate.

(d) Hedge: to remain qualified, the facilitation firm must hedge all exempt option positions within five business days after the execution of the order and furnish the Exchange's Regulatory staff with documentation reflecting the resulting hedged positions.

(e) Violations of these requirements, absent reasonable justification or excuse, shall result, in addition to any disciplinary action, in withdrawal of the exemption and may form the basis for subsequent denial of an application for an exemption hereunder.

.03 *Exemptions Granted by Other Options Exchanges* - A member may rely upon any available exemptions from applicable position limits granted from time to time by another options exchange for any options contract traded on the Exchange provided that such member:

(a) provides the Exchange with a copy of any written exemption issued by another options exchange or a written description of any exemption issued by another options exchange other than in writing containing sufficient detail for Exchange Regulatory staff to verify the validity of that exemption with the issuing options exchange, and

(b) fulfills all conditions precedent for such exemption and complies at all times with the requirements of such exemption with respect to the member's trading on the Exchange.

.04 Delta-Based Index Hedge Exemption

The Delta-Based Index Hedge Exemption is in addition to the standard limit and other exemptions available under Exchange Rules. An index option position of a member or, non-member affiliate of a member that is delta neutral shall be exempt from established position limits as prescribed under this Options 4A, Section 6, subject to the following:

(A) The term "delta neutral" refers to an index option position that is hedged, in accordance with a permitted pricing model, by a position in one or more correlated instruments, for the purpose of offsetting the risk that the value of the option position will change with incremental changes in the value of the underlying index. The term "correlated instruments" means securities and/or other instruments that track the performance of or are based on the same underlying index as the index underlying the option position (but not including baskets of securities).

(B) An index option position that is not delta neutral shall be subject to position limits in accordance with this Options 4A, Section 6 (subject to the availability of other position limit exemptions). Only the options contract equivalent of the net delta of such position shall be subject to the appropriate position limit. The "options contract equivalent of the net delta" is the net delta divided by units of trade that equate to one option contract on a delta basis. The term "net delta" means, at any time, the number of shares and/or other units of trade (either long or short) required to offset the risk that the value of an index option position will change with incremental changes in the value of the underlying index, as determined in accordance with a permitted pricing model.

(C) A "permitted pricing model" shall have the meaning as defined in Exchange Options 9, Section 13(n).

(D) Effect on Aggregation of Accounts

(1) Members and non-member affiliates who rely on this exemption must ensure that the permitted pricing model is applied to all positions in correlated instruments that are owned or controlled by such member or non-member affiliate.

(2) Notwithstanding subparagraph (D)(1), the net delta of an option position held by an entity entitled to rely on this exemption, or by a separate and distinct trading unit of such entity, may be calculated without regard to positions in correlated instruments held by an affiliated entity or by another trading unit within the same entity, provided that:

(i) the entity demonstrates to the Exchange's satisfaction that no control relationship, as defined in Options 9, Section 13(k), exists between such affiliates or trading units; and

(ii) the entity has provided (by the member carrying the account as applicable) the Exchange written notice in advance that it intends to be considered separate and distinct from any affiliate or, as applicable, which trading units within the entity are to be considered separate and distinct from each other for purposes of this exemption.

(3) Notwithstanding subparagraph (D)(1) or (D)(2), a member or non-member affiliate who relies on this exemption shall designate, by prior written notice to the Exchange (to be obtained and provided by the member carrying the account as applicable), each trading unit or entity whose option positions are required under Exchange Rules to be aggregated with the

option positions of such member or non-member affiliate that is relying on this exemption for purposes of compliance with Exchange position limits or exercise limits. In any such case:

(i) the permitted pricing model shall be applied, for purposes of calculating such member's or affiliate's or net delta, only to the positions in correlated instruments owned and controlled by those entities and trading units who are relying on this exemption; and

(ii) the net delta of the positions owned or controlled by the entities and trading units who are relying on this exemption shall be aggregated with the non-exempt option positions of all other entities and trading units whose options positions are required under Exchange Rules to be aggregated with the option positions of such member or affiliate.

(E) Obligations of Members

(1) A member that relies on this exemption for a proprietary index options position:

(i) must provide a written certification to the Exchange that it is using a permitted pricing model pursuant to subparagraph (C) above; and

(ii) by such reliance authorizes any other person carrying for such member an account including, or with whom such member has entered into, a position in a correlated instrument to provide to the Exchange or The Options Clearing Corporation such information regarding such account or position as the Exchange or Options Clearing Corporation may request as part of the Exchange's confirmation or verification of the accuracy of any net delta calculation under this exemption.

(2) The index option positions of a non-member relying on this exemption must be carried by a member with which it is affiliated.

(3) A member carrying an account that includes an index option position for a nonmember affiliate that intends to rely on this exemption must obtain from such nonmember affiliate and must provide to the Exchange.

(i) a written certification to the Exchange that the non-member affiliate is using a permitted pricing model pursuant to subparagraph (C) above; and

(ii) a written statement confirming that such non-member affiliate:

(a) is relying on this exemption;

(b) will use only a permitted pricing model for purposes of calculating the net delta of its option positions for purposes of this exemption;

(c) will promptly notify the member if it ceases to rely on this exemption;

(d) authorizes the member to provide to the Exchange or The Options Clearing Corporation such information regarding positions of the non-member affiliate as the Exchange or Options Clearing Corporation may request as part of the Exchange's confirmation or verification of the accuracy of any net delta calculation under this exemption; and

(e) if the non-member affiliate is using the OCC Model, has duly executed and delivered to the member such documents as the Exchange may require to be executed and delivered to the Exchange as a condition to reliance on this exemption.

(F) Reporting.

Each member (other than an Exchange market-maker using the OCC Model) that holds or carries an account that relies on this exemption shall report, in accordance with Exchange Options 6E, Section 2, all index option positions (including those that are delta neutral) that are reportable thereunder. Each such member on its own behalf or on behalf of a designated aggregation unit pursuant to Supplementary Material .04(D) of this Options 4A, Section 6 shall also report, in accordance with Options 6E, Section 2 for each such account that holds an index option position subject to this exemption in excess of the levels specified in this Options 4A, Section 6, the net delta and the options contract equivalent of the net delta of such position.

(G) Records.

Each member relying on this exemption shall: (i) retain, and undertake reasonable efforts to ensure that any non-member affiliate of the member relying on this exemption retains, a list of the options, securities and other instruments underlying each option position net delta calculation reported to the Exchange hereunder, and (ii) produce such information to the Exchange upon request.

Adopted Feb. 3, 2020 (20-03); amended Apr. 9, 2021 (SR-Phlx-2021-07), operative Apr. 15, 2021; amended May 4, 2021 (SR-Phlx-2021-28), operative June 3, 2021; amended Mar. 15, 2022 (SR-Phlx-2022-13); amended May. 5, 2021 (SR-Phlx-2020-41), operative Jun. 14, 2022; amended May 15, 2023 (SR-Phlx-2023-09); amended May 15, 2023 (SR-Phlx-2023-09); amended Jun. 27, 2023 (SR-Phlx-2023-27), operative Jul. 27, 2023; amended Aug. 30, 2023 (SR-Phlx-2023-41), operative Sep. 29, 2023; amended Nov. 29, 2023 (SR-Phlx-2023-54); amended Nov. 21, 2024 (SR-Phlx-2024-63), operative Dec. 21, 2024.

Section 7. Reserved

Adopted Feb. 3, 2020 (20-03).

Section 8. Reserved

Adopted Feb. 3, 2020 (20-03).

Section 9. Reserved

Adopted Feb. 3, 2020 (20-03).

Section 10. Exercise Limits

In determining compliance with Options 9, Section 15, exercise limits for index option contracts shall be equivalent to the position limits described in Options 4A, Section 6.

Adopted Feb. 3, 2020 (20-03); amended Jun. 17, 2020 (SR-Phlx-2020-30).

Section 11. Reserved.

Adopted Feb. 3, 2020 (20-03).

Section 12. Terms of Index Options Contracts

(a) ***General.***

(1) *Meaning of Premium Bids and Offers*. Bids and offers shall be expressed in terms of dollars and decimal equivalents of dollars per unit of the index (e.g., a bid of 85.50 would represent a bid of $85.50 per unit).

(2) *Exercise Prices*. The Exchange shall determine fixed point intervals of exercise prices for index options (options on indexes). Generally, except as provided in Supplementary Material .04 below, the exercise (strike) price intervals will be no less than $5, provided that the Exchange may determine to list strike prices at no less than $2.50 intervals for options on the following indexes (which may also be known as sector indexes):

(A) PHLX Gold/Silver Index, if the strike price is less than $200,

(B) PHLX Housing Index, if the strike price is less than $200,

(C) PHLX Oil Service Index, if the strike price is less than $200,

(D) PHLX Semiconductor Index, if the strike price is less than $200,

(E) PHLX Utility Index, if the strike price is less than $200,

(F) KBW Bank Index, if the strike price is less than $200,

(G) Nasdaq-100 Micro Index Options, if the strike price is less than $200;

(H) Nasdaq-100 ESG Index, if the strike price is less than $200; and

(I) Nasdaq-100 Index, if the strike price is less than $200.

(3) *Strike Prices*. The Exchange may also determine to list strike prices at no less than $2.50 intervals for options on indexes delineated in this rule in response to demonstrated customer interest or Lead Market Maker request. For purposes of this paragraph, demonstrated customer interest includes institutional (firm) corporate or customer interest expressed directly to the Exchange or through the customer's floor brokerage unit, but not interest expressed by an Market Maker with respect to trading for the Market Maker's own account.

(A) Notwithstanding any other provision regarding strike prices in this Options 4A, Section 12, non-Short Term Options that are on an index class that has been selected to participate in the Short Term Option Series Program (referred to as a "Related non-Short Term Option series") shall be opened during the month prior to expiration of such Related non-Short Term Option series in the same manner as permitted in this Rule Options 4A, Section 12(b)(4) and in the same strike price intervals that are permitted in this Options 4A, Section 12(b)(4).

(4) *Expiration Months and Weeks*. Index options contracts may expire at three (3)-month intervals or in consecutive weeks or months (as specified below). The Exchange may list: (i) up to six (6) standard monthly expirations at any one time in a class, but will not list index options that expire more than twelve (12) months out; and (ii) up to 12 standard (monthly) expirations in NDX options, Nasdaq-100 ESG Index Options, and XND options.

(5) "*European-Style Exercise*." European-style index options, some of which may be A.M.-settled as provided in subparagraph (e) or P.M.-settled as provided for in paragraph (f), are approved for trading on the Exchange on the following indexes:

(i) Full-size Nasdaq 100 Index;

(ii) PHLX Oil Service Sector Index;

(iii) PHLX Housing Sector Index;

(iv) PHLX Utility Sector Index;

(v) KBW Bank Index; and

(vi) Nasdaq-100 ESG Index.

(6) In addition to A.M.-settled Nasdaq-100 Index options approved for trading on the Exchange pursuant to Options 4A, Section 12(e)(II), the Exchange may also list options on (i) the Nasdaq-100 Index whose exercise settlement value is the closing value of the Nasdaq-100 Index on the expiration day (P.M.-settled third Friday-of-the-month NDX options series); and (ii) the Nasdaq 100 Micro Index Options ("XND") whose exercise settlement value is derived from closing prices on the expiration day ("P.M.-settled").

(7) "*American-Style Exercise*." American-style index options, some of which may be A.M.-settled as provided in subparagraph (e) or P.M.-settled as provided for in paragraph (f), are approved for trading on the Exchange on the following indexes:

(i) PHLX Gold/Silver Sector Index; and

(ii) PHLX Semiconductor Sector Index.

(b) After a particular class of stock index options has been approved for listing and trading on the Exchange, the Exchange shall from time to time open for trading series of options therein. Within each approved class of stock index options, the Exchange shall open for trading a minimum of one expiration month and series for each class of approved stock index options and may also open for trading series of options having not less than twelve and up to 60 months to expiration (long-term options series) as provided in subparagraph (b)(2). Prior to the opening of trading in any series of stock index options, the Exchange shall fix the expiration month and exercise price of option contracts included in each such series.

(1) Additional series of stock index options of the same class may be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying index moves more than five strike prices from the initial exercise price or prices. The opening of a new series of options shall not affect the series of options of the same class previously opened. New series of options on an index may be added until the beginning of the month in which the options contract will expire. Due to unusual market conditions, the Exchange, in its discretion, may add a new series of options on indexes until the fourth business day prior to the business day of expiration, or, in the case of an index option contract expiring on a day that is not a business day, up to the fifth business day prior to expiration.

(2) **Long-Term Option Series**

The Exchange may list, with respect to any class of stock index options, series of options having not less than twelve and up to 60 months to expiration, adding up to ten expiration months. Such series of options may be opened for trading simultaneously with series of options trading pursuant to this rule. Strike price intervals and continuity rules shall not apply to such options series until the time to expiration is less than twelve months. Bid/ask

differentials for long-term options contracts are specified within Options 2, Section 4(c)(1)(A).

(i) Index long-term options series may be based on either the full or micro index value of the underlying index. There may be up to ten (10) expiration months, none further out than sixty (60) months. Strike price interval, bid/ask differential and continuity rules shall not apply to such options series until the time to expiration is less than twelve (12) months.

(ii) When a new index long-term options series is listed, such series will be opened for trading either when there is buying or selling interest, or forty (40) minutes prior to the close, whichever occurs first. No quotations will be posted for such options series until they are opened for trading.

(iii) Micro Index Long Term Options Series. Micro index Long Term Options Series on the following stock indices are approved for trading on the Exchange:

(A) Nasdaq 100 Index

(1) Expiration Months. Micro index long term options series may expire at six-month intervals. When a new expiration month is listed, series may be near or bracketing the current index value. Additional series may be added when the value of the underlying index increases or decreases by ten (10) to fifteen (15) percent.

(3) **Quarterly Options Series Program**

The Exchange may list and trade options series that expire at the close of business on the last business day of a calendar quarter ("Quarterly Options Series"). The Exchange may list Quarterly Options Series for up to five (5) currently listed options classes that are either Index Options or options on Exchange Traded Funds. In addition, the Exchange may also list Quarterly Options Series on any options classes that are selected by other securities exchanges that employ a similar program under their respective rules.

(A) The Exchange may list series that expire at the end of the next consecutive four (4) calendar quarters as well as the fourth quarter of the next calendar year.

(B) Quarterly Options Series shall be P.M. settled.

(C) The strike price of each Quarterly Options Series will be fixed at a price per share, with at least two, but not more than five, strike prices above and two, but not more than five, strike prices below the value of the underlying security at about the time that a Quarterly Options Series is opened for trading on the Exchange. The Exchange may open for trading additional Quarterly Options Series of the same class if the Exchange deems it necessary to maintain an orderly market, to meet customer demand or the current index value of the underlying index moves substantially from the exercise price of those Quarterly Options Series that already have been opened for trading on the Exchange. The exercise price of each Quarterly Options Series opened for trading on the Exchange shall be reasonably related to the current index value of the underlying index to which such series relates at or about the time such series of options is first opened for trading on the Exchange. The term "reasonably related to the current index value of the underlying index" means that the exercise price is within thirty percent (30%) of the current index

value. The Exchange may also open for trading additional Quarterly Options Series that are more than thirty percent (30%) away from the current index value, provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate, or individual customers or their brokers. Market-makers trading for their own account shall not be considered when determining customer interest under this provision. The Exchange may open additional strike prices of a Quarterly Options Series that are above the value of the underlying index provided that the total number of strike prices above the value of the underlying index is no greater than five. The Exchange may open additional strike prices of a Quarterly Options Series that are below the value of the underlying index provided that the total number of strike prices below the value of the underlying index is no greater than five. The opening of any new Quarterly Options Series shall not affect the series of options of the same class previously opened.

(D) The interval between strike prices on Quarterly Options Series shall be the same as the interval for strike prices for series in that same options class that expire in accordance with the normal monthly expiration cycle.

(4) **Short Term Option Series Program**

After an index option class has been approved for listing and trading on the Exchange, the Exchange may open for trading on any Thursday or Friday that is a business day ("Short Term Option Opening Date") series of options on that class that expire at the close of business on each of the next five consecutive Fridays that are business days and are not Fridays in which standard expiration options series, Monthly Options Series, or Quarterly Options Series expire ("Short Term Option Expiration Date"). If the Exchange is not open for business on the respective Thursday or Friday, the Short Term Option Opening Date will be the first business day immediately prior to that respective Thursday or Friday. Similarly, if the Exchange is not open for business on the Friday of the following business week, the Short Term Option Expiration Date will be the first business day immediately prior to that Friday. Regarding Short Term Option Series:

(A) The Exchange may select up to fifty (50) currently listed option classes on which Short Term Option Series may be opened on any Short Term Option Opening Date. In addition to the fifty option class restriction, the Exchange also may list Short Term Option Series on any option classes that are selected by other securities exchanges that employ a similar program under their respective rules. For each index option class eligible for participation in the Short Term Option Series Program, the Exchange may open up to thirty (30) Short Term Option Series on index options for each expiration date in that class. The Exchange may also open Short Term Option Series that are opened by other securities exchanges in option classes selected by such exchanges under their respective short term option rules.

(B) No Short Term Option Series on an index option class may expire in the same week during which any standard expiration option series on the same index class expire or, in the case of Monthly Options Series or Quarterly Options Series, on an expiration that coincides with an expiration of Monthly Options Series or Quarterly Option Series on the same index class.

(C) The strike price of each Short Term Option Series will be fixed at a price per share, with approximately the same number of strike prices being opened above and below the

calculated value of the underlying index at about the time that the Short Term Option Series are initially opened for trading on the Exchange (e.g., if seven (7) series are initially opened, there will be at least three (3) strike prices above and three (3) strike prices below the value of the underlying security or calculated index value). Any strike prices listed by the Exchange shall be within thirty percent (30%) above or below the current value of the underlying index.

(D) If the Exchange has opened less than twenty (20) Short Term Option Series for a Short Term Option Expiration Date, additional series may be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the current value of the underlying index moves substantially from the exercise price or prices of the series already opened.

Any additional strike prices listed by the Exchange shall be within thirty percent (30%) above or below the current value of the underlying index. The Exchange may also open additional strike prices of Short Term Option Series that are more than 30% above or below the current value of the underlying index provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate or individual customers or their brokers. Market-Makers trading for their own account shall not be considered when determining customer interest under this provision. In the event that the underlying security has moved such that there are no series that are at least 10% above or below the current price of the underlying security, the Exchange will delist any series with no open interest in both the call and the put series having a: (i) strike higher than the highest price with open interest in the put and/or call series for a given expiration week; and (ii) strike lower than the lowest strike price with open interest in the put and/or the call series for a given expiration week, so as to list series that are at least 10% but not more than 30% above or below the current price of the underlying security. In the event that the underlying security has moved such that there are no series that are at least 10% above or below the current price of the underlying security and all existing series have open interest, the Exchange may list additional series, in excess of the 30 allowed under Options 4A, Section 12(b)(4), that are between 10% and 30% above or below the price of the underlying security. The opening of the new Short Term Option Series shall not affect the series of options of the same class previously opened.

(E) The interval between strike prices on Short Term Option Series may be (1) $0.50 or greater where the strike price is less than $75, and $1 or greater where the strike price is between $75 and $150 for all index classes that participate in the Short Term Option Series Program; or (2) $0.50 for index classes that trade in one dollar increments in Related non-Short Term Options and that participate in the Short Term Option Series Program. Related non-Short Term Option series shall be opened during the month prior to expiration of such Related non-Short Term Option series in the same manner as permitted in Options 4A, Section 12(b)(4) and in the same strike price intervals that are permitted in this Options 4A, Section 12(b)(4).

(5) **Monthly Options Series Program**. The Exchange may list and trade options series that expire at the close of business on the last business day of a calendar month ("Monthly Options Series").

(a) **Classes**. The Exchange may list Monthly Options Series for up to five currently listed option classes that are either index options or options on ETFs. In addition, the Exchange may also list Monthly Options Series on any options classes that are selected by other securities exchanges that employ a similar program under their respective rules.

(b) **Expiration**. The Exchange may list 12 expirations for Monthly Options Series. Monthly Options Series expirations need not be for consecutive months; however, the expiration date of a nonconsecutive expiration may not be beyond what would be considered the last expiration date if the maximum number of expirations were listed consecutively. No Monthly Options Series may expire on a date that coincides with an expiration date of a Quarterly Options Series in the same index or ETF class. Other expirations in the same class are not counted as part of the maximum numbers of Monthly Options Series expirations for a class.

(c) **Settlement**. Monthly Options Series will be P.M.-settled.

(d) **Initial Series**. The strike price of each Monthly Options Series will be fixed at a price per share, with at least two, but no more than five, strike prices above and at least two, but no more than five, strike prices below the value of the underlying index or price of the underlying security at about the time that a Monthly Options Series is opened for trading on the Exchange. The Exchange will list strike prices for Monthly Options Series that are reasonably related to the current price of the underlying security or current index value of the underlying index to which such series relates at about the time such series of options is first opened for trading on the Exchange. The term "reasonably related to the current price of the underlying security or index value of the underlying index" means that the exercise price is within 30% of the current underlying security price or index value.

(e) **Additional Series**. Additional Monthly Options Series of the same class may be open for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand, or when the market price of the underlying security moves substantially from the initial exercise price or prices. To the extent that any additional strike prices are listed by the Exchange, such additional strike prices will be within 30% above or below the closing price of the underlying index or security on the preceding day. The Exchange may also open additional strike prices of Monthly Options Series that are more than 30% above or below the current price of the underlying index or security, provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate, or individual customers or their brokers. Market Makers trading for their own account will not be considered when determining customer interest under this provision. The opening of the new Monthly Options Series will not affect the series of options in the same class previously opened.

(f) **Strike Interval**. The interval between strike prices on Monthly Options Series will be the same as the interval for strike prices for series in that same options class that expire in accordance with the normal monthly expiration cycle.

(g) **Delisting Policy**.

(1) With respect to Monthly Options Series added pursuant to subparagraphs (a) through (f) above, the Exchange will, on a monthly basis, review series that are outside a range of five strikes above and five strikes below the current price of the underlying index or security, and delist series with no open interest in both the put and the call series having a: (i) strike higher than the highest strike price with open interest in the put and/or call series for a given

expiration month; and (ii) strike lower than the lowest strike price with open interest in the put and/or call series for a given expiration month.

(2) Notwithstanding the above referenced delisting policy, customer requests to add strikes and/or maintain strikes in Monthly Options Series in series eligible for delisting will be granted.

(3) In connection with the above referenced delisting policy, if the Exchange identifies series for delisting, the Exchange will notify other options exchanges with similar delisting policies regarding eligible series for delisting and will work with such other exchanges to develop a uniform list of series to be delisted, so as to ensure uniform series delisting of multiply listed Monthly Options Series.

(6) **Nonstandard Expirations Program**

(A) Weekly Expirations. The Exchange may open for trading Weekly Expirations on any broad-based index eligible for standard options trading to expire on any Monday, Tuesday, Wednesday, Thursday, or Friday (other than the third Friday-of-the-month or days that coincide with an EOM expiration). Weekly Expirations shall be subject to all provisions of this Rule and treated the same as options on the same underlying index that expire on the third Friday of the expiration month; provided, however, that Weekly Expirations shall be P.M.-settled and new series in Weekly Expirations may be added up to and including on the expiration date for an expiring Weekly Expiration.

The maximum number of expirations that may be listed for each Weekly Expiration (i.e., a Monday expiration, Tuesday expiration, Wednesday expiration, Thursday expiration, or Friday expiration, as applicable) in a given class is the maximum number of expirations permitted for standard index options in Options 4A, Section 12(a)(4). Weekly Expirations need not be for consecutive Monday, Tuesday, Wednesday, Thursday, or Friday expirations as applicable; however, the expiration date of a non-consecutive expiration may not be beyond what would be considered the last expiration date if the maximum number of expirations were listed consecutively. Weekly Expirations that are initially listed in a given class may expire up to four weeks from the actual listing date. If the last trading day of a month is a Monday, Wednesday, or Friday and the Exchange lists EOMs and Weekly Expirations as applicable in a given class, the Exchange will list an EOM instead of a Weekly Expiration that expires the same day in the given class. Other expirations in the same class are not counted as part of the maximum number of Weekly Expirations for an applicable broad-based index class. If the Exchange is not open for business on a respective Monday, the normally Monday expiring Weekly Expirations will expire on the following business day. If the Exchange is not open for business on a respective Tuesday, Wednesday, Thursday, or Friday, the normally Tuesday, Wednesday, Thursday, or Friday expiring Weekly Expirations will expire on the previous business day. If two different Weekly Expirations would expire on the same day because the Exchange is not open for business on a certain weekday, the Exchange will list only one of such Weekly Expirations.

(B) End of Month ("EOM") Expirations. The Exchange may open for trading EOMs on any broad-based index eligible for standard options trading to expire on last trading day of the month. EOMs shall be subject to all provisions of this Rule and treated the same as options on the same underlying index that expire on the third Friday of the expiration month;

provided, however, that EOMs shall be P.M.-settled and new series in EOMs may be added up to and including on the expiration date for an expiring EOM.

The maximum number of expirations that may be listed for EOMs in a given class is the same as the maximum number of expirations permitted for standard options on the same broad-based index. EOM expirations need not be for consecutive end of month expirations; however, the expiration date of a non-consecutive expiration may not be beyond what would be considered the last expiration date if the maximum number of expirations were listed consecutively. EOMs that are first listed in a given class may expire up to four weeks from the actual listing date. Other expirations in the same class are not counted as part of the maximum numbers of EOM expirations for a broad-based index class.

(C) Weekly Expirations and EOM Trading Hours. Transactions in Weekly Expirations and EOMs may be effected on the Exchange between the hours of 9:30 a.m. (Eastern Time) and 4:15 pm (Eastern Time), except that on the last trading day, transactions in expiring Weekly Expirations and EOMs may be effected on the Exchange between the hours of 9:30 a.m. (Eastern time) and 4:00 p.m. (Eastern time).

(c) On the business day of expiration, or, in the case of an option contract expiring on a day that is not a business day, the business day prior to the expiration date of a particular series of index options, such option shall freely trade until 4:00 P.M., unless the Board of Directors has established different hours of trading for certain index options.

(d) Index Level. The reported level of the underlying index that is calculated by the reporting authority for purposes of determining the current index value at the expiration of an index option may differ from the level of the index that is separately calculated and reported by the reporting authority and that reflects trading activity subsequent to the opening of trading in any of the underlying securities.

(e) A.M.-Settled Index Options. The last day of trading for A.M.-settled index options shall be the business day preceding the business day of expiration, or, in the case of an option contract expiring on a day that is not a business day, the business day preceding the last day of trading in the underlying securities prior to the expiration date. The current index value at the expiration of an A.M.-settled index option shall be determined, for all purposes under these Rules and the Rules of The Options Clearing Corporation, on the last day of trading in the underlying securities prior to expiration, by reference to the reported level of such index as derived from first reported sale (opening) prices of the underlying securities on such day, except that:

(I) In the event that the primary market for an underlying security does not open for trading on that day, the price of that security shall be determined, for the purposes of calculating the current index value at expiration, as set forth in Options 4A, Section 12(g), unless the current index value at expiration is fixed in accordance with the Rules and By-Laws of The Options Clearing Corporation; and

(II) in the event that the primary market for an underlying security is open for trading on that day, but that particular security does not open for trading on that day, the price of that security, for the purposes of calculating the current index value at expiration, shall be the last reported sale price of the security. The following A.M.-settled index options are approved for trading on the Exchange on the following indexes:

(i) PHLX Semiconductor Sector Index;

(ii) PHLX Housing Sector Index;

(iii) PHLX Oil Service Sector Index;

(iv) KBW Bank Index;

(v) Full Value Nasdaq-100® Index;

(vi) Reduced Value Nasdaq-100® Index;

(vii) Nasdaq 100 Micro Index;

(viii) PHLX Utility Sector Index; and

(ix) Nasdaq-100 ESG Index.

(f) P.M. - Settled Index Options. The last day of trading for P.M.-settled index options shall be the business day of expiration, or, in the case of an option contract expiring on a day that is not a business day, on the last business day before its expiration date. The current index value at expiration of the index is determined by the last reported sale price of each component security. In the event that the primary market for an underlying security does not open for trading on the expiration date, the price of that security shall be the last reported sale price prior to the expiration date. The following P.M.-settled index options are approved for trading on Phlx:

(i) Nasdaq-100 Micro Index Options ("XND"); and

(ii) PHLX Gold/Silver Sector Index.

Supplementary Material to Options 4A, Section 12

.01 Transactions in broad-based (market) index options traded on the Exchange, including the Full Value Nasdaq-100® Options, Reduced Value Nasdaq-100® Options, Nasdaq-100 Micro Index Options, and Nasdaq-100 ESG Index Options may be effected on the Exchange until 4:15 P.M. each business day, through the expiration date. Transactions in Alpha Index options may also be effected on the Exchange until 4:15 P.M. each business day, through the expiration date.

.02 Notwithstanding subsection (a) to this Options 4A, Section 12, the interval between strike prices of series of Reduced Value Nasdaq 100 Options and Nasdaq 100 Micro Index Options will be $1 or greater, subject to following conditions:

(a) Initial Series. The Exchange may list series at $1 or greater strike price intervals for Reduced Value Nasdaq 100 Options and Nasdaq 100 Micro Index Options, and will list at least two strike prices above and two strike prices below the current value of the Nasdaq-100 Index at about the time a series is opened for trading on the Exchange. The Exchange shall list strike prices for Reduced Value Nasdaq 100 Options and Nasdaq 100 Micro Index Options that are within 5 points from the closing value of the Nasdaq-100 Index on the preceding day.

(b) Additional Series. Additional series of the same class of Reduced Value Nasdaq 100 Options and Nasdaq 100 Micro Index Options may be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the underlying Nasdaq-100 Index moves substantially from the initial exercise price or prices. To the extent that any additional strike prices are listed by the Exchange, such additional strike prices shall be within thirty percent (30%) above or below the closing value of the Nasdaq-100 Index. The Exchange may also open additional strike prices that are more than 30% above or below the current Nasdaq-100 Index value provided that demonstrated customer interest exists

for such series, as expressed by institutional, corporate or individual customers or their brokers. Market-Makers trading for their own account shall not be considered when determining customer interest under this provision. In addition to the initial listed series, the Exchange may list up to sixty (60) additional series per expiration month for each series in Reduced Value Nasdaq 100 Options and Nasdaq 100 Micro Index Options.

(c) The Exchange shall not list LEAPS on Reduced Value Nasdaq 100 Options and Nasdaq 100 Micro Index Options at intervals less than $2.50.

(d) (1) Delisting Policy. With respect to Reduced Value Nasdaq 100 Options and Nasdaq 100 Micro Index Options added pursuant to the above paragraphs, the Exchange will, on a monthly basis, review series that are outside a range of five (5) strikes above and five (5) strikes below the current value of the Nasdaq-100 Index, and delist series with no open interest in both the put and the call series having a: (A) strike higher than the highest strike price with open interest in the put and/or call series for a given expiration month; and (B) strike lower than the lowest strike price with open interest in the put and/or call series for a given expiration month.

(2) Notwithstanding the above referenced delisting policy, customer requests to add strikes and/or maintain strikes in Reduced Value Nasdaq 100 Options and Nasdaq 100 Micro Index Options series eligible for delisting shall be granted.

(3) In connection with the above referenced delisting policy, if the Exchange identifies series for delisting, the Exchange shall notify other options exchanges with similar delisting policies regarding eligible series for delisting, and shall work with such other exchanges to develop a uniform list of series to be delisted, so as to ensure uniform series delisting of multiply listed Reduced Value Nasdaq 100 Options and Nasdaq 100 Micro Index Options.

.03 Notwithstanding subsection (a) to this Options 4A, Section 12, the interval between strike prices of series of options on the PHLX Gold/Silver Index, PHLX Housing Index, PHLX Oil Service Index, PHLX Semiconductor Index, and KBW Bank Index (individually the "$1 Index" and together the "$1 Indexes"), which may also be known as sector indexes, will be $1 or greater, subject to following conditions:

(a) Initial Series. The Exchange may list series at $1 or greater strike price intervals for each $1 Index, and will list at least two strike prices above and two strike prices below the current value of each $1 Index at about the time a series is opened for trading on the Exchange. The Exchange shall list strike prices for each $1 Index that are within 5 points from the closing value of each $1 Index on the preceding day.

(b) Additional Series. Additional series of the same class of each $1 Index may be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when each underlying $1 Index moves substantially from the initial exercise price or prices. To the extent that any additional strike prices are listed by the Exchange, such additional strike prices shall be within thirty percent (30%) above or below the closing value of each $1 Index. The Exchange may also open additional strike prices that are more than 30% above or below each current $1 Index value provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate or individual customers or their brokers. Market-Makers trading for their own account shall not be considered when determining customer interest under this provision. In addition to the initial listed series, the Exchange may list up to sixty (60) additional series per expiration month for each series in $1 Indexes.

(c) The Exchange shall not list LEAPS on $1 Indexes at intervals less than $2.50.

(d) (1) Delisting Policy. With respect to each $1 Index added pursuant to the above paragraphs, the Exchange will regularly review series that are outside a range of five (5) strikes above and five (5) strikes below the current value of each $1 Index, and in each $1 Index may delist series with no open interest in both the put and the call series having a: (A) strike higher than the highest strike price with open interest in the put and/or call series for a given expiration month; and (B) strike lower than the lowest strike price with open interest in the put and/or call series for a given expiration month.

(2) Notwithstanding the above referenced delisting policy, customer requests to add strikes and/or maintain strikes in $1 Index options eligible for delisting may be granted.

.04 Notwithstanding subsection (a) to this Options 4A, Section 12, the interval between strike prices of series of Alpha Index options will be $1 or greater. The Exchange will list at least two strike prices above and two strike prices below the current value of each Alpha Index option at about the time a series is opened for trading on the Exchange. The Exchange may also list additional strike prices at any price point, with a minimum of a $1.00 interval between strike prices, as required to meet the needs of customers.

.05 The procedures set forth in Exchange rules for determining the current index value at expiration shall not be used if the current index value at expiration is fixed in accordance with the Rules and By- Laws of The Options Clearing Corporation.

Adopted Feb. 3, 2020 (20-03); amended Mar. 18, 2020 (20-10); amended April 13, 2020 (20-24); amended Oct. 14, 2020 (SR-Phlx-2020-48); amended Apr. 9, 2021 (SR-Phlx-2021-07), operative Apr. 15, 2021; amended April 1, 2021 (SR-Phlx-2021-21), operative May 1, 2021; amended May 4, 2021 (SR-Phlx-2021-28), operative June 3, 2021; amended October 20, 2021 (SR-Phlx-2021-66); amended October 28, 2021 (SR-Phlx-2021-65); amended December 23, 2021 (SR-Phlx-2021-76); amended Mar. 15, 2022 (SR-Phlx-2022-13); amended Mar. 31, 2022 (SR-Phlx-2022-16), operative Apr. 30, 2022; amended May. 5, 2021 (SR-Phlx-2020-41), operative Jun. 14, 2022; amended Nov. 19, 2021 (SR-Phlx-2021-56), operative Jun. 14, 2022; amended Jun. 6, 2022 (SR-Phlx-2022-25), operative Jun. 14, 2022; amended Jul. 29, 2022 (SR-Phlx-2022-22), operative Aug. 1, 2022; amended Sep. 26, 2022 (SR-Phlx-2022-39), operative Oct. 26, 2022; amended Oct. 19, 2022 (SR-Phlx-2022-42); amended Nov. 30, 2022 (SR-Phlx-2022-38); amended Nov. 22, 2022 (SR-Phlx-2022-48); amended Apr. 14, 2023 (SR-Phlx-2023-13); amended May 15, 2023 (SR-Phlx-2023-09); amended Jun. 27, 2023 (SR-Phlx-2023-27), operative Jul. 27, 2023; amended Sep. 20, 2023 (SR-Phlx-2023-07); amended Aug. 30, 2023 (SR-Phlx-2023-41), operative Sep. 29, 2023; amended Nov. 15, 2023 (SR-Phlx-2023-45); amended Nov. 29, 2023 (SR-Phlx-2023-54); amended Nov. 21, 2024 (SR-Phlx-2024-63), operative Dec. 21, 2024.

Section 13. Reserved

Adopted Feb. 3, 2020 (20-03).

Section 14. Disclaimers

(a) *Applicability of Disclaimers*. The disclaimers in paragraph (b) below shall apply to the reporting authorities identified in Supplementary Material .02 to Options 4A, Section 2.

(b) *Disclaimer*. No reporting authority, and no affiliate of a reporting authority (each such reporting authority, its affiliates, and any other entity identified in this Rule are referred to collectively as a "Reporting Authority"), makes any warranty, express or implied, as to the results to be obtained by any person or entity from the use of an index it publishes, any opening, intra-day or closing value therefore, or any data included therein or relating thereto, in connection with the trading of any options contract based thereon or for any other purpose. The Reporting Authority shall obtain information for inclusion in, or for use in the calculation of, such index from sources it believes to be reliable, but the Reporting Authority does not guarantee the accuracy or completeness of such index, any opening, intra-day or closing value therefore, or any date included therein or related thereto. The Reporting Authority hereby disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to such index, any opening, intra-day, or closing value therefore, any data included therein or relating thereto, or any options contract based thereon. The Reporting Authority shall have no liability for any damages, claims, losses (including any indirect or consequential losses), expenses, or delays, whether direct or indirect, foreseen or unforeseen, suffered by any person arising out of any circumstance or occurrence relating to the person's use of such index, any opening, intra-day or closing value therefore, any data included therein or relating thereto, or any options contract based thereon, or arising out of any errors or delays in calculating or disseminating such index.

Adopted Feb. 3, 2020 (20-03); amended December 23, 2021 (SR-Phlx-2021-76).

Section 15. Exercise of Option Contracts

With respect to index option contracts, clearing members are required to follow the procedures of The Options Clearing Corporation for tendering exercise notices. Clearing Members must follow the procedures of The Options Clearing Corporation when exercising American-style cash-settled index options contracts issued or to be issued in any account at the Option Clearing Corporation. Member organizations must also follow the procedures set forth below with respect to American-style cash-settled index options:

(i) For all contracts exercised by the member organization or by any customer of the member organization, an "exercise advice" must be time stamped and delivered by the member organization in such form or manner prescribed by the Exchange no later than five (5) minutes after the close of trading on that day.

(ii) Subsequent to the delivery of an "exercise advice," should the member organization or a customer of the member organization determine not to exercise all or part of the advised contracts, the member organization must also deliver an "advice cancel" in such form or manner prescribed by the Exchange no later than five (5) minutes after the close of trading on that day.

(iii) The Exchange may determine to extend the applicable deadline for the delivery of "exercise advice" and "advice cancel" notifications pursuant to this paragraph if unusual circumstances are present.

(iv) No member organization may time stamp or submit an "exercise advice" prior to the purchase of the contracts to be exercised if the member organization knew or had reason to know that the contracts had not yet been purchased.

(v) The failure of any member organization to follow the procedures in this rule may result in the assessment of a fine, which may include but is not limited to disgorgement of

potential economic gain obtained or loss avoided by the subject exercise, as determined by the Exchange.

(vi) Preparing or submitting an "exercise advice" or "advice cancel" after the applicable deadline on the basis of material information released after such deadline, in addition to constituting a violation of this Rule, is activity inconsistent with just and equitable principles of trade.

(vii) The procedures set forth in subparagraphs (i)-(ii) above do not apply (a) on the business day prior to expiration in series expiring on a day other than a business day or (b) on the expiration day in series expiring on a business day.

(viii) Each member organization shall prepare a memorandum of every exercise instruction received showing by time stamp the time when such instruction was so received. Such memoranda shall be subject to the requirements of SEC Rule 17a-4(b).

(ix) Each member organization shall establish fixed procedures to ensure secure time stamps in connection with their electronic systems employed for the recording of submissions to exercise or not exercise expiring options.

Adopted Feb. 3, 2020 (20-03).

Section 16. Reserved

Adopted Feb. 3, 2020 (20-03).

Section 17. Other Restrictions on Options Transactions and Exercises

With respect to index options, restrictions on exercise may be in effect until the opening of business on the business day of expiration, or, in the case of an option contract expiring on a day that is not a business day, the business day prior to the expiration date.

Adopted Feb. 3, 2020 (20-03).

Section 18. Trading Rotations, Halts or Reopenings

(a) Openings:

(i) *Industry Index*—The opening rotation for industry index options may be held after the Exchange has received the opening price of the underlying index.

Once the Exchange has received the opening price of the underlying index, the opening rotation shall be held as soon as practicable.

(ii) *Market Index*—With respect to openings conducted manually, the opening rotation for market index options shall be held at or as soon as practicable after the opening of business on the Exchange.

Respecting openings conducted manually, the Lead Market Maker shall open first those series of an index option which have the nearest expiration. Thereafter, the Lead Market Maker shall open the remaining series in a manner he deems appropriate under the circumstances. One and one-half hours after the rotation, trading shall become subject to

paragraph (c) of this Rule, unless an Options Exchange Official determines it is in the public interest to halt trading at an earlier time.

(iii) For the purposes of this Rule, an underlying security shall be deemed to have opened for trading on the primary market if such market has (i) reported a transaction in the underlying security or (ii) disseminated opening quotations for the underlying security and not given an indication of a delayed opening.

(iv) With respect to automated openings in an Industry or Market Index conducted pursuant to Options 3, Section 8, the System will automatically open such options when the Exchange has received the opening price of the underlying index.

(v) An automated opening conducted pursuant to Options 3, Section 8 shall be considered a "rotation" for purposes of this Rule.

(b) Modified Rotations: In addition to the opening rotation procedure provided in paragraph (a) of this Rule, the Exchange may conduct a rotation in accordance with Options 3, Section 9(b).

(c) Halts: Trading on the Exchange in any option may be halted with the approval of an Options Exchange Official, whenever trading on the primary market in any underlying security is halted or suspended. Trading shall be halted whenever an Options Exchange Official deems such action appropriate in the interests of a fair and orderly market and to protect investors. Among the factors that may be considered are the following:

(i) trading has been halted or suspended in the market that is the primary market for a plurality of the underlying stocks;

(ii) the current calculation of the index derived from the current market prices of the stocks is not available;

(iii) a Trading System (for purposes of this Rule, "Trading System" is defined as the System, or any other Exchange quotation, transaction reporting, execution, order routing or other Systems for trading options) technical failure or failures including, but not limited to, the failure of a part of the central processing System, a number of member or member organization trading applications, or the electrical power supply to the System itself or any related System; or;

(iv) other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present.

(v) In the event that trading is halted on the primary market in any underlying security, the Lead Market Maker may halt trading in the option overlying such index, subject to the approval of an Options Exchange Official within five minutes of the halt in trading in the option.

Trading in options on any Alpha Index may be halted for the same reasons as other index options pursuant to this Rule, and shall be halted when trading is halted in options overlying either of the two index component securities.

(d) R eopenings: Trading in any class or series of index options that has been subject of a halt by the Exchange may be resumed upon a determination by an Options Exchange Official that the conditions which led to the halt are no longer present. In addition, an Options Exchange Official must conclude in his best judgment that the interests of a fair and orderly market are served by a

resumption of trading. The definition of "open for trading" appears in subparagraph (a)(iii) above.

(e) No closing rotation for expiring index options shall be required.

(f) **Index Options Trading after 4:00 P.M**.: With the prior approval of an Options Exchange Official, a trading rotation in any class of index option contracts may be effected even though employment of the rotation will result in the transaction on the Exchange after 4:00 P.M. provided:

(i) Promptly after trading in underlying securities opens or re-opens, the trading rotation in any Exchange commences an opening or re-opening rotation in the corresponding options class pursuant to paragraphs (a), (b) or (d) above; or

(ii) If prior to 4:00 P.M., a trading rotation is in progress and an Options Exchange Official, determines that a final trading rotation is needed to assure a fair and orderly market, the rotation in progress shall be halted and such final rotation begun as promptly as possible after 4:00 P.M. Any trading rotation commenced after 4:00 P.M. must be approved by an Options Exchange Official.

(iii) Index Options Trading after 4:15 P.M.—in applying this provision to broad-based index options, the relevant time is 4:15 P.M.

Adopted Feb. 3, 2020 (20-03).

Section 19. Limitation of Exchange Liability

Neither the Exchange, the Reporting Authority nor any agent of the Exchange shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating the current index value or the closing index value resulting from any negligent act or omission by the Exchange or any act, condition or cause beyond the reasonable control of the Exchange, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; any error, omission or delay in the reports of transactions in one or more underlying securities; or any error, omission or delay in the reports of the current index value or the closing index value by the Exchange or the reporting authority.

Adopted Feb. 3, 2020 (20-03).

Section 20. Standard & Poor's® Index

Standard & Poor's®, a division of McGraw-Hill Companies, Inc. makes no warranty, express or implied, as to results to be obtained by any person or any entity from the use of the S&P 500® Index or any data included therein in connection with the trading of option contracts thereon, or for any other use. Standard & Poor's® makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the S&P 500® Index or any data included therein in connection with the trading of options contracts thereon, or for any other use.

Adopted Feb. 3, 2020 (20-03).

Section 21. Nasdaq, Inc. Indexes

Nasdaq, Inc. ("Nasdaq") does not guarantee the accuracy and/or uninterrupted calculation of any Nasdaq Index (including, but not limited to, the NASDAQ-100 Index® and the NASDAQ Internet Index) or any data included therein. Nasdaq makes no warranty, express or implied, as to results to be obtained by the Exchange, owners of options on any Nasdaq Index, or any other person or entity from the use of any Nasdaq Index or any data included therein. Nasdaq makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any Nasdaq Index or any data included therein. Without limiting any of the foregoing, in no event shall Nasdaq have any liability for any lost profits or special, incidental, punitive, indirect, or consequential damages, even if notified of the possibility of such damages.

Adopted Feb. 3, 2020 (20-03).

OPTIONS 4B OPTIONS ON TREASURY SECURITIES

Section 1. Applicability of 1000D Series-Treasury Securities Options

Unless otherwise specified, the rules in this Options 4B are applicable only to options on Treasury Securities of the United States Government ("Government") as defined below (Treasury securities"). These rules apply to all options on Treasury securities that are notes or bonds, as defined. Except to the extent that specific rules in this Series govern, or unless the context otherwise requires, the provisions of the Option Rules applicable to options and of the By-Laws and all other Rules and Policies of the Board of Directors shall be applicable to the trading on the Exchange of options on Treasury securities.

Adopted Feb. 3, 2020 (20-03).

Section 2. Definitions - Treasury Securities Options

(a) The following terms as used in the Rules in this Series shall, unless the context otherwise indicates, have the meanings herein specified regarding options on Treasury securities.

(1) *Treasury Securities* - The term "Treasury securities" (also known as Treasury debt securities) means a bond or note or other evidence of indebtedness that is a direct obligation of, or an obligation guaranteed as to principal or interest by, the United States or a corporation in which the United States has a direct or indirect interest (except debt securities guaranteed as to timely payment of principal and interest by the Government National Mortgage Association). Securities issued or guaranteed by individual departments or agencies of the United States are sometimes referred to by the title of the department or agency involved (e.g. a "Treasury security" is a debt instrument that is issued by the United States Treasury).

(2) *Treasury note* - The term "Treasury note" means a note issued by the U.S. Treasury with a term to maturity of at least two years but no more than ten years at the time of original issuance.

(3) *Treasury bond* - The term "Treasury bond" means a bond issued by the U.S. Treasury with a term to maturity of more than ten years at the time of original issuance.

(4) *Specific cusip option* - The term "specific cusip option" means an option having a specifically identified underlying Treasury security, which is required to be delivered upon exercise.

(5) *Exercise Price* - The term "exercise price" in respect of a specific cusip option means the specified price at which the underlying Treasury security may be purchased or sold upon the exercise of the option contract.

(6) *Aggregate Exercise Price* - The term "aggregate exercise price" in respect of a specific cusip option means the exercise price of an option contract multiplied by the principal amount of the underlying Treasury security covered by the option.

(7) *Covered* - The term "covered" in respect of a short position in a Treasury securities call option contract means that the writer holds in the same account on a principal for principal basis: (1) a long position in underlying Treasury securities that qualify for delivery upon exercise; (2) a long Treasury securities call option position for the same underlying security as the short call position where the expiration date of the long call position is the same as or subsequent to the expiration date of the short call position and the exercise price(s) of the long call position is equal to or less than the exercise price of the short call position; or (3) a custodial or Treasury securities escrow receipt pursuant to Options 4B, Section 22. The term "covered" in respect of a short position in a Treasury securities put option contract means that the writer holds in the same account on a principal for principal basis: (1) a long Treasury securities put option position for the same underlying security as the short put position where the expiration date of the long put position is the same as or subsequent to the expiration date of the short put position and the exercise price(s) of the long put position is equal to or greater than the exercise price of the short put position or (2) a Treasury securities put guarantee letter pursuant to Options 4B, Section 22.

Adopted Feb. 3, 2020 (20-03).

Section 3. Position Limits - Treasury Securities Options

(a) *Establishment of Position Limit*. In determining position limit compliance, options on a Treasury security shall be subject to a contract limitation (whether long or short) of the put type and the call type on the same side of the market covering a value no greater than 7.5% of the value of the initial or reopened public issuance, rounded to the next lower $100 million interval, combining for purposes of this position limit long positions in put options with short positions in call options, and short positions in put options with long positions in call options, or such other lower amount of options as may be fixed from time to time by the Exchange as the position limit for one or more classes or series of options.

(1) In no event shall the position limit exceed a position on either side of the market covering a value in excess of $750,000,000 of the underlying securities.

(2) Reasonable notice shall be given of each new position limit fixed by the Exchange, by notifying members thereof via Options Trader Alert ("OTA").

(b) *Maintenance of Position Limit*. In the event that any of the underlying Treasury securities are reported as "separate trading of registered interest and principal of securities" ("strips") in the Monthly Statement of the Public Debt of the United States Government, or such other report or compilation as may be selected from time to time by the Exchange, such stripping shall be taken into account in determining whether the position limit as initially established under paragraph (a) ("the established position limit") can be maintained (the remaining non-stripped underlying securities are hereinafter referred to as "the non-stripped securities").

(1) The established position limit may remain so long as the position limit covers a principal amount of underlying securities not in excess of 7.5% of the non-stripped securities. In the event that the established position limit covers a principal amount of securities in excess of 7.5% of the non-stripped securities, the Exchange shall reestablish the position limit to cover a principal amount of underlying securities not in excess of 7.5% of the non-stripped securities. Revisions to the position limits as provided herein will become effective the Monday following the provision of notice thereof via OTA.

(2) Except as otherwise exempted under Exchange rules, persons whose positions exceed revised position limits may only engage in liquidating transactions until their positions are lower than the revised position limits.

Adopted Feb. 3, 2020 (20-03).

Section 4. Exercise Limits - Treasury Securities Options

In determining exercise limit compliance, the exercise limits for options on a Treasury security shall be equivalent to the position limits prescribed in Options 4B, Section 3.

Section 5. Reports Related to Position Limits and Liquidation of Positions - Treasury Securities Options

For purposes of Options 6E, Section 2 and Options 9, Section 17, references to Options 9, Section 13 in connection with position limits shall be deemed, in the case of Treasury securities options, to be to Options 4B, Section 3. The reference in Options 6E, Section 2(a) to reports required of positions of 200 or more options shall, in the case of Treasury securities options, be revised to positions of options covering $2 million or more principal amount of underlying Treasury securities, for example, the 3.125% bonds due in the year 2042.

Adopted Feb. 3, 2020 (20-03).

Section 6. Designation of Treasury Securities Options

Treasury securities options dealt in on the Exchange are designated by reference to the issuer of the underlying Treasury security, principal amount, expiration month (and year for the longest term option series), exercise price or nominal exercise price, type (put or call), stated or nominal rate of interest and stated date of maturity or nominal term to maturity (e.g. a specific cusip call

option expiring in March and having an exercise price of 96 of the $10,000 principal amount of a 3 3/4% Treasury bond that matures on August 15, 2041, is designated as a Treasury 3 3/4%—8/15/41 March 96 call.

Adopted Feb. 3, 2020 (20-03).

Section 7. Criteria for Securities Underlying Treasury Securities Options

(a) Treasury securities may be approved by the Exchange as underlying securities for Exchange transactions in specific cusip options, subject to such requirements as to size of original issuance, aggregate principal amount outstanding, and years to maturity.

(1) The original public sale of an underlying Treasury security shall be at least $1 billion principal amount.

(2) In order to limit underlying Treasury securities that are approved for specific cusip options listings to the most recently issued and actively traded Treasury securities, Exchange approval of a Treasury security underlying Treasury options will only extend to the settled on-the-run Treasury security ("options listing timeframe"). However, the Exchange shall not approve a subsequent settled on-the-run Treasury security until after the expiration of all the options that are listed pursuant to the preceding options listing timeframe.

Any additional series of specific cusip Treasury options overlying the settled, on-therun Treasury security may be opened only within the options listing timeframe.

(A) Notwithstanding, such Exchange approval of an underlying Treasury security may be extended in the event of the reopening of the underlying Treasury security by the Treasury, or in the event of issues where a reasonably active secondary market exists; and

(B) Prior to the end of an options listing timeframe, the Board (or a designee of the Board) shall withdraw approval of an underlying Treasury security at any time if it determines on the basis of information made publicly available by the Treasury that the security has a public issuance of less than $750 million, excluding stripped securities.

Adopted Feb. 3, 2020 (20-03).

Section 8. Withdrawal of Approval of Underlying Treasury Securities or Options

(a) The Board (or a designee of the Board) may determine, for any reason, to withdraw approval of any Treasury security that was initially approved for options trading pursuant to Options 4B, Section 7 as underlying securities.

(b) After any announcement by the Exchange of any such withdrawal or approval, each member organization shall, if requested by a customer to effect an option transaction in such Treasury securities, inform such customer of the withdrawal of approval prior to affecting any transactions in such securities.

Adopted Feb. 3, 2020 (20-03).

Section 9. Terms of Treasury Securities Options

(a) *General*. A single Treasury security option covers $10,000 principal amount of the underlying security. The expiration month and exercise price of Treasury security options of each series shall be determined by the Exchange at the time each series of options is first opened for trading.

(b) *Expiration Months*. Treasury security options will expire on a monthly basis, none further out than the options listing timeframe as defined in Options 4B, Section 7.

(c) *Exercise*. Treasury security options may be exercised only on the day that they expire. The exercise price of each series of Treasury security options shall be fixed at a price denominated in $0.50. In the case of a specific cusip Treasury security option, the exercise price so determined shall be reasonably close to, and no more than 20% higher or lower than, the price at which the underlying security is traded in the primary market at the time the series of options is first opened for trading. The exercise price of such additional series will be fixed at a multiple of $0.50.

Adopted Feb. 3, 2020 (20-03).

Section 10. Series of Treasury Securities Options Open for Trading

(a) *Initial Series of Specific Cusip Options*. The Exchange may open for trading specific cusip Treasury security options at any time following the auction sale of the underlying security. At the time options are initially opened for trading on a newly auctioned underlying Treasury security, the Exchange shall open a minimum of one expiration month and series for each class of options open for trading, pursuant to the requirements of Options 4B, Section 7.

(b) *Additional Series of Options to Reflect Price Changes*. After a class of specific coupon Treasury security options has been opened for trading in accordance with paragraph (a) of this Rule, additional series of options of the same class may be opened when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or to reflect substantial changes in prices of the underlying Treasury securities, pursuant to the requirements of Options 4B, Section 7.

Adopted Feb. 3, 2020 (20-03).

Section 11. Days and Hours of Business of Treasury Securities Options

Hours during which Treasury securities options transactions may be made on the Exchange shall correspond to the hours during which equity options are normally traded.

Adopted Feb. 3, 2020 (20-03).

Section 12. Trading Rotations - Treasury Securities Options

Options 3, Section 9 regarding trading rotations, halts and suspensions shall be applicable to Treasury securities options.

Adopted Feb. 3, 2020 (20-03).

Section 13. Trading Halts and Suspension of Trading, Obvious and Catastrophic Errors - Treasury Securities Options

(a) Trading Halts and Suspension of Trading. In addition to the factors set forth in Options 3, Section 9, a factor that may be considered by Options Exchange Officials in connection with the institution of trading halts is that current quotations for the underlying Treasury securities are unavailable or have become unreliable; or that there is a need to prevent an unfair and disorderly market.

(b) Errors. Options 3, Section 20 regarding obvious errors and catastrophic errors shall be applicable to Treasury securities options.

Adopted Feb. 3, 2020 (20-03).

Section 14. Minimum Increment and Meaning of Premium Bids and Offers for Treasury Securities Options

(a) Treasury securities options shall have a minimum increment of $.01.

(b) Bids and offers for Treasury securities options shall be expressed in $.01 increments.

Adopted Feb. 3, 2020 (20-03).

Section 15. Lead Market Maker and Registered Option Trader Obligations and Electronic Trading - Treasury Securities Options

Options 2, Section 4 regarding obligations and restrictions applicable to Lead Market Makers and registered options traders and Options 3, Section 7 regarding the System shall be applicable to Treasury securities options.

Adopted Feb. 3, 2020 (20-03).

Section 16. Accommodation Trading - Treasury Securities Options

Accommodation trading under the applicable terms and conditions of Options 8, Section 33 shall be available in each series of Treasury securities option contracts open for trading on the Exchange. However, bids or offers for opening transactions at a price of $1 per option contract may be executed only with closing transactions that cannot at that time in open outcry be executed with another closing transaction.

Adopted Feb. 3, 2020 (20-03).

Section 17. Reconciliation of Unmatched Trades - Treasury Securities Options

All members, member firms, and clearing members shall resolve unmatched trades in Treasury securities options from the previous day's trading no later than 9:00 a.m. (Eastern Time) of the following business day.

Adopted Feb. 3, 2020 (20-03).

Section 18. Limit Book for Treasury Securities Options

There shall be a Limit Order book for Treasury securities options.

Adopted Feb. 3, 2020 (20-03).

Section 19. Bid/Ask Differentials - Treasury Securities Options

(a) Without limiting the general obligation to deal for his account as stated in Options 2, Section 4, a Lead Market Maker or Market Maker holding an appointment in Treasury securities options, in the course of maintaining a fair and orderly market, is expected to bid and/or ask (offer) so as to create differences of:

(1) no more than $0.25 between the bid and offer for each option contract for which the bid is less than $1;

(2) no more than $0.50 where the bid is $1 or more but less than $5;

(3) no more than $0.80 where the bid is $5 or more but less than $10; and

(4) no more than $1 where the bid is $10 or more.

(b) The bid/ask differentials specified in this rule shall apply only to the two nearest term series of each class of Treasury securities options. For all longer term series the maximum bid/ask differentials are double those listed above.

Adopted Feb. 3, 2020 (20-03).

Section 20. Allocation of Exercise Assignment Notices - Treasury Securities Options

(a) In the case of Treasury securities options, the method of allocation of exercise notices established pursuant to Options 6B, Section 2 may provide that an exercise notice of block size shall be allocated to a customer or customers having an open short position of block size and that an exercise notice of less than block size shall not be allocated, to the extent feasible, to a customer having a short position of block size.

(b) A member organization shall allocate an exercise notice pertaining to a call option contract to a customer who has made a specific deposit of the underlying security if it is directed to do so by The Options Clearing Corporation ("OCC").

(c) For the purposes of this Rule, an exercise notice or a short position in a series of options where the total principal amount is $1 million or more and where the underlying security is a Treasury security shall be deemed to be of "block size."

Adopted Feb. 3, 2020 (20-03).

Section 21. Delivery and Payment - Treasury Securities Options

Payment of the aggregate exercise price shall be accompanied by payment of accrued interest on the underlying Treasury security from but not including the last interest payment date to and including the exercise settlement date as specified in the Rules of the OCC.

Adopted Feb. 3, 2020 (20-03).

Section 22. Margin Requirements - Treasury Securities Options

Exchange member organizations shall comply with initial and maintenance margin requirements per Options 6C, Section 3.

Adopted Feb. 3, 2020 (20-03).

Section 23. Furnishing of Books, Records and Other Information - Treasury Securities Options

(a) No Lead Market Makers or Remote Options Traders in Treasury securities options shall fail to make available to the Exchange such books, records or other information maintained by or in the possession of such member or any corporate affiliate of such member pertaining to transactions by such member or any such affiliate for its own account in Treasury securities, Treasury securities futures or in Treasury securities options as may be called for under the Rules or as may be requested in the course of any investigation, any inspection or other official inquiry by the Exchange. In addition, the provisions governing identification of accounts and reports of orders shall, in the case of Lead Market Makers or Market Makers in Treasury securities options, apply to (i) accounts for Treasury securities deliverable under the terms of the option contracts involved, Treasury securities futures, options on Treasury securities futures and Treasury securities options trading; and (ii) orders entered by the Lead Market Maker or Market Maker for the purchase or sale of Treasury securities deliverable under the terms of the options contracts involved, Treasury securities futures, options on Treasury securities futures, options on Treasury securities and opening and closing positions therein.

(b) Any corporate affiliate of a Lead Market Maker or Market Maker in Treasury securities options shall maintain and preserve such books, records or other information as may be necessary to comply with this rule.

Adopted Feb. 3, 2020 (20-03).

Section 24. Communication Links - Treasury Securities Options

The Exchange will permit members to establish and maintain communication links with other members for the purpose of obtaining timely information on price movements in Treasury securities on which options are dealt in on the Exchange. Written notice of each such communication link shall be promptly filed with the Exchange. The Exchange may condition or terminate the use of any such communication link if the Exchange deems such action to be

necessary or appropriate in the interest of maintaining a fair and orderly market or for the protection of investors.

Adopted Feb. 3, 2020 (20-03).

Section 25. Doing Business With the Public - Treasury Securities Options

(a) Approval of the accounts of customers shall be conducted in accordance with General 9, Section 64 and, in the case of institutional options customers (i.e., customers that are not natural persons), a member organization shall seek to obtain the following information:

(1) evidence of authority for the institution to engage in Treasury securities options transactions (corporate resolutions, trust documents, etc.);

(2) written designation of individuals within the institution authorized to act for it in connection with Treasury securities options transactions; and

(3) basic financial information concerning the institution.

(b) As a general matter, supervisory qualifications of a Registered Options Principal may be demonstrated only by successful completion of an examination prescribed by the Exchange (e.g. Series 4) for the purpose of demonstrating an adequate knowledge of Treasury securities options and the underlying Treasury securities. In exceptional circumstances and when good cause is shown, however, the Exchange may, upon written request by a member organization, accept as a demonstration of equivalent knowledge other evidence of a Registered Options Principal's supervisory qualifications. Advanced age, physical infirmity or experience in fields ancillary to the investment banking or securities business will not individually of themselves constitute sufficient grounds to excuse a Registered Options Principal from the general requirement that supervisory qualifications be shown by successful completion of an appropriate examination.

(c) The conduct of Treasury securities option business at a branch office of a member organization may be supervised by any Registered Options Principal of the member organization.

(d) Any sales personnel of a member organization who solicit or accept customer orders with regard to options on Treasury securities shall be deemed qualified with regard to such options after such personnel successfully completed an examination prescribed by the Exchange for the purpose of demonstrating adequate knowledge of options and the underlying Treasury securities.

Adopted Feb. 3, 2020 (20-03).

OPTIONS 4C U.S. DOLLAR-SETTLED FOREIGN CURRENCY OPTIONS

Section 1. Applicability

(a) The Rules in Options 4C are applicable to U.S. Dollar-Settled Foreign Currency Options. Except to the extent that specific rules in this Section 4C govern, or unless the context otherwise requires, the provisions of Options 4C are applicable to the trading on the Exchange of U.S. Dollar-Settled Foreign Currency Options.

Adopted March 24, 2021 (SR-Phlx-2021-14), operative April 23, 2021.

Section 2. Definitions

(a) **Applicability.** The Rules in Options 4C shall be applicable to the trading on the Exchange in option contracts issued by The Options Clearing Corporation, the terms and conditions of such contracts, the exercise and settlement thereof, the handling of orders, and the conduct of accounts and other matters relating to options trading. Except to the extent that specific Rules in this Options 4C govern or unless the context otherwise requires, the provisions of the By-Laws and of all other Rules and Policies of the Board of Directors shall be applicable to the trading on the Exchange of option contracts.
Foreign currency option contracts purchased and sold on the Exchange are designated by reference to the underlying foreign currency (e.g., the British pound), expiration month, exercise price and type (put or call).

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

(1) The term "**aggregate exercise price**" is as defined within Options 1, Section 1(b)(2).

(2) The term "foreign currency" is as defined within Options 1, Section 1(b)(24).

(3) The term "**Exchange Spot Price**" is as defined within Options 1, Section 1(b)(17).

(4) The term "**unit of underlying foreign currency**" is as defined within Options 1, Section 1(b)(61).

Adopted March 24, 2021 (SR-Phlx-2021-14), operative April 23, 2021; amended Apr. 3, 2025 (SR-Phlx-2025-17), operative Oct. 3, 2025; amended Apr. 22, 2025 (SR-Phlx-2025-20), operative Oct. 1, 2025.

Section 3. Criteria for Underlying Securities

(a) The British pound, the Swiss franc, the Canadian dollar, the Australian dollar, the Japanese yen, the U.S. dollar, the Mexican peso, the Euro, the Brazilian real, the Chinese yuan, the Danish krone, the New Zealand dollar, the Norwegian krone, the Russian ruble, the South African rand, the South Korean won, and the Swedish krona may be approved as underlying foreign currencies for options transactions by the Exchange, subject to any approval criteria the Exchange may deem necessary or appropriate in the interests of maintaining a fair and orderly market or for the protection of investors. In the event that any of the sovereign governments or the European Economic Community's European Monetary System issuing any of the above-mentioned currencies should issue a new currency intended to replace one of the above-mentioned currencies as the standard unit of the official medium of exchange of such government, such new currency also may be approved as an underlying foreign currency for options transactions by the Exchange, subject to any approval criteria the Exchange may deem necessary or appropriate in the interests of maintaining a fair and orderly market or for the protection of investors. Options trading in such new currency may occur simultaneously with options trading in any of the above-mentioned currencies; provided, however, that the Exchange shall withdraw its approval of options transactions in the currency which is intended to be replaced by such new currency as

expeditiously as it deems consistent with the maintenance of a fair and orderly market or the protection of investors.

Adopted March 24, 2021 (SR-Phlx-2021-14), operative April 23, 2021.

Section 4. Withdrawal of Approval of Underlying Securities or Options

(a) The Exchange may determine to withdraw approval of an underlying foreign currency whenever it deems such withdrawal advisable in the public interest or for the protection of investors. In the event that the Exchange effects such a withdrawal, the Exchange shall not open for trading any additional series of options of the class covering that underlying foreign currency.

Adopted March 24, 2021 (SR-Phlx-2021-14), operative April 23, 2021.

Section 5. Series of U.S. Dollar-Settled Foreign Currency Options Contracts Open for Trading

(a) After a particular class of options (call option contracts or put option contracts relating to a specific underlying foreign currency) has been approved for listing and trading on the Exchange, the Exchange shall from time to time open for trading series of options therein. Prior to the opening of trading in any series of options, the Exchange shall fix the expiration month and exercise price of option contracts included in each such series as follows:

(1) Within each class of approved U.S. dollar-settled foreign currency options, the Exchange may open for trading series of options expiring in consecutive calendar months ("consecutive month series"), as provided in subparagraph (A) of this paragraph, and series of options expiring at three-month intervals ("cycle month series"), as provided in subparagraph (B) of this paragraph. Prior to the opening of trading in any series of U.S. dollar-settled FCO, the Exchange shall fix the expiration month and exercise price of option contracts included in each such series. The Exchange may initially list exercise strike prices for each expiration of U.S. dollar-settled options on currencies within a 40 percent band around the current Exchange Spot Price at fifty cent ($.50) intervals. Thus, if the Exchange Spot Price of the Euro were at $100.00, the Exchange would list strikes in $.50 intervals up to $120.00 and down to $80.00, for a total of eighty-one strike prices available for trading. As the Exchange Spot Price for U.S. dollar-settled FCOs moves, the Exchange may list new strike prices that, at the time of listing, do not exceed the Exchange Spot Price by more than 20 percent and are not less than the Exchange Spot Price by more than 20 percent. For example, if at the time of initial listing, the Exchange Spot Price of the Euro is at $100.00, the strike prices the Exchange will list will be $80.00 to $120.00. If the Exchange Spot Price then moves to $105.00, the Exchange may list additional strikes at the following prices: $105.50 to $126.00.

(A) **Consecutive Month Series**. With respect to each class of U.S. dollar-settled FCO, series of options having up to four consecutive expiration months may be opened for trading simultaneously, with the shortest-term series initially having no more than two months to expiration. Additional consecutive month series of the same class may be opened for trading on the Exchange at or about the time a prior consecutive month series expires, and the expiration month of each such new series shall normally be the month

immediately succeeding the expiration month of the then outstanding consecutive month series of the same class of options having the longest remaining time to expiration.

(B) **Cycle Month Series**. The Exchange may designate one expiration cycle for each class of U.S. dollar-settled FCO. An expiration cycle shall consist of four calendar months ("cycle months") occurring at three-month intervals. With respect to any particular class of U.S. dollar-settled FCO, series of options expiring in the four cycle months designated by the Exchange for that class may be opened for trading simultaneously, with the shortest-term series initially having approximately three months to expiration. Additional cycle month series of the same class may be opened for trading on the Exchange at or about the time a prior cycle month series expires, and the expiration month of each such new series shall normally be approximately three months after the expiration month of the then outstanding cycle month series of the same class of options having the longest remaining time to expiration.

(C) **Long-Term Series Options or "LEAPs"**. The Exchange may list, with respect to any U.S. dollar-settled foreign currencies, options having up to three years from the time they are listed until expiration. There may be up to ten options series, options having up to thirty-six months from the time they are listed until expiration. There may be up to six additional expiration months. Strike price intervals and continuity Rules shall not apply to such options series until the time to expiration is less than nine months. Bid/ask differentials for long-term options contracts are specified within Options 2, Section 4(c)(1)(A).

(D) For each expiration month opened for trading of U.S. dollar-settled foreign currency options, in addition to the strike prices listed by the Exchange pursuant to subsection (a)(1) of this Options 4(C), Section 5, the Exchange shall also list a single strike price of $0.01.

(E) Additional series of options of the same class may be opened for trading on the Exchange as the market price of the underlying foreign currency moves substantially from the initial exercise price or prices. The opening of a new series of options on the Exchange shall not affect any other series of options of the same class previously opened.

(b) **Exercise Price.** The exercise price of each series of foreign currency options opened for trading on the Exchange normally shall be fixed at a price per unit which is reasonably close to the current Exchange Spot Price per unit of the underlying foreign currency in the foreign exchange market at or before the time such series of options is first opened for trading on the Exchange, as determined by finding the arithmetic mean of Exchange Spot Prices as defined in Options 1, Section 1(b)(18) at or about such time. The Exchange may initially list exercise strike prices for each expiration of U.S. dollar-settled options on currencies within a 40 percent band around the current Exchange Spot Price at fifty cent ($.50) intervals. Thus, if the Exchange Spot Price of the Euro were at $100.00, the Exchange would list strikes in $.50 intervals up to $120.00 and down to $80.00, for a total of eighty-one strike prices available for trading. As the Exchange Spot Price for U.S. dollar-settled FCOs moves, the Exchange may list new strike prices that, at the time of listing, do not exceed the Exchange Spot Price by more than 20 percent and are not less than the Exchange Spot Price by more than 20 percent. For example, if at the time of initial listing, the Exchange Spot Price of the Euro is at $100.00, the strike prices the Exchange will list

will be $80.00 to $120.00. If the Exchange Spot Price then moves to $105.00, the Exchange may list additional strikes at the following prices: $105.50 to $126.00.

(c) In fixing the exercise price of one or more series of options on any underlying foreign currency, the Exchange may take into account the forward sales prices quoted for that underlying foreign currency in the interbank foreign exchange market.

(d) When put option contracts or put and call option contracts are first opened for trading on an underlying foreign currency, the Exchange may open a series of put option contracts corresponding to each series of call option contracts open or to be opened for trading on the same underlying foreign currency.

Adopted March 24, 2021 (SR-Phlx-2021-14), operative April 23, 2021; amended May 4, 2021 (SR-Phlx-2021-28), operative June 3, 2021; amended Apr. 3, 2025 (SR-Phlx-2025-17), operative Oct. 3, 2025; amended Apr. 22, 2025 (SR-Phlx-2025-20), operative Oct. 1, 2025.

Section 6. U.S. Dollar-Settled Foreign Currency Option Closing Settlement Value

(a) U.S. dollar-settled foreign currency options are settled in U.S. dollars.

(b) The closing settlement value for the U.S. dollar-settled FCO on the Australian dollar, the Euro, the British pound, the Canadian dollar, the Swiss franc, the Japanese yen, the Mexican peso, the Brazilian real, the Chinese yuan, the Danish krone, the New Zealand dollar, the Norwegian krone, the Russian ruble, the South African rand, the South Korean won, and the Swedish krona shall be the Exchange Spot Price at 12:00:00 Eastern Time (noon) on the business day of expiration, or, in the case of an option contract expiring on a day that is not a business day, on the business day prior to the expiration date unless the Exchange determines to apply an alternative closing settlement value as a result of extraordinary circumstances.

(c) Neither the Exchange, nor any agent of the Exchange shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating the current settlement value or the closing settlement value resulting from an act, condition, or cause beyond the reasonable control of the Exchange including but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; any error, omission, or delay in the reports of transactions in one or more underlying currencies or any error, omission or delay in the reports of the current settlement value or the closing settlement value by the Exchange.

(d) The Exchange shall post the closing settlement value on its website or disseminate it through one or more major market data vendors.

Adopted March 24, 2021 (SR-Phlx-2021-14), operative April 23, 2021.

OPTIONS 5 ORDER PROTECTION; LOCKED AND CROSSED MARKETS DEFINITIONS

Section 1. Order Protection; Locked and Crossed Markets Definitions

The following terms shall have the meaning specified in this Rule solely for the purpose of Rules Options 5:

(a) "Best Bid" and "Best Offer" mean the highest priced Bid and the lowest priced Offer.

(b) "Bid" or "Offer" means the bid price or the offer price communicated by a member of an Eligible Exchange to any Broker/Dealer, or to any customer, at which it is willing to buy or sell, as either principal or agent, but shall not include indications of interest.

(c) "Broker/Dealer" means an individual or organization registered with the SEC in accordance with Section 15(b)(1) of the Exchange Act or a foreign broker or dealer exempt from such registration pursuant to rule 15a-6 under the Exchange Act.

(d) "Complex Trade" means: (i) the execution of an order in an option series in conjunction with the execution of one or more related order(s) in different option series in the same underlying security occurring at or near the same time in a ratio that is equal to or greater than one-to-three (.333) and less than or equal to three-to-one (3.0) and for the purpose of executing a particular investment strategy; or (ii) the execution of a stock-option order to buy or sell a stated number of units of an underlying stock or a security convertible into the underlying stock ("convertible security") coupled with the purchase or sale of option contract(s) on the opposite side of the market representing either (A) the same number of units of the underlying stock or convertible security, or (B) the number of units of the underlying stock or convertible security necessary to create a delta neutral position, but in no case in a ratio greater than eight (8) option contracts per unit of trading of the underlying stock or convertible security established for that series by The Options Clearing Corporation.

(e) "Crossed Market" means a quoted market in which a Protected Bid is higher than a Protected Offer in a series of an Eligible Class.

(f) "Customer" means an individual or organization that is not a Broker/Dealer.

(g) "Eligible Exchange" means a national securities exchange registered with the SEC in accordance with Section 6(a) of the Exchange Act that: (i) is a Participant Exchange in OCC (as that term is defined in Section VII of the OCC by-laws); (ii) is a party to the OPRA Plan (as that term is described in Section I of the OPRA Plan); and (iii) if the national securities exchange is not a party to the Plan, is a participant in another plan approved by the Commission providing for comparable Trade-Through and Locked and Crossed Market protection.

(h) "Intermarket Sweep Order (ISO)" means a Limit Order for an options series that meets the following requirements:

(i) When routed to an Eligible Exchange, the order is identified as an ISO;

(ii) Simultaneously with the routing of the order, one or more additional ISOs, as necessary, are routed to execute against the full displayed size of any Protected Bid, in the case of a Limit Order to sell, or any Protected Offer, in the case of a Limit Order to buy, for the options series with a price that is superior to the limit price of the ISO, with such additional orders also marked as ISOs.

(i) "Locked Market" means a quoted market in which a Protected Bid is equal to a Protected Offer in a series of an Eligible Options Class.

(j) "NBBO" means the national best bid and offer in an options series as calculated by an Eligible Exchange.

(k) "Non-Firm" means, with respect to Quotations, that members of a Eligible Exchange are relieved of their obligation to be firm for their Quotations pursuant to rule 602 under the Exchange Act.

(l) "OPRA Plan" means the plan filed with the SEC pursuant to Section 11Aa(1)(C)(iii) of the Exchange Act, approved by the SEC and declared effective as of January 22, 1976, as from time to time amended.

(m) "Participant" means an Eligible Exchange that is a party to the Plan.

(n) "Plan" means the Options Order Protection and Locked/Crossed Market Plan, as such plan may be amended from time to time.

(o) "Protected Bid" or "Protected Offer" means a Bid or Offer in an options series, respectively, that:

(i) is disseminated pursuant to the OPRA Plan; and

(ii) is the Best Bid or Best Offer, respectively, displayed by an Eligible Exchange.

(p) "Quotation" means a Bid or Offer.

(q) "Trade-Through" means a transaction in an option series at a price that is lower than a Protected Bid or higher than a Protected Offer.

Adopted Feb. 3, 2020 (20-03).

Section 2. Order Protection

(a) *Avoidance of Trade-Throughs*. Except as provided in paragraph (b) below, Members shall not effect Trade-Throughs.

(b) *Exceptions to Trade-Through Liability*. The provisions of paragraph (a) pertaining to the satisfaction of Trade-Throughs shall not apply under the following circumstances:

(i) If an Eligible Exchange repeatedly fails to respond within one second to incoming orders attempting to access its Protected Quotations, the Exchange may bypass those Protected Quotations by:

(A) notifying the non-responding Eligible Exchange immediately after (or at the same time as) electing self-help; and

(B) assessing whether the cause of the problem lies with its own Systems and, if so, taking immediate steps to resolve the problem;

Any time a determination to bypass Protected Quotations of an Eligible Exchange is made pursuant to this sub-paragraph, the Exchange must promptly document the reasons supporting such determination.

(ii) The transaction traded through a Protected Quotation being disseminated by an Eligible Exchange during a trading rotation;

(iii) The transaction that constituted the Trade-Through occurred when there was a Crossed Market;

(iv) The transaction that constitutes the Trade-Through is the execution of an order identified as an ISO;

(v) The transaction that constitutes the Trade-Through is effected by the Exchange while simultaneously routing an ISO to execute against the full displayed size of any better-priced Protected Quotation;

(vi) The Eligible Exchange displaying the Protected Quotation that was traded through had displayed, within one second prior to execution of the Trade-Through, a Best bid or Best offer, as applicable, for the options series with a price that was equal or inferior to the price of the Trade-Through transaction;

(vii) The Protected Quotation traded through was being disseminated from an Eligible Exchange whose Quotations were Non-Firm with respect to such options series;

(viii) The transaction that constituted the Trade-Through was effected as a portion of a Complex Trade;

(ix) The transaction that constituted the Trade-Through was the execution of an order for which, at the time of receipt of the order, a Member had guaranteed an execution at no worse than a specified price (a "stopped order"), where:

(A) the stopped order was for the account of a Customer;

(B) the Customer agreed to the specified price on an order-by-order basis; and

(C) the price of the Trade-Through was, for a stopped buy order, lower than the national Best Bid in the options series at the time of execution, or, for a stopped sell order, higher than the national Best Offer in the options series at the time of execution;

(x) The transaction that constituted the Trade-Through was the execution of an order that was stopped at a price that did not Trade-Through an Eligible Exchange at the time of the stop; or

(xi) The transaction that constituted the Trade-Through was the execution of an order at a price that was not based, directly or indirectly, on the quoted price of the options series at the time of execution and for which the material terms were not reasonably determinable at the time the commitment to execute the order was made.

Adopted Feb. 3, 2020 (20-03); amended Jul. 29, 2022 (SR-Phlx-2022-22), operative Aug. 1, 2022.

Section 3. Locked and Crossed Markets

(a) *Prohibition*. Except for quotations that fall within the provisions of paragraph (b) of this Rule, Members shall reasonably avoid displaying, and shall not engage in a pattern or practice of displaying, any quotations that lock or cross a Protected Quotation.

(b) *Exceptions*.

(i) The locking or crossing quotation was displayed at a time when the Exchange was experiencing a failure, material delay, or malfunction of its Systems or equipment;

(ii) The locking or crossing quotation was displayed at a time when there is a Crossed Market or;

(iii) The Member simultaneously routed an ISO to execute against the full displayed size of any locked or crossed Protected Bid or Protected Offer.

Adopted Feb. 3, 2020 (20-03).

Section 4. Order Routing

(a) Phlx offers two routing strategies, 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 FIND and SRCH Orders with no other contingencies. Immediate or Cancel ("IOC") Orders will be cancelled immediately if not executed, and will not be routed. The System checks the Order Book for available contracts for potential execution against the 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. For purposes of this rule, the Phlx's best bid or offer or "PBBO" does not include Stop Orders and Stop-Limit Orders which have not been triggered. The "internal PBBO" shall refer to the actual better price of an order resting on Phlx's Order Book, which is not displayed, but available for execution, excluding Stop Orders and Stop-Limit Orders which have not been triggered. 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, 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. An order exposure alert is sent if the order size is modified. 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 PBBO price when the ABBO is locked or crossed with the PBBO, in which case such order will join the established PBBO price and no exposure notification will be sent. For purposes of this rule Phlx's opening process is governed by Options 3, Section 8 and includes an opening after a trading halt ("Opening Process"). Routing options may be combined with all available order types and times-in-force, with the exception of order types and times-in-force whose terms are inconsistent with the terms of a particular routing option. The order routing process shall be available to members from 9:30 a.m. Eastern Time until market close and shall route orders as described below. Member organizations can designate orders as either available for routing or not available for routing. All routing of orders shall comply with Options 5, Options Order Protection and Locked and Crossed Market Rules.

(i) Priority of Routed Orders. Orders sent to other markets do not retain time priority with respect to other orders in the System and the System shall continue to execute other orders while routed orders are away at another market center. Once routed by the System, an order becomes subject to the rules and procedures of the destination market including, but not limited to, order cancellation. A routed order can be for less than the original incoming

order's size. If a routed order is subsequently returned, in whole or in part, that routed order, or its remainder, shall receive a new time stamp reflecting the time of its return to the System, unless any portion of the original order remains on the System, in which case the routed order shall retain its timestamp and its priority.

(ii) Entering member organizations whose orders are routed to away markets shall be obligated to honor such trades that are executed on away markets to the same extent they would be obligated to honor a trade executed on the Exchange.

(A) The Exchange shall route orders in options via Nasdaq Execution Services, LLC ("NES"), a broker-dealer that is a member of an unaffiliated SRO which is the designated examining authority for the broker-dealer. NES serves as the Routing Facility of the Exchange (the “Routing Facility”). The sole use of the Routing Facility by the System will be to route orders in options listed and open for trading on the System to away markets either directly or through one or more third-party unaffiliated routing broker-dealers pursuant to Exchange rules on behalf of the Exchange. The Routing Facility is subject to regulation as a facility of the Exchange, including the requirement to file proposed rule changes under Section 19 of the Exchange Act, as amended.

(B) Use of NES to route orders to other market centers is optional. Parties that do not desire to use NES must designate orders as not available for routing (a DNR Order, as described in subparagraph (iii)(A) below).

(C) The Exchange shall establish and maintain procedures and internal controls reasonably designed to adequately restrict the flow of confidential and proprietary information between the Exchange and the Routing Facility, and any other entity, including any affiliate of the Routing Facility; or, where there is a routing broker, the Exchange, the Routing Facility and any routing broker, and any other entity, including any affiliate of the routing broker (and if the routing broker or any of its affiliates engages in any other business activities other than providing routing services to the Exchange, between the segment of the routing broker or affiliate that provides the other business activities and the segment of the routing broker that provides the routing services).

(D) The books, records, premises, officers, directors, agents, and employees of the Routing Facility, as a facility of the Exchange, shall be deemed to be the books, records, premises, officers, directors, agents, and employees of the Exchange for purposes of and subject to oversight pursuant to the Act. The books and records of the Routing Facility, as a facility of the Exchange, shall be subject at all times to inspection and copying by the Exchange and the Commission.

(E) Market Access. In addition to the Exchange Rules regarding routing to away trading centers, NES as defined above, has, pursuant to Rule 15c3-5 under the Act, implemented certain tests designed to mitigate risks associated with providing the Exchange's Members with access to such away trading centers. Pursuant to the policies and procedures developed by NES to comply with Rule 15c3-5, if an order or series of orders are deemed to be violative of applicable pre-trade requirements of Rule 15c3-5, the order will be rejected prior to routing and/or NES will seek to cancel any orders that have been routed.

(F) The Exchange and NES may not use a routing broker for which the Exchange or any affiliate of the Exchange is the designated examining authority.

(G) The Exchange will determine the logic that provides when, how, and where orders are routed away to other exchanges. Except as provided in subparagraph (E) above, the routing broker(s) cannot change the terms of an order or the routing instructions, nor does the routing broker have any discretion about where to route an order.

(iii) The following order types are available:

(A) DNR Order. A DNR Order will never be routed outside of Phlx 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 Phlx Order Book and be displayed at a price one minimum price variation ("MPV") 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. 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 Phlx 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, 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 into 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 PBBO, 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 PBBO, 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 PBBO 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 PBBO when the ABBO is inferior to the PBBO will be traded at the Exchange at or better than the PBBO price. If the FIND Order has size remaining after exhausting the PBBO, it may: (1) trade at the next PBBO 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 PBBO when the ABBO is equal to the PBBO will be traded at the Exchange at the PBBO. If the FIND Order has size remaining after exhausting the PBBO, 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 PBBO 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 PBBO 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 PBBO.

(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 PBBO 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 PBBO, or (ii) be entered into the Order Book and posted either at its limit price or re-priced 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 PBBO 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 PBBO, 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 PBBO 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 PBBO, or (ii) be entered into the Order Book and posted either at its limit price or re-priced 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.

(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.

(1) At the end of an Opening Process, any SRCH Order that is priced through the Opening Price will be cancelled, and any SRCH Order that is at or inferior to the Opening Price, pursuant to Options 3, Section 8(a)(iii), 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, 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 PBBO, 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 PBBO 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 PBBO when the ABBO is inferior to the PBBO will be traded on the Exchange at or better than the PBBO price. If the SRCH Order has size remaining after exhausting the PBBO, it may: (1) trade at the next PBBO 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 Phlx 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 PBBO or the ABBO.

(5) A SRCH Order received after an Opening Process that is marketable against the PBBO when the ABBO is equal to the PBBO will be traded on the Exchange at the PBBO price. If the SRCH Order has size remaining after exhausting the PBBO, 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 PBBO 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 PBBO 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 PBBO 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 PBBO 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 PBBO 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 PBBO.

(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 PBBO, up to a size equal to the lesser of either: (i) the away markets' size, or (ii) the remaining size of the SRCH Order. If the SRCH Order still has remaining size after such routing, it may: (1) trade at the next PBBO price (or prices) if the order price is locking or crossing that price (or prices) up to the ABBO price, and/or (2) be entered into the Order Book at its limit price if not locking or crossing the PBBO 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.

Adopted Feb. 3, 2020 (20-03); amended April 14, 2020 (20-21); amended May 28, 2020 (20-27); amended January 26, 2021 (SR-Phlx-2021-05); amended Aug. 3, 2023 (SR-Phlx-2023-34), operative Jan. 29, 2024; amended Dec. 12, 2024 (SR-Phlx-2024-71), operative on or before Dec. 20, 2025; amended Apr. 3, 2025 (SR-Phlx-2025-17), operative Oct. 3, 2025; amended Apr. 22, 2025 (SR-Phlx-2025-20), operative Oct. 1, 2025; amended Aug. 5, 2025 (SR-Phlx-2025-35), operative Nov. 8, 2025; amended Aug. 14, 2025 (SR-Phlx-2025-39), operative Dec. 8, 2025.

Section 5. Cancellation of Orders and Error Account

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

(b) NES shall maintain an error account for the purpose of addressing positions that result from a technical or systems issue at NES, the Exchange, a routing destination, or a nonaffiliate third-party Routing Broker that affects one or more orders ("error positions").

(i) For purposes of this rule, an error position shall not include any position that results from an order submitted by a member organization to the Exchange that is executed on the Exchange and automatically processed for clearance and settlement on a locked-in basis.

(ii) Except as provided in subparagraph (iii) below, NES shall not (i) accept any positions in its error account from an account of a member organization, or (ii) permit any member organization to transfer any positions from the member organization's account to NES' error account.

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

(c) In connection with a particular technical or systems issue, NES or the Exchange shall either (i)assign all resulting error positions to member organizations in accordance with subparagraph (1) below, or (ii) have all resulting error positions liquidated in accordance with subparagraph (ii) below. Any determination to assign or liquidate error positions, as well as any resulting assignments, shall be made in a nondiscriminatory fashion.

(i) NES or the Exchange shall assign all error positions resulting from a particular technical or systems issue to the member organizations affected by that technical or systems issue if NES or the Exchange:

(A) determines that it has accurate and sufficient information (including valid clearing information) to assign the positions to all of the member organizations affected by that technical or systems issue;

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

(C) has not determined to cancel all orders affected by that technical or systems issue in accordance with paragraph (a) above.

(ii) If NES or the Exchange is unable to assign all error positions resulting from a particular technical or systems issue to all of the affected member organizations in accordance with subparagraph (c)(i) above, or if NES or the Exchange determines to cancel all orders affected by the technical or systems issue in accordance with paragraph (a) above, then NES shall liquidate the error positions as soon as practicable. NES shall:

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

(B) establish and enforce policies and procedures that are reasonably designed to restrict the flow of confidential and proprietary information between the third-party broker-dealer and NES/the Exchange associated with the liquidation of the error positions.

(d) NES and the Exchange shall make and keep records to document all determinations to treat positions as error positions and all determinations for the assignment of error positions to member organizations or the liquidation of error positions, as well as records associated with the liquidation of error positions through the third-party broker-dealer.

Adopted Feb. 3, 2020 (20-03).

OPTIONS 6 OPTIONS TRADE ADMINISTRATION

Section 1. Authorization to Give Up

(a) *General*. For each transaction in which a member organization participates, the member organization may indicate, at the time of the trade, or through post trade allocation, any Options Clearing Corporation ("OCC") number of a Clearing Member through which a transaction will be cleared ("Give Up"), provided the Clearing Member 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 member organization may Give Up a Restricted OCC Number provided the member organization has written authorization as described in paragraph (b)(ii) below ("Authorized Member Organization").

(b) *Opt In*. Clearing Members may request the Exchange restrict one or more of their OCC clearing numbers ("Opt In") as described in subparagraph (i) below. If a Clearing Member Opts In, the Exchange will require written authorization from the Clearing Member permitting a member organization to Give Up a Clearing Member's Restricted OCC Number. An Opt In would remain in effect until the Clearing Member terminates the Opt In as described in subparagraph (iii) below. If a Clearing Member does not Opt In, that Clearing Member's OCC number would be subject to Give Up by any member organization.

(i) *Clearing Member Process to Opt In*. A Clearing Member may Opt In by sending a completed "Clearing Member Restriction Form" listing all Restricted OCC Numbers and Authorized Member Organizations. A Clearing Member may elect to restrict one or more OCC clearing numbers that are registered in its name at OCC. The Clearing Member would be required to submit the Clearing Member Restriction Form to the Exchange's Membership Department as described on the form. Once submitted, the Exchange requires ninety days before a Restricted OCC Number is effective within the System.

(ii) *Member Organization Give Up Process for Restricted OCC Numbers*. A member organization desiring to Give Up a Restricted OCC Number must become an Authorized Member Organization. The Clearing Member will be required to authorize a member organization as described in subparagraph (i) or (iii), unless the Restricted OCC Number is already subject to a Letter of Guarantee that the member organization is a party to, as set forth in paragraph (d) below.

(iii) *Amendments to Authorized Member Organizations or Restricted OCC Numbers*. A Clearing Member may amend its Authorized Member Organizations or Restricted OCC Numbers by submitting a new Clearing Member Restriction Form to the Exchange's Membership Department indicating the amendment as described on the form. Once a Restricted OCC Number is effective within the System pursuant to paragraph (i) above, the Exchange may permit the Clearing Member to authorize, or remove authorization for, a member organization to Give Up the Restricted OCC Number intra-day only in unusual circumstances, and on the next business day in all regular circumstances. The Exchange will promptly notify member organizations if they are no longer authorized to Give Up a Clearing Member's Restricted OCC Number. If a Clearing Member removes a Restricted OCC Number, any member organization may Give Up that OCC clearing number once the removal has become effective on or before the next business day.

(c) *System*. The System will not allow an unauthorized member organization 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 Member's default OCC clearing number.

(i) For orders that are executed on the trading floor in open outcry using the Options Floor Based Management System ("FBMS"), the System will reject the clearing portion of the trade if an unauthorized Give Up with a Restricted OCC Number was entered. The member organization will receive notification of the rejected clearing information, and will be required to modify the clearing information by contacting the Exchange.

(d) *Letter of Guarantee*. A clearing arrangement subject to a Letter of Guarantee would immediately permit the Give Up of a Restricted OCC Number by the member organization that is party to the arrangement.

(e) An intentional misuse of this Rule is impermissible, and may be treated as a violation of Options 9, Sections 1 and 5.

Adopted Feb. 3, 2020 (20-03); amended Dec. 12, 2024 (SR-Phlx-2024-71), operative on or before Dec. 20, 2025.

Section 2. Responsibility Of Clearing Members For Exchange Options Transactions

Every Clearing Member shall be responsible for the clearance of the Exchange options transactions of such Clearing Member and of each member or member organization who gives up the name of such Clearing Member in an Exchange options transaction, provided the Clearing Member has authorized such member or member organization to give up its name with respect to Exchange options transactions. This Rule will apply to all Clearing Members who either (i) have

Restricted OCC Numbers with Authorized Member Organizations pursuant to Options 6, Section 1, or (ii) have non-Restricted OCC Numbers.

Adopted Feb. 3, 2020 (20-03).

Section 3. General Comparison And Clearance Rule

(a) A member or member organization initiating an options transaction, whether acting as principal or agent, must report or ensure that the transaction is reported within 90 seconds of the execution to the tape. Transactions not reported within 90 seconds after execution shall be designated as late. A pattern or practice of late reporting without exceptional circumstances may be considered conduct inconsistent with just and equitable principles of trade.

(b) All Exchange options transactions shall be reported at the time of execution to the Exchange for comparison of trade information and all compared transactions shall be cleared through The Options Clearing Corporation and shall be subject to the rules of The Options Clearing Corporation.

Adopted Feb. 3, 2020 (20-03).

Section 4. Letters of Guarantee.

(a) **Required of Each Market Maker**. No Market Maker shall make any transactions on the Exchange unless a letter of guarantee has been issued for such member organization by a Clearing Member and filed with the Exchange, and unless such letter of guarantee has not been revoked pursuant to paragraph (c) of this Rule.

(b) **Terms of Letter of Guarantee**. A letter of guarantee shall provide that the issuing Clearing Member accepts financial responsibilities for all Exchange transactions made by the guaranteed member organization.

(c) **Revocation of Letter of Guarantee**. A letter of guarantee filed with the Exchange shall remain in effect until a written notice of revocation has been filed with the Exchange. A revocation shall in no way relieve a Clearing Member of responsibility for transactions guaranteed prior to the effective date of such revocation.

Adopted Feb. 3, 2020 (20-03); amended Oct. 18, 2024 (SR-Phlx-2024-56), operative Nov. 17, 2024.

Section 5. Transfer of Positions

(a) *Permissible Transfers*. Existing positions in options listed on the Exchange of a member or member organization or non-member or non-member organization that are to be transferred on, from, or to the books of a Clearing Member may be transferred off the Exchange if the transfer involves one or more of the following events:

(1) pursuant to Options 9, Section 1, an adjustment or transfer in connection with the correction of a bona fide error in the recording of a transaction or the transferring of a position to another account, provided that the original trade documentation confirms the error;

(2) the transfer of positions from one account to another account where no change in ownership is involved (i.e., accounts of the same Person, provided the accounts are not in separate aggregation units or otherwise subject to information barrier or account segregation requirements;

(3) the consolidation of accounts where no change in ownership is involved;

(4) a merger, acquisition, consolidation, or similar non-recurring transaction for a Person;

(5) the dissolution of a joint account in which the remaining member or member organization assumes the positions of the joint account;

(6) the dissolution of a corporation or partnership in which a former nominee of the corporation or partnership assumes the positions;

(7) positions transferred as part of a member or member organization's capital contribution to a new joint account, partnership, or corporation;

(8) the donation of positions to a not-for-profit corporation;

(9) the transfer of positions to a minor under the Uniform Gifts to Minors Act; or

(10) the transfer of positions through operation of law from death, bankruptcy, or otherwise.

For purposes of this rule, the term "Person" shall be defined as an individual, partnership (general or limited), joint stock company, corporation, limited liability company, trust or unincorporated organization, or any governmental entity or agency or political subdivision thereof.

(b) *Netting*. Unless otherwise permitted by paragraph (f), when effecting a transfer pursuant to paragraph (a), no position may net against another position ("netting"), and no position transfer may result in preferential margin or haircut treatment.

(c) *Transfer Price*. The transfer price, to the extent it is consistent with applicable laws, rules, and regulations, including rules of other self-regulatory organizations, and tax and accounting rules and regulations, at which a transfer is effected may be:

(1) the original trade prices of the positions that appear on the books of the transferring Clearing Member, in which case the records of the transfer must indicate the original trade dates for the positions; provided, transfers to correct errors under subparagraph (a)(1) must be transferred at the correct original trade prices;

(2) mark-to-market prices of the positions at the close of trading on the transfer date;

(3) mark-to-market prices of the positions at the close of trading on the trade date prior to the transfer date; or

(4) the then-current market price of the positions at the time the transfer is effected.

(d) *Prior Written Notice*. A member or member organization(s) and its Clearing Member(s) (to the extent that the member or member organization is not self-clearing) must submit to the Exchange, in a manner determined by the Exchange, written notice prior to effecting a transfer from or to the account(s) of a member or member organization(s), except that notification is not required for transfers effected pursuant to subparagraph (a)(1) or (a)(2) of this Rule.

(1) The notice must indicate (A) the Exchange-listed options positions to be transferred, (B) the nature of the transaction, (C) the enumerated provision(s) under paragraph (a) pursuant to which the positions are being transferred, (D) the name of the counterparty(ies), (E) the anticipated transfer date, (F) the method for determining the transfer price under paragraph (c) above, and (G) any other information requested by the Exchange.

(2) Receipt of notice of a transfer does not constitute a determination by the Exchange that the transfer was effected or reported in conformity with the requirements of this Rule. Notwithstanding submission of written notice to Exchange, member or member organizations and Clearing Member that effect transfers that do not conform to the requirements of this Rule will be subject to appropriate disciplinary action in accordance with the Rules.

(e) *Records*. Each member or member organization and each Clearing Member that is a party to a transfer must make and retain records of the information provided in the notice to the Exchange pursuant to subparagraph (d)(1), as well as information on (1) the actual Exchange-listed options transferred; (2) the actual transfer date; and (3) the actual transfer price (and the original trade dates, if applicable). The Exchange may also request the member or member organization Holder or Clearing Member to provide other information.

(f) *Presidential Exemptions*. In addition to the exemptions set forth in paragraph (a) of this Rule, the Exchange Chief Executive Officer or President (or senior-level designee) may grant an exemption from the requirement of this Rule, on his or her own motion or upon application of the member or member organization (with respect to the member or member organization's positions) or a Clearing Member (with respect to positions carried and cleared by the Clearing Members), when, in the judgment of the Chief Executive Officer or the President or his or her designee, allowing the transfer is necessary or appropriate for the maintenance of a fair and orderly market and the protection of investors and is in the public interest, including due to unusual or extraordinary circumstances, such as the possibility that the market value of the Person's positions will be compromised by having to comply with the requirement to trade on the Exchange pursuant to the normal auction process or when, in the judgment of the Chief Executive Officer, President or his or her designee, market conditions make trading on the Exchange impractical.

(g) **Routine, Recurring Transfers**. The transfer procedure set forth in this Rule is intended to facilitate non-routine, nonrecurring movements of positions and is not to be used repeatedly or routinely, except for transfers between accounts of the same Person pursuant to subparagraph (a)(2). The transfer procedure may not be used in circumvention of the normal auction process.

(h) *Exchange-Listed Options*. The transfer procedure set forth in this Rule is only applicable to positions in options listed on the Exchange. Transfers of positions in Exchange-listed options may also be subject to applicable laws, rules, and regulations, including rules of other self-regulatory organizations. Transfers of non-Exchange listed options and other financial instruments are not governed by this Rule.

Adopted Feb. 3, 2020 (20-03); amended April 16, 2020 (20-22); amended August 6, 2020 (SR-Phlx-2020-39).

Section 6. Off-Exchange RWA Transfers

(a) Existing positions in options listed on the Exchange of a Member or non-Member (including an affiliate of a Member) may be transferred on, from, or to the books of a Clearing Member off the Exchange if the transfer establishes a net reduction of risk-weighted assets attributable to those the Member or non-Member's options positions (an "RWA Transfer"). For purposes of this rule, the term "Person" shall be defined as an individual, partnership (general or limited), joint stock company, corporation, limited liability company, trust or unincorporated organization, or any governmental entity or agency or political subdivision thereof.

(1) RWA Transfers include, but are not limited to: (1) a transfer of options positions from Clearing Corporation member A to Clearing Corporation member B that net (offset) with positions held at Clearing Corporation member B, and thus closes all or part of those positions, and (2) a transfer of positions from a bank-affiliated Clearing Corporation member to a non-bank-affiliated Clearing Corporation member.

(2) RWA Transfers may occur on a routine, recurring basis.

(3) RWA Transfers may result in the netting of positions.

(4) No RWA Transfer may result in preferential margin or haircut treatment.

(5) No RWA Transfer may result in a change in ownership (i.e., an RWA transfer must occur between accounts of the same Person.

(6) No prior written notice to the Exchange is required for RWA Transfers.

(7) Off-exchange transfers of positions in Exchange-listed options may be subject to applicable laws, rules, and regulations, including rules of other self-regulatory organizations. Transfers of non-Exchange listed options and other financial instruments are not governed by this Rule.

Adopted Feb. 3, 2020 (20-03).

Section 7. In-Kind Exchange of Options Positions and ETF Shares and UIT Units

Positions in options listed on the Exchange may be transferred off the Exchange by a member or member organization in connection with transactions (1) to purchase or redeem creation units of ETF shares between an authorized participant and the issuer of such ETF shares or (2) to create or redeem units of a unit investment trust ("UIT") between a broker-dealer and the issuer of such UIT units, which transfers would occur at the price(s) used to calculate the net asset value of such ETF shares or UIT units, respectively. For purposes of this Rule:

(a) an "authorized participant" is an entity that has a written agreement with the issuer of ETF shares or one of its service providers, which allows the authorized participant to place orders for the purchase and redemption of creation units (*i.e.*, specified numbers of ETF shares);

(b) an "issuer of ETF shares" is an entity registered with the Commission as an open-ended management investment company under the Investment Company Act of 1940; and

(c) an "issuer of UIT units" is a trust registered with the Commission as a unit investment trust under the Investment Company Act of 1940.

Adopted Feb. 3, 2020 (20-03); amended May 6, 2021 (SR-Phlx-2021-30).

ons

Section 8. Clearing Arrangements

A member or member organization conducting an options business must be a Clearing Member or have a clearing arrangement with a Clearing Member.

Adopted Feb. 3, 2020 (20-03).

Section 9. Stock Transfer Tax

(a) Any stock transfer or similar tax payable in accordance with applicable laws and regulations of a taxing jurisdiction upon the sale, transfer or delivery of securities pursuant to the exercise of an option contract shall be the responsibility of the seller (writer) to whom the exercise notice is assigned in the case of a call option contract or the exercising holder in the case of a put option contract, except that (i) in the case of a call option contract where the incidents of the tax are attributable solely to the exercising holder, the member organization representing such holder or another member organization which acts on its behalf as a clearing member of The Options Clearing Corporation ("OCC"), the tax shall be the responsibility of the exercising holder, and (ii) in the case of a put option contract where the incidents of the tax are attributable solely to the seller (writer) to whom the exercise notice is assigned, the member organization representing such seller (writer) or another member organization which acts on its behalf as a clearing member of OCC, the tax shall be the responsibility of such seller (writer). Each delivery of securities subject to such tax must be accompanied by a sales ticket stamped in accordance with the regulations of the State imposing such tax or, if required by applicable law, such tax shall be remitted by the clearing member having responsibility therefore to the clearing corporation through which it customarily pays stock transfer taxes, in accordance with the applicable rules of such clearing corporation.

Adopted Feb. 3, 2020 (20-03).

Section 10. Filing of Trade Information

At the time of execution, each member organization which is a clearing member of The Options Clearing Corporation shall be responsible for supplying to the Exchange trade information in a form prescribed by the Exchange, covering each Exchange options transaction for which such clearing member is responsible. The trade information shall show for each transaction (i) the identity of the purchasing clearing member and the writing clearing member given up at the time of execution, (ii) the underlying stock, Exchange-Traded Fund Share or foreign currency, as the case may be, (iii) the exercise price, (iv) the expiration month, (v) the number of option contracts, (vi) the premium per share of the underlying stock or the premium per unit of the underlying foreign currency, (vii) whether a purchase or a writing transaction, (viii) except for a transaction in a Lead Market Maker's account, whether an opening or closing, (ix) the identity of the account of the clearing member in which the transaction was effected, (x) Reserved, (xi) whether a put or call, and (xii) such other information as may be required by the Exchange. Each member or member organization which is a clearing member of The Options Clearing

Corporation shall be responsible to the Exchange in respect of all trade information filed with the Exchange on such form prescribed by the Exchange.

Adopted Feb. 3, 2020 (20-03).

Section 11. Verification Of Trades And Reconciliation Of Uncompared Trades

A Clearing Member shall be obligated to compare all trades made through or on behalf of such member as soon as possible after such trades are made or after receiving notification thereof, reconcile all uncompared trades and advisory trades, and report all reconciliations, corrections and adjustments to the Exchange in accordance with such procedures as may be established by the Exchange from time to time. Such reconciliation report shall be filed with the Exchange prior to such cut-off hour as the Exchange may prescribe and shall be binding on the Clearing Member on whose behalf it is filed. The Exchange will consider all trades as executed and compared as of such cut-off hour.

Adopted Feb. 3, 2020 (20-03).

Section 12. Reporting Of Compared Trades To Options Clearing Corporation

On each business day at or prior to such time as may be prescribed by The Options Clearing Corporation, the Exchange shall furnish The Options Clearing Corporation a report of each clearing member's compared trades based on the comparison service performed by the Exchange on that day. Only trades which have been compared shall be furnished by the Exchange to The Options Clearing Corporation, and the Exchange shall assume no responsibility with respect to any uncompared trade nor for any delays or errors in the reporting of trades for comparison.

Adopted Feb. 3, 2020 (20-03).

Section 13. Maintaining Office And Filing Signatures

Every member organization which is a clearing member of The Options Clearing Corporation shall maintain an office for the purpose of comparing Exchange options transactions. Any such member organization may use for the purpose of these Rules the office of another member organization which is a clearing member of The Options Clearing Corporation. There shall be present at such office, between such hours as the Exchange shall from time to time fix, on every business day a representative of the member organization authorized to sign in the name of the member organization all instruments and transact all business requisite in connection with the comparison of Exchange options transactions.

Adopted Feb. 3, 2020 (20-03).

OPTIONS 6A CLOSING TRANSACTIONS

Section 1. Options Contracts Of Suspended Members

When announcement is made of the suspension of a member or member organization, other than a clearing member, pursuant to the provisions of General 2, Section 2, all open short positions of

the suspended member or member organization in option contracts and all open positions resulting from exercise of option contracts, other than positions that are secured in full by a specific deposit in accordance with the rules of The Options Clearing Corporation ("OCC"), shall be closed without unnecessary delay by all member organizations carrying such positions for the account of the suspended member or member organization; provided, however, that upon any such suspension the Board may, in its discretion, suspend the mandatory close-out provisions of this Rule and may, in its discretion, reinstate such provisions at such time as it may determine. No temporary suspension of the mandatory close-out provisions of this Rule shall relieve the suspended member or member organization of his or its obligations or for any damages incurred by member organizations carrying positions for the account of such suspended member or member organization. Should an open short position or an open position resulting from an exercise of an option contract not be closed when required to be closed by this Rule, the price for the purpose of determining shall be fixed by the price current at the time when such position should have been closed under this Rule. When a clearing member is suspended, the positions of such clearing member shall be closed out in accordance with the rules of OCC.

Adopted Feb. 3, 2020 (20-03).

Section 2. Failure To Pay Premium

(a) Whenever The Options Clearing Corporation ("OCC") shall reject an Exchange options transaction because of the failure of the clearing member acting on behalf of the purchaser to pay the premium due thereon as required by the Rules of OCC, the member or member organization acting as or on behalf of the seller (writer) shall have the right either to cancel the transaction by giving notice thereof to the defaulting clearing member or to enter into either a new opening writing transaction or closing sale transaction, as the case may be, in respect of the same option contract that was the subject of the rejected Exchange options transaction, charging any loss resulting therefrom (including any commissions paid or payable in connection with such new transaction) to the defaulting clearing member. Such action shall be taken as soon as possible and in any event not later than the close of trading on the day the Exchange options transaction was rejected by OCC, unless the Exchange shall extend such time.

(b) In the event the rejected transaction involves an option contract of a series in which trading has been terminated or suspended before a new Exchange options transaction can be effected to establish the amount of any loss the member or member organization acting as or on behalf of the seller shall have a claim against the defaulting clearing member for the amount of the premium due thereon.

Adopted Feb. 3, 2020 (20-03).

OPTIONS 6B EXERCISES AND DELIVERIES

Section 1. Exercise Of Equity Option Contracts

(a) *Exercise Notices*. An outstanding option contract may be exercised by the tender to The Options Clearing Corporation ("OCC") of an exercise notice made during the periods, and using the procedures, specified in OCC rules. An exercise notice may be tendered to OCC only by the clearing member in whose OCC account the option contract is carried. Option exercises are also

subject to restrictions that are established by or may be imposed by the Exchange in Options 9, Sections 15, 17 and 18, and in this Rule. Members and member organizations may establish fixed procedures as to the latest time they will accept exercise notices from their customers.

(b) *Exercise-by-Exception Procedure for Expiring Options*. Special procedures apply to the exercise of equity options on the business day of their expiration, or, in the case of an option contract expiring on a day that is not a business day, the last business day before their expiration ("expiring options"). Unless waived by OCC, expiring options are subject to the Exercise-by-Exception ("Ex-by-Ex") procedure under OCC Rule 805. This Rule provides that, unless contrary instructions are given, option contracts that are in-the-money by specified amounts shall be automatically exercised. In addition to OCC rules, the following Exchange requirements apply with respect to expiring options. Option holders desiring to exercise or not exercise expiring options must either:

(i) take no action and allow exercise determinations to be made in accordance with OCC's rule 805 Ex-by-Ex procedure where applicable; or

(ii) submit a Contrary Exercise Advice ("CEA") or Advice Cancel to the Exchange by the deadline specified in paragraph (d) below.

(c) *Exercise Cut-Off Time*. Option holders have until 5:30 p.m. (EST) on the business day of expiration, or, in the case of an option contract expiring on a day that is not a business day, on the business day immediately prior to the expiration date, to make a final decision to exercise or not exercise an expiring option. Members may not accept exercise instructions for customer or non-customer accounts after 5:30 p.m. (EST).

(d) *Submission of Contrary Exercise Advices ("CEAs")*. A CEA is a communication either to not exercise an option that would be automatically exercised pursuant to The Options Clearing Corporation's ("OCC") Ex-by-Ex procedure, or to exercise an option that would not be automatically exercised pursuant to OCC's Ex-by-Ex procedure. A CEA may be submitted by a member or member organization either by using the Exchange's CEA Form, OCC's clearing system (ENCORE), or a CEA form of any other national securities exchange of which they are a member and where the option is listed, or via such other method as the Exchange may prescribe. A CEA may be canceled or resubmitted at any time up to the exercise cut-off time specified below.

For customer accounts, members and member organizations have until 7:30 p.m. (EST) to submit a CEA to the Exchange.

For non-customer accounts, members and member organizations have until 7:30 p.m. (EST) to submit a CEA to the Exchange if such member or member organization employs an electronic submission procedure with an electronic time stamp (with fixed procedures to ensure security of the time stamp) to indicate the time of the submission of exercise instructions by option holders. Members and member organizations are required to manually submit a CEA by 5:30 p.m. (EST) for non-customer accounts if such members and/or member organizations do not employ an electronic submission procedure with electronic time stamp for the submission of exercise instructions by option holders.

(e) *Waiver of Ex-by-Ex Procedure*. If OCC has waived the Ex-by-Ex procedure for an options class, members, and member organizations must either:

(i) submit to the Exchange, a CEA, in a manner specified by the Exchange, within the time limits specified in paragraph (d) above if the holder intends to exercise the option, or

(ii) take no action and allow the option to expire without being exercised.

The applicable underlying security price in such instances will be as described in OCC rule 805(j). In cases where the Ex-by-Ex procedure has been waived, OCC rules require that members and member organizations wishing to exercise such options must submit an affirmative Exercise Notice to OCC, whether or not a CEA has been filed with the Exchange.

(f) *Indicating Final Exercise Decisions*. An Exchange member organization that has accepted the responsibility to indicate final exercise decisions on behalf of another member or non-member organization shall take the necessary steps to ensure that such decisions are properly indicated to the Exchange. Such member organization may establish a processing cut-off time prior to the Exchange's exercise cut-off time at which it no longer will accept final exercise decisions in expiring options from options holders for whom it indicates final exercise decisions. Each member or member organization that indicates final exercise decisions through another broker-dealer is responsible for ensuring that final exercise decisions for all of its proprietary (including market maker) and public customer account positions are timely indicated to such broker-dealer.

(g) *Exceptions to Submitting a CEA; Recordkeeping*. Members and member organizations may receive and submit final exercise decisions after the exercise cut-off time (but prior to expiration) without having submitted a CEA under the following circumstances:

(i) in order to remedy mistakes made in good faith;

(ii) to take appropriate action as the result of a failure to reconcile unmatched Exchange option transactions; or

(iii) where exceptional circumstances have restricted an option holder's ability to inform a member organization of a decision regarding exercise, or a member organization's ability to receive such decision by the cut-off time.

The burden of establishing any of the above exceptions for a proprietary or customer account of a member or member organization rests solely on the member or member organization seeking to rely on such exceptions.

In the event a member or member organization does not timely submit a CEA in accordance with the requirements of this Rule or does not timely submit a CEA for a final exercise decision pursuant to an exception in the paragraph above, the responsible member or member organization shall set forth in a written memorandum the surrounding circumstances and shall file a copy of the memorandum with the Exchange's Regulatory staff no later than 12:00 noon (EST) on the business day following the expiration. Such memorandum must additionally include the time when such final exercise decision was made or, in the case of a customer, was received, and shall be subject to the recordkeeping requirements of SEC Rules 17a-3(a)(6) and 17a-4(b).

(h) *Modifying the Time for Close of Trading in Options*. In the event the Exchange provides advance notice on or before 5:30 p.m. (EST) on the business day immediately prior to the business day of their expiration, or, in the case of an option contract expiring on a day that is not a business day, the business day immediately prior to the last business day before the expiration date indicating that a modified time for the close of trading in equity options on such business

day of expiration, or, in the case of an option contract expiring on a day that is not a business day, such last business day before expiration will occur, then the deadline to make a final decision to exercise or not exercise an expiring option shall be 1 hour 30 minutes following the time announced for the close of trading on that day instead of the 5:30 p.m. (EST) deadline found in paragraph (c). However, members and member organizations have until 7:30 (EST) to deliver a CEA or Advice Cancel to the Exchange for: (i) customer accounts; and, (ii) non-customer accounts where such member firm employs an electronic submission procedure with an electronic time stamp (with fixed procedures to ensure security of the time stamp) to indicate the time of receipt of exercise instructions.

For non-customer accounts, members and member organizations that do not employ an electronic submission procedure with a time stamp for the submission of exercise instructions are required to deliver a CEA or Advice Cancel within 1 hour and 30 minutes following the time announced for the close of trading on that day instead of the 5:30 p.m. (EST) deadline found in paragraph (d).

(i) *Extending or Reducing the Cut-Off Time for Exercise Decisions*.

(i) The Exchange may establish extended cut-off times for a decision to exercise or not exercise an expiring option and for the submission of CEAs on a case-by-case basis due to an unusual circumstance.

(ii) The Exchange, with at least one (1) business day prior advance notice, by 12:00 noon (EST) on such day, may establish a reduced cut-off time for the decision to exercise or not exercise an expiring option and for the submission of CEAs on a case-by-case basis due to unusual circumstances; provided, however, that under no circumstances should the exercise cut-off time and the time for submission of a CEA be before the close of trading.

(j) For purposes of this Rule, the terms "customer account" and "non-customer account" have the same meaning as in OCC by-laws.

(k) Reporting final exercise decisions contemplated by this Rule does not serve to substitute as the effective "exercise notice" to OCC for the exercise or non-exercise of expiring options.

(l) In the event of "unusual circumstances," subparagraph (h)(i) provides that the Exchange may extend the cut-off times for exercise instructions and the submission of a CEA beyond the normal time frames specified in paragraph (c). For purposes of subparagraph (h)(i), an "unusual circumstance" includes, but is not limited to, increased market volatility; significant order imbalances; significant volume surges and/or Systems capacity constraints; significant spreads between the bid and offer in underlying securities; internal System malfunctions affecting the ability to disseminate or update market quotes and/or deliver orders; or other similar occurrences. subparagraph (h)(ii) provides that the Exchange may also reduce such cut-off times for "unusual circumstances." For purposes of subparagraph (h)(ii), an "unusual circumstance" includes, but is not limited to, a significant news announcement concerning the underlying security of an option contract that is scheduled to be released just after the close on the business day the option contract expires, or, in the case of an option contract expiring on a day that is not a business day, the business day immediately prior to expiration.

(m) Each member organization shall establish fixed procedures to insure secure time stamps in connection with their electronic Systems employed for the recording of submissions to exercise or not exercise expiring options.

(n) It is contemplated by this Rule that effecting an exercise decision in an expiring option on the basis of material information obtained after the exercise cut-off time is activity inconsistent with just and equitable principles of trade.

(o) The exercise cut-off requirements contained in this Rule do not apply to any foreign currency or index option products listed on the Exchange.

(p) Each Member Organization shall prepare a memorandum of every exercise instruction received showing the time when such instruction was so received. Such memoranda will be subject to the requirements of SEC Rule 17a-4(b).

Adopted Feb. 3, 2020 (20-03).

Section 2. Allocation of Exercise Notices

(a) Each member organization shall establish fixed procedures for the allocation of exercise notices assigned in respect of a short position in option contracts in such member organization's customers' accounts. Such allocation shall be made on a "first-in, first-out" or automated random selection basis that has been approved by the Exchange or on a manual random selection basis that has been specified by the Exchange. Each member organization shall inform its customers in writing of the method it uses to allocate exercise notices to its customers' accounts, explaining its manner of operation and the consequences of that system. Allocation procedures for foreign currency options with customized dates shall conform to the requirements set forth in Options 8, Section 34(c).

(b) Each member organization shall report its proposed method of allocation to the Exchange and obtain the Exchange's prior approval thereof, and no member organization shall change its method of allocation unless the change has been reported to and approved by the Exchange. The requirements of this paragraph shall not be applicable to allocation procedures submitted to and approved by another Exchange having comparable standards pertaining to methods of allocation.

(c) Each member organization shall preserve for a three-year period sufficient workpapers and other documentary materials relating to the allocation of exercise assignment notices to establish the manner in which allocation of such exercise notices is in fact being accomplished.

Adopted Feb. 3, 2020 (20-03).

Section 3. Delivery and Payment

Delivery of the shares of underlying stock or Exchange-Traded Fund Shares (in the case of an option on a stock or Exchange-Traded Fund Share) upon the exercise of an option contract, and payment of the aggregate exercise price in respect thereof, shall be effected in accordance with the rules of The Options Clearing Corporation ("OCC"). As promptly as practicable after the exercise of a stock or Exchange-Traded Fund Share option contract by a customer, the member organization shall require the customer to make full cash payment of the aggregate exercise price in the case of a call option contract or to deposit the underlying stock or Exchange-Traded Fund Shares in the case of a put option contract or, in either case, to make the required margin deposit in respect thereof if such transaction is effected in a margin account, in accordance with these Rules and the applicable regulations of the Federal Reserve Board. As promptly as practicable

after the assignment to a customer of a stock or Exchange-Traded Fund Share option exercise notice, the member organization shall require the customer to deposit the underlying stock or Exchange-Traded Fund Share in the case of a call option contract if the underlying stock or Exchange-Traded Fund Share is not carried in the customer's account, or to make full cash payment of the aggregate exercise price in the case of a put option contract, or, in either case, to make the required margin deposit in respect thereof if such transaction is effected in a margin account, in accordance with these Rules and the applicable regulations of the Federal Reserve Board.

IN accordance with the applicable rules of OCC, upon exercise of an in-the-money U.S. dollar-settled foreign currency option structured as a call, the holder receives, from OCC, U.S. dollars representing the difference between the exercise strike price and the closing settlement value of the U.S. dollar-settled foreign currency options contract multiplied by the number of units of currency covered by the contract. For a U.S. dollar-settled foreign currency option structured as a put, the holder receives U.S. dollars representing the excess of the exercise price over the closing settlement value of the U.S. dollar-settled foreign currency option contract multiplied by the number of units of foreign currency covered by the contract.

Adopted Feb. 3, 2020 (20-03).

OPTIONS 6C MARGINS

Section 1. Reserved

Adopted Feb. 3, 2020 (20-03).

Section 2. Reserved

Adopted Feb. 3, 2020 (20-03).

Section 3. Proper and Adequate Margin

(a) No member organization shall effect a transaction or accept or carry an account for a customer, whether a member or non-member of the Exchange, without proper and adequate margin in accordance with the Margin Rules set forth in Options 6C, Sections 3, 5 and 7 and Regulation T.

(b) A member organization must elect to be bound by the initial and maintenance margin requirements of either the Chicago Board Options Exchange ("CBOE") or New York Stock Exchange ("NYSE") as the same may be in effect and amended from time to time.

(1) Such election shall be promptly made in writing by a notice filed with the Exchange.

(2) Upon the filing of such election, a member organization shall be bound to comply with the margin rules of CBOE or NYSE, as applicable, as though said rules were part of the Exchange's Margin Rules.

(A) Upon the filing of such election, a member organization engaged in trading Treasury securities options on the Exchange shall, in respect of such trading, comply with the NYSE initial and maintenance margin rules or CBOE margin rules in Chapter XII (not CBOE

Government security option margin rules in Chapter XXI). Provided, however, that short Treasury security options traded on the Exchange shall follow the margin percentage requirements for short equity options in NYSE margin rules or the margin percentage requirements for short equity options in CBOE Chapter XII; and provided that portfolio margin shall not be applicable to Treasury securities options.

(c) The margin requirement for any U.S. dollar-settled foreign currency put or call option listed and traded on the Exchange and issued by a registered clearing corporation shall be calculated as follows:

(1) The Exchange will review the five day price movements comparing the base currency against the underlying currency over the most recent three-year period for each foreign currency pair underlying options traded on the Exchange and will set margin levels which would have covered the price changes over the review period at least 97.5% of the time ("confidence level").

(2) Subsequent reviews of five day price changes over the most recent three year period will be performed quarterly on the 15th of January, April, July and October of each year.

(3) If the results of subsequent reviews show that the confidence level for any currency pair has fallen below 97%, the Exchange will increase the margin requirement for that currency up to a 98% confidence level. If the results show a confidence level between 97% and 97.5%, the currency pair will be monitored monthly until the confidence level exceeds 97.5% for two consecutive months. If the results of a monthly review show that the confidence level has fallen below 97%, the margin requirement will be increased to a 98% confidence level. If the results of any review show that the confidence level has exceeded 98.5%, the margin level would be reduced to a level which would provide a 98% confidence level.

(4) The Exchange will also review each currency pair for large price movements outside the margin level ("extreme outlier test"). If the results of any review show a price movement, either positive or negative, of greater than two times the current margin level, the margin requirement for that currency pair will be increased to a confidence level of 99%.

(d) The margin requirement for any Alpha Index put or call option listed and traded on the Exchange and issued by a registered clearing corporation shall be the same as the higher of the margin requirements applicable to options on the two individual components of the index.

Adopted Feb. 3, 2020 (20-03); amended Oct. 18, 2024 (SR-Phlx-2024-56), operative Nov. 17, 2024.

Section 4. Reserved

Adopted Feb. 3, 2020 (20-03).

Section 5. Margin Required Is Minimum

(a) The amount of margin prescribed by Options 6C is the minimum which must be required initially and subsequently maintained with respect to each account affected thereby; but nothing in these Rules shall be construed to prevent a member organization from requiring margin in an amount greater than that specified.

(b) The Exchange may at any time impose higher margin requirements with respect to such positions when it deems such higher margin requirements to be advisable.

Adopted Feb. 3, 2020 (20-03); amended Oct. 18, 2024 (SR-Phlx-2024-56), operative Nov. 17, 2024.

Section 6. Reserved

Adopted Feb. 3, 2020 (20-03).

Section 7. Prohibition on Free-Riding in Cash Accounts

(a) No member organization shall permit a customer (other than a broker/dealer or a "designated account") to make a practice, directly or indirectly, of effecting transactions in a cash account where the cost of securities purchased is met by the sale of the same securities. No member organization shall permit a customer to make a practice of selling securities with them in a cash account which are to be received against payment from another broker/dealer where such securities were purchased and are not yet paid for. A member organization transferring an account which is subject to a Regulation T 90-day freeze to another member organization shall inform the receiving member organization of such 90-day freeze.

(b) The provisions of Section 220.8(c) of Regulation T of the Board of Governors of the Federal Reserve System dictate the prohibitions and exceptions against customers' free riding. Member organizations may apply to the Exchange in writing for waiver of a 90-day freeze not exempted by Regulation T.

Adopted Feb. 3, 2020 (20-03).

Options 6D Net Capital Requirements

Section 1. Financial Responsibility and Reporting

(a) *Financial Responsibility Standards.* Each member organization effecting securities transactions shall comply with the capital requirements set forth below:

(i) each member organization subject to SEC Rule 15c3-1 shall at all times comply with said rule and the notification provisions of SEC Rule 17a-11;

(ii) each member organization exempt from SEC Rule 15c3-1 shall, at the time of its admission to the Exchange, have a minimum of $25,000 in net liquid assets;

(iii) each member organization or foreign currency options participant organization exempt from SEC Rule 15c3-1 and whose principal business is as a registered options trader on the Exchange, shall, subject to subparagraph (iv) below, at all times maintain a minimum of $25,000 in net liquid assets;

(iv) each member organization referred to in paragraph (iii) above shall at all times maintain positive net liquid assets and, in its clearing account(s), positive equity, provided that said organization has filed with the Exchange a letter of guarantee issued on its behalf by a clearing member organization of this Exchange which is also a clearing member of The

Options Clearing Corporation. In said letter the clearing member organization guarantees the financial responsibilities of said organization for all transactions and balances carried and cleared in the clearing account(s). Such letter of guarantee filed with the Exchange shall remain in effect until a written notice of revocation has been filed with the Exchange by the clearing member organization. A revocation shall in no way relieve a clearing member organization of responsibility for transactions guaranteed prior to the effective date of such revocation.

(v) a member organization shall promptly notify the Exchange if it ceases to be in compliance with the net capital requirements of SEC Rule 15c3-1 and/or the provisions of paragraphs (a)(iii) and (a)(iv) above.

(vi) Each member organization which maintains a joint back office ("JBO" arrangement with a clearing broker-dealer subject to the requirements of Regulation T Section 220.7 of the Federal Reserve System shall comply with the requirements below:

(A) Each JBO participant must be registered as a broker-dealer pursuant to Section 15 of the Exchange Act and subject to SEC Rule 15c3-1(b)(i).

(B) Each JBO participant must meet and maintain a minimum account equity requirements of $1,000,000 the carrying organization must issue a call for additional funds or securities which shall be obtained within five business days. If funds or securities sufficient to eliminate the deficiency are not received within five (5) business days, the carrying organization must margin the account in accordance with the requirements prescribed for a customer in Regulation T.

(C) Each JBO participant must meet and maintain the ownership standards.

(D) Each JBO participant must employ or have access to a qualified Series 27 principal.

(vii) Every clearing member organization carrying JBO accounts in accordance with Regulation T, shall comply with Section 220.7 of the Federal Reserve Board.

(A) Each member organization that carries JBO accounts shall not allow its (i) tentative net to fall below $25 million or in the alternative its (ii) net capital $7 million for a period in excess of three (3) consecutive business days, provided that the broker-dealer has as its primary business the clearance of options market maker accounts and provided that at least 60% of the sum of the gross haircuts calculated for all options market makers and JBO participant accounts, without regard to related account equity or clearing firm net capital charges, is attributable to options market maker transactions. In addition, the firm operating pursuant to (ii) must include the gross deductions calculated for all JBO participant accounts in the clearing firm's ratio of gross options market maker deductions to adjusted net capital in accordance with the provisions of SEC Rule 15c3-1.

(B) Each member organization which maintains JBO accounts shall require and maintain equity of $1,000,000 for each JBO participant, over all related accounts. If equity is below $1,000,000 the carrying organization must issue a call for additional funds or securities which shall be obtained within five business days. If funds or securities are sufficient to eliminate the deficiency are not received within five (5) business days, the carrying organization must margin the account in accordance with the requirements prescribed for a customer in Regulation T.

(C) Each member organization which maintains JBO accounts shall adjust its net worth daily by deducting any deficiency between a JBO participant's account equity and the proprietary haircut calculated pursuant to SEC Rule 15c3-1 for the positions maintained in such account.

(D) Each member organization which maintains JBO accounts shall establish and maintain written ownership standards for JBO accounts.

(E) Each member organization which maintains JBO accounts must notify its Designated Examining Authority ("DEA"), in writing of its intention to carry such accounts.

If at any time a clearing member operating pursuant to paragraphs (vii)(A)(i) or (ii) above determines that its tentative net capital or that its net capital, respectively, has fallen below the applicable requirements, such clearing member shall immediately notify the Exchange of such deficiency by telegraphic or facsimile notice; and be subject to the prohibition against withdrawal of equity capital set forth in SEC Rule 15c3-1(e) and to the prohibitions against reduction, prepayment and repayment of subordination agreements set forth in paragraph (b)(1) of the SEC Rule 15c3-1d, as if such broker or dealers' net capital were below the minimum standards specified by each of these paragraphs.

(F) Each member organization which maintains JBO accounts must develop risk analysis standards which are acceptable to the Exchange.

(viii) a member organization shall promptly notify the Exchange if it ceases to be in compliance with the net capital requirements of SEC Rule 15c3-1 and/or the provisions of paragraphs (a)(iii) and (a)(iv) above.

(b) *Computation of Net Liquid Assets.* Each member organization subject to this Rule shall compute net liquid assets in accordance with the following.

(i) Net Liquid Assets shall mean Total Assets less Total Liabilities less Non-Allowable Assets plus Exchange-approved Subordinated Liabilities less 2/3 of the value, as defined below. Unless provided otherwise in this rule, assets, liabilities and net worth shall be computed in accordance with generally accepted accounting principles.

(ii) Assets and Non-Allowable Assets shall have the same meaning as set forth in SEC Rule 15c3-1 except as stated in paragraph (b)(i) above;

(iii) Exchange-approved Subordinated Liabilities shall have the same meaning as those liabilities subject to Appendix D to SEC Rule 15c3-1 and shall be executed and maintained in the same manner as defined in said Rule and SEC Rule 17a-11.

(c) *Reporting and Recordkeeping.* Member organizations shall make the following reports of their compliance with their pertinent financial responsibility rules:

(i) Organizations designated to the Exchange for financial responsibility pursuant to SEC Rule 17d-1 and subject to SEC Rules 15c3-1 and 17a-5 shall file those periodic and annual reports and annual certified audited statements as prescribed by SEC Rule 17a-5.

(ii) Each organization designated to the Exchange for financial responsibility pursuant to SEC Rule 17d-1 and acting as a Market Maker and/or option Lead Market Maker shall, on

forms prescribed by the Exchange, file the following reports with the Exchange or its designee:

(A) As of the last business day of each month, a statement of assets, liabilities, net worth and a computation of net capital;

(B) As of the last business day of each calendar quarter, in addition to the information required by subparagraph (c)(ii)(A), a statement of profit or loss for said calendar quarter and, where applicable, changes in retained earnings, partnership capital and subordinated liabilities; and

(C) As of the last business day of each calendar year, in addition to the information required by subparagraph (c)(ii)(A), a statement of profit or loss for said year and where applicable, changes in retained earnings, partnership capital and subordinated liabilities and any other supplemental schedule(s) as may be required by the SEC.

(iii) Each organization designated to the Exchange for financial responsibility pursuant to SEC Rule 17d-1, exempt from SEC Rule 15c3-1 and maintaining net liquid assets in accordance with subparagraph (a)(iii), shall, on forms prescribed by the Exchange, file those reports prescribed in subparagraph 1(c)(ii)(A), (B), and (C).

(iv) Each organization designated to the Exchange for financial responsibility pursuant to SEC Rule 17d-1, exempt from SEC Rule 15c3-1 and maintaining net liquid assets in accordance with Options, Section 1(a)(iv), shall file only those reports prescribed in subparagraph (c)(ii)(C) as well as those reports prescribed in subparagraph (c)(iv)(A).

(A) As of the last business day of the first half of each calendar year, in addition to the information required by subparagraph (c)(ii)(A), a statement of profit or loss for said first half, and where applicable, changes in retained earnings, partnership capital and subordinated liabilities.

(v) Each organization designated to the Exchange for financial responsibility pursuant to SEC Rule 17d-1 and acting as a broker on the Exchange shall, on forms prescribed by the Exchange, file those reports described in Options 6D, Section 1(c)(ii)(A), (B), and (C).

(vi) Each member organization whose principal business is acting as a broker on PSX, who is not self-clearing and for which the Exchange is the DEA must establish and maintain an account with a clearing firm for the sole purposes of carrying positions resulting from errors made in the course of its brokerage business. Such an account for options transactions must be maintained with an entity which is also a clearing member of The Options Clearing Corporation. A broker on PSX, prior to effecting any transactions, must file with the Exchange a letter from its clearing member organization stating that this account has been established and that the clearing member organization guarantees the financial responsibilities of the broker on PSX with respect to all orders entrusted on PSX with such broker on PSX as well as all transactions and balances carried within the account. This letter shall remain in effect until the Exchange receives written notice from the clearing member organization of its intent to no longer clear or carry transactions for such broker on PSX. Written notice received at least one-half hour before the normal opening of trading shall take effect on the day of receipt; written notice received less than one-half hour before the opening of trading shall take effect on the opening of the business day following Exchange receipt.

(d) The Exchange may at any time or from time to time with respect to a particular member organization, prescribe more frequent filing of reports or greater net liquid asset requirements than those prescribed under this Rule, including more stringent treatment of items in computing net liquid assets.

(e) *Due Dates; Fees for Late Filing.* Each financial report required by Rule 703(c) shall be filed with the Exchange within seventeen business days after the conclusion of the reporting period. Reports shall be deemed to have been filed on the date which they have been postmarked; if such reports have not been postmarked, they shall be deemed to have been filed when received by the Exchange. A request for an extension of time to file any such report must be received by the Exchange no later than the business day before the due date for the required report. Unless such an extension has been granted, a member organization shall pay a late fee as set forth below for each week or any part thereof that the report has not been filed.

(i) $100 per week for the first late filing in a twelve-month period;

(ii) $300 per week for the second late filing during a twelve-month period; and

(iii) $1,000 per week for the third late filing, and subsequent late filings, during a twelvemonth period.

The twelve-month period is calculated based on report due dates. Delinquencies will be calculated based on a running twelve-month period.

(f) *Filings with The Exchange.* All letters, reports, extension requests and other items required to be filed with the Exchange by any provision of this Rule shall be filed with the Exchange or its designee.

Supplementary Material to Options 6D, Section 1

.01 JBO participants shall not be considered self-clearing for any purpose other than the extension of credit under Options 2, Section 3 or under the comparable rules of another self-regulatory organization.

.02 Organizations designated to the Exchange for financial responsibility pursuant to SEC Rule 17d-1 and subject to SEC Rules 15c3-1 and 17a-5 or exempt from SEC Rule 15c3-1 and maintaining net liquid assets in accordance with Options 6D, Section 1(a), must file electronically with the Exchange or its designee, utilizing such method as required by the Exchange, FOCUS Reports and filings required by SEC Rule 17a-5(a) and (b) and Options 6D, Section 1(c), (d) and (f). Exchange members are still obligated to submit such filings to the SEC as specified in the Exchange Act, as amended, and the rules promulgated under the Act.

Adopted Feb. 3, 2020 (20-03).

Section 2. Reserved

Adopted Feb. 3, 2020 (20-03).

Section 3. Reserved

Adopted Feb. 3, 2020 (20-03).

Section 4. Reserved

Adopted Feb. 3, 2020 (20-03).

OPTIONS 6E RECORDS, REPORTS AND AUDITS

Section 1. Maintenance, Retention and Furnishing of Books, Records and Other Information

(a) Every member and member organization shall make, keep current and preserve such books and records as the Exchange may prescribe and as may be prescribed by the Exchange Act and the rules and regulations thereunder. No member or member organization shall refuse to make available to the Exchange such books, records or other information as may be called for under the rules or as may be requested in connection with an investigation by the Exchange.

(b) Without limiting the general provisions of this Rule, such Rule requires Market Makers who receive electronically-delivered orders directed to them, Lead Market Makers and Lead Market Maker Units who request that payments be made to order flow providers as part of the Exchange's payment for order flow program, to make, keep current and preserve all books and records relating to payment for order flow arrangements, including but not limited to all records pertaining to the identity of the order flow providers, the rates, and the basis for the amounts they have directed the Exchange to pay to order flow providers (whether on a per contract or flat fee basis). Such books and records shall be made available as may be requested by the Exchange.

Adopted Feb. 3, 2020 (20-03).

Section 2. Reporting Of Options Positions

(a) Each member and member organization shall file with the Exchange a report with respect to each account in which the member or member organization has an interest, each account of a partner, officer, director, or employee of such member organization, and each customer account, acting alone, or in concert with others, which has established an aggregate position of 200 or more option contracts (whether long or short) of a put class and call class on the same side of the market covering the same underlying security, in the case of options on a stock or Exchange-Traded Fund Share, or an aggregate position of 2,500 or more option contracts (whether long or short) of a put class and call class on the same side of the market covering the same underlying foreign currency in the case of options on a foreign currency, or an aggregate position of 100,000 or more warrants (whether long or short) covering the same underlying security in the case of warrants on stock indexes, currency, or currency indexes, combining for purposes of this Rule (i) long positions in put options with short positions in call options, and (ii) short positions in put options with long positions in call options. The report shall be in such form as may be prescribed by the Exchange and shall be filed no later than the close of business on the next business day following the day on which the transaction or transactions requiring the filing of such report occurred. Whenever a report shall be required to be filed with respect to an account pursuant to this paragraph, the member or member organization filing the same shall file with the Exchange such additional periodic reports with respect to such account as the Exchange may from time to time prescribe.

(b) In addition to the reporting requirement described in paragraph (a) of this Rule, each member (other than an Exchange market maker) that maintains a position in excess of 10,000 non-FLEX equity option contracts on the same side of the market on behalf of its own account or for the account of a customer, shall report information as to whether such positions are hedged, and provide documentation as to how such contracts are hedged, in a manner and form prescribed by the Exchange. For the purposes of this Rule, the term market maker is a Registered Option Trader or Lead Market Maker. For the Nasdaq-100 Index Tracking Stock ("QQQ")® options, once the 10,000 contract reporting threshold of this paragraph is met, the Exchange will require members (other than an Exchange market maker) to report each increase of 2,500 contracts on the same side of the market for the account of a customer and each increase of 5,000 contracts on the same side of the market for proprietary accounts. In addition, whenever the Exchange determines, based on a report to the Regulatory staff or otherwise, that a higher margin requirement is necessary in light of the risks associated with an under-hedged Non-FLEX equity option position in excess of 10,000 contracts on the same of the market, the Exchange may consider imposing additional margin upon the account maintaining such under-hedged position, pursuant to its authority under Options 6C, Section 3. Additionally, it should be noted that the clearing firm carrying the account will be subject to capital charges under SEC Rule 15c3-1 to the extent of any margin deficiency resulting from the higher margin requirements.

(c) In addition to the reports required by paragraph (a) of this Rule, each member and member organization shall report promptly to the Exchange any instance in which such member or member organization has reason to believe that a person, acting alone or in concert with others, has exceeded or is attempting to exceed the position limits prescribed pursuant to Options 9, Section 13 or the exercise limits prescribed pursuant to Options 9, Section 15.

(d) Upon the request of the Exchange, a member and member organization shall file with the Exchange a report reflecting the aggregate uncovered short positions in each series of options dealt in on the Exchange in (i) each account in which the member or member organization has an interest, (ii) all accounts of partners, principal executive officers and directors of such member organization and (iii) all accounts of customers. Such report shall be made by the second business day following the date the request is made.

Supplementary Material to Options 6E, Section 2

.01 A clearing member organization which clears Exchange options transactions for another member organization in a single omnibus account, need not file the reports specified in this Rule with respect to positions in such account provided the member organization whose Exchange options transactions are cleared through such omnibus account files the reports required by this Rule. However, a clearing member organization which clears Exchange option transactions for a non-member in a single omnibus account must file the reports required by this Rule.

.02 A member organization shall not be required to file the reports specified in this Rule with respect to positions in the accounts of Lead Market Makers or Lead Market Maker units and registered options traders cleared by such member organization provided such positions are reported pursuant to Options 2, Section 7.

.03 All reports required by this Rule shall be filed with the Exchange, on forms prescribed by the Exchange.

Adopted Feb. 3, 2020 (20-03).

Section 3. Reserved

Adopted Feb. 3, 2020 (20-03).

Section 4. Independent Audit

(a) Each member organization doing any business with the public shall at least once each calendar year cause to be made an audit of its affairs, conducted in accordance with applicable audit requirements of the Securities and Exchange Commission and such other requirements as deemed appropriate by the Exchange, by independent public accountants and shall have such accountants prepare an answer to the financial questionnaire of the Exchange based upon such audit.

(b) Pursuant to Rule 17a-5(d), promulgated under the Exchange Act, all broker-dealers are required to file annually audited financial statements ("Annual Audits") with their Designated Examining Authority and the SEC, no more than 60 days after the date of the year end financial statements. A member organization unable to meet the filing deadline for its Annual Audit as a result of exceptional circumstances may request an extension of time, in writing, prior to the filing due date. Annual Audits not received by the Exchange by the due date, or revised due date if an extension has been granted, will be subject to a late fee as set forth below for each week or any part thereof that the Annual Audit has not been filed, as calculated based on the due date or revised due date for filing the Annual Audit. (Implemented on a running three-year basis.)

(i) $100 per week for the first late filing in a three-year period.

(ii) $300 per week for the second late filing in a three-year period.

(iii) $1,000 per week for the third late filing in a three-year period.

Supplementary Material: -----

The Exchange has adopted the following directive:

Annual audit

While the new rule eliminates the requirement for a surprise audit it is still required that an audit be conducted. The annual audit may be done on a surprise basis but the rule also allows for the audit to be conducted on a calendar year basis, fiscal year basis or any other regular basis approved by the Exchange.

The agreement between the member organization and the accountant, required to be filed with the Membership Department under directive of the Exchange, shall read substantially as follows, although additional provisions, not inconsistent with the following, may also be included in the agreement:

Supplementary Material: -----

SAMPLE COPY

(Not for filing)

To be typed on Accountants Letterhead

(Name of Member Organization)

Gentlemen:

You have selected us (me) to make an audit of your affairs and to prepare an answer to the financial questionnaire required to be filed with Nasdaq PHLX LLC based upon such audit.

We (I) Agree

(1) To make an audit of the affairs of your firm in accordance with the audit regulations of the Securities and Exchange Commission and Nasdaq PHLX LLC. Such audit shall be conducted as of, 20. In the event the audit is to be conducted on a "surprise" basis, do not fill in date called for above and state that "the audit will be made without prior notice to your firm."

(2) to notify promptly the Membership Department that the audit has been commenced;

(3) to prepare an answer to the financial questionnaire required to be filed with the Membership Department, based upon such audit;

(4) to submit to the Membership Department a copy of such answer accompanied by an attestation, in the prescribed form, signed by the general partners (officers) of the member firm (corporation) and ourselves (myself);

(5) to submit to the Membership Department a copy of our (my) report in accordance with the special instructions which appear in the financial questionnaire.

Yours very truly,

Signature of Independent

Public Accountant

Adopted Feb. 3, 2020 (20-03).

Section 5. Automated Submission of Trading Data

A member or member organization shall submit such of the following trade data elements specified below in such automated format as may be prescribed by the Exchange from time to time, in regard to such transaction or transactions as may be subject of a particular request for information made by the Exchange:

(a) If the transaction was a proprietary transaction effected or caused to be effected by the member or member organization for any account in which such member or member organization, or any member, allied member, approved person, partner, officer, director, or employee thereof, is directly or indirectly interested, such member or member organization shall submit or cause to be submitted the following information:

(1) Clearing house number, or alpha symbol as used by the member or the member organization submitting the data;

(2) Clearing house number(s), or alpha symbol(s) as may be used from time to time, of the member(s) or member organization(s) on the opposite side of the transaction;

(3) Identifying symbol assigned to the security;

(4) Date transaction was executed;

(5) Number of shares, or quantity of bonds or options contracts for each specific transaction and whether each transaction was a purchase, sale, short sale, and if an options contract whether open long or short or close long or short;

(6) Transaction price;

(7) Account number; and

(8) Market center where transaction was executed.

(b) If the transaction was effected or caused to be effected by the member or member organization for any customer account, such member organization shall submit or cause to be submitted the following information:

(1) Data elements (1) through (8) as contained in paragraph (a) above; and

(2) Customer name, address(es), branch office number, registered representative number, whether order was solicited or unsolicited, date account opened and employer name and the tax identification number(s).

(3) If transaction was effected from a member broker-dealer customer, whether the broker-dealer was acting as principal or agent on the transaction or transactions that are the subject of the Exchange's request.

(c) In addition to the above trade data elements, a member or member organization shall submit such other information in such automated format as may be prescribed by the Exchange, as may from time to time be required.

(d) The Exchange may grant exceptions, in such cases and for such time periods as it deems appropriate, from the requirement that the data elements prescribed in paragraphs (a) and (b) above be submitted to the Exchange in an automated format.

Adopted Feb. 3, 2020 (20-03).

Section 6. Reserved

Adopted Feb. 3, 2020 (20-03).

Section 7. Regulatory Services Agreements

The Board may authorize any officer, on behalf of the Exchange, subject to the approval of the Board, to enter into one or more agreements with another self-regulatory organization to provide regulatory services to the Exchange to assist the Exchange in discharging its obligations under Section 6 and Section 19(g) of the Exchange Act. Any action taken by another self-regulatory

organization, or its employees or authorized agents, acting on behalf of the Exchange pursuant to a regulatory services agreement shall be deemed to be an action taken by the Exchange; provided, however, that nothing in this provision shall affect the oversight of such other self-regulatory organization by the Securities and Exchange Commission. Notwithstanding the fact that the Exchange may enter into one or more regulatory services agreements, the Exchange shall retain ultimate legal responsibility for, and control of, its self-regulatory responsibilities, and any such regulatory services agreement shall so provide.

Adopted Feb. 3, 2020 (20-03).

Section 8. Reserved

Adopted Feb. 3, 2020 (20-03).

Section 9. Reserved

Adopted Feb. 3, 2020 (20-03).

OPTIONS 7 PRICING SCHEDULE

Section 1 General Provisions

(a) The exchange calculates fees on a trade date basis.

Policy for amending billing information: corrections submitted after trade date and prior to the issuance of an invoice by the Exchange must be submitted to the Exchange in writing and must be accompanied by supporting documentation. Only members may submit trade corrections.

All billing disputes must be submitted to the Exchange in writing and must be accompanied by supporting documentation. All disputes must be submitted no later than sixty (60) days after receipt of a billing invoice, except for disputes concerning proprietary data feed fees. The Exchange calculates fees on a trade date basis. Only members may submit billing disputes.

(b) Removal of Days for Purposes of Pricing Tiers:

(1) (A) Any day that the Exchange announces in advance that it will not be open for trading will be excluded from the options tier calculations set forth in its Pricing Schedule; and (B) any day with a scheduled early market close ("Scheduled Early Close") may be excluded from the options tier calculations only pursuant to paragraph (3) below.

(2) The Exchange may exclude the following days ("Unanticipated Events") from the options tier calculations only pursuant to paragraph (3) below, specifically any day that: (A) the market is not open for the entire trading day, (B) the Exchange instructs members in writing to route their orders to other markets, (C) the Exchange is inaccessible to members during the 30-minute period before the opening of trade due to an Exchange system disruption, or (D) the Exchange's system experiences a disruption that lasts for more than 60 minutes during regular trading hours.

(3) If a day is to be excluded as a result of paragraph (1)(B) or (2) above, the Exchange will exclude the day from any member's monthly options tier calculations as follows:

(A) the Exchange may exclude from the ADV calculation any Scheduled Early Close or Unanticipated Event;

(B) the Exchange may exclude from the calculation based on a percentage of industry volume any Scheduled Early Close or Unanticipated Event; and

(C) the Exchange may exclude from any other applicable options tier calculation provided for in its Pricing Schedule (together with (3)(A) and (3)(B), "Tier Calculations") any Scheduled Early Close or Unanticipated Event;

provided, in each case, that the Exchange will only remove the day for members that would have a lower Tier Calculation with the day included. If a day is removed from a calculation based on a percentage of monthly industry volume, volume executed that day will be removed from both the numerator and the denominator of the calculation.

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

The term **"Broker-Dealer"** applies to any transaction which is not subject to any of the other transaction fees applicable within a particular category.

The term **"Common Ownership"** shall mean members or member organizations under 75% common ownership or control.

The term "**Complex Order**" shall mean an order involving the simultaneous purchase and/or sale of two or more different options series in the same underlying security, as provided in Options 3, Section 14, as well as Stock-Option Orders.

The term "**Crossing Order**" shall mean an order executed in the Facilitation Mechanism pursuant to Options 3, Section 11(b) or (c) or Solicited Order Mechanism pursuant to Options 3, Section 11(d) or (e). For purposes of this Pricing Schedule, orders executed in the Block Order Mechanism pursuant to Options 3, Section 11(a) are also considered Crossing Orders.

The term **"Customer"** applies to any transaction that is identified by a member or member organization for clearing in the Customer range at The Options Clearing Corporation ("OCC") which is not for the account of a broker or dealer or for the account of a "Professional" (as that term is defined in Options 1, Section 1(b)(45)).

The term **"Firm"** applies to any transaction that is identified by a member or member organization for clearing in the Firm range at OCC.

The term **"Floor Broker"** means an individual who is registered with the Exchange for the purpose, while on the Options Floor, of accepting and handling options orders.

The term **"Floor Lead Market Maker"** is a member who is registered as an options Lead Market Maker pursuant to Options 2, Section 12(a) and has a physical presence on the Exchange's Trading Floor.

The term **"Floor Market Maker"** is a Market Maker who is neither an SQT or an RSQT. A Floor Market Maker may provide a quote in open outcry.

The term **"floor transaction"** is a transaction that is effected in open outcry on the Exchange's Trading Floor.

The term "**Initiating Order**" is one-side of a PIXL Auction Order that represents principal or other interest which is paired with a PIXL Order.

The term **"Joint Back Office"** or "**JBO**" applies to any transaction that is identified by a member or member organization for clearing in the Firm range at OCC and is identified with an origin code as a JBO. A JBO will be priced the same as a Broker-Dealer. A JBO participant is a member, member organization or non-member organization that maintains a JBO arrangement with a clearing broker-dealer ("JBO Broker") subject to the requirements of Regulation T Section 220.7 of the Federal Reserve System as further discussed at Options 6D, Section 1.

The term **"Lead Market Maker"** applies to transactions for the account of a Lead Market Maker (as defined in Options 2, Section 12(a)). A Lead Market Maker is an Exchange member who is registered as an options Lead Market Maker pursuant to Options 2, Section 12(a). An options Lead Market Maker includes a Remote Lead Market Maker which is defined as an options Lead Market Maker in one or more classes that does not have a physical presence on an Exchange floor and is approved by the Exchange pursuant to Options 2, Section 11.

The term **"Market Maker"** is defined in Options 1, Section 1(b)(29) as a member of the Exchange who is registered as an options Market Maker pursuant to Options 2, Section 12(a). A Market Maker includes SQTs and RSQTs as well as Floor Market Makers.

The term **"Market Maker, SQT and RSQT"** applies to transactions for the accounts of Market Makers, Streaming Quote Traders ("SQTs"), and Remote Streaming Quote Traders ("RSQTs"). For purposes of the Pricing Schedule, the term "Market Maker" will be utilized to describe fees and rebates applicable to Market Makers, SQTs and RSQTs. RSQTs may also be referred to as Remote Market Markers ("RMMs").

The term **"Non-Customer"** applies to transactions for the accounts of Lead Market Makers, Market Makers, Firms, Professionals, Broker-Dealers and JBOs.

The term "**order exposure alert**" is an order that is broadcast to market participants as described in Options 5, Section 4(a), Order Routing. Order exposure alert only applies to Simple Orders.

The term "**PIXL Auction Order**" is a two-sided, paired order, comprised of a PIXL Order and an Initiating Order.

The term "**PIXL Order**" is one-side of a PIXL Auction Order that represents an agency order on behalf a Public Customer, broker-dealer or other entity which is paired with an Initiating Order.

The term "**PIXL Response**" is interest that executed against the PIXL Order pursuant to Options 3, Section 13.

The term **"Professional"** applies to transactions for the accounts of Professionals, as defined in Options 1, Section 1(b)(45) 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).

The term **"Remote Streaming Quote Trader"** is defined in Options 1, Section 1(b)(49) as a Market Maker that is a member affiliated with an RSQTO with no physical trading floor presence who has received permission from the Exchange to generate and submit option quotations electronically in options to which such RSQT has been assigned. A Remote Streaming Quote Trader Organization or "RSQTO," which may also be referred to as a Remote Market

Making Organization ("RMO"), is a member organization in good standing that satisfies the RSQTO readiness requirements in Options 2, Section 1(a).

The term "**Responses to Crossing Order**" shall mean any contra-side interest submitted after the commencement of an auction in the Exchange's Facilitation Mechanism, Solicited Order Mechanism, or Block Order Mechanism.

The term "**Simple Order**" shall mean an order that consists of only a single option series and is not submitted with a stock leg.

The term **"Streaming Quote Trader"** is defined in Options 1, Section 1(b)(54) as a Market Maker who has received permission from the Exchange to generate and submit option quotations electronically in options to which such SQT is assigned.

The term **"Streaming Quote Trader"** is defined in Options 1, Section 1(b)(55) as a Market Maker who has received permission from the Exchange to generate and submit option quotations electronically in options to which such SQT is assigned.

(d) For Purposes of Common Ownership Aggregation of Activity of Affiliated Members and Member Organizations

(1) For purposes of applying any options transaction fee or rebate where the fee assessed, or rebate provided by the Exchange depends upon the volume of a member or member organization's activity, a member or member organization may request that the Exchange aggregate its activity with the activity of its affiliates.

(A) A member or member organization requesting aggregation of affiliate activity shall be required to certify to the Exchange the affiliate status of entities whose activity it seeks to aggregate prior to receiving approval for aggregation, and shall be required to inform the Exchange immediately of any event that causes an entity to cease to be an affiliate. The Exchange shall review available information regarding the entities, and reserves the right to request additional information to verify the affiliate status of an entity. The Exchange shall approve a request unless it determines that the certification is not accurate.

(B) If two or more members or member organizations become affiliated on or prior to the sixteenth day of a month, and submit the required request for aggregation on or prior to the twenty-second day of the month, an approval of the request by the Exchange shall be deemed to be effective as of the first day of that month. If two or more members or member organizations become affiliated after the sixteenth day of a month, or submit a request for aggregation after the twenty-second day of the month, an approval of the request by the Exchange shall be deemed to be effective as of the first day of the next calendar month.

(2) For purposes of applying any option transaction fee or rebate where the fee assessed, or rebate provided by the Exchange depends upon the volume of a member or member organization's activity, references to an entity (including references to a "member" or "member organization") shall be deemed to include the entity and its affiliates that have been approved for aggregation.

(3) For purposes of this provision, the term "affiliate" of a member or member organization shall mean any member or member organization under 75% common ownership or control of that member or member organization.

The term **"Appointed MM"** is a Phlx Market Maker or Lead Market Maker who has been appointed by an Order Flow Provider ("OFP") for purposes of qualifying as an Affiliated Entity. An OFP is a member or member organization that submits orders, as agent or principal, to the Exchange.

The term **"Appointed OFP"** is an OFP who has been appointed by a Phlx Market Maker or Lead Market Maker for purposes of qualifying as an Affiliated Entity.

The term **"Affiliated Entity"** is a relationship between an Appointed MM and an Appointed OFP for purposes of qualifying for certain pricing specified in the Pricing Schedule. Market Makers or Lead Market Makers, and OFPs are required to send an email to the Exchange to appoint their counterpart, at least 3 business days prior to the last day of the month to qualify for the next month. The Exchange will acknowledge receipt of the emails and specify the date the Affiliated Entity is eligible for applicable pricing, as specified in the Pricing Schedule. Each Affiliated Entity relationship will commence on the 1st of a month and may not be terminated prior to the end of any month. An Affiliated Entity relationship will automatically renew each month until or unless either party terminates earlier in writing by sending an email to the Exchange at least 3 business days prior to the last day of the month to terminate for the next month. Members and member organizations under Common Ownership may not qualify as a counterparty comprising an Affiliated Entity. Each member or member organization may qualify for only one (1) Affiliated Entity relationship at any given time.

(e) Collection of Fees and Other Claims

Each member organization, and all applicants for registration as such shall be required to provide a clearing account number for an account at the National Securities Clearing Corporation ("NSCC") for purposes of permitting the Exchange to debit any undisputed or final fees, fines, charges and/or other monetary sanctions or other monies due and owing to the Exchange or other charges related to General 2, Section 2. If a member disputes an invoice, the Exchange will not include the disputed amount in the debit if the member has disputed the amount in writing to the Exchange's designated staff by the 15th of the month, or the following business day if the 15th is not a business day, and the amount in dispute is at least $10,000 or greater.

Amended Feb. 7, 2012 (SR-Phlx-2012-17); amended June 1, 2012 (SR-Phlx-2012-77); amended Feb. 1, 2013 (SR-Phlx-2013-13); amended Apr. 29, 2013 (SR-Phlx-2013-44); amended Sep. 10, 2013 (SR-Phlx-2013-93); amended Apr. 29, 2014 (SR-Phlx-2014-28), operative July 1, 2014; amended July 1, 2014 (SR-Phlx-2014-44); amended Aug. 20, 2014 (SR-Phlx-2014-56), operative Dec. 1, 2014; amended Nov. 14, 2014 (SR-Phlx-2014-75), operative Dec. 14, 2014; amended Mar. 11, 2015 (SR-Phlx-2015-25), operative Mar. 2, 2015; amended Feb. 26, 2016 (SR-Phlx-2016-30); amended July 7, 2016 (SR-Phlx-2016-62); amended Mar. 16, 2018 (SR-Phlx-2018-25); amended Mar. 19, 2018 (SR-Phlx-2018-27); amended Oct. 18, 2018 (SR-Phlx-2018-66); amended Nov. 14, 2018 (SR-Phlx-2018-73); amended April 1, 2019 (SR-Phlx-2019-10); amended April 10, 2019 (SR-Phlx-2019-15); amended March 27, 2019 (SR-Phlx-2019-07), operative May 20, 2019; amended Nov. 1, 2019 (SR-Phlx-2019-48); amended Feb. 3, 2020 (SR-Phlx-2020-03); amended Mar. 5, 2020 (SR-Phlx-2020-08), operative April 4, 2020; amended

April 30, 2020 (SR-Phlx-2020-26), operative May 1, 2020; amended June 25, 2020 (SR-Phlx-2020-33), operative July 1, 2020; amended January 4, 2021 (SR-Phlx-2021-02), operative February 3, 2021; amended Apr. 15, 2021 (SR-Phlx-2021-24); amended Dec. 1, 2021 (SR-Phlx-2021-71); amended December 23, 2021 (SR-Phlx-2021-76); amended January 12, 2022 (SR-Phlx-2022-02), operative January 31, 2022; amended Mar. 1, 2022 (SR-Phlx-2022-08); amended Mar. 10, 2022 (SR-Phlx-2022-12); amended Mar. 22, 2022 (SR-Phlx-2022-14); amended Nov. 22, 2022 (SR-Phlx-2022-48); amended May 23, 2023 (SR-Phlx-2023-20); amended Jun. 2, 2023 (SR-Phlx-2023-24); amended Jun. 5, 2023 (SR-Phlx-2023-25); amended Jun. 13, 2023 (SR-Phlx-2023-26); amended Apr. 3, 2025 (SR-Phlx-2025-17), operative Oct. 3, 2025; amended Apr. 22, 2025 (SR-Phlx-2025-20), operative Oct. 1, 2025; amended Sep. 17, 2025 (SR-Phlx-2025-48), operative Nov. 1, 2025.

Section 2. Customer Rebate Program

The Customer Rebate Tiers described below will be calculated by totaling Customer volume in Multiply Listed Options (including SPY) that are electronically-delivered and executed, except volume associated with electronic QCC Orders, as defined in Options 3, Section 12. Rebates will be paid on Customer Rebate Tiers according to the below categories. Members and member organizations under Common Ownership may aggregate their Customer volume for purposes of calculating the Customer Rebate Tiers and receiving rebates. Affiliated Entities may aggregate their Customer volume for purposes of calculating the Customer Rebate Tiers and receiving rebates.

Customer Rebate Tiers	**Percentage Thresholds of National Customer Volume in Multiply-Listed Equity and ETF Options Classes, excluding SPY Options (Monthly)**	**Category A**	**Category B**	**Category C**	**Category D**
Tier 1	0.00% - 0.60%	$0.00	$0.00	$0.00	$0.00
Tier 2[&]	Above 0.60% - 1.30%	$0.10 [*]	$0.10 [*]	$0.16 [*] [#]	$0.21 [*] [#]
Tier 3	Above 1.30% - 1.80%	$0.15	$0.12 [*]	$0.18 [*] [#]	$0.22 [*] [#]
Tier 4	Above 1.80% - 2.50%	$0.20	$0.16	$0.22 [#]	$0.26 [#]
Tier 5	Above 2.50%	$0.21	$0.17	$0.22 [#]	$0.27 [#]

Category A: Rebate will be paid to members executing electronically-delivered Customer Simple Orders in Penny Symbols and Customer Simple Orders in Non-Penny Symbols in Options 7, Section 4 symbols.

Category B: Rebate will be paid on Customer PIXL Orders in Options 7, Section 4 symbols that execute against non-Initiating Order interest. In the instance where member organizations qualify for Tier 4 or higher in the Customer Rebate Program, Customer PIXL Orders that execute against a PIXL Initiating Order will be paid a rebate of $0.14 per contract. Rebates on Customer PIXL Orders will be capped at 4,000 contracts per order for Simple PIXL Orders.

Category C: Rebate will be paid to members executing electronically-delivered Customer Complex Orders in Penny Symbols in Options 7, Section 4 symbols. Rebate will be paid on Customer PIXL Complex Orders in Options 7, Section 4 symbols that execute against non-Initiating Order interest. Customer Complex PIXL Orders that execute against a Complex PIXL Initiating Order will not be paid a rebate under any circumstances. The Category C Rebate will not be paid when an electronically-delivered Customer Complex Order, including Customer Complex PIXL Order, executes against another electronically-delivered Customer Complex Order.

Category D: Rebate will be paid to members executing electronically-delivered Customer Complex Orders in Non-Penny Symbols in Options 7, Section 4 symbols. Rebate will be paid on Customer PIXL Complex Orders in Options 7, Section 4 symbols that execute against non-Initiating Order interest. Customer Complex PIXL Orders that execute against a Complex PIXL Initiating Order will not be paid a rebate under any circumstances. The Category D Rebate will not be paid when an electronically-delivered Customer Complex Order, including Customer Complex PIXL Order, executes against another electronically-delivered Customer Complex Order.

Rebates will not be paid on broad-based index options symbols listed within Options 7, Section 5.A. in any Category, however broad-based index options symbols listed within Options 7, Section 5.A. will count toward the volume requirement to qualify for a Customer Rebate Tier.

[*] The Exchange will pay a $0.02 per contract Category A and B rebate and a $0.03 per contract Category C and D rebate in addition to the applicable Tier 2 and 3 rebate, provided the Lead Market Maker, Market Maker or Appointed MM has reached the Monthly Market Maker Cap as defined in Options 7, Section 4, to: (1) a Lead Market Maker or Market Maker who is not under Common Ownership or is not a party of an Affiliated Entity; or (2) an OFP member or member organization affiliate under Common Ownership; or (3) an Appointed OFP of an Affiliated Entity. In the event that a member or member organization has qualified for the rebates in both note * and note # in a given month, the Exchange will only pay the higher of the two rebates.

[#] The Exchange will pay a $0.04 per contract Category C rebate and a $0.02 per contract Category D rebate in addition to the applicable Tier 2, 3, 4 and 5 rebates to members or member organizations or member or member organization affiliated under Common Ownership provided the member or member organization qualified for any MARS Payments in Options 7, Section 6, Part E. In the event that a member or member organization has qualified for the rebates in both note * and note # in a given month, the Exchange will only pay the higher of the two rebates.

[&] The Exchange will pay the applicable Tier 2 rebates to qualifying members or member organizations, qualifying affiliates under Common Ownership, or qualifying Affiliated Entities, provided they: (1) execute a Percentage Threshold of National Customer Volume in Multiply-Listed Equity and ETF Options Classes, excluding SPY Options (monthly), of above 0.25%; (2)

reach the Monthly Firm Fee Cap as defined in Options 7, Section 4; and (3) meet the MARS System Eligibility requirements as provided in Options 7, Section 6, Part E.

Adopted January 16, 2004 (03-73). Amended February 3, 2004 (04-06); amended May 14, 2009 (09-23); amended January 21, 2010 (09-101); amended October 18, 2018 (18-66); amended Feb. 3, 2020 (SR-Phlx-2020-03); amended Dec. 1, 2021 (SR-Phlx-2021-71); amended Jun. 7, 2022 (SR-Phlx-2022-26); amended Jun. 16, 2022 (SR-Phlx-2022-27); amended Apr. 1, 2025 (SR-Phlx-2025-16); amended Aug. 1, 2025 (SR-Phlx-2025-33); amended Aug. 11, 2025 (SR-Phlx-2025-37).

Section 3. Rebates and Fees for Adding and Removing Liquidity in SPY

With respect to Section 3 of this Options 7 Pricing Schedule, the order that is received by the trading system first in time shall be considered an order adding liquidity and an order that trades against that order shall be considered an order removing liquidity, except with respect to orders that trigger an order exposure alert. Customer volume attributable to this section will be included in the calculation of Customer volume in Multiply Listed Options that are electronically-delivered and executed for purposes of the Customer Rebate Program in Options 7, Section 2. However, the rebates defined in Options 7, Section 2 will not apply to electronic executions in SPY.

Part A. Simple Order

	Customer	**Lead Market Maker**	**Market Maker**	**Firm**	**Broker-Dealer**	**Professional**
Rebate for Adding Liquidity	$0.00	*	*	$0.00	$0.00	$0.00
Fee for Removing Liquidity	$0.41	$0.48	$0.48	$0.48	$0.48	$0.48

* The Simple Order Rebate for Adding Liquidity will be paid as noted below to Lead Market Makers and Market Makers adding liquidity in SPY. Specifically, a SPY Rebate for Adding Liquidity will be paid based on a percentage of all cleared customer volume at The Options Clearing Corporation in Multiply Listed Equity Options and Exchange-Traded Products ("TCV"). Rebates will be paid on electronically executed Lead Market Maker and Market Maker Simple Order contracts per day in a month in SPY. Lead Market Makers and Market Makers will be paid per the highest tier achieved below.

Tiers	Adds liquidity in SPY as a percentage of TCV	Rebate for Adding Liquidity
1	up to 0.02%	$0.12
2	up to 0.04%	$0.15
3	up to 0.10%	$0.18
4	up to 0.20%	$0.24
5	up to 0.40%	$0.28
6	greater than 0.40%	$0.34

Part B. Complex Order

	Customer	Lead Market Maker	Market Maker	Firm	Broker-Dealer	Professional
Fee for Adding Liquidity	$0.00	$0.10	$0.10	$0.10	$0.10	$0.10
Fee for Removing Liquidity	$0.00	$0.43	$0.43	$0.50	$0.50	$0.50

• Complex Order Fees for Removing Liquidity, applicable to Lead Market Makers and Market Makers, will be decreased by $0.02 per contract when the Lead Market Maker or Market Maker transacts against a Customer Order directed to that Lead Market Maker or Market Maker for execution.

• Simple Orders that are executed against the individual components of Complex Orders will be assessed the fees and rebates in Part A. However, the individual components of such a Complex Order will be assessed the fees in Part B.

• Customers will be paid a rebate of $0.45 per contract and Non-Customers will be assessed a fee of $0.50 per contract for executions against an order for which the Exchange broadcasts an order exposure alert in SPY.

• Customers will be assessed a $0.15 per contract surcharge to the extent that they execute the individual components of their Complex Orders in SPY against Market Maker or Lead Market Maker quotes that are resting on the Simple Order Book.

• The Exchange will assess a stock handling fee of $0.0010 per share (capped at $50 per trade) for the stock leg of stock-option orders executed against other stock-option orders in the Complex Order Book.

• During an Exposure Complex Auction pursuant to Supplementary Material .01 to Options 3, Section 14, the originating side of the auction order will be assessed the applicable Fee for

Adding Liquidity or rebate and the contra side will be assessed the applicable Fee for Removing Liquidity or rebate.

Part C. The following will apply to fees in Parts A and B:

• The Monthly Market Maker Cap on transaction fees that are currently applicable to Market Makers and Lead Market Makers transacting Multiply Listed Options will not be applicable to electronic transactions in the SPY, except for QCC Transaction Fees.

• The Monthly Firm Fee Cap will apply to floor transactions and QCC electronic and QCC floor transactions in SPY.

• Marketing Fees defined in Options 7, Section 4 will not be collected on transactions in SPY.

• Transactions in SPY originating on the Exchange floor will be subject to the Multiply Listed Options Fees (see Multiply Listed Options Fees in Options 7, Section 4). However, if one side of the transaction originates on the Exchange floor and any other side of the trade was the result of an electronically submitted order or a quote, then these fees will apply to the transactions which originated on the Exchange floor and contracts that are executed electronically on all sides of the transaction. The one side of the transaction which originates on the Exchange floor will count toward the volume which qualifies a participant for the Simple Order Rebate for Adding Liquidity for Lead Market Makers and Market Makers in SPY.

• For purposes of these fee, a non-Complex electronic auction would be the opening process. A Complex electronic auction includes, but is not limited to, an Exposure Complex Auction pursuant to Supplementary Material .01 to Options 3, Section 14.

• Customer executions that occur as part of a Complex electronic auction will be assessed $0.00 per contract.

• Customer executions that occur as part of a non-Complex electronic auction will be assessed $0.00 per contract.

• Professional, Firm, Broker-Dealer, Lead Market Maker and Market Maker executions that occur as part of a Complex electronic auction will be assessed the Fees for Removing Liquidity in Part B. Professional, Firm, Broker-Dealer, Lead Market Maker and Market Maker executions that occur as part of a non-Complex electronic auction will be assessed the Fees for Adding Liquidity in Part B.

• The QCC Transaction fees and rebates, defined in Options 7, Section 4, are applicable to this Section C.

The Exchange will implement the following rule changes on or before December 20, 2025:

- SR-Phlx-2023-22
- SR-Phlx-2024-24
- SR-Phlx-2024-71
- SR-Phlx-2025-04
- SR-Phlx-2025-05
- SR-Phlx-2025-17
- SR-Phlx-2025-20
- SR-Phlx-2025-35
- SR-Phlx-2025-38
- SR-Phlx-2025-39

Phlx will commence its implementation with a limited symbol migration and continue to migrate symbols over several weeks. The Exchange will issue an Options Trader Alert to Members to provide notification of the symbols that will migrate and the relevant dates.

PIXL Executions in SPY (per contract):

Type of Market Participant	PIXL Order executes against Initiating Order[1]		PIXL Order executes against a PIXL Response or unrelated market or marketable interest			
	Initiating Order fee	PIXL Order fee	PIXL Order rebate	PIXL Order fee	PIXL Response or unrelated market or marketable interest received *during* a PIXL Auction fee	Unrelated market or marketable interest received *prior* to a PIXL Auction fee
Customer	$0.05	$0.00	$0.40[2]	N/A	$0.00	Options 7, Section 3, Part A Rebate for Adding Liquidity/ Options 7, Section 3, Part B Fee for Adding Liquidity
Non-Customer	$0.05	$0.38	N/A	$0.00	$0.50	Options 7, Section 3 Part A Rebate for Adding Liquidity/ Options 7, Section 3 Part B Fee for Adding Liquidity

[1] A rebate of $0.12 per contract will be paid to members or member organizations that qualify for Options 7, Section 2, Customer Rebate Tiers 2 through 6 or qualify for the Monthly Firm Fee Cap. The rebate will be paid on all SPY Complex PIXL Orders greater than 499 contracts when contra to an Initiating Order, provided the member or member organization executes an average of 2,500 contracts per day of SPY Complex PIXL Orders in a month.

[2] When a PIXL Order executes against an unrelated Lead Market Maker or Market Maker quote, which was received prior to the PIXL Auction, a Customer PIXL Order will not receive a rebate.

Adopted June 3, 2013 (SR-Phlx-2013-61); renumbered and amended June 26, 2013 (SR-Phlx-2013-71), operative July 1, 2013; amended Nov. 29, 2013 (SR-Phlx-2013-117), operative Dec. 2, 2013; amended Jan. 29, 2014 (SR-Phlx-2014-06), operative Feb. 3, 2014; amended Feb. 27, 2014 (SR-Phlx-2014-15), operative Mar. 3, 2014; amended July 10, 2014 (SR-Phlx-2014-47); amended July 28, 2014 (SR-Phlx-2014-50), operative Aug. 1, 2014; amended Oct. 31, 2014 (SR-Phlx-2014-72), operative Nov. 3, 2014; amended

Mar. 11, 2015 (SR-Phlx-2015-25), operative Mar. 2, 2015; amended Aug. 27, 2015 (SR-Phlx-2015-75), operative Sep. 1, 2015; amended Feb. 29, 2016 (SR-Phlx-2016-33), operative Mar. 1, 2016; amended Mar. 18, 2016 (SR-Phlx-2016-21); amended Aug. 5, 2016 (SR-Phlx-2016-83), operative Aug. 1, 2016; amended Feb. 1, 2017 (SR-Phlx-2017-09); amended Feb. 1, 2017 (SR-Phlx-2017-10); amended Feb. 8, 2017 (SR-Phlx-2017-15); amended July 31, 2017 (SR-Phlx-2017-64), operative Aug. 1, 2017; amended Dec. 21, 2017 (SR-Phlx-2017-108), operative Jan. 2, 2018; amended May 1, 2018 (SR-Phlx-2018-37); amended May 10, 2018 (SR-Phlx-2018-39); amended Oct. 18, 2018 (SR-Phlx-2018-66); amended April 1, 2019 (SR-Phlx-2019-10); amended April 10, 2019 (SR-Phlx-2019-15); amended Feb. 3, 2020 (SR-Phlx-2020-03); amended Mar. 3, 2021 (SR-Phlx-2021-12); amended Dec. 1, 2021 (SR-Phlx-2021-71); amended Jan. 3, 2022 (SR-Phlx-2022-01); amended Oct. 3, 2022 (SR-Phlx-2022-40); amended Oct. 17, 2022 (SR-Phlx-2022-41); amended May 23, 2023 (SR-Phlx-2023-20)" amended Jun. 2, 2023 (SR-Phlx-2023-24); amended Jun. 5, 2023 (SR-Phlx-2023-25); amended Jun. 13, 2023 (SR-Phlx-2023-26); amended Aug. 3, 2023 (SR-Phlx-2023-34), operative Jan. 29, 2024; amended May 1, 2024 (SR-Phlx-2024-20); amended Jan. 31, 2025 (SR-Phlx-2025-07), operative Feb. 3, 2025; amended Feb. 10, 2025 (SR-Phlx-2025-09); amended Sep. 17, 2025 (SR-Phlx-2025-48), operative Nov. 1, 2025.

Section 4. Multiply Listed Options Fees (Includes options overlying equities, ETFs, ETNs and indexes which are Multiply Listed) (Excludes SPY and broad-based index options symbols listed within Options 7, Section 5.A)

	Customer	Professional		Lead Market Maker and Market Maker		Broker-Dealer		Firm	
		Electronic	Floor	Electronic	Floor	Electronic	Floor	Electronic	Floor
Options Transaction Charge (Penny Symbol) [1, 6]	$0.00	$0.48 [2]	$0.00 [8]	$0.22	$0.50 [8]	$0.48 [2]	$0.25 [8]	$0.48 [2]	$0.25 [8]
Options Transaction Charge (Non-Penny Symbol) [1, 7]	$0.00	$0.75 [3]	$0.00 [8]	$0.25 [4]	$0.50 [8]	$0.75 [3]	$0.25 [8]	$0.75 [3]	$0.25 [8]
Options Surcharge in BKX	N/A	$0.10	$0.10 [8]	$0.10	$0.10 [8]	$0.10	$0.10 [8]	$0.10	$0.10 [8]

Cabinet Options	$0.00	N/A	$0.10 [8]	N/A	$0.10 [8]	N/A	$0.10 [8]	N/A	$0.10 [8]

• These fees are per contract.

[1] The Exchange will assess a stock handling fee of $0.0010 per share (capped at $50 per trade) for the stock leg of stock-option orders executed against other stock-option orders in the Complex Order Book.

[2] Electronic Complex Orders will be assessed $0.40 per contract.

[3] Any member or member organization under Common Ownership with another member or member organization or an Appointed OFP of an Affiliated Entity that qualifies for Customer Rebate Tiers 4 or 5 in Options 7, Section 2 of the Pricing Schedule will be assessed $0.65 per contract.

[4] Any member or member organization under Common Ownership with another member or member organization or an Appointed MM of an Affiliate Entity that qualifies for Customer Rebate Tiers 4 or 5 in Options 7, Section 2 of the Pricing Schedule will be assessed $0.23 per contract.

[5] Reserved.

[6] A $0.12 per contract surcharge will be assessed to electronic Complex Orders that remove liquidity from the Complex Order Book and auctions, excluding PIXL, in Penny Symbols (excluding SPY). An order that is received by the trading system first in time shall be considered an order adding liquidity and an order that trades against that order shall be considered an order removing liquidity.

[7] A $0.12 per contract surcharge will be assessed to Non-Customer electronic Complex Orders that remove liquidity from the Complex Order Book and auctions, excluding PIXL, in Non-Penny Symbols (excluding broad-based index options symbols listed within Options 7, Section 5.A). An order that is received by the trading system first in time shall be considered an order adding liquidity and an order that trades against that order shall be considered an order removing liquidity.

[8] Floor transaction fees will apply to any "as of" or "reversal" adjustments for manually processed trades originally submitted electronically or through FBMS.

• The Cabinet Fees above are not in addition to the Options Transaction Charges.

QCC Transaction Fee

• QCC Transaction Fees for a Lead Market Maker, Market Maker, Firm and Broker- Dealer are $0.20 per contract. Customers and Professionals are not assessed a QCC Transaction Fee. QCC Transaction Fees apply to electronic QCC Orders, as defined in Options 3, Section 12, and Floor QCC Orders, as defined in Options 8, Section 30(e).

QCC Rebates

• A QCC Rebate of $0.12 per contract will be paid on electronic QCC Orders, as defined in Options 3, Section 12, and Floor QCC Orders, as defined in Options 8, Section 30(e), when a QCC Order is comprised of a Customer or Professional order on one side and a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side. This rebate will be $0.17 per contract in the event that a member or member organization executes greater than 750,000 qualifying QCC contracts in a given month. This rebate will be $0.22 per contract in the event that a member or member organization executes: (1) greater than 750,000 qualifying QCC contracts in a given month, (2) Floor Originated Strategy Executions in excess of 1,250,000 contracts in a given month, **and** (3) at least 40% of the member or member organization's QCC executed contracts in that month are comprised of a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on one side and Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side.

• A QCC Rebate of $0.14 per contract will be paid on electronic QCC Orders, as defined in Options 3, Section 12, and Floor QCC Orders, as defined in Options 8, Section 30(e), when a QCC Order is comprised of a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on one side and a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side. This rebate will be $0.19 per contract in the event that a member or member organization executes greater than 750,000 qualifying QCC contracts in a given month. This rebate will be $0.30 per contract in the event that a member or member organization executes: (1) greater than 750,000 qualifying QCC contracts in a given month, (2) Floor Originated Strategy Executions in excess of 1,250,000 contracts in a given month, **and** (3) at least 40% of the member or member organization's QCC executed contracts in that month are comprised of a Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on one side and Lead Market Maker, Market Maker, Broker-Dealer, or Firm order on the other side.

Ø The above QCC Rebates will be paid for all qualifying executed electronic QCC Orders, as defined in Options 3, Section 12, and Floor QCC Orders, as defined in Options 8, Section 30(e), except where the transaction is either: (i) Customer-to-Customer; (ii) Customer-to-Professional; (iii) Professional-to-Professional; or (iv) a dividend, merger, short stock interest, reversal and conversion, jelly roll, and box spread strategy executions (as defined in Options 7, Section 4). Rebates for qualifying executed Floor QCC Orders are paid to Floor Brokers.

Ø Volume resulting from all executed electronic QCC Orders and Floor QCC Orders, including Customer-to-Customer, Customer-to-Professional, and Professional-to-Professional transactions and excluding dividend, merger, short stock interest, reversal and conversion, jelly roll, and box spread strategy executions, will be aggregated in determining the applicable member or member organization qualifying QCC contract volume in a given month.

Monthly Market Maker Cap

• Lead Market Makers and Market Makers are subject to a "Monthly Market Maker Cap" of $500,000 for: (i) electronic Option Transaction Charges, excluding surcharges and excluding options overlying broad-based index options symbols listed within Options 7, Section 5.A; and (ii) QCC Transaction Fees (as defined in Exchange Options 3, Section 12 and Floor QCC Orders, as defined in Options 8, Section 30(e)). The trading activity of separate Lead Market Maker and Market Maker member organizations will be aggregated in calculating the Monthly Market Maker Cap if there is Common Ownership between the member organizations. All dividend, merger, short stock interest, reversal and conversion, jelly roll and box spread strategy executions (as defined in this Options 7, Section 4) will be excluded from the Monthly Market Maker Cap. Lead Market Makers or Market Makers that (i) are on the contra-side of an electronically-delivered and executed Customer order, excluding responses to a PIXL auction; and (ii) have reached the Monthly Market Maker Cap will be assessed fees as follows:

Fee per contract

$0.05 per contract Fee for Adding Liquidity in Penny Symbols

$0.18 per contract Fee for Removing Liquidity in Penny Symbols

$0.18 per contract in Non-Penny Symbols

$0.18 per contract in a non-Complex electronic auction, which includes for purposes of this fee, the opening process. A Complex electronic auction includes, but is not limited to, an Exposure Complex Auction pursuant to Supplementary Material .01 to Options 3, Section 14. Transactions which execute against an order for which the Exchange broadcast an order exposure alert or Exposure Complex Auction in an electronic auction will be subject to this fee.

Monthly Firm Fee Cap and Floor Facilitation

• Firms are subject to a $250,000 "Monthly Firm Fee Cap". Firm Floor Option Transaction Charges and QCC Transaction Fees, as defined in this section above, in the aggregate, for one billing month that exceed the Monthly Firm Fee Cap per member or member organization, when such members or member organizations are trading in their own proprietary account, will be subject to a reduced transaction fee of $0.02 per capped contract unless there is no fee or the fee is waived.

Ø All dividend, merger, short stock interest, reversal and conversion, jelly roll, and box spread strategy executions (as defined in this Options 7, Section 4) will be excluded from the Monthly Firm Fee Cap.

Ø Transactions in broad-based index options symbols listed within Options 7, Section 5.A. will be excluded from the Monthly Firm Fee Cap.

Ø QCC Transaction Fees are included in the calculation of the Monthly Firm Fee Cap.

Members and member organizations must notify the Exchange in writing of all accounts in which the member or member organization is not trading in its own proprietary account. The Exchange will not make adjustments to billing invoices where transactions are commingled in accounts which are not subject to the Monthly Firm Fee Cap.

• The Firm Floor Options Transaction Charges will be waived for members executing facilitation orders pursuant to Options 8, Section 30 when such members are trading in their own proprietary account (including Cabinet Options Transaction Charges). The Firm Floor Options Transaction Charges will be waived for the buy side of a transaction if the same member or its affiliates under Common Ownership represents both sides of a Firm transaction when such members are trading in their own proprietary account. Transactions in broad-based index options symbols listed within Options 7, Section 5.A. will be excluded from this waiver.

• Proprietary orders of affiliates of member organizations (non-member organizations) that qualify for the Monthly Firm Fee Cap ("Qualifying Member Organization") effected for purposes of hedging the proprietary over-the-counter trading of the Qualifying Member Organization or its affiliates will be included in calculating the Monthly Firm Fee Cap. Member organizations must notify the Exchange in writing of the account(s) designated for purposes of hedging the proprietary over-the-counter trading of the Qualifying Member Organization or its affiliates. The Exchange would require member organizations to segregate other orders from that of its affiliates for those orders to be eligible for the Monthly Firm Fee Cap. The Exchange will not make adjustments to billing invoices where transactions are commingled in accounts which are not subject to the Monthly Firm Fee Cap.

Broker-Dealer Transaction Cap

• Each Broker-Dealer Floor Options Transaction Charge will be capped at $15,000 per transaction (including FLEX and Cabinet Options Transaction Charges).

Floor Transaction (Open Outcry) Floor Broker Incentive Program

w Floor Brokers will be paid the below rebates for transactions executed on the trading floor, in open outcry. The below transactions are not considered qualifying volume:

(1) dividend, merger, short stock interest, reversal and conversion, jelly roll, and box spread strategy executions as defined in this Options 7, Section 4;

(2) Firm Floor Options Transactions for members executing facilitation orders pursuant to Options 8, Section 30 when such members are trading in their own proprietary account (including Cabinet Options Transaction Charges); and

(3) Customer-to-Customer transactions.

w Rebates will be paid on qualifying volume at each threshold level based on the below schedule. Floor QCC Orders, as defined in Options 8, Section 30(e), and electronic QCC Orders, as defined in Options 3, Section 12, will be considered qualifying volume but would not be paid rebates based on the below schedule, rather Floor QCC Orders and electronic QCC Orders would be paid the QCC Rebates noted in Options 7, Section 4 above.

	Qualifying Contracts	**Per Contract Rebate(Customer on one side)**	**Per Contract Rebate (Non-Customer on both sides)**
Tier 1	0 -500,000	$0.04	$0.10
Tier 2	500,001-5,000,000	$0.07	$0.18
Tier 3	5,000,001-10,000,000	$0.09	$0.18
Tier 4	Greater than 10,000,000	$0.10	$0.22

Examples:

§ **Example 1**: A Floor Broker that executes a total of 2,000,000 qualified contracts in a month comprised of (1) Floor QCC Order volume of 600,000 contracts; (2) Floor Transaction Open Outcry Customer volume of 400,000 contracts; and (3) Floor Transaction Open Outcry volume with Non-Customers on both sides of 1,000,000 contracts, will be paid $0.05 per contract for the 400,000 or $20,000 for the Floor Transaction Open Outcry Customer volume and $0.12 per contract for the 1,000,000 or $120,000 for the Floor Transaction Open Outcry volume with Non-Customers on both sides, equaling a total Floor Broker Incentive Program Rebate of $140,000 for that month. The 600,000 contracts of executed Floor QCC Orders would be paid the applicable QCC Rebate as described in Options 7, Section 4 above.

§ **Example 2**: A Floor Broker that executes floor transactions with a mix of Customer on one side and Non-Customer on both sides in a given month totaling 2,000,000 contracts (with no Floor QCC volume) will be paid a rebate tied to the requisite rebate schedule

based on timestamp of the execution. Utilizing Example 1, assume: (1) 100,000 contracts had a Customer on one side, those transactions would be paid at $0.02 per contract ($2,000); (2) 400,000 contracts had a Non-Customer on both sides, those transactions would be paid at $0.08 per contract ($32,000): (3) 400,000 contracts had a Customer on one-side, those transactions would be paid at $0.05 per contract ($20,000): and (4) 1,100,000 contracts had a Non-Customer on both sides, those transaction would be paid at $0.12 per contract ($132,000), for a total rebate of $186,000 for that month.

§ **Example 3**: A Floor Broker that executes floor transactions with a Customer on one side in a given month totaling 10,500,000 contracts (with no Floor QCC volume) will be paid $0.02 per contract for the first 500,000 contracts ($10,000), $0.05 per contract for the next 4,500,000 floor transaction contracts ($225,000), $0.07 per contract for the next 5,000,000 floor transaction contracts ($350,000), and $0.08 per contract for the final 500,000 floor transaction contracts ($40,000), for a total rebate of $625,000 for that month.

§ **Example 4**: A Floor Broker that executes floor transactions with Non-Customer on both sides in a given month totaling 10,500,000 contracts (with no Floor QCC volume) will be paid $0.08 per contract for the first 500,000 contracts ($40,000), $0.12 per contract for the next 4,500,000 floor transaction contracts ($540,000), $0.16 per contract for the next 5,000,000 floor transaction contracts ($800,000), and $0.20 per contract for the final 500,000 floor transaction contracts ($100,000) for a total rebate of $1,480,000 for that month.

§ **Example 5**: If a Floor Broker executes a floor transaction in the amount of 1,000,000 contracts, represents both sides of the floor transaction, and executes the floor transaction as a crossing transaction pursuant to Options 8, Section 30(a) for 700,000 of the 1,000,000 contracts, then trades the remaining 300,000 contracts with the trading crowd, the Floor Transaction (Open Outcry) Floor Broker Incentive Program rebate for this transaction will be paid on the qualifying floor transaction volume of 1,000,000 contracts.

w Rebates for the Floor Transaction (Open Outcry) Floor Broker Incentive Program will be capped at $2,000,000 per member or member organization in a given month.

Floor Originated Strategy Executions

§ Floor Originated Strategy Executions are defined as a dividend, merger, short stock interest, reversal and conversion, jelly roll or box spread strategy as described in Options 7, Section 4.

Strategies Defined:

• A **dividend strategy** is defined as transactions done to achieve a dividend arbitrage involving the purchase, sale and exercise of in-the-money options of the same class, executed the first business day prior to the date on which the underlying stock goes ex-dividend.

• A **merger strategy** is defined as transactions done to achieve a merger arbitrage involving the purchase, sale and exercise of options of the same class and expiration date, executed the first business day prior to the date on which shareholders of record are required to elect their respective form of consideration, i.e., cash or stock.

• A **short stock interest strategy** is defined as transactions done to achieve a short stock interest arbitrage involving the purchase, sale and exercise of in-the-money options of the same class.

• **Reversal and conversion strategies** are transactions that employ calls and puts of the same strike price and the underlying stock. Reversals are established by combining a short stock position with a short put and a long call position that shares the same strike and expiration. Conversions employ long positions in the underlying stock that accompany long puts and short calls sharing the same strike and expiration.

• A **jelly roll strategy** is defined as transactions created by entering into two separate positions simultaneously. One position involves buying a put and selling a call with the same strike price and expiration. The second position involves selling a put and buying a call, with the same strike price, but with a different expiration from the first position.

• A **box spread strategy** is a strategy that synthesizes long and short stock positions to create a profit. Specifically, a long call and short put at one strike is combined with a short call and long put at a different strike to create synthetic long and synthetic short stock positions, respectively.

Strategy Fees and Rebates:

To qualify for a strategy fee or rebate, the buy and sell side of a transaction must originate either from the Exchange Trading Floor or as a Floor Qualified Contingent Cross Order. The below fees/rebates are in lieu of the Options Transactions Charges in Options 7, Section 4 for Penny and Non-Penny Symbols. Customers will not be assessed a fee nor receive a rebate for strategy transactions.

Floor Options Transactions - Multiply Listed Options	**Strategy**	**Qualification**	**Fee/Rebate per Contract**
Lead Market Maker, Market Maker, Professional, Firm and Broker-Dealer	dividend	executed on the same trading day in the same class of options when such members are trading: (1) in their own proprietary accounts; or (2) on an agency basis.	($0.01)
Lead Market Maker, Market Maker, Professional, Firm and Broker-Dealer	merger, short stock interest, and box spread strategies	executed on the same trading day for all classes of options in the aggregate when such members are trading (1) in their own proprietary accounts; or (2) on an agency basis.	($0.01)
Lead Market Maker, Market Maker, Professional, Firm and Broker-Dealer	reversal and conversion, and jelly roll strategies	executed on the same trading day for all classes of options in the aggregate when such members are trading (1) in their own proprietary accounts; or (2) on an agency basis.	($0.01)

• Reversal and conversion, jelly roll and box spread strategy executions will not be included in the Monthly Strategy Cap for a Firm. All dividend, merger, short stock interest, reversal and conversion, jelly roll and box spread strategy executions (as defined in this Options 7, Section 4) will be excluded from the Monthly Firm Fee Cap and the Monthly Market Maker Cap. Transactions in broad-based index options symbols listed within Options 7, Section 5.A. will be excluded from the above Strategy pricing.

Marketing Fees

Options that are trading in the Penny Interval Program	$0.25 per contract
Remaining Equity Options	$0.70 per contract

• For trades resulting from either Directed or non-Directed Orders that are delivered electronically and executed on the Exchange, the above fees will be assessed on Lead Market Makers, Market Makers and Directed Market Makers on those trades when the Lead Market Maker unit or Directed Market Maker elects to participate in the Marketing program.

• No Marketing Fees will be assessed on transactions in options symbols subject to Options 7, Section 5 pricing.

• No Marketing Fees will be assessed on trades that are not delivered electronically.

• No Marketing Fees will be assessed on Professional orders.

• No Marketing Fees will be assessed on transactions which execute against an order for which the Exchange broadcast an order exposure alert in Penny Symbols. Additionally, no Marketing Fees will be assessed on the contra side order that executed against the originating order in a Exposure Complex Auction pursuant to Supplementary Material .01 to Options 3, Section 14.

• Marketing Fees will be assessed on transactions resulting from Customer orders and are available to be disbursed by the Exchange according to the instructions of the Lead Market Maker units/Lead Market Makers or Directed Market Makers to order flow providers who are members or member organizations, who submit, as agent, Customer orders to the Exchange or non-members or non-member organizations who submit, as agent, Customer orders to the Exchange through a member or member organization who is acting as agent for those Customer orders.

• Any excess Marketing Fee funds billed but not utilized by the Lead Market Maker or Directed Market Maker will be carried forward unless the Directed Market Maker or Lead Market Maker elects to have those funds rebated to the applicable Market Maker, Directed Market Maker or Lead Market Maker on a pro rata basis, reflected as a credit on the monthly invoices. At the end of each calendar quarter, the Exchange will calculate the amount of excess funds from the previous quarter and subsequently rebate excess funds on a pro-rata basis to the applicable Market Maker, Directed Market Maker or Lead Market Maker who paid into that pool of funds.

• Each month, the Exchange will assess an administrative fee of .45% on the total amount of the funds collected each month.

Amended Jan. 10, 2012 (SR-Phlx-2012-06); amended Feb. 7, 2012 (SR-Phlx-2012-17) ; amended Feb. 21, 2012 (SR-Phlx-2012-24), operative Mar. 1, 2012; amended Feb. 29, 2012 (SR-Phlx-2012-26), operative Mar. 1, 2012; amended Mar. 16, 2012 (SR-Phlx-2012-35), operative Apr. 2, 2012; amended Mar. 26, 2012 (SR-Phlx-2012-34), operative Apr. 2, 2012; amended Apr. 2, 2012 (SR-Phlx-2012-46); amended Apr. 2, 2012 (SR-Phlx-2012-47); amended May 1, 2012 (SR-Phlx-2012-61); amended May 16, 2012 (SR-Phlx-2012-70); amended June 1, 2012 (SR-Phlx-2012-77); amended June 14, 2012 (SR-Phlx-2012-80); amended July 2, 2012 (SR-Phlx-2012-90); amended Aug. 1, 2012 (SR-Phlx-2012-104); amended Aug. 24, 2012 (SR-Phlx-2012-110); amended Sept. 4, 2012 (SR-Phlx-2012-113); amended Oct. 1, 2012 (SR-Phlx-2012-121); amended Oct. 31, 2012 (SR-Phlx-2012-125), operative Nov. 30, 2012; amended Nov. 30, 2012 (SR-Phlx-2012-135), operative Dec. 3, 2012; amended Dec. 3, 2012 (SR-Phlx-2012-138); amended Dec. 21, 2012 (SR-Phlx-2012-141), operative Jan. 2, 2013; amended Dec. 21, 2012 (SR-Phlx-2012-146); amended Jan. 2, 2013 (SR-Phlx-2013-01); amended Jan. 25, 2013 (SR-Phlx-2013-10), operative Feb. 1, 2013; amended Feb. 1, 2013 (SR-Phlx-2013-13); amended Mar. 15, 2013 (SR-Phlx-2013-31), operative Apr. 1, 2013; amended Apr. 17, 2013 (SR-Phlx-2013-40), operative Apr. 18, 2013; amended May 1, 2013 (SR-Phlx-2013-48); amended May 1, 2013 (SR-Phlx-2013-49); amended May 21, 2013 (SR-Phlx-2013-59), operative May 22, 2013; amended June 26, 2013 (SR-Phlx-2013-71), operative July 1, 2013; amended Aug. 29, 2013 (SR-Phlx-2013-90), operative Sep. 3, 2013; amended Sep. 3, 2013 (SR-Phlx-2013-92); amended Oct. 30, 2013 (SR-Phlx-2013-109), operative Nov. 1, 2013; amended Nov. 29, 2013 (SR-Phlx-2013-117), operative Dec. 2, 2013; amended Dec. 2, 2013 (SR-Phlx-2013-119); amended Dec. 30, 2013 (SR-Phlx-2013-124), operative Jan. 2, 2014; amended Jan. 30, 2014 (SR-Phlx-2014-08), operative Feb. 3, 2014; amended Mar. 5, 2014 (SR-Phlx-2014-14); amended Apr. 30, 2014 (SR-Phlx-2014-31), operative May 1, 2014; amended June 2, 2014 (SR-Phlx-2014-38); amended July 10, 2014 (SR-Phlx-2014-47); amended Dec. 18, 2014 (SR-Phlx-2014-80), operative Jan. 2, 2015; amended Jan. 13, 2015 (SR-Phlx-2015-06); amended Jan 12, 2015 (SR-Phlx-2015-05), operative Feb. 2, 2015; amended Feb. 20, 2015 (SR-Phlx-2015-20), operative Apr. 1, 2015; amended Feb. 26, 2015 (SR-Phlx-2015-21), operative Feb. 2, 2015; amended Mar. 11, 2015 (SR-Phlx-2015-25), operative Mar. 2, 2015; amended June 30, 2015 (SR-Phlx-2015-57), operative July 1, 2015; amended July 1, 2015 (SR-Phlx-2015-61); amended Dec. 18, 2015 (SR-Phlx-2015-111), operative Jan. 4, 2016; amended Feb. 1, 2016 (SR-Phlx-2016-18); amended Feb. 26, 2016 (SR-Phlx-2016-30); amended Mar. 28, 2016 (SR-Phlx-2016-42), operative Apr. 1, 2016; amended Apr. 14, 2016 (SR-Phlx-2016-51), operative Apr. 1, 2016; amended Apr. 15, 2016 (SR-Phlx-2016-52), operative May 2, 2016; amended July 7, 2016 (SR-Phlx-2016-62); amended Feb. 1, 2017 (SR-Phlx-2017-09); amended Mar. 1, 2017 (SR-Phlx-2017-19); amended Mar. 1, 2017 (SR-Phlx-2017-20); amended Mar. 9, 2017 (SR-Phlx-2017-24); Apr. 3, 2017 (SR-Phlx-2017-29); amended Apr. 7, 2017 (SR-Phlx-2017-30); amended July 31, 2017 (SR-Phlx-2017-61), operative Aug. 1, 2017; amended Nov. 1, 2017 (SR-Phlx-2017-91); amended Dec. 1, 2017 (SR-Phlx-2017-102); amended Jan. 3, 2018 (SR-Phlx-2018-02), operative Jan. 4, 2018; amended Jan. 26, 2018 (SR-Phlx-2018-13), operative Feb. 1, 2018; amended April 6, 2018 (SR-Phlx-2018-29); amended Apr. 17, 2018 (SR-Phlx-2018-31); amended May 1, 2018 (SR-Phlx-2018-37); amended May 10, 2018 (SR-Phlx-2018-39); amended Oct. 18, 2018 (SR-Phlx-2018-66); amended March 27, 2019 (SR-Phlx-2019-07), operative May 20, 2019; amended Jan. 2, 2020 (SR-Phlx-2020-01); amended Jan. 14,

2020 (SR-Phlx-2020-02); amended Feb. 3, 2020 (SR-Phlx-2020-03); amended Mar. 30, 2020 (SR-Phlx-2020-17); amended April 16, 2020 (SR-Phlx-2020-22); amended April 30, 2020 (SR-Phlx-2020-26), operative May 1, 2020; amended June 25, 2020 (SR-Phlx-2020-33), operative July 1, 2020; amended Apr. 1, 2021 (SR-Phlx-2021-20); amended Apr. 13, 2021 (SR-Phlx-2021-20); amended Apr. 15, 2021 (SR-Phlx-2021-24); amended September 29, 2021 (SR-Phlx-2021-57), operative October 1, 2021; amended Dec. 1, 2021 (SR-Phlx-2021-71); amended Feb. 1, 2022 (SR-Phlx-2022-06); amended Feb. 9, 2022 (SR-Phlx-2022-07); amended Mar. 1, 2022 (SR-Phlx-2022-08); amended Mar. 1, 2022 (SR-Phlx-2022-09), effective March 1-10, 2022, withdrawn March 10, 2022; amended Mar. 10, 2022 (SR-Phlx-2022-10), effective March 10-22, 2022, withdrawn March 23, 2022; amended Mar. 10, 2022 (SR-Phlx-2022-12); amended Mar. 22, 2022 (SR-Phlx-2022-14); amended June 1, 2022 (SR-Phlx-2022-23); amended Jun. 7, 2022 (SR-Phlx-2022-26); amended Jun. 16, 2022 (SR-Phlx-2022-27); amended Jun. 30, 2022 (SR-Phlx-2022-29), operative Jul. 1, 2022; amended Aug. 1, 2022 (SR-Phlx-2022-33); amended Oct. 3, 2022 (SR-Phlx-2022-40); amended Oct. 17, 2022 (SR-Phlx-2022-41); amended Jan. 3, 2023 (SR-Phlx-2023-02); amended Feb. 1, 2023 (SR-Phlx-2023-03); amended Feb. 10, 2023 (SR-Phlx-2023-05); amended Feb. 22, 2023 (SR-Phlx-2023-06); amended Mar. 1, 2023 (SR-Phlx-2023-08); amended Apr. 14, 2023 (SR-Phlx-2023-12); amended Apr. 20, 2023 (SR-Phlx-2023-14); amended May 1, 2023 (SR-Phlx-2023-15); amended Jun. 1, 2023 (SR-Phlx-2023-23); amended Aug. 1, 2023 (SR-Phlx-2023-32); amended Aug. 2, 2023 (SR-Phlx-2023-33); amended Aug. 10, 2023 (SR-Phlx-2023-36); amended Sep. 13, 2023 (SR-Phlx-2023-44); amended Nov. 1, 2023 (SR-Phlx-2023-47); amended Feb. 29, 2024 (SR-Phlx-2024-07), operative Mar. 1, 2024; amended Mar. 13, 2024 (SR-Phlx-2024-11); amended Mar. 15, 2024 (SR-Phlx-2024-14); amended May 1, 2024 (SR-Phlx-2024-21); amended Jun. 12, 2024 (SR-Phlx-2024-25); amended Jul. 31, 2024 (SR-Phlx-2024-39), operative Aug. 1, 2024; amended Aug. 6, 2024 (SR-Phlx-2024-40); amended Jan. 31, 2025 (SR-Phlx-2025-07), operative Feb. 3, 2025; amended Feb. 10, 2025 (SR-Phlx-2025-09); amended Mar. 3, 2025 (SR-Phlx-2025-12); amended Mar. 10, 2025 (SR-Phlx-2025-13); amended Mar. 20, 2025 (SR-Phlx-2025-14); amended Jul. 1, 2025 (SR-Phlx-2025-25); amended Aug. 1, 2025 (SR-Phlx-2025-33); amended Aug. 11, 2025 (SR-Phlx-2025-37); amended Sep. 2, 2025 (SR-Phlx-2025-41); amended Sep. 10, 2025 (SR-Phlx-2025-45); amended Sep. 18, 2025 (SR-Phlx-2025-49); amended Sep. 25, 2025 (SR-Phlx-2025-55), operative Oct. 1, 2025; amended Sep. 17, 2025 (SR-Phlx-2025-48), operative Nov. 1, 2025.

Section 5. Index and Singly Listed Options (Includes options overlying FX Options, equities, ETFs, ETNs, and indexes not listed on another exchange)

A. Broad-Based Index Options

The below pricing applies to electronic (simple and complex orders) and floor transactions.

Options Transaction Charges

Symbol	Customer	Professional	Lead Market Maker and Market Maker	Broker-Dealer	Firm
NDX[7]	**$0.50**[6]	**$0.75**[1,3,5]	**$0.75**[1,3,5]	**$0.75**[1,3,5]	**$0.75**[1,3,5]
NDXP[7]	**$0.50**[6]	**$0.75**[1,3,5]	**$0.75**[1,3,5]	**$0.75**[1,3,5]	**$0.75**[1,3,5]
EXGN	**$0.00**	**$0.75**[1]	**$0.75**[1]	**$0.75**[1]	**$0.75**[1]
XND[2]	**$0.00**	**$0.10**	**$0.10**	**$0.10**	**$0.10**

• These fees are per contract.

• Floor transaction fees will apply to any "as of" or "reversal" adjustments for manually processed trades originally submitted electronically or through FBMS.

[1]A surcharge for NDX, NDXP and EXGN of $0.25 per contract will be assessed to Non-Customers.

[2]A surcharge for XND of $0.10 per contract will be assessed to Non-Customers.

[3]A surcharge for NDX and NDXP of $1.50 per contract will be assessed to electronic simple Non-Customer orders that remove liquidity.

[4]Reserved.

[5]A surcharge of $0.50 per contract will be assessed to all Non-Customer complex executions in NDX and NDXP.

[6]A surcharge of $0.25 per contract will be assessed to all Customer complex executions in NDX and NDXP.

[7]A surcharge of $0.25 per contract will be assessed to all market participants for simple and complex executions in NDX and NDXP with a premium price of $25.00 or greater.

B. XND Incentive Program

Minimum Time Requirement	Premium Level	Expiring 14 days or less		15 days to 60 days		61 days or Greater	
		Width	Size	Width	Size	Width	Size
90%	$0.00-$1.00	$0.05	5	$0.06	5	$0.10	5
90%	$1.01 - $3.00	$0.08	5	$0.08	5	$0.12	5
90%	$3.01 - $5.00	$0.10	5	$0.10	5	$0.15	5
90%	$5.01 - $10.00	$0.45	5	$0.50	5	$0.60	5
85%	$10.01 - $25.00	$1.00	5	$1.10	5	$1.25	5
85%	Greater than $25.00	$2.50	5	$3.00	5	$3.50	5

• A Lead Market Maker ("LMM") or Market Maker will be eligible to receive the following additional rebates in all XND series if they meet the following criteria: (i) $0.03 per contract if the LMM or Market Maker provides continuous electronic quotes during the trading day that meet or exceed the above heightened quoting standards for all XND series with an expiration of 14 days or less, for the corresponding minimum time requirement on average in a given month based on daily performance; (ii) $0.01 per contract if the LMM or Market Maker provides continuous electronic quotes during the trading day that meet or exceed the above heightened quoting standards for all XND series with an expiration of 15 day to 60 days, for the corresponding minimum time requirement on average in a given month based on daily performance; and (iii) $0.01 per contract if the LMM or Market Maker provides continuous electronic quotes during the trading day that meet or exceed the above heightened quoting standards for all XND series with an expiration of 61 days or greater, for the corresponding minimum time requirement on average in a given month based on daily performance. The foregoing rebates may be cumulative such that a qualifying LMM or Market Maker may receive a total rebate of $0.05 per contract for all XND series.

• In calculating whether an LMM or Market Maker met the heightened quoting standard each month, the Exchange will exclude from the calculation in that month the worst quoting day in XND for the LMM or Market Maker.

C. Singly Listed Options

	Customer	Professional	Lead Market Maker and Market Maker	Firm	Broker-Dealer
Options Transaction Charge	$0.40	$0.75	$0.40	$0.75	$0.75

D. FX Options: U.S. dollar-settled foreign currency options ("FCOs") include XDB, XDE, XDN, XDS, XDA, XDZ and XDC.

	Customer	Professional	Lead Market Maker and Market Maker	Broker-Dealer	Firm
Options Transaction Charge	$0.00[1]	$0.50[1]	$0.50[1]	$0.50[1]	$0.50[1]

[1]A surcharge of $0.25 per contract will be assessed for all Complex Orders traded.

Amended Jan. 20, 2012 (SR-Phlx-2012-09), operative Feb. 1, 2012; amended Feb. 7, 2012 (SR-Phlx-2012-17); amended Feb. 10, 2012 (SR-Phlx-2012-19), operative Mar. 1, 2012; amended Mar. 16, 2012 (SR-Phlx-2012-35), operative Apr. 2, 2012; amended Mar. 26, 2012 (SR-Phlx-2012-34), operative Apr. 2, 2012; amended May 16, 2012 (SR-Phlx-2012-70); amended June 1, 2012 (SR-Phlx-2012-77); amended Nov. 30, 2012 (SR-Phlx-2012-135), operative Dec. 3, 2012; amended Feb. 19, 2013 (SR-Phlx-2013-16), operative Mar. 1, 2013; amended Nov. 29, 2013 (SR-Phlx-2013-117), operative Dec. 2, 2013; amended Aug. 1, 2014 (SR-Phlx-2014-51); amended July 1, 2015 (SR-Phlx-2015-61); amended Feb. 26, 2016 (SR-Phlx-2016-30); amended Oct. 18, 2018 (SR-Phlx-2018-66); amended Feb. 3, 2020 (SR-Phlx-2020-03); amended Apr. 15, 2021 (SR-Phlx-2021-24); amended June 11, 2021 (SR-Phlx-2021-36); amended Jun. 7, 2022 (SR-Phlx-2022-26); amended Jun. 16, 2022 (SR-Phlx-2022-27); amended Nov. 1, 2022 (SR-Phlx-2022-46); amended May 16, 2023 (SR-Phlx-2023-19); amended Nov. 30, 2023 (SR-Phlx-2023-55), operative Dec. 1, 2023; amended Jul. 1,

2024 (SR-Phlx-2024-30); amended Jul. 12, 2024 (SR-Phlx-2024-33); amended Nov. 21, 2024 (SR-Phlx-2024-63), operative Dec. 21, 2024; amended Jun. 2, 2025 (SR-Phlx-2025-22); amended Sep. 24, 2025 (SR-Phlx-2025-51), operative Oct. 1, 2025.

Section 6. Other Transaction Fees

A. PIXL Pricing*

*Options overlying broad-based index options symbols listed within Options 7, Section 5.A. are not subject to Options 7, Section 6.A. PIXL Pricing, Options 7, Section 5.A pricing applies to these broad-based options symbols.

Initiating Order (Options 7, Section 4)	$0.07 per contract. Ø If the member or member organization qualifies for the Tier 3, 4 or 5 Customer Rebate in Options 7, Section 2 the member or member organization will be assessed $0.05 per contract. . Ø If the member or member organization executes equal to or greater than 3.00% of National Customer Volume in Multiply-Listed equity and ETF Options Classes (excluding SPY Options) in a given month, the member or member organization will be assessed $0.00 per contract for Complex PIXL Orders. . Ø Any member or member organization under Common Ownership with another member or member organization that qualifies for a Customer Rebate Tier 4 or 5 in Options 7, Section 2, or executes equal to or greater than 3.00% of National Customer Volume in Multiply-Listed equity and ETF Options Classes (excluding

SPY Options) in a given month will receive one of the PIXL Initiating Order discounts as described above

Ø Members or member organizations that qualify for Customer Rebate Tiers 2 through 6 or qualify for the Monthly Firm Fee Cap are eligible for a rebate of $0.12 per contract for all Complex PIXL Orders (excluding SPY Options) greater than 499 contracts when contra to an Initiating Order, provided the member executes an average of 2,500 contracts per day of SPY Complex PIXL Orders in a month.

PIXL Order Executions in Options 7, Section 4 Multiply Listed Options (including ETFs, ETNs and indexes which are Multiply Listed):

• When the PIXL Order is contra to the Initiating Order a Customer PIXL Order will be assessed $0.00 per contract and Non-Customer PIXL Orders will be assessed $0.30 per contract.

• When a PIXL Order executes against a PIXL Response or unrelated market or marketable interest received **during** a PIXL Auction, a Customer PIXL Order will be assessed $0.00 per contract, and other Non-Customer PIXL Orders will be assessed $0.30 per contract in Penny Symbols or $0.38 per contract in Non-Penny Symbols.

• A PIXL Response or unrelated market or marketable interest received **during** a PIXL Auction from a Lead Market Maker or a Market Maker will be assessed $0.25 per contract in Penny Symbols or $0.40 per contract in Non-Penny Symbols. Other Non-Customer PIXL Responses and unrelated market or marketable interest received **during** a PIXL Auction will be assessed $0.48 per contract in Penny Symbols or $0.70 per contract in Non-Penny Symbols when contra to a PIXL Order. A PIXL Response or unrelated market or marketable interest received **during** a PIXL Auction from a Customer will be assessed $0.00 per contract in Penny Symbols and Non-Penny Symbols.

• When a PIXL Order is a Customer order and executes against unrelated market or marketable interest received **prior** to a PIXL Auction, the Customer PIXL Order will be assessed $0.00 per contract. Unrelated market or marketable interest received **prior** to a PIXL Auction will be assessed the appropriate Options Transaction Charge in Options 7, Section 4.

• Non-Customer PIXL Orders will be assessed $0.30 per contract when trading with an unrelated market or marketable interest received **prior** to the PIXL Auction and the unrelated market or marketable interest received **prior** to a PIXL Auction will be assessed the appropriate Options Transaction Charge in Options 7, Section 4.

All other fees discussed in Options 7, Section 4, including Marketing Fees and surcharges, will also apply as appropriate.

Executions in Singly Listed Options in Options 7, Section 5 (Includes options overlying currencies, equities, ETFs, ETNs and indexes not listed on another exchange):

• The fees described in Options 7, Section 5 will apply in all instances.

B. FLEX Floor Transaction Fees and FLEX Electronic Transaction Fees

FLEX Floor Transaction Fees

• FLEX Floor Multiply Listed Options:

Customer	$0.00
Non-Customer	$0.25

• The Monthly Firm Fee Cap, Monthly Market Maker Cap, Strategy pricing and the Options Surcharge in BKX, described in Options 7, Section 4 will apply to this Section 6.B. No other fees described in Options 7, Section 4 will apply to this Section 6.B

• The Floor FLEX transaction fees for a Firm will be waived for members executing floor facilitation orders pursuant to Options 8, Section 30 when such members are trading in their own proprietary account. In addition, FLEX transaction fees for a Broker-Dealer will be waived for members executing floor facilitation orders pursuant to Options 8, Section 30 when such members would otherwise incur this charge for trading in their own proprietary account contra to a Customer ("BD-Customer Facilitation"), if the member's BD-Customer Facilitation average daily volume (including both Floor FLEX and non-Floor FLEX transactions) exceeds 10,000 contracts per day in a given month.

• FLEX Singly Listed Options: Options 7, Section 5 pricing will apply.

• FLEX Options in broad-based index options symbols within Options 7, Section 5.A: Options 7, Section 5.A pricing will apply.

FLEX Electronic Transaction Fees[(1)]

Market Participant	Fee for FLEX Auctions	Fee for FLEX PIXL and SOM[(2)]	Fee for Responses to FLEX PIXL and SOM Orders
Market Maker/Lead Market Maker	$0.10	$0.07	$0.50
Broker-Dealer	$0.10	$0.07	$0.50
Firm	$0.10	$0.07	$0.50
Professional	$0.10	$0.07	$0.50
Customer	$0.00	$0.00	$0.50

(1) Fees are per contract and apply to simple and complex orders. For all executions in electronic FLEX NDX and electronic FLEX XND orders, the applicable index options fees in Options 7, Section 5.A will apply.

(2) Fees apply to the originating and contra order.

C. Cancellation Fee

$1.10 per order for each cancelled electronically delivered All-or-None (AON) order submitted by a Professional in excess of the number of AON orders submitted by a Professional executed on the Exchange by a member organization in a given month. All AON orders submitted by a Professional from the same member organization that are executed in the same series on the same side of the market at the same price within a 300 second period will be aggregated and counted as one executed AON option order submitted by a Professional.

• A Cancellation Fee is not assessed in a month in which fewer than 500 electronically delivered AON orders submitted by a Professional are cancelled. A Cancellation Fee will not apply to pre-market cancellations or Complex Orders that are submitted electronically.

• A Cancellation Fee is assessed on AON orders submitted by a Professional.

D. Options Regulatory Fee

Effective October 1, 2025, the ORF will be $0.0003 per contract side.

The Options Regulatory Fee ("ORF") is assessed by Phlx to each Phlx member organization for options transactions cleared by The Options Clearing Corporation ("OCC") in the Customer range where: (1) the execution occurs on Phlx or (2) the execution occurs on another exchange and is cleared by a Phlx member organization. The ORF is collected by OCC on behalf of Phlx from (1) Phlx clearing members for all Customer transactions they clear or (2) non-member organizations for all Customer transactions they clear that were executed on Phlx. Phlx uses reports from OCC when assessing and collecting ORF. The Exchange will notify members and member organizations via an Options Trader Alert of any change in the amount of the fee at least 30 calendar days prior to the effective date of the change.

Effective January 2, 2026, the ORF is $0.0150 per contract side

The Options Regulatory Fee (“ORF”) is assessed by Phlx for options transactions cleared by The Options Clearing Corporation (“OCC”) in the customer range for executions that occur on Phlx. Specifically, the ORF is collected by OCC on behalf of Phlx from Phlx member organizations and non-member organizations for all customer transactions executed on Phlx. The Exchange will notify member organizations via an Options Trader Alert of any change in the amount of the fee at least 30 calendar days prior to the effective date of the change.

The ORF will sunset on February 1, 2026 at which point the Exchange would revert back to the prior ORF methodology and rate of $0.0024 per contract side.

E. Market Access and Routing Subsidy ("MARS")

MARS System Eligibility

To qualify for MARS, a Phlx member's routing system ("hereinafter System") would be required to: (1) enable the electronic routing of orders to all of the U.S. options exchanges, including Phlx; (2) provide current consolidated market data from the U.S. options exchanges; and (3) be capable of interfacing with Phlx's API to access current Phlx match engine functionality. Further, the member's System would also need to cause Phlx to be the one of the top five default destination exchanges for individually executed marketable orders if Phlx is at the national best bid or offer ("NBBO"), regardless of size or time, but allow any user to manually override Phlx as a default destination on an order-by-order basis. Notwithstanding the above, with respect to Complex Orders a Phlx member's routing

system would not be required to enable the electronic routing of orders to all of the U.S. options exchanges or provide current consolidated market data from the U.S. options exchanges. Any Phlx member would be permitted to avail itself of this arrangement, provided that its order routing functionality incorporates the features described above and satisfies Phlx that it appears to be robust and reliable. The member remains solely responsible for implementing and operating its system.

MARS Eligible Contracts

MARS Payment would be made to Phlx members that have System Eligibility and have routed the requisite number of Eligible Contracts daily in a month, which were executed on Phlx. For the purpose of qualifying for the MARS Payment, Eligible Contracts include the following: Firm, Broker-Dealer, Joint Back Office or "JBO" or Professional equity option orders that are electronically delivered and executed. Eligible Contracts do not include floor-based orders, qualified contingent cross or "QCC" orders, price improvement or "PIXL" orders, or Singly Listed Orders. Options overlying broad-based index options symbols within Options 7, Section 5.A. are not considered Eligible Contracts.

MARS Payment

Phlx members that have System Eligibility and have executed the requisite number of Eligible Contracts in a month will be paid the following per contract rebates:

Tiers	**Average Daily Volume ("ADV")**	**MARS Payment**	
		Non-SPY	**SPY**
1	1,000	$0.01	$0.01
2	20,000	$0.05	$0.05
3	30,000	$0.10	$0.10
4	40,000	$0.12	$0.12
5	52,500	$0.14	$0.12
6	65,000	$0.18	$0.12
7	75,000	$0.20	$0.12

The specified MARS Payment will be paid on all executed Eligible Contracts which are routed to Phlx through a participating Phlx member's System and meet the requisite Eligible Contracts ADV. No payment will be made with respect to orders that are routed to Phlx, but not executed.

A Phlx member will not be entitled to receive any other revenue for the use of its System specifically with respect to orders routed to Phlx with the exception of the Marketing Fee.

F. Crossing Orders

The below transaction fees apply to Crossing Orders.

Simple Order Fees and Rebates

Penny Symbols

Market Participant	Fee for Crossing Orders [3]	Fee for Responses to Crossing Orders	Facilitation and Solicitation Break-up Rebate[4]
Market Maker/Lead Market Maker	$0.17	$0.50	N/A
Broker-Dealer	$0.17	$0.50	($0.20)
Firm	$0.17	$0.50	($0.20)
Professional	$0.17	$0.50	($0.20)
Customer	$0.00	$0.50	($0.20)

Non-Penny Symbols

Market Participant	Fee for Crossing Orders[3]	Fee for Responses to Crossing Orders	Facilitation and Solicitation Break-up Rebate[4]
Market Maker/Lead Market Maker	$0.17	$1.10	N/A
Broker-Dealer	$0.17	$1.10	($0.20)
Firm	$0.17	$1.10	($0.20)
Professional	$0.17	$1.10	($0.20)
Customer	$0.00	$1.10	($0.20)

[3] Fees apply to the originating and contra order.

[4] Rebates are paid on contracts submitted to the Facilitation and Solicited Order Mechanisms that do not trade with their contra order, except when those contracts trade against pre-existing orders and quotes on the Exchange's order books. The applicable Fee for Responses to Crossing Orders is applied to any contracts for which a rebate is provided.

Complex Order Fees and Rebates

Market Participant	Fee for Crossing Orders [5], [6]	Fee for Responses to Crossing Orders for Penny Symbols	Fee for Responses to Crossing Orders for Non-Penny Symbols	Facilitation and Solicitation Breakup Rebate for Penny Symbols[7]	Facilitation and Solicitation Break-up Rebate for Non-Penny Symbols[7]
Market Maker/Lead Maker	$0.17	$0.50	$1.10	N/A	N/A
Broker-Dealer	$0.17	$0.50	$1.10	($0.20)	($0.20)
Firm	$0.17	$0.50	$1.10	($0.20)	($0.20)
Professional	$0.17	$0.50	$1.10	($0.20)	($0.20)
Customer	$0.00	$0.50	$1.10	($0.20)	($0.20)

The Exchange will implement the following rule changes on or before December 20, 2025:

- SR-Phlx-2023-22
- SR-Phlx-2024-24
- SR-Phlx-2024-71
- SR-Phlx-2025-04
- SR-Phlx-2025-05
- SR-Phlx-2025-17
- SR-Phlx-2025-20
- SR-Phlx-2025-35
- SR-Phlx-2025-38
- SR-Phlx-2025-39

Phlx will commence its implementation with a limited symbol migration and continue to migrate symbols over several weeks. The Exchange will issue an Options Trader Alert to Members to provide notification of the symbols that will migrate and the relevant dates.

---

(5) Fees apply to the originating and contra order.

(6) Fees are charged for all legs.

(7) Rebates are paid per contract per leg for contracts submitted to Facilitation and Solicitation Mechanisms that do not trade with their contra order, except when those contracts trade against pre-existing orders and quotes on the Exchange's order books. The applicable Fee for Responses to Crossing Orders is applied to any contracts for which a rebate is provided.

Amended Jan. 9, 2012 (SR-Phlx-2012-02); amended Mar. 19, 2012 (SR-Phlx-2012-36), operative Jun. 1, 2012; amended May 16, 2012 (SR-Phlx-2012-70); amended June 1, 2012 (SR-Phlx-2012-77); amended June 14, 2012 (SR-Phlx-2012-80); amended Oct. 1, 2012 (SR-Phlx-2012-121); amended Nov. 30, 2012 (SR-Phlx-2012-135), operative Dec. 3, 2012; amended Jan. 2, 2013 (SR-Phlx-2013-01); amended Feb. 1, 2013 (SR-Phlx-2013-13); amended March 26, 2013 (SR-Phlx-2013-35), operative March 28, 2013; amended May 1, 2013 (SR-Phlx-2013-49); amended June 3, 2013 (SR-Phlx-2013-61); amended June 26, 2013 (SR-Phlx-2013-71), operative July 1, 2013; amended Sep. 3, 2013 (SR-Phlx-2013-92); amended Nov. 29, 2013 (SR-Phlx-2013-117), operative Dec. 2, 2013; amended Feb. 11, 2014 (SR-Phlx-2014-12), operative Mar. 3, 2014; amended Oct. 31 2014 (SR-Phlx-2014-72), operative Nov. 3, 2014; amended Jan. 13, 2015 (SR-Phlx-2015-06); amended Feb. 26, 2015 (SR-Phlx-2015-21), operative Feb. 2, 2015; amended Mar. 11, 2015 (SR-Phlx-2015-25), operative Mar. 2, 2015; amended Aug. 17, 2015 (SR-Phlx-2015-71), operative Sep. 1, 2015; amended Nov. 2, 2015 (SR-Phlx-2015-89); Jan. 20, 2016 (SR-Phlx-2016-04), operative Feb. 1, 2016; amended Feb. 10, 2016 (SR-Phlx-2016-26), operative Feb. 1, 2016; amended Feb. 26, 2016 (SR-Phlx-2016-30); amended May 11, 2016 (SR-Phlx-2016-59), operative May 2, 2016; amended June 10, 2016 (SR-Phlx-2016-69), operative June 1, 2016; amended July 14, 2016 (SR-Phlx-2016-77), operative Aug. 1, 2016; amended Oct. 3, 2016 (SR-Phlx-2016-100); amended Jan. 4, 2017 (SR-Phlx-2017-02), operative Feb. 1, 2017; amended Feb. 1 (SR-Phlx-2017-08); amended Feb. 1, 2017 (SR-Phlx-2017-10); amended Feb. 8, 2017 (SR-Phlx-2017-13); amended Feb. 8, 2017 (SR-Phlx-2017-15); amended Apr. 7, 2017 (SR-Phlx-2017-30); amended July 26, 2017 (SR-Phlx-2017-54); amended July 31, 2017 (SR-Phlx-2017-64), operative Aug. 1, 2017; amended Sept. 1, 2017 (SR-Phlx-2017-72); amended Oct. 30, 2017 (SR-Phlx-2017-88); amended Dec. 1, 2017 (SR-Phlx-2017-102);

amended Jan. 3, 2018 (SR-Phlx-2018-02), operative Jan. 4, 2018; amended Jan. 26, 2018 (SR-Phlx-2018-13), operative Feb. 1, 2018; amended Oct. 18, 2018 (SR-Phlx-2018-66); amended Feb. 1, 2019 (SR-Phlx-2019-01); amended April 1, 2019 (SR-Phlx-2019-10); amended April 10, 2019 (SR-Phlx-2019-15); amended Feb. 3, 2020 (SR-Phlx-2020-03); amended Mar. 5, 2020 (SR-Phlx-2020-08), operative April 4, 2020; amended June 25, 2020 (SR-Phlx-2020-33), operative July 1, 2020; amended March 16, 2021 (SR-Phlx-2021-16), operative April 1, 2021; amended Apr. 15, 2021 (SR-Phlx-2021-24); amended July 30, 2021 (SR-Phlx-2021-39), operative October 1, 2021; amended Dec. 1, 2021 (SR-Phlx-2021-71); amended Jan. 20, 2022 (SR-NASDAQ-2022-007), operative Feb. 1, 2022; amended Jun. 7, 2022 (SR-Phlx-2022-26); amended Jun. 16, 2022 (SR-Phlx-2022-27); amended Oct. 3, 2022 (SR-Phlx-2022-40); amended Oct. 17, 2022 (SR-Phlx-2022-41); amended May 23, 2023 (SR-Phlx-2023-20); amended Jun. 2, 2023 (SR-Phlx-2023-24); amended Jun. 5, 2023 (SR-Phlx-2023-25); amended Jun. 13, 2023 (SR-Phlx-2023-26); amended Oct. 23, 2024 (SR-Phlx-2024-50), operative Nov. 1, 2024 through Nov. 26, 2024; amended Nov. 27, 2024 (SR-Phlx-2024-66), operative Nov. 27, 2024 and Jan. 1, 2025; amended Jan. 28, 2025 (SR-Phlx-2025-06); amended Apr. 28, 2025 (SR-Phlx-2025-21); amended Jul. 17, 2025 (SR-Phlx-2025-30), operative Jan. 2, 2026; amended Jul. 1, 2025 (SR-Phlx-2025-26), operative Aug. 1, 2025; amended Sep. 5, 2025 (SR-Phlx-2025-43); amended Sep. 10, 2025 (SR-Phlx-2025-45); amended Sep. 18, 2025 (SR-Phlx-2025-49); amended Sep. 17, 2025 (SR-Phlx-2025-48), operative Nov. 1, 2025.

Section 7. Routing Fees

Non-Customer	• $1.20 per contract to any options exchange.
Customer	• $0.23 per contract fee ("Fixed Fee") to any options exchange in addition to the actual transaction fee assessed. If the away market pays a rebate, the Routing Fee will be $0.13.
	• A member organization that: (1) qualifies for a Tier 2, 3, 4 or 5 rebate in the Customer Rebate Program in Options 7, Section 2 of the Pricing Schedule; and (2) routes away more than 5,000 Customer contracts per day in a given month to an away market is entitled to receive a credit equal to the applicable Fixed Fee plus $0.01 per contract, unless the away market transaction fee is $0.00 or the away market pays a rebate, in which case the member organization is entitled to receive a credit equal to the applicable Fixed Fee. Members and member organizations under Common Ownership may aggregate their Customer volume routed away for purposes of calculating discount thresholds and receiving discounted routing fees.

Amended Jan. 3, 2012 (SR-Phlx-2012-01); amended Mar. 16, 2012 (SR-Phlx-2012-42), operative Apr. 2, 2012 (ISE Select Symbols Customer Routing Fee) and operative Apr. 26, 2012 (Firm/Broker-Dealer/Market Maker Fees); amended Apr. 11, 2012 (SR-Phlx-2012-50), operative

Apr. 26, 2012; amended May 16, 2012 (SR-Phlx-2012-70); amended May 30, 2012 (SR-Phlx-2012-75), operative June 1, 2012; amended June 14, 2012 (SR-Phlx-2012-80); amended June 28, 2012 (SR-Phlx-2012-88), operative July 2, 2012; amended Aug. 31, 2012 (SR-Phlx-2012-111), operative Sept. 4, 2012; amended Oct. 1, 2012 (SR-Phlx-2012-120); amended Oct. 29, 2012 (SR-Phlx-2012-129), operative Nov. 1, 2012; amended Jan. 8, 2013 (SR-Phlx-2013-04), operative Feb. 1, 2013; amended Feb. 12, 2013 (SR-Phlx-2013-17); amended Mar. 8, 2013 (SR-Phlx-2013-23), operative Apr. 1, 2013; amended Apr. 8, 2013 (SR-Phlx-2013-38), operative May 1, 2013; amended Dec. 2, 2013 (SR-Phlx-2013-118); amended Dec. 31, 2013 (SR-Phlx-2013-125), operative Jan. 2, 2014; amended Mar. 3, 2014 (SR-Phlx-2014-13); amended May 15, 2014 (SR-Phlx-2014-36), operative Jun. 2, 2014; amended Oct. 23, 2014 (SR-Phlx-2014-68), operative Nov. 3, 2014; amended Dec. 21, 2017 (SR-Phlx-2017-108), operative Jan. 2, 2018; Oct. 18, 2018 (SR-Phlx-2018-66); amended Apr. 1, 2021 (SR-Phlx-2021-20); amended Apr. 13, 2021 (SR-Phlx-2021-20); amended Dec. 1, 2021 (SR-Phlx-2021-71); amended Nov. 1, 2023 (SR-Phlx-2023-47).

Section 8. Membership Fees

A. Permit and Registration Fees

Permit Fees for Phlx Members (per month)

Phlx Permit Fees

Floor Broker Permit Fee	$4,000
Floor Lead Market Maker and Floor Market Maker	$6,000

Permit Fees for all other member and member organizations, including Remote Lead Market Makers and Remote Market Makers: $4,000 in a given month, unless the member or member organization or member organizations under Common Ownership, executes at least 100 options in a Phlx house account that is assigned to one of the member organizations in a given month, in which case the Permit Fee will be $2,300 for that month.

A member or member organization will pay an additional Permit Fee for each sponsored options participant, which fee will be the Permit Fee that is assessed to the member or member organization sponsoring the options participant.

Application Fee	$350
Application Fee for Lapsed Applications	$350

An applicant will be assessed the Application Fee each time an applicant applies for membership, notwithstanding the fact that the applicant may have been a former permit holder.

Transfer of Affiliation Fee	$350

The Exchange will not assess the Initiation Fee on a permit holder who applies to transfer affiliation from one member organization to another member organization if the permit holder continuously held his or her permit without any lapse in membership.

Account Fee	$50.00 monthly
Initiation Fee	$1,500

Inactive Nominee Fee	$600 for 6 months

The member organization will be assessed $100 per month for the applicable six month period unless the member organization provides proper notice of its intent to terminate an inactive nominee prior to the first day of the next billing month.

An inactive nominee's status expires after six months unless it has been reaffirmed in writing by the member organization or is sooner terminated. A member organization will be assessed the Inactive Nominee Fee every time the status is reaffirmed. An inactive nominee is also assessed Application and Initiation Fees when such person applies to be an inactive nominee. Such fees are reassessed if there is a lapse in their inactive nominee status. However, an inactive nominee would not be assessed Application and Initiation Fees if such inactive nominee applied for membership without any lapse in that individual's association with a particular member organization. An Inactive Nominee is also assessed the Clerk Fee.

• Permit Fees: The Exchange has established the date of notification of termination of a permit as the date that permit fee billing will cease. The Exchange will not bill a member organization for more than one monthly permit fee if the member organization transfers an existing permit to another valid permit holder that is primarily affiliated with the member organization, as set forth in General 3, Sections 1 and 11(f) and, provided that the transfer from one permit holder to another occurs within the same business day. Additionally, a permit holder will be billed only one monthly permit fee if the holder transfers from one member organization to another previously unrelated member organization as a result of a merger, partial sale or other business combination during a monthly permit fee period in order to avoid double billing in the month the merger or business combination occurred.

• The Initiation Fee is imposed on a new member upon the issuance of a permit, notwithstanding the fact that the new member may have been a former permit holder.

Clerk Fee	$100 per month

• This Clerk Fee is imposed on any registered on-floor person employed by or associated with a member or member organization pursuant to Options 3, Section 19, including Inactive Nominees pursuant to Options 8, Section 7. This fee is not imposed on permit holders.

B. Streaming Quote Trader ("SQT")Fees

Number of Option Class Assignments	**SQT Fees**
Tier 1: Up to 200 classes	$0.00 per calendar month
Tier 2: Up to 400 classes	$2,200 per calendar month
Tier 3: Up to 600 classes	$3200.00 per calendar month
Tier 4: Up to 800 classes	$4200.00 per calendar month
Tier 5: Up to 1000 classes	$5200.00 per calendar month
Tier 6: Up to 1200 classes	$6200.00 per calendar month
Tier 7: All equity issues	$7,200 per calendar month

In calculating the number of option class assignments, equity options including ETFs and ETNs will be counted. Currencies and indexes will not be counted in the number of option class assignments.

C. Remote Market Maker Organization (RMO) Fee

Number of Option Class Assignments	**RMO Fee**
Tier 1: less than 100 classes	$5,000 per month
Tier 2: More than 100 classes and less than 999 classes	$8,000 per month
Tier 3: 1000 or more classes	$11,000 per month

In calculating the number of option class assignments, equity options including ETFs and ETNs will be counted. Currencies and indexes will not be counted in the number of option class assignments.

D. Remote Lead Market Maker Fee $200 per option allocation per month

The Remote Lead Market Maker Fee will be capped at $4,500 per month.

Amended Jan. 9, 2012 (SR-Phlx-2012-02); amended Apr. 18, 2012 (SR-Phlx-2012-52), operative May 1, 2012; amended Apr. 25, 2012 (SR-Phlx-2012-53), operative May 1, 2012; amended May 16, 2012 (SR-Phlx-2012-70); amended Nov. 30, 2012 (SR-Phlx-2012-135), operative Dec. 3, 2012; amended Dec. 12, 2012 (SR-Phlx-2012-140), operative Jan. 2, 2013; amended Jan. 25, 2013 (SR-Phlx-2013-10), operative Feb. 1, 2013; amended Feb. 1, 2013 (SR-Phlx-2013-13); amended Apr. 24, 2013 (SR-Phlx-2013-43); amended Apr. 29, 2013 (SR-Phlx-2013-44); amended May 21, 2013 (SR-Phlx-2013-58), operative Jun. 3, 2013; amended Aug. 1, 2014 (SR-Phlx-2014-45); amended Nov. 14, 2014 (SR-Phlx-2014-75), operative Dec. 14, 2014; amended Apr. 20, 2015 (SR-Phlx-2015-36), operative May 1, 2015; amended Dec. 30, 2015 (SR-Phlx-2015-109), operative Jan. 4, 2016; amended Feb. 3, 2016 (SR-Phlx-2016-09); amended Feb. 26, 2016 (SR-Phlx-2016-30); amended July 31, 2017 (SR-Phlx-2017-63), operative Aug. 1, 2017; amended Aug. 7, 2017 (SR-Phlx-2017-68), operative Sept. 6, 2017; amended Oct. 18, 2017 (SR-Phlx-2017-82); amended Dec. 21, 2017 (SR-Phlx-2017-108), operative Jan. 2, 2018; amended Feb. 13, 2018 (SR-Phlx-2018-17); amended Oct. 18, 2018 (SR-Phlx-2018-66); amended Feb. 3, 2020 (SR-Phlx-2020-03); amended Mar. 20, 2020 (SR-Phlx-2020-12), operative April 1, 2020; amended April 3, 2020 (SR-Phlx-2020-19), operative May 1, 2020; amended May 28, 2020 (SR-Phlx-2020-28), operative June 1, 2020; amended June 25, 2020 (SR-Phlx-2020-33), operative July 1, 2020; amended March 25, 2021 (SR-Phlx-2021-19), operative April 1, 2021; amended December 23, 2021 (SR-Phlx-2021-76).

Section 9. Other Member Fees

A. OPTION TRADING FLOOR FEES

Floor Facility Fees (applicable to Clerks (excluding Inactive Nominees pursuant to Options 8, Section 7), Floor Brokers, Market Makers (including SQTs) and individual Lead Market Makers)	$330 per month
Computer Equipment Services, Repairs or Replacements	$100 per service call and $75 per person per hour (Two hour min)
Computer Relocation Requests	$100 per service call and $75 per person per hour (Two hour min)
Controller Space	$0 per month
Document Removal Fee	$250 per box
1/2 Cabinet	$250 per month
Full Cabinet	$800 per month

Cabinet-to-Cabinet Connectivity	$50 per month
Cabinet-to-MPOE Connectivity	$50 per month
Remote Hands Hourly (Billable in quarter hour increments)	$150 per hour

B. Port Fees

Production Ports

Phlx will not assess the below SQF Port, SQF Purge Port, and CTI Port fees for any new SQF Ports, SQF Purge Ports, and CTI Ports, which are duplicative of legacy SQF Ports, SQF Purge Ports, and CTI Ports as of October 1, 2025, acquired as part of the migration from November 1, 2025 through December 31, 2025 ("Transition Period"). Phlx will continue to assess the below SQF Port, SQF Purge Port, and CTI Port fees for legacy SQF Ports, SQF Purge Ports, and CTI Ports during the Non-FIX Transition Period including new SQF Ports, SQF Purge Ports, and CTI Ports. As of January 1, 2026, Phlx will assess the below SQF Port, SQF Purge Port, and CTI Port fees for all new and legacy SQF Ports, SQF Purge Ports, and CTI Ports to which they subscribe.

Phlx will not assess FIX Port fees to members and member organizations for mnemonics on new FIX Ports during the Transition Period if the mnemonics existed on legacy FIX Ports on October 1, 2025. Once the Transition Period has ended, the Exchange would assess a FIX Port Fee based on each mnemonic associated with new and legacy FIX Ports.

Phlx will assess the below port fees for OTTO Ports and FIX Drop Ports commencing on November 1, 2025.

Phlx will sunset legacy FIX Ports, SQF Ports, SQF Purge Ports, and CTI Ports on February 27, 2026.

A port is a logical connection or session that enables a market participant to send inbound messages and/or receive outbound messages from the Exchange using various communication protocols. Port Fees are prorated for the first month of service under this section. Upon cancellation, market participants are required to pay for service for the remainder of the month, regardless of whether it is the first month of service.

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

(1) FIX Port Fee	$650 per month, per mnemonic

The FIX Port Fee will be waived for mnemonics that are used exclusively for complex orders where one of the components of the complex order is the underlying security.

Member organizations will not be assessed a FIX Port Fee for additional ports acquired for ten business days for the purpose of transitioning technology. The member organization is required to provide the Exchange with written notification of the transition and all additional ports, provided at no cost, will be removed at the end of the ten business days.

(2) OTTO Port Fee[1]	$400 per port, per month, per mnemonic

[1] OTTO Port Fees are subject to a monthly cap of $4,000.

(3) SQF Port Fee for ports that receive inbound quotes at any time within that month ("active port")	$1,375 per port, per month up to a maximum of $46,200 per month A Market Maker may not subscribe to more than 250 SQF Ports per month, regardless of whether the SQF Port is an active port. A separate limit of 250 ports per month applies to any SQF Ports that are being acquired in anticipation of the November 2025 technology migration ("Fusion Ports").

Member organizations will not be assessed an active SQF Port Fee for additional ports acquired for ten business days for the purpose of transitioning technology. An active port shall mean that the port was utilized to submit a quote to the System during a given month. The member organization is required to provide the Exchange with written notification of the transition and all additional ports, provided at no cost, will be removed at the end of the ten business days.

(4) SQF Purge Port Fee	$550 per port, per month for each of the first 5 SQF Purge Ports, and $110 per port, per month for each port thereafter.

(ii) The following order and execution information is available to members:

(1) CTI Port Fee	$650 per port per month for each of the first 5 CTI ports, and $100 per port per month for each port thereafter.
(2) FIX DROP Port Fee	$500 per port, per month, per account number

(iii) The following data port fees apply in connection with data subscriptions pursuant to Phlx's Pricing Schedule at Options 7, Section 10. These ports are available to non-Phlx members and Phlx members.

(1) TOPO Port Fee	$0 per port, per month
(2) Nasdaq Phlx Order Feed Port Fee	$0 per port, per month
(3) Nasdaq Phlx Depth of Market Port Fee	$0 per port, per month
(4) Nasdaq Phlx Trades Feed	$0 per port, per month
(5) Nasdaq Phlx Spread Feed	$0 per port, per month

(iv) Other Ports:

Disaster Recovery Port Fee for ports in subsections (i) - (iii)	$0 per port, per month
Nasdaq Testing Facility Port Fee[2]	$0 per port, per month

[2]The Nasdaq Testing Facility Port Fee is applicable to all ports within this Section 9B.

C. FINRA Fees

FINRA, on behalf of the Exchange, will bill and collect these fees

The following fees will be collected and retained by FINRA via the Web Central Registration Depository (CRDâ„¢) registration system for the registration of associated persons of Exchange members that are not also FINRA members:

General Registration Fees:

$125 for each initial Form U4 filed for the registration of a representative or principal;

$155 for the additional processing of each initial or amended Form U4, Form U5 or Form BD that includes the initial reporting, amendment, or certification or one or more disclosure events or proceedings;

$70 FINRA Annual System Processing Fee Assessed only during Renewals.

Fingerprint Processing Fees:

$31.25-Initial Submission (Electronic)

$41.25-Initial Submission (Paper)

$20.00-Second Submission (Electronic)

$30.00-Second Submission (Paper)

$31.25-Third Submission (Electronic)

$41.25-Third Submission (Paper)

$30.00-FINRA Processing Fee for Fingerprint Results Submitted by Self-Regulatory Organizations other than FINRA.

Continuing Education Fee:

The Continuing Education Fee will be assessed as to each individual who is required to complete the Regulatory Element of the Continuing Education Requirements pursuant to Exchange General 4, Section 1240. This fee is paid directly to FINRA.

$55 Continuing Education Regulatory Element Session Fee for each individual who is required to complete the Regulatory Element of the Continuing Education Requirements pursuant to Exchange General 4, Section 1240. *This fee will be amended on January 1, 2023 as noted below*.

Maintaining Qualifications Program ("MQP") Fee : $100 fee for each individual electing to participate in the continuing education program under FINRA Rule 1240(c) for each year that such individual is participating in the program. Individuals who elect to participate in the program within two years from the termination of a registration would also be assessed any accrued annual fee. This fee is paid directly to FINRA.

The below Continuing Education Regulatory Element Session Fee will be assessed by FINRA commencing on January 1, 2023

$18 Continuing Education Regulatory Element Session Fee for all Registrations. This fee will be assessed as to each individual who is required to complete the Regulatory Element of the Continuing Education Requirements pursuant to Exchange General 4, Section 1240. This fee is paid directly to FINRA.

D. Appeal Fees

Review/Process Subordinated Loans	$25
Forum Fee Pursuant to General 5, Rule 9216	$100
Review Fee Pursuant to Options 8, Section 35	$250
Obvious Error and Catastrophic Error Fee Pursuant to Options 3, Section 20(l)	$500

E. Testing Facilities

The Exchange operates a test environment in Carteret, New Jersey. References to the "Testing Facility" refers to this test environment.

Subscribers to the Testing Facility shall pay a fee of $1,000 per hand-off, per month for connection to the Testing Facility. The hand-off fee includes either a 1Gb or 10Gb switch port and a cross connect to the Testing Facility. Subscribers shall also pay a one-time installation fee of $1,000 per hand-off.

The connectivity provided under this rule also provides connectivity to the other test environments of The Nasdaq Stock Market LLC, Nasdaq BX, Inc., Nasdaq ISE, LLC, Nasdaq MRX, LLC, and Nasdaq GEMX, LLC. Additionally, the connectivity may be utilized for either equities or options testing.

F. Research Fee.

The Exchange will assess a $1,000 Research Fee for each transaction correction submitted by a member related to marking strategy transactions.

Amended Jan. 9, 2012 (SR-Phlx-2012-02); amended Jan. 10, 2012 (SR-Phlx-2012-06); amended Apr. 11, 2012 (SR-Phlx-2012-38); amended May 16, 2012 (SR-Phlx-2012-70); amended Oct. 29, 2012 (SR-Phlx-2012-129), operative Nov. 1, 2012; amended Oct. 26, 2012 (SR-Phlx-2012-128), operative Jan. 2, 2013; amended Dec. 12, 2012 (SR-Phlx-2012-140), operative Jan. 2, 2013; amended May 21, 2013 (SR-Phlx-2013-58), operative Jun. 3, 2013; amended Aug. 21, 2013 (SR-Phlx-2013-85); amended Nov. 11, 2014 (SR-Phlx-2014-73), operative Dec. 1, 2014; amended Dec. 23, 2014 (SR-Phlx-2014-83), operative Jan. 2, 2015; amended Apr. 20, 2015 (SR-Phlx-2015-36), operative May 1, 2015; amended July 15, 2015(15-65); amended Oct. 16, 2015 (SR-Phlx-2015-81), operative Oct. 26, 2015; amended Nov. 24, 2015 (SR-Phlx-2015-79); amended Jan. 20, 2016 (SR-Phlx-2016-09); amended Feb. 26, 2016 (SR-Phlx-2016-30); amended Mar. 15, 2016 (SR-Phlx-2016-34); amended Apr. 1, 2016 (SR-Phlx-2016-45), operative May 1, 2016; amended Feb. 21, 2017 (SR-Phlx-2017-18); amended Mar. 20, 2017 (SR-Phlx-2017-25), operative May 1, 2017; amended Oct. 18, 2017 (SR-Phlx-2017-82); amended Mar. 27, 2018 (SR-Phlx-2018-26); amended Apr. 27, 2018 (SR-Phlx-2018-34); amended Oct. 18, 2018 (SR-Phlx-2018-66); amended April 30, 2019 (19-18), operative June 7, 2019; amended Aug. 22, 2019 (19-30), operative Sept. 3, 2019; amended Sept. 18, 2019 (SR-Phlx-2019-37), operative Oct. 1, 2019; amended Feb. 3, 2020 (SR-Phlx-2020-03); amended Mar. 20, 2020 (SR-Phlx-2020-12), operative April 1, 2020; amended May 28, 2020 (SR-Phlx-2020-28), operative June 1, 2020; amended June 25, 2020 (SR-Phlx-2020-33), operative July 1, 2020; amended November 5, 2021 (SR-Phlx-2021-68), operative January 2, 2022; amended Jan. 3, 2022 (SR-Phlx-2022-01); amended December 23, 2021 (SR-Phlx-2021-76); amended January 12, 2022 (SR-Phlx-2022-02), operative January 31, 2022; amended Sep. 1, 2022 (SR-Phlx-2022-34); amended Nov. 14, 2022 (SR-Phlx-2022-47); amended Nov. 28, 2023 (SR-Phlx-2023-52), operative Dec. 1, 2023; amended Dec. 5, 2023 (SR-Phlx-2023-56); amended Jan. 16, 2024 (SR-Phlx-2024-02); amended Mar. 7, 2024 (SR-Phlx-2024-10); amended May 1, 2024 (SR-Phlx-2024-21); amended Jun. 12, 2024 (SR-Phlx-2024-25); amended Jul. 1, 2024 (SR-Phlx-2024-29); amended Dec. 12, 2024

(SR-Phlx-2024-71), operative on or before Dec. 20, 2025; amended Dec. 20, 2024 (SR-Phlx-2024-74), operative Jan. 1, 2025; amended Jan. 15, 2025 (SR-Phlx-2025-04), operative on or before Dec. 20, 2025; amended Jan. 29, 2025 (SR-Phlx-2025-05), operative on or before December 20, 2025; amended Jun. 25, 2025 (SR-Phlx-2025-23); amended Jul. 2, 2025 (SR-Phlx-2025-27); amended Jul. 22, 2025 (SR-Phlx-2025-31), operative Aug. 15, 2025; amended Sep. 24, 2025 (SR-Phlx-2025-53), operative Oct. 24, 2025; amended Jul. 23, 2025 (SR-Phlx-2025-32), operative Nov. 1, 2025.

Section 10. Proprietary Data Feed Fees

Top of PHLX Options ("TOPO")

Account Type	**Monthly Charge**
Internal Distributor	$2,500
External Distributor	$3,000
Non-Professional Subscriber	$1
Professional Subscriber	$40

• A Non-Professional Subscriber is a natural person who is neither: (i) registered or qualified in any capacity with the Commission, the Commodities Futures Trading Commission, any state securities agency, any securities exchange or association, or any commodities or futures contract market or association; (ii) engaged as an "investment adviser" as that term is defined in Section 201(11) of the Investment Advisors Act of 1940 (whether or not registered or qualified under that Act); nor (iii) employed by a bank or other organization exempt from registration under federal or state securities laws to perform functions that would require registration or qualification if such functions were performed for an organization not so exempt. A Non-Professional Subscriber may only use the data provided for personal purposes and not for any commercial purpose.

• A Professional Subscriber is any Subscriber that is not a Non-Professional Subscriber. If the Nasdaq Subscriber agreement is signed in the name of a business or commercial entity, such entity would be considered a Professional Subscriber.

• The Monthly Charge per Subscriber (both Professional and Non-Professional) covers the usage of all four PHLX data products and will not be assessed separately for each data product. PHLX data is comprised of Top of Phlx Options ("TOPO"), TOPO Plus Orders, PHLX Orders and PHLX Depth Data feeds. For example, if a firm has one Professional (Non-Professional) Subscriber accessing TOPO, TOPO Plus Orders, PHLX Orders and PHLX Depth of Market the firm would only report the Subscriber once and pay $40 ($1 for Non-Professional).

• A "distributor" of Nasdaq PHLX data is any entity that receives a feed or data file of data directly from Nasdaq PHLX or indirectly through another entity and then distributes it either internally (within that entity) or externally (outside that entity). All distributors shall execute a Nasdaq PHLX distributor agreement.

Non-Display Enterprise License

The $10,579 (op. 1/1/2025); $11,029 (op. 1/1/2026); $11,286 (op. 1/1/2027) per month Non-Display Enterprise License fee permits distribution to an unlimited number of internal non-display Subscribers without incurring additional fees for each internal Subscriber. The Non-Display Enterprise License covers non-display Subscriber fees for all PHLX proprietary direct data feed products and is in addition to any other associated distributor fees for PHLX proprietary direct data feed products.

Managed Data Solutions

The charges to be paid by Distributors and Subscribers of Managed Data Solutions products for Non-Display Usage containing Top of PHLX Options shall be:

Fee schedule for Managed Data Solutions for Non-Display Usage	**Price**
Managed Data Solution Administration Fee (for the right to offer Managed Data Solutions for Non-Display Usage to client organizations)	$1,500/mo Per Distributor
PHLX Managed Data Solution Subscriber Fee	$250/mo per Subscriber

The charges to be paid by Distributors and Subscribers of Managed Data Solutions products containing PHLX Orders shall be:

Fee schedule for Managed Data Solutions for Non-Display Usage	**Price**
Managed Data Solution Administration Fee (for the right to offer Managed Data Solutions for Non-Display Usage to client organizations)	$2,000/mo Per Distributor
PHLX Orders Managed Data Solution for Non-Display Usage Subscriber Fee	$500/mo per Subscriber

TOPO Plus Orders

Account Type	**Monthly Charge**
Internal Distributor	$5,500
External Distributor	$6,000
Non-Professional Subscriber	$1
Professional Subscriber	$40

PHLX Orders

Account Type	Monthly Charge
Internal Distributor	$3,500
External Distributor	$4,000
Non-Professional Subscriber	$1
Professional Subscriber	$40

PHLX Depth Data

Account Type	Monthly Charge
Internal Distributor	$4,232 (op. 1/1/2025); $4,412 (op. 1/1/2026); $4,514 (op. 1/1/2027)
External Distributor	$4,760 (op. 1/1/2025); $4,963 (op. 1/1/2026); $5,078 (op. 1/1/2027)
Non-Professional Subscriber	$1
Professional Subscriber	$42.30 (op. 1/1/2025); $44.10 (op. 1/1/2026); $45.10 (op. 1/1/2027)

Nasdaq Phlx Trades Feed

$0 with the purchase of TOPO.

Nasdaq Phlx Spread Feed

$0 with the purchase of the Order Feed.

PHLX Options Trade Outline ("PHOTO")

Account Type	Monthly Charge
End of Day Product Distributor:	$850
Intra-Day Product Distributor:	$3,000

PHOTO Historical Data

Account Type	Fee

End of Day Product Distributor:	$500 per month
Historical Data for Current End of Day Product Distributors:	$6,000 for the most recent 36 months
Intra-Day Product Distributor:	$1,000 per month
Historical Data for Current Intra-Day Product Distributors:	$12,000 for the most recent 36 months

A "Current Distributor" is any firm that purchases either the End of Day Product for the current month, or the Intra-Day Product for the current month, in the same month that the 36 months of historical End of Day or Intra-Day data is ordered.

The most recent 36 months is measured based on the date of purchase of the 36 months of data by a Current Distributor.

Ad hoc requests for historical data are $500 per month for End of Day data and $1,000 per month for Intra-Day data. Historical information is available starting in January 2009.

External Distribution

Unlimited External Distribution of Derived Data from PHOTO:	$5,000 per month

Fees for external distribution of Derived Data from PHOTO are in addition to fees for the End of Day product or the Intra-Day product, or both, as applicable.

"Derived Data" is any information generated in whole or in part from Exchange Information such that the information generated cannot be reverse engineered to recreate Exchange Information, or be used to create other data that is recognizable as a reasonable substitute for such Exchange Information.

"Exchange Information" is any data or information that has been collected, validated, processed and/or recorded by the Exchange and made available for transmission relating to: (i) eligible securities or other financial instruments, markets, products, vehicles, indicators or devices; (ii) activities of the Exchange; or (iii) other information or data from the Exchange. Information includes, but is not limited to, any element of information used or processed in such a way that Exchange Information or a substitute for such Information can be identified, recalculated or re-engineered from the processed information.

End of Day and Intra-Day reports for the period January 1, 2014, through June 30, 2014, will be available free of charge on the NasdaqTrader website (www.nasdatrader.com), or a successor website, to allow access to PHOTO Historical Data for this period.

Amended June 22, 2012 (SR-Phlx-2012-83); amended July 6, 2012 (SR-Phlx-2012-93); amended Dec. 21, 2012 (SR-Phlx-2012-145), operative Jan. 1, 2013; amended Oct. 16, 2013 (SR-Phlx-2013-105), operative Nov. 1, 2013; amended Feb. 26, 2016 (SR-Phlx-2016-30);

amended June 29, 2017 (SR-Phlx-2017-53); amended Oct. 18, 2017 (SR-Phlx-2017-82); amended Dec. 27, 2017 (SR-Phlx-2017-110); amended January 8, 2018 (SR-Phlx-2018-08); amended Oct. 18, 2018 (SR-Phlx-2018-66); amended Sep. 30, 2021 (SR-Phlx-2021-58), operative Oct. 1, 2021; amended Nov. 16, 2023 (SR-Phlx-2023-51); amended Dec. 5, 2023 (SR-Phlx-2023-57), operative Jan. 1, 2024; amended Jan. 29, 2024 (SR-Phlx-2024-03); amended Mar. 20, 2024 (SR-Phlx-2024-15); amended Jul. 1, 2024 (SR-Phlx-2024-31); amended Jul. 15, 2024 (SR-Phlx-2024-35); amended Jul. 29, 2024 (SR-Phlx-2024-38); amended Sep. 6, 2024 (SR-Phlx-2024-48); amended Nov. 27, 2024 (SR-Phlx-2024-67), operative Jan. 1, 2025; amended Dec. 24, 2024 (SR-Phlx-2024-73), operative Jan. 1, 2025; amended Sep. 24, 2025 (SR-Phlx-2025-53), operative Oct. 24, 2025.

Section 11. Access and Redistribution Fee

(a) Definitions: For purposes of this rule:

(1) The term "Equipment Configuration" shall mean any line, circuit, router package, or other technical configuration used to provide a connection to the Exchange market data feeds.

(2) The term "Extranet Provider" shall mean any entity that has signed the Nasdaq Extranet Connection Agreement and that establishes a telecommunications connection in the Exchange's co-location facility.

(3) The term "Distributor" shall have the meaning set forth in Options 7, Section 10 of the Exchange Pricing Schedule.

(b) Extranet Providers that establish a connection with the Exchange to offer direct access connectivity to market data feeds shall be assessed a monthly access and redistribution fee of $1,000 per Equipment Configuration. If an Extranet Provider uses multiple Equipment Configurations to provide market data feeds to recipients, the access and redistribution fee shall apply to each such Equipment Configuration.

(c) Distributors (other than Extranet Providers) that utilize a Direct Circuit Connection to Phlx pursuant to General 8, Section 2 to receive Exchange market data feeds shall be assessed a monthly access and redistribution fee of $1,000 per Direct Circuit Connection. If a Distributor (other than an Extranet Provider) uses multiple Direct Circuit Connections to receive market data feeds, the monthly fee shall apply to each. Distributors that use the same Direct Circuit Connection for the receipt of equities and options Exchange market data feeds will be assessed a single fee for that Direct Circuit Connection.

(d) The access and redistribution fees set forth above will not be charged for connectivity to market data feeds containing only consolidated data. For purposes of this rule, consolidated data is data disseminated by the Securities Information Processor for the Options Price Regulatory Authority.

Adopted Jan. 2, 2015 (SR-Phlx-2015-04); amended Sept. 29, 2017 (SR-Phlx-2017-76); amended Oct. 2, 2017 (SR-Phlx-2017-77); amended Oct. 12, 2017 (SR-Phlx-2017-80); amended Oct. 25,

2017 (SR-Phlx-2017-84); amended June 5, 2018 (SR-Phlx-2018-46); amended Oct. 18, 2018 (SR-Phlx-2018-66).

Section 12. Covered Sale Fee

(a) Under Section 31 of the Exchange Act, the Exchange must pay certain fees to the SEC. To help fund the Exchange's obligations to the Commission under Section 31, a Covered Sale Fee is assessed by the Exchange to members and member organizations. To the extent there may be any excess monies collected under this Rule, the Exchange may retain those monies to help fund its general operating expenses.

(b) Each member and member organization engaged in executing sale transactions on the Exchange or executing transactions on another exchange or on a Participant in FINRA's Alternative Display Facility ("ADF Participant"), which were routed through the Exchange's Routing Facility, as defined in Options 5, Section 4(a)(ii)(A), during any computational period shall pay a Covered Sale Fee equal to (i) the Section 31 fee rate multiplied by (ii) the member's aggregate dollar amount of covered sales.

(c) A Covered Sale Fee is assessed by the Exchange to each member for sales of securities in the following circumstances:

(i) When a sale in equity securities occurs with respect to which the Exchange is obligated to pay a fee to the SEC under Section 31 of the Act.

(ii) When a sale in option securities occurs with respect to which the Exchange is obligated to pay a fee to the SEC under Section 31 of the Act.

(iii) When a sell order in option securities is routed for execution at a market other than the Exchange's options market, resulting in a covered sale on that market and an obligation of the Exchange's Routing Facility to pay the related sales fee of that market.

(d) The Covered Sale Fee is collected indirectly from members through their clearing firms by a designated clearing agency, as defined by the Act, on behalf of the Exchange

Adopted Feb. 3, 2020 (20-03).

OPTIONS 8 FLOOR TRADING

General Provisions

Section 1. Applicability.

(a) The Options 8 Rules shall apply to Exchange options transactions by and among members and member organizations ph31sically located on the Exchange's options trading floor, including the trading crowds, and shall govern all activity that occurs in the physical space designated by the Exchange as "trading floor" as well as trading conducted through the Options Floor Based Management System. All executions that occur automatically within the electronic system operated by the Exchange that receives and disseminates quotes, executes orders and reports transactions ("System" or "Electronic System") shall be governed by all other Options Rules except for the Options 8 Rules.

(b) All Options Rules shall apply to Exchange Floor Trading, in addition to the Options 8 Rules, however where the Options 8 Rules disagree with another Options Rule not within Options 8 a conflict shall be resolved in favor of the Options 8 Rule as it applies to the Exchange Trading Floor.

Adopted: April 16, 2019 (19-17); amended January 4, 2021 (SR-Phlx-2021-02), operative February 3, 2021.

Section 2. Definitions

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

(1) **Floor.** The term "floor" means the floor of the Exchange.

(2) **Floor Broker.** The term "Floor Broker" means an individual who is registered with the Exchange for the purpose, while on the Options Floor, of accepting and handling options orders.

(3) **Floor Lead Market Maker.** The term “Floor Lead Market Maker” is a member who is registered as an options Lead Market Maker pursuant to Options 2, Section 12(a) and has a physical presence on the Exchange’s trading floor.

(4) **Floor Market Maker.** The term “Floor Market Maker” is a Market Maker who is neither an SQT or an RSQT. A Floor Market Maker may provide a quote in open outcry.

(5) **Floor Transaction.** The term “Floor Transaction” is a transaction that is effected in open outcry on the Exchange’s Trading Floor.

(6) **Inactive Nominee**. The term "inactive nominee" shall mean a natural person associated with and designated as such by a member organization and who has been approved for such status and is registered as such with the Membership Department. An inactive nominee shall have no rights or privileges under a permit unless and until said inactive nominee becomes admitted as a member of the Exchange pursuant to the By-Laws and Rules of the Exchange. An inactive nominee merely stands ready to exercise rights under a permit upon notice by the member organization to the Membership Department on an expedited basis.

(7) **Permit.** The term “Permit” shall refer to the description in General 1, Section 1(23). Additionally, notwithstanding applicable By-Laws and Rules conditioning membership, a Series A-1 permit holder on the Exchange's Trading Floor may be affiliated with up to two (2) member organizations (a primary and a secondary member organization) that are under common ownership. Both the primary and secondary member organizations shall notify the Membership Department of such an affiliation. This notification shall include: (i) an attestation of common ownership; (ii) the names of the individuals responsible for supervision of the permit holder; and (iii) the Exchange account numbers for billing purposes. For purposes of this Rule, "common ownership" shall be defined as at least 75% common ownership between the member organizations. A permit may not be transferred by lease, sale, gift, involuntary transfer, or any other means or as collateral to secure any obligation, except that a permit may be transferred within the Permit Holder's Member Organization or to an "Inactive Nominee" who is registered as such with the Exchange, subject to the provisions of the By-Laws and Rules relating to an "Inactive Nominee".

(8) **Presiding Exchange Officials.** The term "Presiding Exchange Officials" shall refer to the President of the Exchange and his/her designated staff who shall have general supervision over: (i) the options trading floor as well as general supervision of the dealings of members on the trading floor and on Exchange trading systems, and of the premises of the Exchange immediately adjacent thereto; (ii) the activities of Lead Market Makers, registered option traders, floor brokers, or other types of market makers and shall establish standards and procedures for the training and qualification of members active on the trading floor; (iii) all trading floor employees of members, and shall make and enforce such rules with respect to such employees as it may deem necessary; (iv) all connections or means of communications with the options trading floor and may require the discontinuance of any such connection or means of communication when, in the opinion of the President or his/her designee, it is contrary to the welfare or interest of the Exchange; (v) the location of equipment and the assignment and use of space on the options trading floor; and (vi) relations with other options exchanges.

(9) **Public Outcry.** The term "Public Outcry" shall refer, pursuant to Options 8, Section 24 at Supplementary Material .01, bids and offers which must be made in an audible tone of voice. A member shall be considered "in" on a bid or offer, while he remains at the post, unless he shall distinctly and audibly say "out." A member bidding and offering in immediate and rapid succession shall be deemed "in" until he shall say "out" on either bid or offer. Once the trading crowd has provided a quote, it will remain in effect until: (A) a reasonable amount of time has passed, or (B) there is a significant change in the price of the underlying security, or (C) the market given in response to the request has been improved. In the case of a dispute, the term "significant change" will be interpreted on a case-by-case basis by an Options Exchange Official based upon the extent of the recent trading in the option and, in the case of equity and index options, in the underlying security, and any other relevant factors.

(10) **Remote FBMS Transaction.** The term “Remote FBMS Transaction” is a transaction effected by a Floor Broker, while not physically present on the Trading Floor, by submitting limit, market or stop orders pursuant to Options 8, Section 28(g), Customer Cross Orders pursuant to Options 8, Section 30(f), Complex Customer Cross Orders pursuant to Options 8, Section 30(g), and Floor Qualified Contingent Cross Orders pursuant to Options 8, Section 30(e) to the electronic order book, through FBMS. In order to conduct Remote FBMS Transactions, unless exempt from such requirements in accordance with Supplementary Material .01 to Options 10, Section 5 or Phlx General 4, Rule 1230, Floor Brokers are subject to the following regulatory requirements: (1) compliance with branch office requirements as described in Supplementary Material .01 to Options 10, Section 5, as well as supervision of such branch office as described in Phlx General 9, Section 20; and (2) compliance with applicable registration requirements described in Phlx General 4. All uses of FBMS involving open outcry must be conducted while physically present on the Trading Floor.

Adopted: April 16, 2019 (19-17); amended Sept. 10, 2019 (19-33); amended Feb. 3, 2020 (20-03); amended Jan. 26, 2021 (SR-Phlx2021-05); amended July 13, 2021 (SR-Phlx-2021-41), operative August 12, 2021; amended December 23, 2021 (SR-Phlx-2021-76); amended Jul. 29, 2022 (SR-Phlx-2022-22), operative Aug. 1, 2022; amended Aug. 14, 2025 (SR-Phlx-2025-39), operative Dec. 8, 2025.

Administration

Section 3. Imposition

The Board of Directors may, from time to time, fix and impose a charge upon members and member organizations measured by their respective net commissions on transactions effected on the Floor of the Exchange.

Adopted: April 16, 2019 (19-17).

Membership, and Registration

Section 4. Rights and Privileges of A-1 Permits

(a) A Series A-1 permit holder shall be subject to Rule 908. Notwithstanding applicable By-Laws and Rules conditioning membership, a Series A-1 permit holder on the Exchange's Trading Floor may be affiliated with up to two (2) member organizations (a primary and a secondary member organization) that are under common ownership. Both the primary and secondary member organizations shall notify the Membership Department of such an affiliation. This notification shall include: (i) an attestation of common ownership; (ii) the names of the individuals responsible for supervision of the permit holder; and (iii) the Exchange account numbers for billing purposes. For purposes of this Rule, "common ownership" shall be defined as at least 75% common ownership between the member organizations.

Adopted: April 16, 2019 (19-17).

Section 5. Qualification as Member Organization

(a) In addition to the requirements of General 3, Section 1, applicants seeking membership on the Exchange Trading Floor are also required to demonstrate knowledge of Exchange Options Floor Rules and Procedures through an on-floor examination.

Adopted: April 16, 2019 (19-17); amended Feb. 3, 2020 (20-03).

Section 6. Registration of Floor Brokers

(a) An applicant for registration as an Option Floor Broker shall file his application in writing with Regulatory staff on such form or forms as the Exchange may prescribe. Applications shall be reviewed by the Exchange, which shall consider an applicant's ability as demonstrated by his passing an Options Floor Broker's examination prescribed by the Exchange, and such other factors as the Exchange deems appropriate. After reviewing the application, the Exchange shall either approve or disapprove the applicant's registration as a Floor Broker.

Adopted: April 16, 2019 (19-17).

Section 7. Inactive Nominees

(a) A member organization may designate an individual as an "Inactive Nominee." The member organization shall pay an Inactive Nominee Fee for the privilege of maintaining the Inactive Nominee status.

(1) The following requirements shall apply to Inactive Nominees:

(A) To be eligible for Inactive Nominee status, an individual must be approved as eligible to hold a permit in accordance with the By-Laws and Rules of the Exchange.

(B) An Inactive Nominee shall meet all membership requirements including examinations administered by the Exchange.

(C) An Inactive Nominee shall have no rights or privileges of a permit holder unless and until said Inactive Nominee becomes an effective permit holder and all applicable Exchange fees are paid.

(D) An Inactive Nominee's status will terminate after six (6) months unless it has been reaffirmed in writing by the member organization or terminated prior thereto.

(2) In order to designate an Inactive Nominee as an effective permit holder the member organization shall:

(A) Notify the Membership Department, in writing, prior to the opening of trading on any business day the name of the Inactive Nominee that the member organization desires to designate as an effective permit holder. The notice must identify the name of the permit holder that the Inactive Nominee will be acting on behalf of as well as the expected duration that such Inactive Nominee will remain activated.

(b) Notwithstanding paragraph (ii)(a), a member organization may notify the Membership Department, in writing, of its desire to designate an Inactive Nominee as an effective permit holder intra-day in the event of an unforeseen emergency. The notice must identify the name of the Inactive Nominee, the name of the permit holder that the Inactive Nominee will be acting on behalf of, and the expected duration that such Inactive Nominee will remain activated. Such intra-day designations must be approved by the Chief Regulatory Officer or his/her designee prior to such Inactive Nominee becoming an effective permit holder.

Adopted: April 16, 2019 (19-17).

Section 8. Trading Floor Registration

(a) Trading Floor Member Registration - Each Floor Broker, Lead Market Maker and Floor Market Maker on the Exchange trading floor must be registered as "Member Exchange" ("ME") under "PHLX" on Form U4. In addition, each Floor Broker, Lead Market Maker and Floor Market Maker must successfully complete the appropriate floor trading examination(s), if prescribed by the Exchange, in addition to requirements imposed by other Exchange Rules. The Exchange may also require periodic examinations due to changes in trading rules, products or automated systems. Following the termination of, or the initiation of a change in the trading status of any such member who has been issued an Exchange access card and a trading floor badge, the appropriate Exchange form must be completed, approved and dated by a firm

principal, officer, or member of the firm with authority to do so, and submitted to the appropriate Exchange department as soon as possible, but no later than 9:30 A.M. the next business day by the member organization employer. Every effort should be made to obtain the person's access card and trading floor badge and to submit these to the appropriate Exchange department.

(b) Non-member/Clerk Registration-All trading floor personnel, including clerks, interns, stock execution clerks and any other associated persons, of a member organization not required to register pursuant to subparagraph (a) must be registered as "Floor Employee" ("FE") under "PHLX" on Form U4. Further, the Exchange may require successful completion of an examination, in addition to requirements imposed by other Exchange Rules. The Exchange may also require periodic examinations due to changes in trading rules, products or automated systems. Following the termination of, or the initiation of a change in the status of any such personnel of a member organization who has been issued an Exchange access card and a trading floor badge, the appropriate Exchange form must be completed, approved and dated by a member organization principal, officer, or member of the member organization with authority to do so, and submitted to the appropriate Exchange department as soon as possible, but no later than 9:30 A.M. the next business day by the member organization employer. Every effort should be made to obtain the person's access card and trading floor badge and to submit these to the appropriate Exchange department.

(c) Members whose activities are limited to the Exchange's options trading floor and who are registered pursuant to subparagraph (a) as well as associated persons whose activities are limited to the Exchange's options trading floor and are registered pursuant to subparagraph (b) are exempt from the representative registration requirements (but not the principal registration requirements, including any prerequisite representative registration requirement) of General 4, Rules 1210 and 1220.

Adopted: April 16, 2019 (19-17); amended April 30, 2019 (19-18), operative June 7, 2019; amended Feb. 3, 2020 (20-03); amended July 13, 2021 (SR-Phlx-2021-41), operative August 12, 2021.

Section 10. Training

(a) In addition to General 9, Section 60 requirements, floor members shall complete mandatory training programs, on at least a semi-annual basis, that address compliance with the federal securities laws and the Exchange's Rules in place to prevent and deter unlawful trading by floor members.

Adopted: April 16, 2019 (19-17); amended Feb. 3, 2020 (20-03).

Market Participants

Section 11. Floor Market Maker and Lead Market Maker Appointment

(a) In addition to the requirements specified in Options 2, Section 11 related to the appointment of a Lead Market Maker, each Lead Market Maker unit must consist of at least the following staff for each Trading Floor Lead Market Maker post: (1) one head Lead Market Maker; and (2)

one back-up Lead Market Maker that must be associated with the Lead Market Maker unit. The Exchange, in its discretion, may require a unit to obtain additional staff depending upon the number of assigned options classes that are being quoted and associated order flow.

(1) An options Lead Market Maker currently operating from the Exchange's Trading Floor or a Remote Streaming Quote Trader ("RSQT"), as defined in Options 1, Section 1(b)(49), may submit an application as described in Options 2, Section 11 to be approved in one or more classes as a Remote Lead Market Maker as defined in Options 2, Section 12(a)(ii).

(2) In making a determination regarding the application of an options Lead Market Maker currently operating from the Exchange's Trading Floor that requests authorization to operate as a Remote Lead Market Maker, the Exchange will evaluate whether the change is in the best interest of the Exchange and may consider information that it believes will be of assistance to it. Factors to be considered may include, but are not limited to, any one or more of the following: performance, operational capacity of the Exchange or options Lead Market Maker, efficiency, number and experience of personnel of the options Lead Market Maker who will be performing functions related to the trading of the applicable securities, number of securities involved, number of Floor Market Makers and SQTs affected and trading volume of the securities.

(b) A Floor Market Maker has an assignment to trade open outcry in all options classes traded on the Exchange. All such assignments shall not be effective, and shall be terminated, in the event that such Floor Market Maker applicant fails to qualify as a Floor Market Maker on the Exchange.

Adopted: April 16, 2019 (19-17); amended Sept. 10, 2019 (19-33); amended Feb. 3, 2020 (20-03); amended April 14, 2020 (20-21); amended Aug. 14, 2023 (SR-Phlx-2023-38).

Section 12. Clerks

(a) The term "Clerk" means any registered on-floor person employed by or associated with a member or member organization who is not a member and is not eligible to effect transactions on the Options Floor as a Lead Market Maker, Floor Market Maker, or Floor Broker. For purposes of this Rule, an Inactive Nominee shall be deemed a Clerk.

(b) Badges. While on the trading floor, Clerks shall display prominently at all times the identification supplied to them by the Exchange.

(c) Conduct on the Trading Floor. Clerks shall be primarily located at a post assigned to their employer unless such Clerk is:

(1) entering or leaving the trading floor;

(2) transmitting, correcting, or checking the status of an order or reporting or correcting an executed trade; or

(3) supervising other Clerks of his member organization if he is identified as a supervisor on the registration form submitted to the Exchange's Membership Department.

(d) Registration Requirements. A member or member organization who employs a Clerk that performs any function other than a solely clerical or ministerial function shall, prior to the time such Clerk performs any function as a Clerk, (i) comply with the registration requirement(s) set forth in Exchange General 4, Rule 1210, where applicable; (ii) disclose in detail to the Exchange, on an annual basis, the specific nature of such additional function(s); and (iii) submit to the

Exchange written supervisory procedures relating to such Clerk's activities in accordance with General 9, Section 20.

(e) Clerks' Use of Vendor Quote Terminals and Other Order-Entry Devices.

A Clerk may enter an order under the direction of a member by way of a vendor quote terminal or any other order handling entry device.

(f) Lead Market Maker Clerks. A Lead Market Maker Clerk is any on-floor Clerk, not a member of the Exchange, employed by or associated with a member or member organization registered as a Lead Market Maker.

(1) *Registration Requirements*. Any member or member organization that employs a Lead Market Maker Clerk shall register such Lead Market Maker Clerk with the Exchange's Membership Department. A Lead Market Maker Clerk that performs any function other than a solely clerical or ministerial function shall, prior to performing any function as a Lead Market Maker Clerk, (i) comply with the registration requirement(s) set forth in Exchange General 4, Rule 1210, where applicable; (ii) disclose in detail to the Exchange, on an annual basis, the specific nature of such additional function(s); and (iii) in accordance with General 9, Section 20, submit to the Exchange written supervisory procedures relating to such Lead Market Maker Clerk's activities.

(2) *Conduct on the trading floor*. A Lead Market Maker Clerk is permitted to communicate verbal market information (i.e., bid, offer, and size) in response to requests for such information, provided that such information is communicated under the direct supervision of his or her member employer. A Lead Market Maker Clerk may consummate electronic transactions under the express direction of his or her member employer by matching bids and offers. Such bids and offers and transactions effected under the supervision of a member employer are binding as if made by the member employer.

Adopted: April 16, 2019 (19-17); amended April 30, 2019 (19-18), operative June 7, 2019; amended Feb. 3, 2020 (20-03); amended July 13, 2021 (SR-Phlx-2021-41), operative August 12, 2021.

Regulation

Section 13. Acts Detrimental to the Interest or Welfare of the Exchange

(a) In addition to Options 9, Section 5, acts which could be deemed detrimental to the interest or welfare of the Exchange include, but are not limited to, misconduct on the Trading Floor, in violation of the Exchange's Order and Decorum Regulations, that is repetitive, egregious or of a publicly embarrassing nature to the Exchange.

Adopted: April 16, 2019 (19-17); amended Feb. 3, 2020 (20-03).

Section 14. Financial Responsibility and Reporting

(a) In addition to the obligations specified within Options 6D, Section 1, each member organization whose principal business is as a floor broker on the Exchange and who is not selfclearing must establish and maintain an account with a clearing member organization of the Exchange, for the sole purpose of carrying positions resulting from errors made in the course of its floor brokerage business. Such an account for options transactions must be maintained with an entity which is also a clearing member organization of The Options Clearing Corporation. A

floor broker prior to effecting any transactions, must file with the Exchange a letter from its clearing member organization stating that this account has been established and that the clearing member organization guarantees the financial responsibilities of the floor broker with respect to all orders entrusted on the floor with the floor broker as well as all transactions and balances carried within the account. This letter shall remain in effect until the Exchange receives written notice from the clearing member of its intent to no longer clear or carry transactions for such floor broker. Written notice received at least one-half hour before the normal opening of trading shall take effect on the day of receipt; written notice received less than one-half hour before the opening of trading shall take effect on the opening of the business day following Exchange receipt.

Adopted: April 16, 2019 (19-17); amended Feb. 3, 2020 (20-03).

Section 15. "Stopping" An Option

(a) An agreement to "stop" an option at a specified price constitutes a guarantee by the member who "grants the stop" that the order of the member who, "accepts the stop" will be executed at the stop price or better. No member is required to agree to grant or accept a stop.

(b) A member shall not accept a stop for an account in which he or another member has an interest unless:

(1) he is acting for an order originated off the Floor; or

(2) in the case of an order originated on the Floor, the member granting the stop is also acting for an account in which he or another member has an interest; or

(3) he is effecting a transaction to offset a transaction made in error; or

(4) he is engaged in bona fide arbitrage.

(c) No Lead Market Maker may stop an option against the book or for his own account at a price at which he holds an order capable of execution at that price; except;

(1) in connection with an opening or reopening; or

(2) when there is a competing bid or offer in the crowd at the same price at which the stop is granted; or

(3) when the Lead Market Maker does not have an executable order at the stop price; or

(4) when a broker makes an unsolicited request that a Lead Market Maker grant him a stop, and

(A) the spread in the quotation is not less than twice the permitted minimum increment in the option;

(B) after the granting of the stop, the spread between the bid and the offer is reduced;

(C) the Lead Market Maker does not reduce the size of the market following the granting of the stop; and

(D) on the election of the stop, the order or orders on the Lead Market Maker's book entitled to priority will be executed against the stopped option.

(5) Each "stopped" transaction shall be reported for printing on the tape in the form and manner prescribed by the Exchange.

Adopted: April 16, 2019 (19-17); amended Feb. 3, 2020 (20-03).

Section 16. Reserved

Adopted: April 16, 2019 (19-17); amended Aug. 14, 2023 (SR-Phlx-2023-38).

Section 17. Reserved.

Adopted: April 16, 2019 (19-17); amended Feb. 3, 2020 (20-03); amended Mar. 4, 2020 (20-07).

Section 18. General Responsibility of Floor Brokers

(a) A Floor Broker handling an order is to use due diligence to cause the order to be executed at the best price or prices available to him in accordance with the Rules of the Exchange.

Adopted: April 16, 2019 (19-17).

Section 19. Responsibilities of Floor Brokers - Treasury Securities Options

(a) A Floor Broker handling a contingency order for Treasury securities options that is dependent upon quotations or prices other than those originating on the floor shall be responsible for satisfying the dependency requirement on the basis of the most reliable information reasonably available to him concerning such quotations and prices but, in no event, shall be held to an execution of such an order. Unless mutually agreed by the members involved, an execution or non-execution that results shall not be altered by the fact that such information is subsequently found to have been erroneous.

Adopted: April 16, 2019 (19-17).

Floor Trading Rules

Section 20. Dealings on Floor—Hours

(a) Dealings upon the Exchange shall be limited to the hours during which the Exchange is open for the transaction of business; and no member shall make any bid, offer or transaction upon the Floor before or after those hours, except that loans of money or securities may be made after the official closing of the Exchange.

Adopted: April 16, 2019 (19-17).

Section 21. Dealings on Floor—Persons

(a) No member shall, while on the Floor, make a transaction with any non-member in any security admitted to dealings on the Exchange.

Adopted: April 16, 2019 (19-17).

Section 22. Execution of Options Transactions on the Trading Floor

(a) Options transactions on the Exchange's Trading Floor shall be executed in one of the following ways:

(1) automatically by the Exchange Trading System as provided in applicable Exchange Rules;

(2) through the Options Floor Based Management System. Members authorized to operate on the floor are not permitted to execute orders in the Exchange's options trading crowd, except as follows:

(A) The Exchange may determine to permit executions otherwise than in accordance with subparagraphs (1) and (2) above respecting an option or all options in the event of a problem with Exchange systems.

(B) In addition, members can execute orders in the options trading crowd pursuant to Options 8, Section 33, Accommodation Transactions (cabinet trades), and Options 8, Section 34, FLEX Equity, Index and Currency Options.

(C) Multi-leg orders with more than 15 legs can be executed in the trading crowd.

(D) The following split price orders that, due to FBMS system limitations, require manual calculation:

(i) simple orders not expressed in the applicable minimum increment ("sub-MPV") and that cannot be evenly split into two whole numbers to create a price at the midpoint of the minimum increment; and (ii) complex and multi-leg orders with at least one option leg with an odd-numbered volume that must trade at a sub-MPV price or one leg that qualifies under (i) above.

(E) As set forth in Options 8, Section 29(e)(v), members may use the Snapshot feature of the Options Floor Based Management System to provisionally execute orders in the options trading crowd.

(i) Surveillance staff must approve all executions submitted under this Options 8, Section 22(a)(2)(A)-(D) to validate that each abides by applicable priority and trade through rules. Under subsection (a)(3)(D), the rounding of prices may be used only where necessary to execute the trade at the MPV, and only to the benefit of a Public Customer order or, where multiple Public Customers' orders are involved, for the Public Customer order that is earliest in time. If no Public Customer order is involved, rounding of prices is available to the non-Public Customer order that is earliest in time.

(b) Manner of Bidding and Offering. Bids and offers to be effective must either be entered electronically in a form and manner prescribed by the Exchange (as quotes or orders) or made by public outcry in the trading crowd (to which Options 8, Section 24 at Supplementary Material .01 applies). All bids and offers shall be general ones and shall not be specified for acceptance by particular members.

(c) Public Outcry - Pursuant to Options 8, Section 24 at Supplementary Material .01, bids and offers must be made in an audible tone of voice. A member shall be considered "in" on a bid or offer, while he remains at the post, unless he shall distinctly and audibly say "out." A member bidding and offering in immediate and rapid succession shall be deemed "in" until he shall say "out" on either bid or offer. Once the trading crowd has provided a quote, it will remain in effect until: (A) a reasonable amount of time has passed, or (B) there is a significant change in the price of the underlying security, or (C) the market given in response to the request has been improved. In the case of a dispute, the term "significant change" will be interpreted on a case-by-case basis by an Options Exchange Official based upon the extent of the recent trading in the option and, in the case of equity and index options, in the underlying security, and any other relevant factors. With respect to using the Options Floor Based Management System to execute an order pursuant to Option 8, Section 22, a member must audibly say "out" before the order is submitted into the FBMS for execution and, if the order is not executed, the member must audibly say "out" before each time the member resubmits the order for execution.

Adopted: April 16, 2019 (19-17); amended September 10, 2019 (19-33); amended Feb. 3, 2020 (20-03); amended Mar. 11, 2021 (SR-Phlx-2021-03); amended July 13, 2021 (SR-Phlx-2021-41), operative August 12, 2021; amended Feb. 20, 2025 (SR-Phlx-2025-10).

Section 23. Precedence of Highest Bid

(a) The highest bid shall have precedence in all cases pursuant to Options 8, Section 24 at Supplementary Material .02. Where bids are made at the same price, the priority and precedence shall be determined in accordance with the following rules:

(1) Sale removes bid from Trading Floor: A sale shall remove all bids from the Floor except that if the number of shares of stock or principal amount of bonds offered exceeds the number of shares or principal amount specified in the bid having priority or precedence, a sale of the unfilled balance to other bidders shall be governed by the provisions of these rules as though no sales had been made to the bidders having priority or precedence.

(2) Subsequent bids: (i) After bids have been removed from the Trading Floor under the provisions of sub-paragraph (1) above, priority and precedence shall be determined, in accordance with these rules, by subsequent bids.

Adopted: April 16, 2019 (19-17); amended Feb. 3, 2020 (20-03).

Section 24. Bids And Offers-Premium

(a) *Size of Bid/Offer and Disseminated Size Guarantee*. All bids or offers made on the Floor for option contracts shall be deemed to be for one option contract unless a specific number of option contracts is expressed in the bid or offer. A bid or offer for more than one option contract shall be deemed to be for the amount thereof or a smaller number of option contracts. Responsibility for ensuring that customer orders are filled to a minimum of the disseminated size at the disseminated price is as set forth in Options 3, Section 6.

(b) Solicitation of Quotations. In response to a floor broker's solicitation of a single bid or offer, which is clearly and audibly announced in public outcry as a solicitation of interest, the members of a trading crowd (including the Lead Market Maker and Floor Market Makers) may discuss, negotiate and agree upon the price or prices at which an order of a size greater than the Exchange's disseminated size can be executed at that time, or the number of contracts that could be executed at a given price or prices, subject to the provisions of the Options Order Protection and Locked/Crossed Market Plan and the Exchange's Rules respecting Trade-Throughs. Notwithstanding the foregoing, a single crowd participant may voice a bid or offer independently from, and differently from, the members of a trading crowd (including the Lead Market Maker and Floor Market Makers).

(c) Except as provided in (d) and (e) below, all bids or offers made on the Floor for option contracts shall be expressed as follows: (i) in the case of options on stocks or Exchange-Traded Fund Shares, in terms of dollars per share of the underlying stock or Exchange-Traded Fund Share (e.g., a bid of "5" shall represent a bid to pay a premium of $500 for an option contract having a unit of trading consisting of 100 shares of an underlying stock or Exchange-Traded Fund Share, or a bid to pay a premium of $550 for an option contract having a unit or trading consisting of 110 shares of an underlying stock Exchange-Traded Fund Share); and (ii) In the case of options on foreign currencies in terms of U.S. dollars per unit of the underlying foreign

currency. E.g., a bid of "3.25" for a premium on a $170 strike price option on the British pound shall represent a bid to pay $325 per option contract.

(d) *Contract Adjustments*. All bids or offers for an option contract for which The Options Clearing Corporation has established an adjusted unit of trading in accordance with paragraphs (c) and (d) of Section 11 of Article VI of the by-laws of The Options Clearing Corporation shall be expressed in terms of dollars per the appropriate fractional part of the total securities and/or other property constituting such adjusted unit of trading (e.g., where the adjusted unit of trading of an option contract consists of 110 shares of an underlying stock or Exchange-Traded Fund Share plus 15 rights, a bid of "5" shall represent a bid to pay a premium of $550 for each option contract covering both the shares of underlying stock or Exchange-Traded Fund Share and the rights).

(e) *Spread Priority*. When a member holding a multi-leg order, as defined in Options 8, Section 32 and bidding or offering on the basis of a total credit or debit for the order has determined that the order may not be executed by a combination of transactions at or within the bids and offers established in the marketplace, then the order may be executed as a multi-leg order at the total credit or debit with one other member with priority over either the bid or the offer established in the marketplace that is not better than the bids or offers comprising such total credit or debit, provided that at least one option leg is executed at a better price than established bid or offer for that option contract AND no option leg is executed at a price outside of the established bid or offer for that option contract.

(f) *Synthetic Option Orders*. When a member holding a synthetic option order, as defined in Options 8, Section 32, and bidding or offering on the basis of a total credit or debit for the order has determined that the order may not be executed by a combination of transactions at or within the bids and offers established in the marketplace, then the order may be executed as a synthetic option order at the total credit or debit with one other member, provided that the option leg is executed at a better price than the established bid or offer for that option contract, in accordance with Options 8, Section 25. Synthetic option orders in open outcry, in which the option component is for a size of 100 contracts or more, have priority over bids (offers) of crowd participants who are bidding (offering) only for the option component of the synthetic option order, but not over bids (offers) of Public Customers on the limit order book, and not over crowd participants that are willing to participate in the synthetic option order at the net debit or credit price.

(g) *Three-Way Spread Type Priority*. When a member holding a three-way order for foreign currency options determines that the order will be best served by bidding or offering on the basis of a total net credit or debit, the member may, after seeking bids and offers for the three-way order, seek to execute the order at a total credit or debit with one other member provided that at least one of the individual legs to the order is effected at a price better than the established bid or offer for that option contract and that no option leg is executed at a price outside of the established bid or offer for that option contract. For purposes of this Rule, three-way orders include spread, straddle and combination orders of three individual series in the same foreign currency options where (i) the order size for each of the three individual series are equal to each other, or (ii) the combined order size of any two series on the same side of the market is either equal to the order size of the third series by a or differs from the order size of the third series by a permissible ratio. For purposes of this paragraph, a permissible ratio is any one of the following: one-to-one, one-to-two, one-to-three and two-to-three.

(h) *Ratio Spread Type Priority*. A spread order may consist of different numbers of contracts so long as the number of contracts differ by a permissible ratio (a "Ratio Spread"). Similarly, the legs to a straddle or combination order may consist of different numbers of puts and calls so long as the number of contracts differ by a permissible ratio. For the purposes of this paragraph, a permissible ratio is any ratio that is equal to or greater than one-to-three (.333) and less than or equal to three-to-one (3.00). For example, a one-to-two (.5) ratio, a two-to-three (.667) ratio, or a two-to-one (2.0) ratio is permissible, whereas a one-to-four (.25) ratio or a four-to-one (4.0) ratio is not.

(i) *Multi-Spread Priority*. When a member holding two spread type orders (spreads, straddles or combinations, as defined in Options 8, Section 32) for the same account determines that the orders will be best served by bidding or offering on the basis of a total net credit or debit, the member may, after seeking bids and offers for the total of the two spread type orders, seek to execute both orders as a single transaction at a total net credit or debit with one other member, provided that at least one of the individual legs of each individual spread is executed at a better price than the established bid or offer for that option contract and that no option leg is executed at a price outside of the established bid or offer for that option contract.

(j) *Spread Type Priority*. Through FBMS, Spread Type Orders consisting of a conforming ratio, as that term is defined in Options 1, Section 1(b)(13), may be executed at a total credit or debit price with priority over individual bids or offers established in the marketplace (including Public Customers) that are not better than the bids or offers comprising such total credit or debit, provided that at least one option leg is executed at a better price than the established bid or offer for that option contract and no option leg is executed at a price outside of the established bid or offer for that option contract.

Supplementary Material to Options 8, Section 24

.01 *Bids and Offers-Manner*. Bids and offers may be made simultaneously, as being essentially different propositions, and may be accepted without precedence of one over another. Bids and offers must be made in an audible tone of voice. A member shall be considered "in" on a bid or offer, while he remains at the post, unless he shall distinctly and audibly say "out." A member bidding and offering in immediate and rapid succession shall be deemed "in" until he shall say "out" on either bid or offer.

.02 *Precedence of Highest Bid*. The highest bid shall have precedence in all cases. Where bids are made at the same price, the priority and precedence shall be determined in accordance with the following rules:

Precedence of first bid

(a) When a bid is clearly established as the first made at a particular price, the maker shall be entitled to priority and shall have precedence on the next sale at that price, up to the number of shares of stock or principal amount of bonds specified in the bid, irrespective of the number of shares of stock or principal amount of bonds specified in such bid.

Precedence of bids equaling or exceeding amount offered

(b) When no bid is entitled to priority under paragraph (a) hereof (or when a bid entitled to priority or precedence has been filled and a balance of the offer remains unfilled) all bids for a number of shares of stock or principal amount of bonds equaling or exceeding the number of shares of stock or principal amount of bonds in the offer or balance, shall be on a parity and

entitled to precedence over bids for less than the number of shares of stock or principal amount of bonds in such offer or balance, subject to the condition that if it is possible to determine clearly the order of time in which the bids so entitled to precedence were made, such bids shall be filled in that order.

Precedence of bids for amounts less than amount offered

(c) When no bid is entitled to priority under paragraph (a) hereof (or when a bid entitled to priority or precedence has been filled and a balance of the offer remains unfilled) and no bid has been made for a number of shares of stock or principal amount of bonds equaling or exceeding the number of shares of stock or principal amount of bonds in the offer or balance, the bid for the largest number of shares of stock or greatest principal amount of bonds shall have precedence, subject to the condition that if two or more such bids for the same number of shares of stock or principal amount of bonds have been made, and it is possible to determine clearly the order of time in which they were made, such bids shall be filled in that order.

Simultaneous bids

(d) When bids are made simultaneously, or when it is impossible to determine clearly the order of time in which they were made, all such bids shall be on a parity subject only to precedence based on the size of the bid under the provisions of paragraphs (b) and (c) hereof.

.03 *Precedence of Offers at Same Price*. The lowest offer shall have precedence in all cases. Where offers are made at the same price the priority and precedence shall be determined in the same manner as specified in the case of bids in Options 8, Section 23 hereof.

Adopted: April 16, 2019 (19-17); amended Sept. 10, 2019 (19-33); amended Feb. 3, 2020 (20-03); amended Mar. 5, 2020 (20-08), operative April 4, 2020; amended December 23, 2021 (SR-Phlx-2021-76); amended Mar. 14, 2024 (SR-Phlx-2024-13), operative Apr. 13, 2024; amended Apr. 3, 2025 (SR-Phlx-2025-17), operative Oct. 3, 2025; amended Apr. 22, 2025 (SR-Phlx-2025-20), operative Oct. 1, 2025.

Section 25. Floor Allocation

(a) The following applies to the allocation of orders on the Trading Floor:

(1) Supplementary Material .02 and .03 to Options 8, Section 30 direct members in the establishment of priority of orders on the floor. An account type is either a controlled account or a customer account. A controlled account includes any account controlled by or under common control with a broker-dealer. Customer accounts are all other accounts. Equity option, index option and U.S. dollar-settled foreign currency option orders of controlled accounts are required to yield priority to customer orders when competing at the same price, as described below. Orders of controlled accounts are not required to yield priority to other controlled account orders, except as provided in sub-paragraph (B) below. For the purpose of this Rule, "Initiating Order" means an incoming contra-side order.

(A) Respecting transactions that are executed and allocated in open outcry by a participant other than the Lead Market Maker, "Remainder of the Order" means the portion of an Initiating Order that remains following the allocation of contracts to customers that are on parity in accordance with this Rule. The Remainder of the Order shall be allocated pursuant to this Rule.

(i) Orders of controlled accounts, other than Floor Market Makers and Lead Market Makers market making in person, must be (1) verbally communicated as for a controlled account when

placed on the floor and when represented to the trading crowd and (2) recorded as for a controlled account by making the appropriate notation the Options Floor Based Management System.

(ii) The Enhanced Lead Market Maker Participation is a percentage of the Remainder of the Order to which the Lead Market Maker is entitled.

(B) An Initiating Order executed manually by the Lead Market Maker shall be allocated as follows: first, to customer orders, and next to Off-Floor Broker-Dealer Limit Orders (as defined in Options 1, Section 1(b)(33) resting on the limit order book. This provision shall not apply to electronically executed contracts, the allocation of which is described in Options 3, Section 10. "Remainder of the Order" means the portion of an Initiating Order that remains following the allocation of contracts to customers and to Off-Floor Broker-Dealers in accordance with this sub-paragraph.

(2) Purchase or sale priority for orders of 100 contracts or more. If a member purchases (sells) 50 or more option contracts of a particular series at a particular price or prices, he shall, at the next lower (higher) price have priority in purchasing (selling) up to the equivalent number of option contracts of the same series that he purchased (sold) at the higher (lower) price or prices, but only if his bid (offer) is made promptly and the purchase (sale) so effected represents the opposite side of a transaction with the same order or offer (bid) as the earlier purchase or purchases (sale or sales).

(i) When the market has a bid/ask differential of one minimum trading increment and the bid and/or offer represent the quotation of an out-of-crowd SQT or an RSQT, such member shall have priority over such SQT and/or RSQT with respect to both the bid and the offer.

(ii) The Exchange may increase the "minimum qualifying order size" above 100 contracts for all products under its jurisdiction. Announcements regarding changes to the minimum qualifying order size shall be made on the Exchange's website. This paragraph shall only apply to transactions that are effected in open outcry.

(b) *Enhanced Lead Market Maker Participation* -In equity option, index option and U.S. dollar-settled foreign currency options classes, when the registered Lead Market Maker is on parity with a controlled account as defined in subparagraph (i) above, in accordance with Supplementary Material .02 and .03 to Options 8, Section 30 and the number of contracts to be bought or sold is greater than five, the Lead Market Maker is entitled to receive an enhanced participation of 30% of the Remainder of the Order ("Enhanced Lead Market Maker Participation"), except in the following circumstances: (1) where there is one controlled account on parity, the Lead Market Maker is entitled to receive 60% of the Remainder of the Order; or (2) where there are two controlled accounts on parity, in which case, the Lead Market Maker is entitled to receive 40% of the Remainder of the Order.

(1) The Exchange shall reduce the level of Enhanced Lead Market Maker Participation authorized under this Rule to a parity level of participation in accordance with Supplementary Material .02 and .03 to Options 8, Section 30 with respect to any options class if the Lead Market Maker in such class is determined to be performing below any minimum standards or not satisfying any conditions that the Exchange may establish. The Exchange may reinstate Enhanced Lead Market Maker Participation for a particular options class if it determines that the

Lead Market Maker in such class is performing at or above all established minimum standards and is satisfying all established conditions.

(c) *Allocation of the Remainder of the Order Among Lead Market Maker and Floor Market Makers on Parity*. After the application of Options 8, Section 25(a)(1) to an Initiating Order, the Remainder of the Order shall be allocated by the Allocating Participant (as defined in paragraph (c)(3)(F)(i) below) as follows:

(1) *Entitlement*. Floor Market Makers and Lead Market Makers on parity are entitled to their Defined Participation (as described below), subject to: (a) any Waiver, as described below; and (b) rounding, as described below.

(2) *Size*. The term "stated size" in respect of an order or electronic quotation shall mean:

(A) in the case of orders handled manually by the Lead Market Maker:

(i) if a crowd participant (including the Lead Market Maker) has actually stated a size ("Actual Size"), such crowd participant's stated size shall be his or her Actual Size;

(ii) if the Lead Market Maker, an SQT or RSQT is disseminating an electronic quotation at the Exchange's disseminated price in a particular series at the time of the execution of an Initiating Order in such series, such Lead Market Maker, SQT or RSQT's disseminated size at the Exchange's disseminated price shall be his or her Actual Size, and such Lead Market Maker, SQT and/or RSQT shall be deemed a "crowd participant" for purposes of paragraph (c);

(B) unless the Lead Market Maker has an Actual Size, the stated size of the Lead Market Maker shall be the amount (if any) by which the disseminated size exceeds the sum of (x) the aggregate size of limit orders included in the disseminated size and (y) the aggregate sizes of all Floor Market Makers who have Actual Sizes;

(C) the stated size of an ROT who does not have an Actual Size is zero.

(i) in the case of floor brokered orders, each crowd participant's stated size shall be his or her Actual Size.

(3) *Defined Participation*. Defined Participation is the portion of the Remainder of the Order to which a crowd participant is entitled. Defined Participation is determined as follows:

(A) in the case of a Lead Market Maker entitled to an Enhanced Lead Market Maker Participation, the Enhanced Lead Market Maker Participation, up to the Lead Market Maker's stated size, as set forth in paragraph (b) of this Rule, as applicable. The Lead Market Maker may decline to receive the Enhanced Lead Market Maker Participation, in which case the Lead Market Maker shall be entitled to participate as one crowd participant, up to the Lead Market Maker's stated size.

(B) except as provided in (A) above, the Defined Participation of the Lead Market Maker and Floor Market Makers on parity is determined as follows:

(i) where all participants have equal stated sizes, their Defined Participations shall be equal;

(ii) where participants have unequal stated sizes, the Defined Participations shall equal their Base Participations (as defined below) plus their Supplemental Participations (as defined below):

a. the "Base Participations" of all of the participants shall equal the stated size of the smallest participant; to the extent that there remains any excess to be allocated after all participants have

been allocated their Base Participations, the smallest participant shall have no Supplemental Participation, and the other participants shall have "Supplemental Participations" as determined under "b" and "c" below;

b. if the remaining stated sizes (*i.e.*, after taking into account Base Participations) of all participants having Supplemental Participations is equal, then their Supplemental Participations shall be equal; otherwise the initial Supplemental Participations of such participants shall equal the remaining stated size of the smallest such participant; to the extent that there remains any excess to be allocated after all participants have been allocated their initial Supplemental Participations, the smallest participant shall have no further Supplemental Participation, and the other participants shall have further "Supplemental Participations" as determined under "c" below; and

c. if the remaining stated sizes (*i.e.*, after taking into account Base Participations and prior Supplemental Participations) of all participants having *further* Supplemental Participations is equal, then their *further* Supplemental Participations shall be equal; otherwise the next Supplemental Participations of such participants shall equal the remaining stated size of the smallest such participant; to the extent that there remains any excess to be allocated after all participants have been allocated the next Supplemental Participations, the smallest participant shall have no further Supplemental Participation, and the other participants shall have successive further Supplemental Participations determined in the same manner as provided in this clause.

d. The process described in clause "c" shall be followed to determine successive further Supplemental Participations until the sum of the Defined Participations equals the amount of the Remainder of the Order.

(iii)

a. If the sum of the Base Participations pursuant to sub-paragraph "a" above exceeds the number of contracts remaining to be allocated, such contracts shall be divided equally among crowd participants who are entitled to receive Base Participations, subject to rounding.

b. If the sum of the Supplemental Participations pursuant to sub-paragraph "b" above exceeds the number of contracts remaining to be allocated, such contracts shall be divided equally among crowd participants who are entitled to receive Supplemental Participations, subject to rounding.

c. If the sum of the further Supplemental Participations pursuant to subparagraph "c" above exceeds the number of contracts remaining to be allocated, such contracts shall be divided equally among crowd participants who are entitled to receive further Supplemental Participations, subject to rounding.

(3) Participation in additional contracts in excess of the Exchange's disseminated size among willing crowd participants shall be allocated under the applicable provisions of this Rule. Notwithstanding the limitation set forth in sub-paragraph (3)(A) that limits the Lead Market Maker's entitlement to his/her stated size, for all contracts executed in excess of the disseminated size, the Specialist shall be entitled to receive the Enhanced Specialist Participation as set forth in paragraph (b) of this Rule, as applicable, but not to exceed the Specialist's Actual Size (if the Specialist has an Actual Size) in such excess contracts.

(C) *Waiver*. (1) An ROT (other than an RSQT) or Specialist may, in his or her sole discretion, offer to waive, in whole or in part, any part of a trade to which they were entitled to be allocated (an "Offer to Waive").

(i) Any Offer to Waive shall be made by stating it in a loud and audible voice to the other members of the trading crowd and the Allocating Participant.

(ii) If the Allocating Participant has determined that the other crowd participant(s) then on parity is willing to take the number of contracts that are subject to the Offer to Waive, the Allocating Participant may (but shall not be required to), accept such Offer to Waive by (a) allocating the Remainder of the Order in accordance with paragraph (c), taking into account the Offer to Waive; or (b) otherwise indicating, following the execution of the Remainder of the Order, that such Offer to Waive will be accepted (in which case, it shall be referred to as a "Waiver"). No Offer to Waive shall be an effective Waiver until the Allocating Participant has allocated the order or otherwise indicated that it is accepted.

(iii) In the case of an option which is not subject to an Enhanced Lead Market Maker Participation, as set forth in paragraph (b) of this Rule, if the Lead Market Maker or an ROT effects a Waiver in the manner provided above, the number of contracts to which such Lead Market Maker or ROT is entitled under paragraph (c) shall be reduced by the number of contracts waived, and the entitlements of the other participants on parity shall be determined by redistributing the waived number of contracts to willing participants (including the Lead Market Maker) in accordance with paragraph (c).

(2) In the case of an option which is subject to an Enhanced Lead Market Maker Participation, as set forth in paragraph (b) of this Rule, and one or more Floor Market Makers effect Waivers of their entire entitlements ("Total Waivers"), the number of Floor Market Makers with whom the Lead Market Maker is deemed to be on parity for purposes of determining the Enhanced Lead Market Maker Participation shall be reduced by the number of Floor Market Makers effecting Total Waivers and the following additional Rules shall apply:

(A) in the event that one or more Floor Market Makers on parity with the Lead Market Maker effect a Total Waiver of their respective entitlements such that the Lead Market Maker is on parity with three or more Floor Market Makers, the number of contracts to be allocated to each crowd participant shall be determined as provided in sub-paragraph (c)(1) above, provided that the maximum number of contracts to be allocated to the Lead Market Maker shall be that which the Lead Market Maker would be entitled to receive under this Rule, as if the Lead Market Maker had been on parity with three Floor Market Makers.

(B) in the event that one or more Floor Market Makers on parity with the Lead Market Maker effect a Total Waiver of their respective entitlements such that the Lead Market Maker is on parity with two Floor Market Makers, the number of contracts to be allocated to each crowd participant shall be determined as provided in sub-paragraph (C)(iii) above, provided that the maximum number of contracts to be allocated to the Lead Market Maker shall be that which the Lead Market Maker would be entitled to receive under this Rule as if the Lead Market Maker had been on parity with two Floor Market Makers.

(C) In the event that one or more Floor Market Makers on parity with the Lead Market Maker effect a Total Waiver of their respective entitlements such that the Lead Market Maker is on parity with one ROT, the number of contracts to be allocated to each crowd participant shall be determined as provided in sub-paragraph (C)(iii) above, provided that the maximum number of contracts to be allocated to the Lead Market Maker shall be that which the Lead Market Maker would be entitled to receive under this Rule as if the Lead Market Maker had been on parity with

one ROT. In no event shall any non-waiving ROT be required to participate in fewer contracts than he/she would have received absent the Waiver(s).

(3) *Partial Waiver*. In the case of an option which is subject to an Enhanced Lead Market Maker Participation, in the event that one or more Floor Market Makers effect a Waiver of a portion of their respective entitlements, but not a Total Waiver, in the manner provided above (a "Partial Waiver"), the number of contracts to be allocated to each crowd participant shall be determined as provided in sub-paragraph (C)(iii) above, provided that the Lead Market Maker shall not be entitled to receive a number of contracts that is greater than 40% of the Remainder of the Order except in the situation referred to in the following sentence, unless all remaining crowd participants on parity have waived their entitlements or have been satisfied. In the case of the Lead Market Maker being on parity with only one ROT, the Lead Market Maker shall not be entitled to receive a number of contracts that is greater than 60% of the Remainder of the Order unless all remaining crowd participants on parity have waived their entitlements or have been satisfied.

In no event shall any non-waiving ROT be required participate in fewer contracts than he/she would have received absent the Partial Waiver(s).

(4) In no event shall two or more crowd participants enter into any agreement regarding the number of contracts to be waived by any crowd participant (*i.e*., subject to the provisions of sub-paragraph (C)(1)(ii) above, any decision by a crowd participant to waive all or a portion of such crowd participant's entitlement must be an individual decision, and not the subject of an agreement among crowd participants).

(D) *Rounding*. In situations where the allocation of contracts pursuant to this Rule result in fractional amounts of contracts to be allocated to crowd participants, the number of contracts to be allocated shall be rounded in a fair and equitable manner.

(E) *Just and Equitable Principles of Trade*. (i) It shall be considered conduct inconsistent with just and equitable principles of trade for a member: (a) to allocate initiating orders other than in accordance with this Rule; (b) to enter into any agreement with another member concerning allocation of trades; or (c) to harass, intimidate or coerce any member to enter into any Waiver, or to make or refrain from making any complaint or appeal.

(ii) A pattern or practice of waiving all or a portion of a crowd participant's entitlement, with the result that such crowd participant receives no allocation or a lesser allocation than he or she would otherwise have been entitled to, may be considered conduct inconsistent with just and equitable principles of trade.

(F) Notwithstanding the first sentence of Options 8, Section 25(a)(1), neither Supplementary Material .02 to Options 8, Section 30 concerning precedence based on the size of bids on parity, nor Supplementary Material .03 to Options 8, Section 30 (insofar as it incorporates those provisions by reference) shall apply to the allocation of orders covered by paragraph (c).

(i) In order to facilitate timely tape reporting of trades, it is the duty of the persons identified below to allocate, match and time stamp trades executed in open outcry and to submit the matched trade tickets to an Exchange Data Entry Technician ("DET") located on the trading floor immediately upon execution. When executing trades electronically, it is also the duty of the persons identified below to enter and submit trade information to the Trading System using the Options Floor Based Management System.

a. in a trade involving a floor broker, the floor broker shall so do, provided that a floor broker may delegate this responsibility to the Lead Market Maker (or a back-up to the Lead Market Maker under the Lead Market Maker's direct supervision) if the Lead Market Maker agrees to accept such responsibility, and, in the event of such delegation, the Lead Market Maker (or a back-up to the Lead Market Maker under the Lead Market Maker direct supervision) shall do so:

b. in all other cases where the Lead Market Maker is a participant (i.e., where there is no floor broker), the Lead Market Maker (or a back-up to the Lead Market Maker under the Lead Market Maker's direct supervision) shall do so;

c. in any other case (i.e., where there is no floor broker and no Lead Market Maker is involved), the largest on-floor participant shall do so (for example, where several Floor Market Makers are involved); and

d. if there is only one seller and one buyer (no floor broker and no Lead Market Maker is involved), the seller shall do so (for example, where only two Floor Market Makers are involved), unless either the seller or the buyer is an RSQT, in which case the on-floor participant in the transaction shall do so.

e. The person responsible for trade allocation (the "Allocating Participant") shall, for each trade allocated by such Allocating Participant, circle his or her badge identification number on the trade tickets, identifying himself or herself as the Allocating Participant in the particular trade. If the Allocating Participant is not a participant in the trade to be allocated, he/she shall identify himself/herself by initiating the trade tickets. In the case of a trade executed using the Floor Based Management System the Allocating Participant shall allocate the trade using the Options Floor Based Management System.

(d) An ROT electing to engage in Exchange options transactions is designated as a Lead Market Maker on the Exchange for all purposes under the Securities Exchange Act of 1934 and the rules and regulations thereunder with respect to options transactions initiated and effected by him on the floor in his capacity as an ROT. For purposes of this commentary, the term "transactions initiated and effected on the floor" shall not include transactions initiated by an ROT off the floor, but which are considered "on-floor" pursuant to (d)(1) and (e) below. Similarly, an RSQT electing to engage in Exchange options transactions is designated as a Lead Market Maker on the Exchange for all purposes under the Securities Exchange Act of 1934 and the rules and regulations thereunder with respect to options transactions initiated and effected by him in his capacity as an ROT.

(1) The term "on the Floor" means the Trading Floor of the Exchange; the rooms, lobbies, and other premises immediately adjacent thereto made available by the Exchange for use by members generally; other rooms, lobbies and premises made available by the Exchange primarily for use by members generally; and the telephone and other facilities in any such place. Further, the provisions of this Rule do not apply to transactions initiated by an ROT for an account in which he has an interest unless such transactions are either initiated by an ROT while on the Trading Floor or unless such transactions although originated off the Floor are deemed on-Floor transactions under the provisions of these Rules.

(e) An off-Floor order for an account in which a member has an interest is to be treated as an on-Floor order if it is executed by the member who initiated it. In addition to transactions originated

on the Trading Floor by an ROT for an account in which he has an interest, the following transactions are considered on-Floor trading:

(1) Any transaction for an account in which an ROT has an interest if such transaction is initiated off the Floor by such ROT after he has been on the Floor during the same day.

(2) Any transaction for a member organization for an account in which it has an interest:

(A) which results from an order entered off the Floor following a conversation relating thereto with a member on the Floor who is a partner of or stockholder of such member organization; or

(B) which results from an order entered off the Floor following the unsolicited submission from the Floor to the office of a quotation in a stock or Exchange-Traded Fund Share and the size of the market by a member on the Floor who is a partner of or stockholder of such member organization; or

(C) which results from an order entered off the Floor which is executed by a member on the Floor who is a partner of or stockholder of such member organization and who had handled the order on a "not-held" basis; provided, however, that the following are not on-Floor orders and such restrictions shall not apply to an order:

(i) to sell an option for an account in which the member organization is directly or indirectly interested if in facilitating the sale of a large block of stock or Exchange-Traded Fund Shares, the member organization acquired its position because the demand on the Floor was not sufficient to absorb the block at a particular price or prices; or

(ii) to purchase or sell an option for an account in which the member organization is directly or indirectly interested if the member or his member organization was invited to participate on the opposite side of a block transaction by another member, member organization or a partner or stockholder therein because the market on the Floor could not readily absorb the block at a particular price or prices; or

(iii) to purchase or sell an option for an account in which the member organization is directly or indirectly interested if the transaction is on the opposite side of a block order being executed by the member organization for the account of its customer and the transaction is made to facilitate the execution of such order; or

(iv) which results from an order entered off the Floor which is executed by a member on the Floor who is a partner of or stockholder of such member organization and who has changed the terms of the order.

(3) Any transaction for the account of an RSQT.

(f) Non-Electronic Orders.

(1) In the event that a Floor Broker or Lead Market Maker presents a nonelectronic order in which an RSQT is assigned or which is allocated to a Remote Lead Market Maker, and/or in which an SQT assigned in such option is not a crowd participant, such Remote Lead Market Maker, SQT and/or RSQT may not participate in trades stemming from such a non-electronic order unless such nonelectronic order is executed at the price quoted by the non-crowd participant Remote Lead Market Maker, SQT and/or RSQT at the time of execution.

(2) Notwithstanding the foregoing, respecting crossing, facilitation and solicited orders (as defined in Section 30) that are represented and executed in open outcry, priority shall be afforded

to in-crowd participants (including, for purposes of this rule only, Floor Brokers), over Remote Lead Market Makers, RSQTs, out-of crowd SQTs, and out-of-crowd broker-dealer limit orders on the limit order book, but not over public customer orders. Such orders shall be allocated in accordance with Exchange Rules.

(3) The Lead Market Maker and/or SQTs participating in a trading crowd may, in response to a verbal request for a market by a floor broker, state a bid or offer that is different than their electronically submitted bid or offer, provided that such stated bid or offer is not inferior to such electronically submitted bid or offer, except when such stated bid or offer is made in response to a floor broker's solicitation of a single bid or offer as set forth in Options 8, Section 24(a)(ii).

(4) For purposes of this Rule, an SQT or Floor Marker Maker shall be deemed to be participating in a crowd if such SQT is, at the time an order is represented in the crowd, physically located in a specific "Crowd Area." A Crowd Area shall consist of a specific physical location marked with specific, visible physical boundaries on the options floor, as determined by the Exchange. An SQT or Floor Market Maker who is physically present in such Crowd Area may engage in options transactions in assigned issues as a crowd participant in such a Crowd Area, provided that such SQT or Floor Market Maker fulfills the requirements set forth in this Rule. An SQT or Floor Market Maker shall be deemed to be participating in a single Crowd Area.

(g) Orders given out by an ROT to commission brokers—An on-Floor order given by an ROT to a commission broker, for an account in which the ROT has an interest, is subject to all the Rules restricting Floor Market Makers. When an ROT gives out such an order on the Floor to another member, the order must be so marked to indicate that it is for an account in which the ROT has an interest, unless it is exempt from this Rule, in order that the other member may know whether it may be entitled to priority or parity.

(h) Pair-offs before opening—An ROT cannot acquire a "long" option by pairing off with a sell order before the opening, unless all off-Floor bids at that price are filled.

(i) The number of Floor Market Makers in a trading crowd who are establishing or increasing a position may temporarily be limited when, in the judgment of an Options Exchange Official, the interests of a fair and orderly market are served by such limitation.

(j) Within each quarter an ROT must execute in person, and not through the use of orders (except that non-streaming Floor Market Makers can use orders entered in person), a specified number of contracts, such number to be determined from time to time by the Exchange.

(k) An Floor Market Maker may not initiate orders from off the floor as a market maker in reliance upon the market maker exemption contained in Section 11(a)(1) of the Securities Exchange Act of 1934.

(l) In the interest of fair and orderly markets, the Exchange may adopt policies affecting the location of members in the trading crowd on a crowd-by-crowd basis.

(m) Floor brokers are able to achieve split price priority in accordance with Options 8, Section 25(a)(2), provided, however, that a floor broker who bids (offers) on behalf of a non-market-maker Phlx member broker-dealer ("Phlx member BD") must ensure that the Phlx member BD qualifies for an exemption from Section 11(a)(1) of the Exchange Act or that the transaction satisfies the requirements of Exchange Act Rule 11a2-2(T), otherwise the floor broker must yield priority to orders for the accounts of non-members.

Adopted: April 16, 2019 (19-17); amended Feb. 3, 2020 (20-03); amended April 14, 2020 (20-21).

Section 26. Trading Halts, Business Continuity and Disaster Recovery

(a) **Manual Rotations.** Pursuant to the authority in Options 3, Section 9(b) and in accordance with the procedures enumerated in those commentaries, a manual trading rotation may be held on the opening in the event that the Exchange's System is not available, and a closing rotation may be held on the business day of expiration, or, in the case of an option contract expiring on a day that is not a business day, on the trading day prior to expiration where the underlying stock or Exchange-Traded Fund Share did not open or was halted, whenever such action is deemed necessary in the interests of maintaining a fair and orderly market in such class or series of options and to protect investors.

(1) For purposes of this Rule, a trading rotation is a series of very brief time periods during each of which bids, offers and transactions in only a single, specified option contract can be made. An Options Exchange Official may direct that one or more trading rotations be employed on any business day to aid in producing a fair and orderly market and shall specify, for each rotation so employed, the particular option contracts to be included and the sequence of such option contracts in the rotation. Trading rotations, which shall be conducted by the Lead Market Maker, shall be conducted in the following manner:

(b) **Opening Rotations.** In the case of options on stocks or Exchange-Traded Fund Shares, the opening rotation in each class of options shall be held promptly following the opening of the underlying security on the primary market where it is traded. An underlying security shall be deemed to have opened on the primary market where it is traded if such market has (i) reported a transaction in the underlying security or (ii) disseminated opening quotations for the underlying security and not given an indication of a delayed opening. In the case of options on foreign currencies, the opening rotation in each option shall be held promptly following the opening of trading. In either case, respecting openings conducted manually, the Lead Market Maker should proceed in the following manner: Taking each option in which he is assigned in turn, the Lead Market Maker should first open the one or more series of such options having the nearest expiration, then proceed to a series of options having the next most distant expiration, and so forth, until all series have been opened. The Lead Market Maker shall determine which type of option should open first (i.e., put or call options), and may alternate the opening of put series and call series or may open all series of one type before opening any series of the other type, depending on current market conditions, except as provided below.

(c) **Modified Rotations.** (1) Modified rotations include reverse and shotgun rotations. A reverse rotation is an opening rotation where the Lead Market Maker should first open the one or more series of options of a given class having the most distant expiration, then proceed to the next nearest expiration, and so forth, ending with the nearest expiration, until all series have been opened. A shotgun rotation is an opening rotation in which each option series opens in the same manner and sequence as during a regular trading rotation stated above in paragraph (2), but is permitted to freely trade once all option series with the same expiration month have been opened.

(A) A reverse trading rotation must be employed in connection with openings and reopenings involving a heavy influx of orders, unless exempted by an Options Exchange Official.

(B) A second rotation requires the approval of an Options Exchange Official. In addition, a modified rotation may be employed in connection with delayed openings, halts or suspensions of options trading or other unusual market conditions, but in a different manner and sequence of trading than described above provided an Options Exchange Official determines that such procedure should be implemented.

(C) This Supplementary Material .01(b) shall apply only to manual openings conducted in accordance with the Options 3, Section 9.

(d) **Closing Rotations at Expiration.** On the business day of expiration, or, in the case of an option contract expiring on a day that is not a business day, on the last trading day prior to expiration with respect to expiring stock option contracts a closing rotation in each series of expiring options shall be commenced at 4:00 p.m., or 4:15 p.m. for options on Exchange-Traded Fund Shares where the underlying Fund Shares themselves cease trading at 4:15 p.m., or after a closing price of the stock or Exchange-Traded Fund Share in its primary market is established, whichever is later. Except as otherwise provided by an Options Exchange Official, the Lead Market Maker may determine which type of expiring options series should close first, and may alternate the close of put series and call series or may close all series of one type before closing any series of the other type, depending on current market conditions. In any instance where an Options Exchange Official, determines to conduct a closing rotation on the business day of expiration, or, in the case of an option contract expiring on a day that is not a business day, on the trading day prior to expiration in any equity option for which the underlying did not trade, or for which trading was halted as of the normal close of trading in its primary market on that day, the rotation shall commence as immediately as practicable following the time at which the option normally ceases free trading, or at any earlier time

(e) **Quarterly Rotations.** On the last day of each calendar quarter, a closing rotation for some equity option series may be commenced at 4:00 p.m. or after the closing price of the stock in its primary market is established, whichever is later. Orders will not be accepted at or after 4:00 p.m. Prior notice will be provided to the trading floor regarding which options series will be subject to a closing rotation.

(1) In the event that trading in an underlying stock or Exchange-Traded Fund Share has not opened in the primary market for such stock or Exchange-Traded Fund Share within a reasonable time after the opening of business, or, in the event that current quotations for any underlying foreign currency are for any reason unavailable, the Lead Market Maker shall report such delay or unavailability to the Regulatory staff and the appropriate steps will be taken to determine the cause for such delay or unavailability. The opening of trading in such option shall be delayed until the underlying stock has opened or until current quotations for the underlying foreign currency become available, as the case may be, unless an Options Exchange Official, determines that the interests of a fair and orderly market are best served by opening trading in such options.

(2) Stock or Exchange-Traded Fund Share Options Trading after 4:00 p.m. With the prior approval of an Options Exchange Official a trading rotation in any class of stock option contracts may be effected even though employment of the rotation will result in the transaction on the Exchange after 4:00 p.m., or 4:15 p.m. for options on Exchange-Traded Fund Shares where the underlying Fund Shares themselves cease trading at 4:15 p.m., provided:

(i) Promptly after trading in the underlying security opens or re-opens, an opening or re-opening rotation in the corresponding options class is commenced; or

(ii) Such rotation was initiated due to unusual market conditions pursuant to this Rule, notice of such rotation is disseminated to the trading floor and the rotation does not commence until five minutes after the notice is disseminated.

(iii) If prior to 4:00 p.m. a trading rotation is in progress and an Options Exchange Official determines that a final trading rotation is needed to assure a fair and orderly market, the rotation in progress shall be halted and such final rotation begun as promptly as possible after 4:00 p.m.

(f) **Index Options Trading after 4:00 P.M.:** With the prior approval of an Options Exchange Official, a trading rotation in any class of index option contracts may be effected even though employment of the rotation will result in the transaction on the Exchange after 4:00 P.M. provided, in addition to Options 4A, Section 18 such rotation was initiated due to unusual market conditions pursuant to this Rule, notice of such rotation is disseminated to the trading floor, and the rotation does not commence until five minutes after the notice is disseminated.

(g) **Business Continuity and Disaster Recovery.** The Exchange may activate its business continuity and disaster recovery plans to maintain fair and orderly markets in the event of a System failure, disaster, or other unusual circumstance that may threaten the ability to conduct business on the Exchange. The following provisions shall apply with respect to the Exchange's Trading Floor:

(1) *Loss of Trading Floor*. If the physical location designated as the "Trading Floor" becomes unavailable, Phlx may enact its Business Continuity Plan ("BCP") and designate the Philadelphia Navy Yard as its "Back-Up Trading Floor." In the alternative, if the physical location designated as the "Trading Floor" becomes unavailable, Phlx may enact a "Virtual Trading Crowd" as provided for in subsection (g)(3).

(2) *Back-up Trading Floor Unavailable*. In the event that the Back-Up Trading Floor becomes inoperable, or the Exchange otherwise determines not to operate its Back-Up Trading Floor the Exchange will operate its electronic market and may elect to enact a Virtual Trading Crowd pursuant to subsection (g)(3).

(3) Virtual Trading Crowd. The Exchange may elect to permit open outcry trading to take place in a Virtual Trading Crowd if the Trading Floor becomes unavailable, the Back-Up Trading Floor becomes inoperable or the Exchange otherwise determines not to operate its Back-Up Trading Floor.

(A) Terms

(i) References in the Rules to the "floor," "trading floor," and "Exchange floor" (and any other terms with the same meaning) will be deemed to refer to the "Virtual Trading Crowd."

(ii) References in the Rules to "physical presence" or "on-floor" or "floor" (and any other terms with the same meaning) will be deemed to refer to "presence" in a Virtual Trading Crowd.

(B) Access. Admission to the Virtual Trading Crowd is limited to members and member organizations, Clerks, Exchange employees, and any other persons the

Exchange authorizes admission to the Virtual Trading Crowd. Every member must join the Virtual Trading Crowd via a computer and either (a) computer audio; (b) cell phone; or (c) hard-wired phone, as determined by Phlx. Every member must be identified within the chat by name in place of a badge requirement. Any unidentified attendee will be removed from the Virtual Trading Crowd.

(1) Consent. Every member in the Virtual Trading Crowd must consent to audio and video recording in order to participate in the Virtual Trading Crowd.

(2) Contact Information. Every member in the Virtual Trading Crowd must provide Market Operations with a contact number where Market Operations will be able to reach them during the trading day. The contact number may not be the same number that is being used to connect to the Virtual Trading Crowd. Members are responsible for maintaining updated contact information.

(3) Zones. The Exchange will determine which options class(es) will be available for trading in a particular "zone." The Exchange may designate 1 or more zones. Multiple classes may trade in a single zone. The Exchange will assign each Floor Market Maker to a zone and Floor Brokers may determine in which zone(s) they will be present.

(C) Equipment. Members and member organizations may use any equipment to access the Virtual Trading Crowd and do not need to register devices they use while in the Virtual Trading Crowd. Notwithstanding Options 8, Section 28(g) and Options 8, Section 30(e), members and member organizations would be permitted remote access to the Options Floor Based Management System ("FBMS") when the Virtual Trading Floor is enacted for the purpose of executing transactions which require exposure in open outcry.

(D) Chats. The Exchange may determine to require any Floor Market Maker or Floor Broker in a Virtual Trading Crowd that attempts to trade against an order represented for execution to express its bid or offer in a chat available in the remote conferencing feature. Chats will be visible to all participants in a zone and will not be permitted directly between individual participants.

(E) Records. The Exchange will retain records of the chats, consents, and any other records related to the Virtual Trading Crowd that are subject to the Exchange's record retention obligations under the Exchange Act.

(F) Trading Rules. If a Virtual Trading Crowd is enacted the Options 8 Rules shall apply to the extent not amended by the below rules.

(1) The following open outcry requirements shall apply:

a. Prior to speaking on remote conferencing, each member must announce themselves each time.

b. If a member experiences a technical issue accessing the remote conferencing, the Exchange will not be responsible for unexecuted trades.

c. Floor Market Maker quotes will be considered firm in the event the Floor Market Maker is disconnected from the Virtual Trading Crowd and the parties have a Meeting of the Minds with respect to the terms of the transaction. A

"Meeting of the Minds" means the contra-side(s) verbally confirmed participation in the trade. In the event that a Floor Market Maker is disconnected from the Virtual Trading Crowd, a Floor Market Maker quote would not be considered firm if the quote were provided and the parties did not have a Meeting of the Minds with respect to the terms of the transaction.

d. A break-out room may be utilized to declare a dispute or otherwise notify an Options Floor Official of any required notifications.

e. Disruptive or unnecessary conversations or comments in the remote conferencing or on chat will not be permitted and will be subject to disciplinary action.

f. A member may not permit any other unauthorized person to gain audio or video access to the Virtual Trading Crowd. A member shall not record any trading sessions

(4) *Other Back-Up Trading Arrangements*. This Rule does not preclude the Exchange from conducting business, in the event the Trading Floor and Back-Up Trading Floor are rendered inoperable, pursuant to Options 4, Section 10.

Adopted: April 16, 2019 (19-17); amended Feb. 3, 2020 (20-03); amended July 29, 2020 (SR-Phlx-2020-38); amended Mar. 11, 2021 (SR-Phlx-2021-03); amended Nov. 9, 2023 (SR-Phlx-2023-48), operative Dec. 9, 2023.

Section 27. Quoting Obligations and Required Transactions

(a) *No Continuous Electronic Quoting Obligation*. A Floor Market Maker will not be obligated to quote electronically in any designated percentage of series.

(b) *Continuous Open Outcry Quoting Obligation:* In response to any request for quote by a Floor Broker, Lead Market Maker, Options Exchange Official, or other ROT (including an SQT), Floor Market Makers must provide a two-sided market complying with the quote spread parameter requirements contained in paragraph (c)(1) below (in the case of equity options and U.S. dollar-settled FCOs). Such Floor Market Maker shall provide such quotations with a size of not less than 10 contracts.

(c) *In Classes of Option Contracts to Which Assigned—Affirmative Obligations*. With respect to classes of option contracts to which his assignment extends, a Lead Market Maker and an ROT, whenever the ROT (except an RSQT) enters the trading crowd in other than a floor brokerage capacity or is called upon by an Options Exchange Official or a Floor Broker, to make a market, are expected to engage, to a reasonable degree under the existing circumstances, in dealing for his own account when there exists, or it is reasonably anticipated that there will exist, a lack of price continuity, a temporary disparity between the supply of and demand for a particular option contract, or a temporary distortion of the price relationships between option contracts of the same class. Without limiting the foregoing, a Lead Market Maker and an ROT is expected to perform the following activities in the course of maintaining a fair and orderly market:

(1) *Options on Equities (including Exchange-Traded Fund Shares), Index Options, and U.S. dollar-settled Foreign Currency Options*.

(A) *Quote Spread Parameters (Bid/Ask Differentials)—*

(i) Options on equities (including Exchange-Traded Fund Shares) and index options bidding and/or offering so as to create differences of no more than $.25 between the bid and the offer for each option contract for which the prevailing bid is less than $2; no more than $.40 where the prevailing bid is $2 or more but less than $5; no more than $.50 where the prevailing bid is $5 or more but less than $10; no more than $.80 where the prevailing bid is $10 or more but less than $20; and no more than $1 where the prevailing bid is $20 or more, provided that, the bid/ask differentials stated above shall not apply to in-the-money series where the market for the underlying security is wider than the differentials set forth above. For such series, the bid/ask differentials may be as wide as the spread between the national best bid and offer in the underlying security, 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.

(ii) Options on U.S. dollar-settled FCO. With respect to all U.S. dollar-settled FCO bidding and/or offering so as to create differences of no more than $.25 between the bid and the offer for each option contract for which the prevailing bid is less than $2.00; no more than $.40 where the prevailing bid is $2.00 or more but less than $5.00; no more than $.50 where the prevailing bid is $5.00 or more but less than $10.00; no more than $.80 where the prevailing bid is $10.00 or more but less than $20.00; and no more than $1.00 where the prevailing bid is $20.00 or more, provided that the bid/ask differentials stated above shall not apply to in-the-money series where the market for the underlying security is wider than the differentials set forth above. For such series, the bid/ask differentials may be as wide as the spread between the national best bid and offer in the underlying security, 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.

(d) *In Classes of Option Contracts Other Than Those Which Appointed*. With respect to classes of option contracts other than those to which his appointment extends, an ROT (other than an RSQT), whenever he enters the trading crowd in other than a floor brokerage capacity or is called upon by an Options Exchange Official or a floor broker to make a market, shall undertake the obligations specified in paragraph (c) of this Rule. Furthermore, an ROT should not:

(1) Effect purchases or sales on the Trading Floor of the Exchange except in a reasonable and orderly manner.

(e) Except in accordance with paragraphs (c) and (d), no ROT shall:

(1) initiate an Exchange options transaction while on the Trading Floor for any account in which he has an interest and execute as Floor Broker an off-floor order in options on the same underlying interest during the same trading session, or

(2) retain priority over an off-floor order while establishing or increasing a position for an account in which he has an interest while on the Trading Floor of the Exchange.

(f) A Floor Market Maker is required to trade either (a) 1,000 contracts and 300 transactions, or (b) 10,000 contracts and 100 transactions, on the Exchange each quarter. Transactions executed in the trading crowd where the contra-side is an ROT are not included.

(1) In addition, in order for an ROT (other than an RSQT or a Remote Lead Market Maker) to receive Lead Market Maker margin treatment for off-floor orders in any calendar quarter, the ROT must execute the greater of 1,000 contracts or 80% of his total contracts that quarter in person (not through the use of orders, except that non-streaming Floor Market Makers can use orders entered in person) and 75% of his total contracts that quarter in assigned options. Transactions executed in the trading crowd where the contra-side is an ROT are not included.

Adopted: April 16, 2019 (19-17); amended Sept. 10, 2019 (19-33); amended Feb. 3, 2020 (20-03).

Section 28. Responsibilities of Floor Brokers

(a) *General Responsibility*. A Floor Broker handling an order is to use due diligence to cause the order to be executed at the best price or prices available to him in accordance with the Rules of the Exchange. An Options Floor Broker shall ascertain that at least one Floor Market Maker is present at the trading post prior to representing an order for execution. This paragraph (a) shall not apply to a Floor Broker in any foreign currency option if no Floor Market Maker registered in such foreign currency option is present on the Exchange's trading floor at that time.

(b) *Contingency order*. An Options Floor Broker handling a contingency order that is dependent upon the price of the underlying security shall be responsible for satisfying the dependency requirement on the basis of the last reported price of the underlying security in the primary market that is generally available on the Options Floor at any given time. Unless mutually agreed by the members involved, an execution or non-execution that results shall not be altered by the fact that such reported price is subsequently found to have been erroneous.

(c) *Combination orders at the opening or close*. A Floor Broker shall not be held responsible for the execution of a single order combining different series of options based upon transaction prices that are established at the opening or close of trading or during any trading rotation.

(d) *Orders for Floor Market Makers*. An Options Floor Broker must inform the crowd when he is representing an order for a Floor Market Maker and must comply with Options 8, Section 25 (d)(1), (h), (i) and (j).

(e)(1) *Options Floor Based Management System*. In order to create an electronic audit trail for equity, equity index and U.S. dollar-settled foreign currency options orders represented by Floor Brokers on the Exchange's Options Floor, a Floor Broker or such Floor Broker's employees shall, contemporaneously upon receipt of an order and prior to the representation of such an order in the trading crowd, record all options orders represented by such Floor Broker onto the electronic Options Floor Based Management System ("FBMS") (as described in Options 3, Section 7(a)(i)(C)). The following specific information with respect to orders represented by a Floor Broker shall be recorded by such Floor Broker or such Floor Broker's employees: (i) the order type (i.e., Public Customer, firm, broker-dealer, Professional) and order receipt time; (ii) the option symbol; (iii) buy, sell, cross or cancel; (iv) call, put, complex (i.e., spread, straddle), or contingency order as described in Option 8, Section 32; (v) number of contracts; (vi) limit price or market order or, in the case of a multi-leg order, net debit or credit, if applicable; (vii) whether

the transaction is to open or close a position; and (viii) The Options Clearing Corporation ("OCC") clearing number of the broker-dealer that submitted the order (collectively, the "required information"). A Floor Broker must enter complete alpha/numeric identification assigned by the Exchange for all orders entered on behalf of Exchange Registered Option Traders. Any additional information with respect to the order shall be inputted into the Options Floor Based Management System contemporaneously upon receipt, which may occur after the representation and execution of the order. In the event of a malfunction in the Options Floor Based Management System, Floor Brokers shall record the required information on trade tickets, and shall not represent an order for execution which has not been time stamped with the time of entry on the trading floor. Such trade tickets also shall be time stamped upon the execution of such an order. Floor Brokers or their employees shall ensure the required information that is recorded on such trade tickets is entered into the Exchange's electronic trading system by DETs for inclusion in the electronic audit trail.

(2) Pursuant to Options 8, Section 22, Floor Brokers are not permitted to execute orders in the Exchange's options trading crowd (subject to certain exceptions). In the event that Floor Brokers execute orders in the Exchange's options trading crowd pursuant to Options 8, Section 22(a)(2), Floor Brokers shall record the required information on trade tickets, and shall not represent an order for execution which has not been time stamped with the time of entry on the trading floor. Such trade tickets also shall be time stamped upon the execution of such an order. Floor Brokers or their employees shall ensure the required information that is recorded on such trade tickets is entered into the Exchange's electronic trading system by DETs for inclusion in the electronic audit trail.

(3) Complex Calculator. The FBMS will calculate and display a suggested price of each individual component of a multi-leg order up to 15 legs submitted on a net debit or credit basis.

(4) Execution. FBMS is designed to execute two-sided orders entered by Floor Brokers, including multi-leg orders up to 15 legs, after representation in the trading crowd. When a Floor Broker submits an order for execution through FBMS, the order will be executed based on market conditions at the time of execution and in accordance with Exchange rules. FBMS execution functionality will assist the Floor Broker in clearing the Exchange book, consistent with Exchange priority rules. If the order cannot be executed, the System will attempt to execute the order a number of times for a period of no more than one second, which period shall be established by the Exchange and announced by Options Trader Alert, after which it will be returned to the Floor Broker on the FBMS. The Floor Broker may resubmit the order for execution, as long as the quotes/orders that comprise the cross have not been withdrawn. Floor Brokers are responsible for handling all FBMS orders in accordance with Exchange priority and trade-through rules, including Options 8, Sections 24 and 25 and Options 5, Section 2.

(5) Snapshot Feature. The Snapshot feature of FBMS may be utilized by Floor Brokers as set forth sub-paragraph (i) below.

(f) Floor Brokers or their employees shall enter the required information (as described in paragraph (e) above) for FLEX options.

(g) A Floor Broker who wishes to place a limit, market or stop order on the electronic order book must submit such a limit, market or stop order electronically through the Options Floor Based Management System. A Floor Broker does not have to be present on the Exchange’s Trading Floor to submit a limit, market or stop order to the electronic order book. A Floor Broker may

remotely submit a limit, market or stop order electronically to the electronic order book through the Options Floor Based Management System.

(h) Floor Brokers must make reasonable efforts to ascertain whether each order entrusted to them is for the account of a Public Customer or a broker-dealer. If it is ascertained that the order is for the account of a broker-dealer, the responsible Floor Broker must advise the crowd of that fact prior to bidding/offering on behalf of the order or submitting the order for execution. The Floor Broker or his employees must make the appropriate notation on the Options Floor Based Management System when it has been determined that the order is for an account of a broker/dealer.

(i) The Snapshot feature of FBMS records the market prevailing at the time the Snapshot is triggered. It records all information required to determine compliance with priority and trade-through requirements, including the following: (1) Away Best Bid and Offer; (2) the Exchange Best Bid and Offer; (3) Public Customer orders at the top of the Exchange book; and (4) the best bid and offer of all-or-none orders.

(1) Availability.

(A) A member is permitted to trigger the Snapshot feature only at the time he or she provisionally executes a trade in the trading crowd. For purposes of this provision, provisional execution occurs when either: (1) the participants to a trade reach a verbal agreement in the trading crowd as to the terms of the trade; or (2) a member announces that he is crossing an order in accordance with Options 8, Section 30(a).

(B) A member is prohibited from triggering the Snapshot feature for the purpose of obtaining favorable priority or trade-through conditions or avoiding unfavorable priority or trade-through conditions.

(C) A member may have only one Snapshot outstanding across all options classes and series at a given time.

(D) Surveillance Staff will monitor and enforce proper usage of the Snapshot feature on a post-trade basis.

(2) Snapshot Timer. After triggering the Snapshot feature, the member will have no more than 30 seconds to submit the provisionally executed trade along with the Snapshot into the System. The Snapshot will automatically become unavailable and expire if the member fails to submit a provisionally executed trade along with the Snapshot within 30 seconds after triggering the Snapshot.

(3) Verification. After the member submits the provisionally executed trade along with the Snapshot, the System then determines whether the terms of the provisionally executed trade submitted by the member is consistent with applicable priority and trade-through rules based on the market prevailing at the time of the Snapshot.

(A) If the provisionally executed trade submitted with the Snapshot is consistent with the applicable priority and trade-through rules based on the market prevailing at the time of the Snapshot, the System w-ill report the trade to the Consolidated Tape.

(B) If the provisionally executed trade is not consistent with the applicable priority and trade-through rules based on the market prevailing at the time of the Snapshot, the System will reject the trade.

(C) If an order exists on the Exchange's limit order book that has priority at the time when a member seeks to take a Snapshot, the System will not prevent the member from taking a Snapshot, but the member must clear the order on the book, re-announce and provisionally re-execute the trade, and take a new Snapshot before submitting the provisionally executed trade to the System or else the System will reject the trade upon submission.

(4) Taking a New Snapshot

(A) A member may take a new Snapshot and trigger a new 30-second timer provided that the member first re-announces and provisionally re-executes the trade in the crowd, as described in paragraphs (1) through (3) above, if: (i) the Snapshot expired before the member submitted a provisional execution to the Trading System; (ii) the Trading System rejected a provisional execution that is subject to a Snapshot; or (iii) the member affirmatively canceled a Snapshot or permitted it to expire in anticipation of the Trading System rejecting the provisional execution that is subject to it.

Adopted: April 16, 2019 (19-17); amended Sept. 10, 2019 (19-33); amended Feb. 3, 2020 (20-03); amended April 16, 2020 (20-22); amended January 4, 2021 (SR-Phlx-2021-02), operative February 3, 2021; amended July 13, 2021 (SR-Phlx-2021-41), operative August 12, 2021; amended December 23, 2021 (SR-Phlx-2021-76); amended Nov. 9, 2023 (SR-Phlx-2023-48), operative Dec. 9, 2023.

Section 29. Use of Floor Based Management System by Floor Market Makers and Lead Market Makers

(a) *Options Floor Based Management System*. In order to create an electronic audit trail for equity, equity index and U.S. dollar-settled foreign currency options orders negotiated by Floor Market Makers and Lead Market Makers on the Exchange's Options Floor, a Floor Market Maker, a Lead Market Maker, or their respective employees shall, prior to the negotiation of such an order in the trading crowd, record all options orders negotiated by such Floor Market Maker or Lead Market Maker onto the electronic Options Floor Based Management System ("FBMS") (as described in Options 3, Section 10(a)(i)(C))). The following specific information with respect to orders negotiated by a Floor Market Maker or Lead Market Maker shall be recorded by such Floor Market Maker, Lead Market Maker, or their respective employees: (i) the order type (i.e., market maker) and order receipt time; (ii) the option symbol; (iii) buy, sell, cross or cancel; (iv) call, put, complex (i.e., spread, straddle) or contingency order as described in Options 8, Section 32; (v) number of contracts; (vi) limit price or Market Order or, in the case of a multi-leg order, net debit or credit, if applicable; and (vii) whether the transaction is to open or close a position, as applicable (collectively, the "required information"). A Floor Market Maker or Lead Market Maker must enter complete alpha/numeric identification assigned by the Exchange for all orders entered. Any additional information with respect to the order shall be inputted into the Options Floor Based Management System contemporaneously upon receipt, which may occur after the negotiation and execution of the order. In the event of a malfunction in the Options Floor Based Management System, a Floor Market Maker or Lead Market Maker shall record the required information on trade tickets, and shall not negotiate an order for execution which has not been time stamped with the time of entry on the trading floor. Such trade tickets also shall be time stamped upon the execution of such an order. Floor Market Makers, Lead Market Makers, or their employees shall ensure the required information that is recorded on such trade tickets is

entered into the Exchange's electronic trading system by DETs for inclusion in the electronic audit trail.

(b) Pursuant to Options 8, Section 22(a), Floor Market Makers and Lead Market Makers are not permitted to execute orders in the Exchange's options trading crowd (subject to certain exceptions). In the event that Floor Market Makers or Lead Market Makers execute orders in the Exchange's options trading crowd pursuant to Options 8, Section 22(a)(2), Floor Market Makers or Lead Market Makers shall record the required information on trade tickets, and shall not negotiate an order for execution which has not been time stamped with the time of entry on the trading floor. Such trade tickets also shall be time stamped upon the execution of such an order. Floor Market Makers, Lead Market Makers, or their employees shall ensure the required information that is recorded on such trade tickets is entered into the Exchange's electronic trading system by DETs for inclusion in the electronic audit trail.

(c) Complex Calculator. The FBMS will calculate and display a suggested price of each individual component of a multi-leg order up to 15 legs submitted on a net debit or credit basis.

(d) Execution. FBMS is designed to execute orders entered by Floor Market Makers or Lead Market Makers, including multi-leg orders up to 15 legs, after negotiation in the trading crowd. When a Floor Market Maker or Lead Market Maker submits an order for execution through FBMS, the order will be executed based on market conditions at the time of execution and in accordance with Exchange rules. FBMS execution functionality will assist the Market Maker or Lead Market Maker in clearing the Exchange book, consistent with Exchange priority rules. If the order cannot be executed, the System will attempt to execute the order a number of times for a period of no more than one second, which period shall be established by the Exchange and announced in an Options Trader Alert, after which it will be returned to the Floor Market Maker or Lead Market Maker on the FBMS. The Floor Market Maker or Lead Market Maker may resubmit the order for execution, as long as the quotes that comprise the order have not been withdrawn. Floor Market Makers and Lead Market Makers are responsible for handling all FBMS orders in accordance with Exchange priority and trade-through rules, including Options 5, Section 2, Options 8, Section 27, and Options 8, Section 33.

(e) Snapshot Feature. The Snapshot feature of FBMS may be utilized by Floor Market Makers and Lead Market Makers as set forth in Options 8, Section 28(i).

(f) Floor Market Makers, Lead Market Makers or their employees shall enter the required information (as described in paragraph (a) above) for FLEX options.

(g) A Floor Market Maker or Lead Market Maker who wishes to place a limit order on the limit order book must submit such a limit order electronically through the Options Floor Based Management System.

Adopted: April 16, 2019 (19-17); amended Feb. 3, 2020 (20-03); amended December 23, 2021 (SR-Phlx-2021-76); amended Nov. 9, 2023 (SR-Phlx-2023-48), operative Dec. 9, 2023.

Section 30. Crossing, Facilitation and Solicited Orders

(a) *Crossing*. Except as provided in paragraph (e) below, an Options Floor Broker who holds orders to buy and sell the same option series may cross such orders, provided that he proceeds in the following manner:

(1) In accordance with his responsibilities for due diligence, pursuant to Options 8, Section 18, an Options Floor Broker shall request bids and offers for such options series and make all persons in the trading crowd aware of his request.

(2) After providing an opportunity for such bids and offers to be made, he must bid and offer at prices differing by the minimum increment and must improve the market by bidding above the highest bid or offering below the lowest offer.

(3) If such higher bid or lower offer is not taken, he may cross the orders at such higher bid or lower offer by announcing by public outcry that he is crossing and giving the quantity and price. All such orders are not deemed executed until entered into and executed through the Options Floor Based Management System ("FBMS"), except for where there is a provisional execution using the Snapshot feature of FBMS (as described in Options 8, Section 28(i); bids and offers can be withdrawn pursuant to Options 8, Section 22(c).

(4) A Floor Broker crossing a Public Customer order with an order that is not a Public Customer order, when providing for a reasonable opportunity for the trading crowd to participate in the transaction, shall disclose the Public Customer order that is subject to crossing prior to the execution of the order.

(b) *Facilitation Orders*. Except as provided in paragraph (e) below, a Floor Broker holding an options order for a Public Customer and a contra-side order may cross such orders in accordance with paragraph (a) above or may execute such orders as a facilitation cross in the following manner:

(1) The Floor Broker or his employees must enter the appropriate notation onto the Options Floor Based Management System for the Public Customer's order, together with all of the terms of the order, including any contingency involving other options or the underlying or related securities.

(2) The Floor Broker shall request markets for the execution of all options components of the order. After providing an opportunity for such markets to be made, the Floor Broker shall announce that he holds an order subject to facilitation and shall bid (or offer) in between the market for each options component and disclose all terms and conditions of the order including all securities which are components of the order.

(3) After all market participants in the crowd are given a reasonable opportunity to accept all terms and conditions made on behalf of the Public Customer whose order is subject to facilitation, the Floor Broker may immediately thereafter cross all or any remaining part of such order and the facilitation order at each Public Customer's bid or offer by announcing by public outcry that he is crossing and by stating the quantity and price(s). All such orders are not deemed executed until entered into and executed through the Options Floor Based Management System ("FBMS"); bids and offers can be withdrawn pursuant to Options 8, Section 22(c).

Once a Floor Broker has announced an order as subject to facilitation and has established a bid (or offer) in between the market for the option(s) to be facilitated, the order cannot be broken up by a subsequent superior bid or offer for just one component to the facilitated order.

(c) *Solicited Orders*. Except as provided in paragraph (e) below, for the purpose of this Rule, a solicitation occurs whenever an order, other than a cross, is presented for execution in the trading crowd resulting from an away-from-the-crowd expression of interests to trade by one broker dealer to another.

(1) If a member appears in the trading crowd in response to a solicitation, other trading crowd participants must be given a reasonable opportunity to respond to the order which prompted the solicitation before the solicited member may respond to the order. Prior to a bid (or offer) being made on behalf of any such order the solicitor or his representative must identify the solicited party to the trading crowd and give all information to the trading crowd which was given to the solicited member.

(2) A member or member organization representing an order in options ("originating order") may solicit another member, member organization or nonmember broker-dealer outside the trading crowd ("solicited party") to participate in the transaction on a proprietary basis provided that the member or member organization representing the originating order, upon entering the trading crowd must:

(A) announce to the trading crowd the same terms of the originating order that have been disclosed to the solicited party;

(B) bid at the price he/she is prepared to buy from the solicited party or offer at the solicited price he/she is prepared to sell to the solicited party; and

(C) give the trading crowd a reasonable opportunity to accept the bid or offer. All such orders are not deemed executed until entered into and executed through the Options Floor Based Management System ("FBMS"); bids and offers can be withdrawn pursuant to Options 8, Section 22(c).

(3) The Floor Broker or his employees must note on the Options Floor Based Management System that the trade involves a solicited order. The members of the trading crowd shall have priority over the solicited party order.

(d) *Anticipatory Hedging*. No member organization or person associated with a member or member organization who has knowledge of the material terms and conditions of a solicited order, an order being facilitated, or orders being crossed, the execution of which are imminent, shall enter, based on such knowledge, an order to buy or sell an option for the same underlying security; an order to buy or sell the security underlying such class; or an order to buy or sell any related instrument until (1) or (2) occur:

(1) the terms and conditions of the order and any changes in the terms of the order of which the member, member organization or person associated with a member or member organization has knowledge are disclosed to the trading crowd, or

(2) the trade can no longer reasonably be considered imminent in view of the passage of time since the order was received. For purposes of this Rule, an order to buy or sell a "related instrument" means, in reference to an index option, an order to buy or sell securities comprising 10% or more of the component securities in the index or an order to buy or sell a futures contract on an economically equivalent index.

(3) Furthermore, paragraph (d) does not prohibit a member or member organization from buying or selling a stock, security futures or futures position following receipt of an

option order, including a complex order, but prior to announcing such order to the trading crowd, provided that:

(A) the option order is in a class designated as eligible for "tied hedge" transactions (as described below) as determined by the Exchange and is within the designated tied hedge eligibility size parameters, which parameters shall be determined by the Exchange and may not be smaller than 500 contracts per order, except that options on the Nasdaq 100® Index including options with nonstandard expiration dates ("NDX" and "NDXP") may not be smaller than 50 contracts per order (there shall be no aggregation of multiple orders to satisfy the size parameter);

(B) such member or member organization shall create an electronic record that it is engaging in a tied hedge transaction in a form and manner prescribed by the Exchange;

(C) such hedging position is:

(i) comprised of a position designated as eligible for a tied hedge transaction as determined by the Exchange and may include the same underlying stock applicable to the option order, a security future overlying the same stock applicable to the option order or, in reference to an index, ETF or HOLDR option, a related instrument. A "related instrument" means, in reference to an index option, securities comprising ten percent or more of the component securities in the index or a futures contract on any economically equivalent index applicable to the option order. A "related instrument" means, in reference to an ETF or HOLDR option, a futures contract on any economically equivalent index applicable to the ETF or HOLDR underlying the option order;

(ii) brought without undue delay to the trading crowd and announced concurrently with the option order;

(iii) offered to the trading crowd in its entirety; and

(iv) offered, at the execution price received by the member or member organization introducing the option, to any in-crowd market participant who has established parity or priority for the related options;

(D) the hedging position does not exceed the option order on a delta basis;

(E) all tied hedge transactions (regardless of whether the option order is a simple or complex order) are treated the same as complex orders for purposes of the Exchange's open outcry allocation and reporting procedures. Tied hedge transactions are subject to the existing NBBO trade-through requirements for options and stock, as applicable, and may qualify for various exceptions; however, when the option order is a simple order the execution of the option leg of a tied hedge transaction does not qualify it for any NBBO trade-through exception for a Complex Trade;

(F) in-crowd market participants that participate in the option transaction must also participate in the hedging position and may not prevent the option transaction

from occurring by giving a competing bid or offer for one component of such order; and

(G) prior to entering tied hedge orders on behalf of Public Customers, the member or member organization must deliver to the Public Customer a written notification informing the Public Customer that his order may be executed using the Exchange's tied hedge procedures. The written notification must disclose the terms and conditions contained herein and be in a form approved by the Exchange. A combination option and hedging position offered in reliance on this provision shall be referred to as a "tied hedge" order.

(H) if at the time a tied hedge transaction is executed, market conditions in any non-Phlx market(s) prevent the execution of the non-options leg(s) at the price(s) agreed upon, the trade representing the options leg(s) of the tied hedge transaction may be cancelled at the request of any member that is a party to the trade.

(I) All such orders are not deemed executed until entered into and executed by the Options Floor Based Management System ("FBMS"); bids and offers can be withdrawn pursuant to Options 8, Section 22(c).

(e) *Floor Qualified Contingent Cross*. A Floor Qualified Contingent Cross Order shall be transacted as specified in Options 3, Section 12(c) and (d).

(1) Floor Qualified Contingent Cross Orders shall be submitted into the System by Floor Brokers on the Floor or remotely via the Options Floor Based Management System. A Floor Broker does not have to be present on the Exchange's Trading Floor to submit a Floor Qualified Contingent Cross Order to the System. A Floor Broker may remotely submit a Floor Qualified Contingent Cross Order to the System through the Options Floor Based Management System.

(2) Options Floor Brokers shall not enter Floor Qualified Contingent Cross Orders for their own account, the account of an associated person, or an account with respect to which it or an associated person thereof exercises investment discretion. Options Floor Brokers must maintain books and records demonstrating that each Floor Qualified Contingent Cross Order was not entered for a prohibited account. Any Floor Qualified Contingent Cross Order that does not have a corresponding record required by this subsection shall be deemed to have been entered for a prohibited account in violation of this Rule.

(3) The term "qualified contingent trade" shall have the same meaning set forth in Supplementary Material .01 to Options 3, Section 7.

(f) *Customer Cross Orders.* Customer Cross Orders are automatically executed upon entry provided that the execution is at or between the best bid and offer on the Exchange and (i) is not at the same price as a Public Customer Order on the Exchange's limit order book and (ii) will not trade through the NBBO.

(1) Customer Cross Orders will be automatically canceled if they cannot be executed.

(2) Customer Cross Orders may only be entered in the regular trading increments applicable to the options class under Options 3, Section 3.

(3) Options 3, Section 22(b)(1) applies to the entry and execution of Customer Cross Orders.

(g) *Complex Customer Cross Orders*. Complex Orders may be entered as Customer Cross Orders, as defined in Options 8, Section 32(g). Such orders will be automatically executed upon entry so long as: (i) the price of the transaction is at or within the best bid and offer for the same complex strategy on the Complex Order Book; (ii) there are no Public Customer Complex Orders for the same strategy at the same price on the Complex Order Book; and (iii) the options legs can be executed at prices that comply with the provisions of Options 3, Section 14(c)(2). Only Complex Customer Cross Orders with a conforming ratio as defined in Options 1, Section 1(b)(13) will be accepted. Complex Customer Cross Orders will be rejected if they cannot be executed. Options 8, Section 22(b)(1) applies to Complex Customer Cross Orders.

(1) Floor Brokers may only submit Complex Customer Cross Orders with a stock/ETF component if such orders comply with the Qualified Contingent Trade Exemption from Rule 611(a) of Regulation NMS. Floor Brokers submitting such orders with a stock/ETF component represent that such orders comply with the Qualified Contingent Trade Exemption. Members of FINRA or The Nasdaq Stock Market ("Nasdaq") are required to have a Uniform Service Bureau/Executing Broker Agreement ("AGU") with Nasdaq Execution Services, LLC ("NES") in order to trade orders containing a stock/ETF component; firms that are not members of FINRA or Nasdaq are required to have a Qualified Special Representative ("QSR") arrangement with NES in order to trade orders containing a stock/ETF component.

(2) Where one component of a Complex Customer Cross Order is the underlying security, the Exchange shall electronically communicate the underlying security component of a Complex Customer Cross Order to NES, its designated broker-dealer, for immediate execution. Such execution and reporting will not occur on the Exchange and will be handled by NES pursuant to applicable rules regarding equity trading. The execution price must be within a certain price from the current market, as determined by the Exchange. If the stock price is not within these parameters, the Complex Customer Cross Order is not executable.

(3) When the short sale price test in Rule 201 of Regulation SHO is triggered for a covered security, NES will not execute a short sale order in the underlying covered security component of a Complex Customer Cross Order if the price is equal to or below the current national best bid. However, NES will execute a short sale order in the underlying covered security component of a Complex Customer Cross Order if such order is marked "short exempt," regardless of whether it is at a price that is equal to or below the current national best bid. If NES cannot execute the underlying covered security component of a Complex Customer Cross Order in accordance with Rule 201 of Regulation SHO, the Exchange will cancel back the Complex Customer Cross Order to the entering Member. For purposes of this paragraph, the term "covered security" shall have the same meaning as in Rule 201(a)(1) of Regulation SHO.

Supplementary Material to Options 8, Section 30:

.01 A violation of this Rule may be considered conduct inconsistent with just and equitable principles of trade.

.02 *Firm Participation Guarantees*. (i) Notwithstanding the provisions of paragraphs (a) and (b) of this Rule, when a Floor Broker holds an equity, index or U.S. dollar-settled foreign currency option order of the eligible order size or greater ("original order"), the Floor Broker is entitled to cross a certain percentage of the original order with other orders that he is holding or in the case of a Public Customer order, with a facilitation order of the originating firm (i.e., the firm from which the original Public Customer order originated).

(ii) The Exchange may determine, on an option by option basis, the eligible size for an order that may be transacted pursuant to this Supplementary Material, however, the eligible order size may not be less than 50 contracts. Orders for less than 50 contracts may be crossed pursuant to this Rule but are not subject to subsection (iii) below pertaining to participation guarantees. In accordance with his responsibilities for due diligence, a Floor Broker representing an order of the eligible order size or greater which he wishes to cross shall request bids and offers for such option series and make all persons in the trading crowd aware of his request. In determining whether an order satisfies the eligible order size requirement, any multi-part or spread order must contain one leg alone which is for the eligible order size or greater. If the same member organization is the originating firm and also the Lead Market Maker for the particular class of options to which the order relates, then the Lead Market Maker is not entitled to any Enhanced Lead Market Maker Participation with respect to the particular cross transaction.

(iii) The percentage of the order which a Floor Broker is entitled to cross in equity, index and U.S dollar settled foreign currency options, after all Public Customer orders that were (1) on the limit order book and then (2) represented in the trading crowd at the time the market was established have been satisfied, is 40% of the remaining contracts in the order if the order is traded at or between the best bid or offer given by the crowd in response to the Floor Broker's initial request for a market.

(iv) When crossing an order pursuant to this Supplementary Material, a Floor Broker must disclose on its order ticket for any order which is subject to crossing, all of the terms of such order, including any contingency involving, and all related transactions in, either options or, in the case of equity or index options, underlying or related securities. The Floor Broker, in the case of equity or index options, must disclose all securities that are components of the Public Customer order which is subject to crossing before requesting bids and offers for the execution of all components of the order.

(v) Once the trading crowd has provided a quote, it will remain in effect until: (A) a reasonable amount of time has passed, or (B) there is a significant change in the price of the underlying security, or (C) the market given in response to the request has been improved. In the case of a dispute, the term "significant change" will be interpreted on a case-by-case basis by an Options Exchange Official based upon the extent of the recent trading in the option and, in the case of equity and index options, in the underlying security, and any other relevant factors.

(vi) If a trade pursuant to this Supplementary Material occurs when the Lead Market Maker is on parity with one or more controlled accounts, then the Enhanced Lead Market Maker Participation which is established pursuant to Options 8, Section 25(b) shall apply only to the number of

contracts remaining after the following orders have been satisfied: those Public Customer orders which trade ahead of the cross transaction, and any portion of an order being crossed against the original order being represented by the Floor Broker.

(A) The Lead Market Maker shall not be entitled to receive the Enhanced Lead Market Maker Participation in equity, index and U.S dollar settled foreign currency options after Public Customer orders have been executed for orders crossed pursuant to this paragraph (vi) unless the Floor Broker has chosen to cross less than its 40% entitlement, in which case the Enhanced Lead Market Maker Participation will be a percentage that combined with the percentage the firm crossed is no more than 40% of the original order.

If the trade occurs at a price other than the Lead Market Maker 's disseminated bid or offer, the Lead Market Maker is entitled to no guaranteed participation.

(vii) The members of the trading crowd who established the market will have priority over all other orders that were not represented in the trading crowd at the time that the market was established (but not over Public Customer orders on the book) and will maintain priority over such orders except for orders that improve upon the market. A Floor Broker who is holding a Public Customer order and either a facilitation or solicited order and who makes a request for a market will be deemed to be representing both the Public Customer order and either the facilitation order or solicited order, so that the Public Customer order and the facilitation order or solicited order will also have priority over all other orders that were not being represented in the trading crowd at the time the market was established.

(viii) Nothing in this paragraph is intended to prohibit a Floor Broker or a Lead Market Maker from trading more than their percentage entitlements if the other members of the trading crowd do not choose to trade the remaining portion of the order.

(ix) A Floor Broker may not cross an order that he is holding with an order from a Floor Market Maker that is then in the trading crowd.

(x) Spread, straddle, combination or hedge orders, as defined in Options 8, Section 32, on opposite sides of the market may be crossed, provided that the Floor Broker holding such orders proceeds in the manner described in paragraphs (a) or (b) of this Rule as appropriate. Members may not prevent a spread, straddle, stock-option, or combination cross from being completed by giving a competing bid or offer for one component of such order. In determining whether an order satisfies the eligible order size requirement, any multi-part or spread order must contain one leg which, standing alone, is for the eligible order size or greater.

Adopted: April 16, 2019 (19-17); amended Sept. 10, 2019 (19-33); amended Feb. 3, 2020 (20-03); amended Mar. 5, 2020 (20-08), operative April 4, 2020; amended January 4, 2021 (SR-Phlx-2021-02), operative February 3, 2021; amended March 24, 2021 (SR-Phlx-2021-14), operative April 23, 2021; amended Jul. 29, 2022 (SR-Phlx-2022-22), operative Aug. 1, 2022; amended Nov. 9, 2023 (SR-Phlx-2023-48), operative Dec. 9, 2023; amended Aug. 3, 2023 (SR-Phlx-2023-34), operative Jan. 29, 2024; amended Feb. 20, 2025 (SR-Phlx-2025-10); amended Aug. 5, 2025 (SR-Phlx-2025-35), operative Nov. 8, 2025; amended Aug. 14, 2025 (SR-Phlx-2025-39), operative Dec. 8, 2025.

Section 31. Discretionary Transactions

(a) No Floor Broker shall execute or cause to be executed any order or orders on this Exchange with respect to which such Floor Broker is vested with discretion as to: (i) the choice of the class

of options to be bought or sold, (ii) the number of contracts to be bought or sold, or (iii) whether any such transaction shall be one of purchase or sale. However, the provisions of this Rule shall not apply to any discretionary transaction executed by a Floor Market Maker for an account in which he has an interest.

(b) No Options Floor Broker shall hold a "not held" Market Order to buy and a "not held" Market Order to sell (or orders which have the effect of such "not held" Market Order to buy and to sell) the same series of options for the same account or for accounts of the same beneficial owner. Also no Floor Broker shall leg a combination order for a Floor Market Maker or accept opening or discretionary orders for a Floor Market Maker who is associated with the same member organization as such Floor Broker or who is associated with another member organization affiliated with the same member organization as such Floor Broker. Holding or accepting such orders can be interpreted as allowing the Floor Broker discretion respecting whether to purchase or sell such options.

(c) An Options Floor Broker may not exercise any discretion with respect to the order of a ROT or the order of an options market marker registered on another exchange.

Adopted: April 16, 2019 (19-17); amended Feb. 3, 2020 (20-03).

Section 32. Types of Floor-Based (Non-System) Orders

The Exchange may determine to make certain order types and time-in-force, respectively, available on a class or System basis.

(a) These order types are eligible for entry by a member for execution through the Options Floor Based Management System ("FBMS").

(1) **Market Order**. A Market Order is an order to buy or sell a stated number of option contracts and is to be executed at the best price obtainable when the order reaches the post.

(2) **Limit Order**. A Limit Order is an order to buy or sell a stated number of option contracts at a specified price, or better.

(3) **Complex Options Strategy**. A Complex Options Strategy is as described in Options 3, Section 14(a)(1).

(4) **Stock-Option Strategy**. A Stock-Option Strategy is as described in Options 3, Section 14(a)(2).

(5) **Stock-Complex Strategy**. A Stock-Complex Strategy is as described in Options 3, Section 14(a)(3).

(6) **Contingency Order**. A contingency order is a Limit or Market Order to buy or sell that is contingent upon a condition being satisfied while the order is at the post.

(i) **Stop-Limit Order**. A Stop-Limit Order is a contingency order to buy or sell at a limited price when a trade or quote on the Exchange for a particular option contract reaches a specified price. A Stop-Limit Order to buy becomes a Limit Order executable at the limit price or better when the option contract trades or is bid on the Exchange at or above the stop-limit price. A Stop-Limit Order to sell becomes a Limit Order executable

at the limit price or better when the option contract trades or is offered on the Exchange at or below the stop-limit price.

(ii) **Stop (stop-loss) Order**. A Stop Order is a contingency order to buy or sell when a trade or quote on the Exchange for a particular option contract reaches a specified price. A Stop Order to buy becomes a Market Order when the option contract trades or is bid on the Exchange at or above the stop price. A Stop Order to sell becomes a Market Order when the option contract trades or is offered on the Exchange at or below the stop price.

Notwithstanding the foregoing, a Stop or Stop-Limit Order shall not be elected by a trade that is reported late or out of sequence.

(iii) **All or None Order**. An All-or-None Order is a Market or Limit Order which is to be executed in its entirety or not at all. Further, pursuant to Options 8, Section 39, A-3, an All-or-None Order has no standing respecting executions in the trading crowd except with respect to other All-or-None Orders. When represented in the trading crowd, All-or-None Orders are not included as part of the bid or offer.

(iv) **Cancel-Replacement Order**. A Cancel-Replacement Order is a contingency order consisting of two or more parts which require the immediate cancellation of a previously received order prior to the replacement of 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 such number.

(v) **Immediate or Cancel Order**. An immediate-or-cancel ("IOC") order is a limit order that is to be executed in whole or in part upon receipt. Any portion not so executed shall be cancelled. IOC Orders are not routable and shall not be subject to any routing process described in these Rules.

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

(1) **Immediate or Cancel Order**. An Immediate-or-Cancel ("IOC") order is a Limit Order that is to be executed in whole or in part upon receipt. Any portion not so executed shall be cancelled. IOC Orders are not routable and shall not be subject to any routing process described in these Rules. A Complex Order may be designated as an Immediate-or-Cancel Order that is to be executed in whole or in part upon receipt. Any portion not so executed is cancelled.

(2) **Day**. If not executed, an order entered with a TIF of "Day" 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. A Complex Order may be designated as a Day Order that if not executed, expires at the end of the day on which it was entered.

(3) **Good Til Cancelled**. A Good Til Cancelled ("GTC") Order entered with a TIF of GTC, 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.

(4) **Opening Only ("OPG") Order**. 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.

(c) **Not Held Order**. A not held order is an order marked "not held", "take time" or which bears any qualifying notation giving discretion as to the price or time at which such order is to be executed.

(d) Reserved.

(e) **Floor Qualified Contingent Cross Order or Floor QCC Order**. A Floor Qualified Contingent Cross Order is comprised of an originating order to buy or sell at least 1,000 contracts, as provided in Options 8, Section 30(e), that is identified as being part of a qualified contingent trade, as that term is defined in subsection Options 8, Section 30(e)(3), coupled with a contra-side order or orders totaling an equal number of contracts.

(f) **Customer Cross Order**. A Customer Cross Order is comprised of a Public Customer Order to buy and a Public Customer Order to sell at the same price and for the same quantity. Such orders will trade in accordance with Options 8, Section 30(f).

(g) **Complex Customer Cross Order.** A Complex Customer Cross Order is comprised of a Priority Customer Complex Order to buy and a Priority Customer Complex Order to sell at the same price and for the same quantity. Such orders will trade in accordance with Options 8, Section 30(g).

(h) **Multi-leg Orders**. A multi-leg order is any spread type order (including a spread, straddle and combination order) for the same account or tied hedge order as defined below:

(1) **Spread Order**. A Spread Order is an order to buy a stated number of option contracts and to sell a stated number of option contracts in a different series of the same option and may be bid for or offered on a total net debit or credit basis.

(2) **Straddle Order**. A Straddle Order is an order to buy a number of call option contracts and the same number of put option contracts with respect to the same underlying security (in the case of options on a stock or Exchange-Traded Fund Share) or the same underlying foreign currency (in the case of options on a foreign currency) and having the same exercise price and expiration date; or an order to sell a number of call option contracts and the same number of put option contracts with respect to the same underlying security (in the case of options on a stock or Exchange-Traded Fund Share) or the same underlying foreign currency (in the case of options on a foreign currency) and having the same exercise price and expiration date (e.g., an order to buy two XYZ July 50 calls and to buy two XYZ July 50 puts is a straddle order). In the case of adjusted stock option contracts, a straddle order need not consist of the same number of put and call contracts if such contracts both represent the same number of shares at option.

(3) **Combination Order**. A Combination Order is an order involving a number of call option contracts and the same number of put option contracts in the same underlying security and representing the same number of shares at option (if the underlying security is a stock or Exchange-Traded Fund Share) or the same number of foreign currency units (if the underlying security is a foreign currency). A Combination Order includes a conversion (generally, buying a put, selling a call and buying the underlying stock or Exchange-Traded Fund Share) and a reversal (generally, selling a put, buying a call and

selling the underlying stock or Exchange-Traded Fund Share). In the case of adjusted option contracts, a Combination Order need not consist of the same number of shares at option.

(4) **Tied Hedge Order**. A Tied Hedge Order is an option order that is tied to a hedge transaction as defined in Options 8, Section 30(d)(3)(A), following the receipt of an option order in a class determined by the Exchange as eligible for "tied hedge" transactions.

(5) **Synthetic Option**. A Synthetic Option Order is an order to buy or sell a stated number of units of an underlying stock or a security convertible into the underlying stock ("convertible security") coupled with either (i) the purchase or sale of option contract(s) on the opposite side of the market representing either the same number of units of the underlying stock or convertible security or the number of units of the underlying stock or convertible security necessary to create a delta neutral position, or (ii) the purchase or sale of an equal number of put and call option contracts, each having the same exercise price, expiration date, and each representing the same number of units of stock as, and on the opposite side of the market from, the stock or convertible security portion of the order.

(6) **Spread Type Order**. A Spread Type Order is a Multi-Leg Order submitted through the Floor Based Management System ("FBMS") involving the simultaneous purchase and/or sale of two or more different options series (up to 15) in the same underlying security, priced as a net debit or credit based on the relative prices of the individual components, for the same account, for the purpose of executing a particular investment strategy. A Spread Type Order may include as one of the legs a stated number of units of an underlying security (stock or Exchange Traded Fund Share ("ETF")) coupled with the purchase or sale of options contract(s). The underlying security must be the deliverable for the options component of that Complex Order and represent exactly 100 shares per option for regular way delivery.

(7) **Complex Order**. A Complex Order is a type of multi-leg order that meets the definition of Complex Options Strategy in Options 3, Section 14(a)(1), Stock-Option Strategy in Options 3, Section 14(a)(2) or Stock-Complex Strategy in Options 3, Section 14(a)(3).

(i) **FLEX Option**. A FLEX Option is as described in Options 8, Section 34.

(j) **Routing order types**. In the System, the following order types will be available and governed by Options 5, Section 4: DNR (do not route), FIND and SRCH.

(k) For options on foreign currencies, a multi-spread transaction consisting of spread, straddle or combination orders may be executed. A multi-spread transaction combines any two spread type orders for the same account as defined in Options 8, Section 32(e), a permissible multi-spread transaction combines any of the following: a two-way transaction with another two-way transaction of the same spread type; a three-way transaction with another three-way transaction of the same spread type; or a two-way transaction with a three-way transaction of the same spread type. In addition, a multi-spread transaction includes the combination of a spread type order with a ratio spread type order. The ratio between the spread type order and the ratio spread

type order comprising the multi-spread transaction may range from one-to-one to three-to-one, which will be determined by the Exchange.

Adopted: April 16, 2019 (19-17); amended Nov. 26, 2019 (19-52), operative Dec. 26, 2019; amended Feb. 3, 2020 (20-03); amended Feb. 14, 2020 (20-05); amended Mar. 4, 2020 (20-07); amended Jan. 26, 2021 (SR-Phlx2021-05); amended Nov. 9, 2023 (SR-Phlx-2023-48), operative Dec. 9, 2023; amended Aug. 3, 2023 (SR-Phlx-2023-34), operative Jan. 29, 2024; amended Dec. 12, 2024 (SR-Phlx-2024-71), operative on or before Dec. 20, 2025; amended Apr. 3, 2025 (SR-Phlx-2025-17), operative Oct. 3, 2025; amended Apr. 22, 2025 (SR-Phlx-2025-20), operative Oct. 1, 2025; amended Aug. 14, 2025 (SR-Phlx-2025-39), operative Dec. 8, 2025.

Section 33. Accommodation Transactions

(a) A "cabinet order" is a closing limit order at a price of $1 per option contract for the account of a Public Customer, firm, Lead Market Maker or ROT. An opening order is not a "cabinet order" but may in certain cases be matched with a cabinet order pursuant to subsection (a)(iii) below. Only Floor Brokers may represent cabinet orders. Cabinet trading shall be available for each series of options open for trading on the Exchange under the following terms and conditions:

(1) Trading shall be conducted in accordance with other Exchange Rules except as otherwise provided herein or unless the context otherwise requires.

(2) Cabinet orders may be submitted to Floor Brokers and represented by them in the designated trading crowd of the option class. Floor Brokers shall enter cabinet orders into The Options Floor Based Management System pursuant to Options 3, Section 29.

(3) (A) *Floor Broker Holds the Cabinet Order Only*. If a Floor Broker holds a cabinet order but does not hold contra-side interest, the Floor Broker shall follow the procedures set forth in this subsection (3)(A). In the trading crowd, and in the presence of at least one market maker and Nasdaq Market Regulation Floor Surveillance, the Floor Broker shall announce the terms of the cabinet order to the trading crowd to solicit interest to participate on the closing position. All matching cabinet orders shall be assigned priority based upon the sequence in which such orders are received by the Floor Broker. If there is no matching cabinet order, the Floor Broker may match the cabinet order with a matching opening buy or sell limit order priced at $1 per option contract. If there is no matching cabinet order or opening order, the Floor Broker may seek matching bids or offers for accounts of Lead Market Makers and Floor Market Makers. Lead Market Makers and Floor Market Makers can only participate after all other orders have been matched.

(B) *Floor Broker Holds the Cabinet Order and also a Contra-Side Cabinet Order*. If the Floor Broker holds a cabinet order as well as contra-side cabinet order, the Floor Broker shall follow the procedures set forth in this subsection (3)(B). In the trading crowd, and in the presence of at least one market-maker and Nasdaq Market Regulation Floor Surveillance, the Floor Broker shall announce the terms of the cabinet orders to the trading crowd. The cabinet orders shall then be immediately crossed by the Floor Broker.

(C) *Floor Broker Holds Cabinet Order and a Contra-Side Opening Order*. If the Floor Broker holds a cabinet order as well as contra-side opening order, the Floor Broker shall follow the procedures set forth in this subsection (3)(C). In the trading crowd, and in the

presence of at least one market-maker and Nasdaq Market Regulation Floor Surveillance, the Floor Broker shall announce the terms of the cabinet order to the trading crowd. If there is a matching cabinet order, the Floor Broker shall match the two cabinet orders. If there is no matching cabinet order, the cabinet order shall then be immediately crossed by the Floor Broker with the opening order held by the Floor Broker.

(4) Once the cabinet order has been either crossed or matched, the Floor Broker shall submit the cabinet order for execution into The Options Floor Based Management System pursuant to Options 3, Section 29.

(5) Lead Market Makers and Floor Market Makers shall not be subject to the requirements of Options 8, Section 25 in respect of orders placed pursuant to this Rule. The provisions of Options 8 Section 24(b) and (c) and Options 3, Section 3 shall not apply to orders placed in the cabinet. Cabinet transactions shall not be reported on the ticker.

(b) Any (i) member, or (ii) other person who is a non-member broker or dealer and who directly or indirectly controls, is controlled by, or is under common control with, a member (any such other person being referred to as an affiliated person) may effect any transaction as principal in the over-the-counter market in any class of option contracts listed on the Exchange for a premium not in excess of $1.00 per contract.

(c) For each transaction executed by a member or affiliated person pursuant to paragraph (b) a record of such transaction shall be maintained by the member and shall be available for inspection by the Exchange for a period of three years. Such record shall include the circumstances under which the transaction was executed in conformity with this Rule.

(d) **Limit Orders Priced Below $1**: Limit orders with a price of at least $0 but less than $1 per option contract may trade under the terms and conditions in Options 8, Section 33 above in each series of option contracts open for trading on the Exchange, except that:

(1) Bids and offers for opening transactions are only permitted to accommodate closing transactions.

(2) These procedures are available for trading in all options classes trading on the Exchange, including options classes participating in the Penny Interval.

(e) Pursuant to Options 8, Section 34(k)(2), open FLEX option positions are eligible to be closed in accordance with this Options 8, Section 33 at the minimum increments specified herein. The FLEX option cabinet order may be executed against contra-side interest which closes a FLEX option position or, to the extent permitted under Options 8, Section 33(a)(iii), against contra-side interest which opens a FLEX option position. Section (f) of Options 8, Section 34 shall not apply to FLEX option transactions executed pursuant to Options 8, Section 34(k)(2), and Options 8, Section 33. However, Sections (g), (i) and (j) of Options 8, Section 34 shall apply to any FLEX option position opened pursuant to this rule.

Section 34. FLEX Trading

(a) A Requesting Member shall obtain quotes and execute trades in certain non-listed FLEX Options at the post of the non-FLEX Option on the Exchange. The term "FLEX Option" means a FLEX Option contract that is traded subject to this Rule. Although FLEX Options are generally subject to the Rules in this section, to the extent that the provisions of this Rule are inconsistent

with other applicable Exchange Rules, this Rule takes precedence with respect to FLEX Options. iShares Ethereum Trust ETF, the Fidelity Ethereum Fund, the Bitwise Ethereum ETF, the Grayscale Ethereum Trust, and the Grayscale Ethereum Mini Trust.

(b) **Order Types**. The Exchange may determine to make the order types and Time-in-Force, respectively, within Options 8, Section 32 submitted in FLEX Options ("FLEX Orders") available on a class or System basis. With respect to complex orders, complex FLEX Orders may have up to the maximum number of legs permitted pursuant to Exchange rules for standard trading. Each leg of a complex FLEX Order:

(1) must be for a FLEX Option series authorized for FLEX trading with the same underlying equity security or index;

(2) must have the same exercise style (American or European); and

(3) for a FLEX Index Option, may have a different settlement type (a.m.-settled or p.m.-settled).

(c) **Trading Hours**. FLEX Options trading must be effected during the hours established by the Exchange. Such hours shall be within regular Exchange trading hours (for the non-FLEX Option) on each business day, except that the Exchange in its discretion may determine at any time to narrow or expand FLEX trading hours to encompass, but not exceed, the trading hours of the non-FLEX Option.

(d) **Trading Rotations**. There will be no trading rotations in FLEX Options, either at the opening or at the close of trading.

(e) **Permissible Series**. The Exchange may authorize for trading a FLEX Option class on any equity security (except the iShares Bitcoin Trust ETF, the Fidelity Wise Origin Bitcoin Fund; the ARK21Shares Bitcoin ETF, the Grayscale Bitcoin Trust (BTC), the Grayscale Bitcoin Mini Trust BTC, and the Bitwise Bitcoin ETF) or index it may authorize for trading a non-FLEX Option class on that equity security or index pursuant to Options 4, Section 3 and Options 4A, Section 3, respectively, even if the Exchange does not list that non-FLEX Option class for trading. FLEX Option series are not pre-established. A FLEX Option series is eligible for trading on the Exchange upon submission to the System of a FLEX Order for that series pursuant to this Rule, subject to the following:

(1) The Exchange only permits trading in a put or call FLEX Option series that does not have the same exercise style, same expiration date, and same exercise price as a non-FLEX Option series on the same underlying security or index that is already available for trading. This includes permitting trading in a FLEX Option series before a series with identical terms is listed for trading as a non-FLEX Option series. If the Exchange lists for trading a non-FLEX Option series with identical terms as a FLEX Option series, the FLEX Option series will become fungible with the non-FLEX Option series. The System does not accept a FLEX Order for a put or call FLEX Option series if a non-FLEX Option series on the same underlying security or index with the same expiration date, exercise price, and exercise style is already listed for trading.

(2) A FLEX Order for a FLEX Option series may be submitted on any trading day prior to the expiration date. In the event the Non-FLEX series is added intra-day, a position established under the FLEX trading procedures would be permitted to be closed using the FLEX trading procedures for the balance of the trading day on which the Non-FLEX series is added against another closing only FLEX position.

(f) **Terms**. When submitting a FLEX Order for a FLEX Option series to the Options Floor Based Management System, one of each of the following terms within subparagraph (f)(1) must be included. All other terms of a FLEX Option series are the same as those that apply to non-FLEX Options, except that a FLEX Index Option with an index multiplier of one may not be the same type (put or call) and may not have the same exercise style, expiration date, settlement type, and exercise price as a non-FLEX Index Option overlying the same index listed for trading (regardless of the index multiplier of the non-FLEX Index Option). Additionally, a FLEX Option overlying an Exchange-Traded Fund ("ETF"), which is settled in cash or physically-settled, may not be the same type (put or call) and may not have the same exercise style, expiration date, and exercise price as a non-FLEX Option overlying the same ETF, which terms constitute the FLEX Option series:

(1) **Characteristics of Underlying Interest:**

(A) an underlying equity security or index, as applicable (the index multiplier for FLEX Index Options is 100); or any index upon which options currently trade on the Exchange. The applicable index multiplier shall be the same multiplier, in the case of U.S. dollar-denominated FLEX Index Options, that applies to non-FLEX Index Options on the same underlying index;

(B) any security which is options-eligible pursuant to Options 4, Section 3; or

(C) any foreign currency which is options-eligible pursuant to Options 4, Section 3 and which underlies non-FLEX U.S. dollar-settled foreign currency options that are trading on the Exchange.

(2) **Type:**

(A) A put, call or hedge order (as defined in Options 8, Section 32).

(3) **Exercise Price:**

The Exchange may determine the smallest increment for exercise prices of FLEX Options on a class-by-class basis without going lower than the $0.01.

(4**) Exercise Style:**

(A) American or European in the case of FLEX Index Options and FLEX Equity Options, and European only in the case of FLEX U. S. dollar-settled foreign currency options ("FLEX Currency Option").

(5) **Expiration Date:**

(A) The expiration date may be any business day (specified to the day, month, and year) no more than 15 years from the date on which an executed FLEX Equity and Index Option is submitted to the System and no more than 3 years from the date on which an

executed FLEX Currency Option is submitted to the System with exercise settlement value on the expiration date determined by reference to the reported level of the index as derived from the opening prices of the component securities ("a.m. settlement") or closing prices (“p.m. settlement”). All FLEX Currency Options will expire at 11:59 p.m. eastern time on their designated expiration date.

(6) **Settlement type:**

(A) **FLEX Equity Options**.

(1) FLEX Equity Options, other than as permitted in subparagraph (2) below, are settled with physical delivery of the underlying security.

(2) FLEX Equity Options with an underlying security that is an ETF that has an average daily notional value of $500 million or more and a national average daily volume of at least 4,680,000 shares, measured over the prior 6-month period, may be settled by physical delivery of the underlying security or by delivery in cash.

(a) The Exchange will determine bi-annually the underlying ETFs that satisfy the notional value and trading volume requirements in subparagraph (2) by using trading statistics for the previous six-month period. The Exchange will permit cash settlement as a contract term on no more than 50 underlying ETFs that meet the criteria in subparagraph (2). If more than 50 ETFs satisfy the notional value and trading volume requirements, the Exchange will select the top 50 ETFs that have the highest average daily volume.

(b) If the Exchange determines pursuant to the review conducted under paragraph (2)(a) of this Rule that an underlying ETF ceases to satisfy the criteria in subparagraph (2)(a) of this Rule, any new position overlying such ETF entered into will be required to have exercise settlement by physical delivery and any open cash-settled FLEX ETF Option positions may be traded only to close the position.

(B) **FLEX Index Options**. FLEX index options are settled in U.S. dollars. The settlement value for FLEX index options may be specified based on the index value reported at the:

(1) close with exercise settlement value determined by reference to the reported level of the index derived from the reported closing prices of the component securities (“P.M-settled”); or

(2) opening of trading on the Exchange with exercise settlement value determined by reference to the reported level of the index derived from the reported opening prices of the component securities (“A.M.-settled”).

(C) **FLEX Currency Options.** The settlement value for FLEX Currency Options on the Australian dollar, the Euro, the British pound, the Canadian dollar, the Swiss franc, the

Japanese yen, the Mexican peso, the Brazilian real, the Chinese yuan, the Danish krone, the New Zealand dollar, the Norwegian krone, the Russian ruble, the South African rand, the South Korean won, and the Swedish krona shall be the Exchange Spot Price at 12:00:00 Eastern Time (noon) on expiration day, unless the Exchange determines to apply an alternative closing settlement value as a result of extraordinary circumstances. FLEX Currency Options are settled in U.S. dollars. FLEX Currency Options will cease trading at 10:15 a.m. eastern time on their designated expiration date.

(g) **Who May Trade FLEX Options**.

(1) **Assigned Floor Market Makers and Assigned Lead Market Maker**. A Market Maker or Lead Market Maker may apply on a form prescribed by the Exchange to be assigned in FLEX options. At least two members shall be assigned to each FLEX Option. Only the Lead Market Maker in the non-FLEX Option may be the assigned Specialist in that FLEX Option ("FLEX Lead Market Maker"). The provisions of Options 8, Section 27(c) regarding market making obligations shall be applicable to assigned Floor Market Makers and assigned Lead Market Makers, such that a market must be provided in any FLEX Option when requested by an Options Exchange Official.

(2) **Financial Requirements**. An assigned Market Maker in FLEX Index Options shall be required to maintain a minimum of $100,000 in net liquid assets. An assigned Lead Market Maker in FLEX Index Options shall be required to maintain a minimum of $1,000,000 in net capital. Floor Brokers shall be required to maintain a minimum of $50,000 in net capital to qualify to trade FLEX Options. Each such assigned Market Maker, assigned Lead Market Maker or Floor Broker shall immediately inform the Exchange upon failure to be in compliance with such requirements. The Exchange may waive the financial requirements of this Rule in unusual circumstances.

(3) **Letters of Guarantee**. No Market Maker or Lead Market Maker shall effect any FLEX Option unless a Letter of Guarantee has been issued by a clearing member organization and filed with the Exchange pursuant to Options 6D, Section 1 specifically accepting financial responsibility for all FLEX Option transactions made by such person and such letter has not been revoked.

(h) **FLEX Trading**. Trading of FLEX Options is subject to all other Options 8 Rules applicable to the trading of options on the Exchange, unless otherwise provided in this Rule. A FLEX Option series is only eligible for trading if the FLEX Order is represented in open outcry. With respect to FLEX Options, floor participants have a reasonable amount of time (which amount of time must be between three seconds and five minutes) from the time a FLEX Trader requests a quote in a FLEX Option series or represents a FLEX Order (including announcing a crossing transaction pursuant to Options 8, Section 30(a)) to respond with bids or offers.

(1) Simple FLEX Order. A FLEX Order for a FLEX Option series submitted to the System must include all terms for a FLEX Option series set forth in subparagraphs (e) and (f) (including that a non-FLEX Option series with identical terms is not listed for trading), size, side of the market, and a bid or offer price, subject to the order entry requirements set forth in Options 8, Section 32.

(2) Complex FLEX Order. A FLEX Order for a FLEX Option complex strategy submitted to the System must satisfy the criteria for a complex FLEX Order set forth in subparagraph (b) and include size, side of the market, and a net debit or credit price. Additionally, each leg of the FLEX Option complex strategy must include all terms for a FLEX Option series set forth in subparagraphs (e) and (f) (including that a non-FLEX Option series with identical terms is not listed for trading), subject to the order entry requirements set forth in subparagraph (a).

(i) **Position Limits.**

(1) There shall be no position limits for FLEX Equity Options, other than as set forth in this paragraph and (4) below. Position limits for cash-settled FLEX Equity Options where the underlying security is an ETF pursuant to subparagraph (f)(6)(A)(2) shall be subject to the position limits set forth in Options 9, Section 13, and subject to the exercise limits set forth in Options 9, Section 15. Positions in such cash-settled FLEX Options shall be aggregated with positions in physically-settled non-FLEX options on the same underlying ETF for the purpose of calculating the position limits set forth in Options 9, Section 13, and the exercise limits set forth in Options 9, Section 15.

(2) FLEX Index Options shall be subject to a separate position limit for broad-based FLEX Index Options, in the aggregate, of 200,000 contracts on the same side of the market, except that there shall be no position limits for FLEX NDX or XND. FLEX Index Options shall otherwise be subject to the same position limits governing index options as provided for within Options 4A, Section 6. FLEX Equity Options shall not be subject to a separate FLEX position limit. Except as provided in subsection (3) of this section (d), positions in FLEX Equity Options shall not be taken into account when calculating position limits for non-FLEX Equity Options, or FLEX or non-FLEX Index Options.

(2) Reports. Each member or member organization (other than a Lead Market Maker or Market Maker) that maintains a position on the same side of the market in excess of the standard limit under Options 9, Section 13 for non-FLEX Equity Options of the same class on behalf of its own account or for the account of a customer shall report information on the FLEX Equity Option position, positions in any related instrument, the purpose or strategy for the position and the collateral used by the account. This report shall be in the form and manner prescribed by the Exchange.

Additional Margin Requirements. In addition, whenever the Exchange determines that a higher margin requirement is necessary in light of the risks associated with a FLEX Equity Option position in excess of the standard limit for non-FLEX Equity Options of the same class, the Exchange may consider imposing additional margin upon the account maintaining such under-hedged position. Additionally, it should be noted that the clearing firm carrying the account will be subject to capital charges under SEC rule 15c3-1 to the extent of any margin deficiency resulting from the higher margin requirement.

(4) Aggregation of FLEX Positions. For purposes of the position limits and reporting requirements set forth in this Rule, FLEX Option positions shall not be aggregated with positions in non-FLEX Options other than as noted in subparagraphs (i)(1) and (i)(4)(a)-(c), and position limits in FLEX Index Options on a given index shall not be aggregated with

options on any stocks included in the index or with FLEX Index Option positions on another index. Positions in FLEX Currency Options will be aggregated with positions in non-FLEX Currency Options for purposes of determining compliance with the position limits established by Options 9, Section 13. As long as the options positions remain open, positions in FLEX Index Options that expire on a third Friday-of-the-month will be aggregated with positions in non-FLEX Index Options on the same underlying security ("comparable non-FLEX Index Options"), positions in FLEX Equity Options that expire on a third Friday-of-the-month will be aggregated with positions in non-FLEX Equity Options on the same underlying security ("comparable non-FLEX Equity Options"), and shall be subject to the position and exercise limits set forth in this rule, and Options 9, Section 13, 15 and Options 4A, Sections 6 and 19, as applicable.

(a) Commencing at the close of trading two business days prior to the last trading day of the calendar quarter, positions in P.M.-settled FLEX Index Options (i.e., the settlement value for FLEX Index Options is derived from closing prices on the expiration date) shall be aggregated with positions in Quarterly Options Series on the same index with the same expiration and shall be subject to the position limits set forth in Options 4A, Section 6.

(b) Commencing at the close of trading two business days prior to the last trading day of the week, positions in FLEX Index Options that are cash settled shall be aggregated with positions in Short Term Option Series on the same underlying (e.g., same underlying index as a FLEX Index Option) with the same means for determining exercise settlement value (e.g., opening or closing prices of the underlying index) and same expiration, and shall be subject to the position limits set forth in Options 4A, Section 6.

(c) As long as the options positions remain open, positions in FLEX Options that expire on a third Friday-of-the-month expiration day shall be aggregated with positions in non-FLEX Options on the same underlying, and shall be subject to the position limits set forth in Options 4A, Section 6 or Options 9, Section 13, as applicable, and the exercise limits set forth in Options 9, Section 15, as applicable.

(j) **Exercise Limits.**

(1) In determining compliance with Options 9, Section 15 and Options 4A, Section 19, exercise limits for FLEX Options shall be equivalent to position limits established in this Rule. There shall be no exercise limits for broad-based FLEX Index Options (including reduced value option contracts) on the broad-based indexes listed in Options 4A, Section 6(a).

(a) The minimum value size for FLEX Equity Options and FLEX Currency Options exercises shall be 25 contracts or the remaining size of the position, whichever is less.

(b) The minimum value size for FLEX Index Options exercises shall be $1 million Underlying Equivalent Value (as defined below) or the remaining Underlying Equivalent Value of the position, whichever is less.

(c) Except as provided in subparagraph (i) and (i)(4) above, FLEX Options shall not be taken into account when calculating exercise limits for non-FLEX Option contracts.

(d) "Underlying Equivalent Value" means the aggregate value of a FLEX Index Option (index multiplier times the current index value) multiplied by the number of FLEX Index Options.

(k) **Miscellaneous.**

(1) FLEX Equity and Currency Options shall be subject to the exercise-by-exception procedure of Rule 805 of The Options Clearing Corporation.

(2) Notwithstanding Rule (c)(4) of this rule regarding FLEX Index, Equity and Currency Options minimum increments, open FLEX Option positions are eligible to be closed in accordance with Options 8, Section 33, Accommodation Transactions, at the minimum increments specified therein. The FLEX Option cabinet order may be executed against contra-side interest to close a FLEX Option position or, to the extent permitted under Options 8, Section 33(a)(3)(B), against contra-side interest which opens a FLEX Option position. Sections (a) and (f) of this rule shall not apply to FLEX Option transactions executed pursuant to this paragraph and Options 8, Section 33. Sections (g), (i) and (j) of this rule shall apply to any FLEX Option position opened pursuant to Options 8, Section 33.

Adopted: April 16, 2019 (19-17); amended Sept. 10, 2019 (19-33); amended Feb. 3, 2020 (20-03); amended August 13, 2021 (SR-Phlx-2021-45), operative September 24, 2021; amended May 15, 2023 (SR-Phlx-2023-09); amended Nov. 9, 2023 (SR-Phlx-2023-48), operative Dec. 9, 2023; amended Nov. 4, 2024 (SR-Phlx-2024-53); amended Nov. 21, 2024 (SR-Phlx-2024-64); amended Apr. 10, 2025 (SR-Phlx-2025-18); amended Apr. 22, 2025 (SR-Phlx-2025-20), operative Oct. 1, 2025; amended Jul. 29, 2025 (SR-Phlx-2024-72); amended Aug. 6, 2025 (SR-Phlx-2025-34); amended Aug. 7, 2025 (SR-Phlx-2025-36); amended Aug. 14, 2025 (SR-Phlx-2025-39), operative Dec. 8, 2025.

Section 35. Disputes

(a) Disputes occurring on and relating to the Trading Floor, if not settled by agreement between the members interested, shall be settled, if practicable, by vote of the members knowing of the transaction in question; if not so settled, they shall be settled by an Options Exchange Official.

In issuing decisions for the resolution of trading disputes, an Options Exchange Official shall institute the course of action deemed to be most fair to all parties under the circumstances at the time. An Options Exchange Official may direct the execution of an order on the floor, or adjust the transaction terms or participants to an executed order on the floor. An Options Exchange Official may nullify a transaction if the Options Exchange Official determines the transaction to have been in violation of Options 2, Section 4 (Obligations of Market Makers), Options 8, Section 25 (Floor Allocation) or Options 8, Section 24 (Bids and Offers- Premium). This Rule shall not apply to options transactions that are the result of an Obvious Error or Catastrophic Error (as defined in Options 3, Section 20). Options transactions that are the result of an Obvious Error or Catastrophic Error shall be subject to the provisions and procedures set forth in Options 3, Section 20.

(b) All rulings rendered by an Options Exchange Official are effective immediately and must be complied with promptly. Failure to promptly comply with an initial Options Exchange Official ruling may result in referral to the Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement. Failure to promptly comply with other Options

Exchange Official rulings issued pursuant to Order and Decorum Regulations (Rule 9216(c)) or Floor Procedure Advices (Rule 9216(b)) and not concerning a trading dispute may result in an additional violation.

(c) Review—Options Exchange Official rulings issued pursuant to Order and Decorum Regulations are reviewable pursuant to Rule 9216(c). Options Exchange Official rulings issued pursuant to Floor Procedure Advices are subject to the Rule 9000 Series. All other Options Exchange Official rulings are reviewable pursuant to paragraph (d) of this Rule.

(d) Review of Options Exchange Official Rulings (Trading Disputes)—All Options Exchange Official rulings are reviewable by the Exchange Review Council.

(i) Regulatory staff must be advised within 15 minutes of an Options Exchange Official's ruling that a party to such ruling has determined to appeal from such ruling to the Exchange Review Council. The Exchange may establish the procedures for the submission of a request for a review of an Options Exchange Official ruling. Options Exchange Official rulings (including those concerning the nullification or adjustment of transactions) may be sustained, overturned or modified by the Exchange Review Council. The Exchange Review Council may act as a panel with a minimum of three Committee members, of which no more than 50% can be engaged in market making activity or employed by an Exchange member organization whose revenues from market making activity exceed ten percent of its total revenues.

In making a determination, the Exchange Review Council may consider facts and circumstances not available to the ruling Options Exchange Official as well as action taken by the parties in reliance on the Options Exchange Official's ruling (e.g., cover, hedge and related trading activity).

(ii) All decisions made by the Exchange Review Council in connection with initial rulings on requests for relief and with the review of an Options Exchange Official ruling pursuant to this paragraph (d) shall be documented in writing and maintained by the Exchange in accordance with the record keeping requirements set forth in the Securities Exchange Act of 1934, as amended, and the rules thereunder.

(iii) A member or member organization seeking review of an Options Exchange Official ruling shall be assessed a fee of $250.00 for each Options Exchange Official ruling to be reviewed that is sustained and not overturned or modified by the Exchange Review Council. In addition, in instances where the Exchange, on behalf of a member or member organization, requests a review by another options exchange, the Exchange will pass any resulting charges through to the relevant member organization.

(iv) Decisions of the Exchange Review Council shall be final and may not be appealed to the Exchange's Board of Directors.

(v) All decisions of the Exchange Review Council are effective immediately and must be complied with promptly. Failure to promptly comply with a decision of the Exchange Review Council may result in referral to the Phlx Regulation Department, Department of Market Regulation or Department of Enforcement.

(e) Exchange staff may determine that an Options Exchange Official is ineligible to participate in a particular ruling where it appears that such Options Exchange Official has a conflict of interest. For purposes of this Rule, and without limitation, a conflict of interest exists where an Options Exchange Official: (a) is directly or indirectly affiliated with a party seeking an Options

Exchange Official ruling; (b) is a participant or is directly or indirectly affiliated with a participant in a transaction that is the subject of a Option Exchange Official ruling; (c) is a debtor or creditor of a party seeking an Options Exchange Official ruling; or (d) is an immediate family member of a party seeking an Options Exchange Official ruling. Exchange staff may consider other circumstances, on a case-by-case basis, in determining the eligibility or ineligibility of a particular Options Exchange Official to participate in a particular ruling due to a conflict of interest.

Adopted: April 16, 2019 (19-17); amended Feb. 3, 2020 (20-03).

Floor Trade Administration

Section 36. Resolution Of Uncompared Trade

(a) When a disagreement between members or member organizations arising from an uncompared Exchange options transaction cannot be resolved by mutual agreement prior to 10:00 a.m. on the first business day following the trade date (in the case of options on stocks or Exchange-Traded Fund Shares) or prior to 8:30 a.m. on the first business day following the trade date (in the case of options on foreign currencies), the parties shall promptly, but not later than 3:30 p.m. on such day (in the case of options on stocks or Exchange-Traded Fund Shares) or 2:00 p.m. on such day (in the case of options on foreign currencies (unless otherwise excused by the Exchange) close out the transaction in the following manner. The member or member organization representing the purchaser in the uncompared Exchange options transaction shall promptly enter into a new Exchange options transaction on the Floor of the Exchange to purchase the option contract that was the subject of the uncompared Exchange options transaction. The member or member organization representing the writer in the uncompared Exchange options transaction shall promptly enter into a new Exchange options transaction on the Floor of the Exchange to sell (write) the option contract that was the subject of the uncompared Exchange options transaction. Any claims for damages resulting from such transactions must be made promptly for the accounts of the members or member organizations involved and not for the accounts of their respective customers. Notwithstanding the foregoing, if either member or member organization is acting for a firm account in an uncompared Exchange options transaction and not for the account of a customer, such member organization need not enter into a new transaction, in which event money differences will be based solely on the closing transaction of the other party to the uncompared transaction.

(b)In the event an uncompared transaction involves an option contract of a series in which trading has been terminated or suspended before a new Exchange options transaction can be effected to establish the amount of any loss, the member or member organization not at fault may claim damages against the other member or member organization involved in the transaction based on the terms of such transaction. All such claims for damages shall be made promptly.

Adopted: April 16, 2019 (19-17).

Section 37. Letters of Authorization

(a) *Required of each Options Floor Broker*. No Options Floor Broker shall act as such on the Exchange unless there is in effect and filed with the Exchange a Letter of Authorization that has been issued for such Options Floor Broker by a Clearing Member.

(b) *Terms of Letter of Authorization*. A Letter of Authorization shall provide that the issuing Clearing Member shall be responsible for the clearance of the Exchange transactions of the Options Floor Broker when the name of such Clearing Member is given up.

(c) *Revocation of Letter of Authorization*. A Letter of Authorization shall remain in effect until a written notice of revocation has been filed with the Exchange. If such written notice has not been filed for at least one hour prior to the opening of trading on a particular business day, such revocation shall not become effective until the close of trading on such day.

Adopted: April 16, 2019 (19-17).

Section 38. Communications and Equipment

(a) No member or member organization shall establish or maintain any private wire connection, private radio, television or wireless system, between the Exchange Trading Floor and a nonmember without application to and approval by the Exchange.

Every such means of communication shall be registered with the Exchange. Notice of the discontinuance of any such means of communication shall be promptly given to the Exchange.

(b)(1) No member, member organization or person associated with a member organization shall establish or maintain any telephonic communication between the Options Floor and any other location, or between locations on the Options Floor, without the prior written approval of the Exchange.

(2) No member, member organization or person associated with a member organization shall:

(A) establish or maintain any telephonic, electronic or wireless transmitting system or device, including related antennas, on the Options Floor or

(B) operate any other equipment on the Options Floor that creates radio frequency (RF) or other interference with the systems of the Exchange or other members.

(c) The Exchange may remove any telephonic, electronic or wireless equipment that has not received written approval under subsection (b)(1) from any Exchange facility.

(d) The Exchange may remove any telephonic, electronic or wireless equipment that violates subsection (b)(2) from any Exchange facility.

(1) The Exchange may deny, limit or revoke the use of any communication device whenever it determines that use of such communication device: (1) interferes with normal operation of the Exchange's own systems or facilities or with the Exchange's regulatory duties, (2) is inconsistent with the public interest, the protection of investors or just and equitable principles of trade, or (3) interferes with the obligations of a member or member organization to fulfill its duties under, or is used to facilitate any violation of, the Securities Exchange Act or rules thereunder, or Exchange rules.

(2)

(e)(1) *Registration*. Members and member organizations must register, prior to use, any new telephone to be used on the Options Floor. Each phone registered with the Exchange must be registered by category of user. If there is a change in the category of any user, the member or member organization must immediately inform the Exchange in writing on the same day as when the change occurs. At the time of registration, members and member organization representatives

must sign a statement that they are aware of and understand the rules and procedures governing the use of telephones on the Options Floor.

(2) *Capacity and Functionality*. No person on the Options Floor may use any device for the purpose of maintaining an open line of continuous communication whereby a person not located in the trading crowd may continuously monitor the activities in the trading crowd. This prohibition covers, but is not limited to, intercoms, walkie-talkies and any similar devices, and open mic and web-based communication applications. Speed-dialing features are permitted on any member telephone.

(3) *Lead Market Makers and Floor Market Makers*.

(A) Lead Market Maker and Floor Market Makers may use their own cellular and cordless phones to place calls to any person at any location (whether on or off the Options Floor).

(B) Floor Market Makers located off the Options Floor may not place an order by calling a Floor Broker who is present in a trading crowd. Floor Market Makers located off the Options Floor may not otherwise place an order by calling the Lead Market Maker phone in the trading crowd. Any telephonic order entered from off the Options Floor must be placed with a person located in a member organization booth.

(4) *Floor Brokers*.

(A) Floor Brokers may use cellular and cordless telephones, but only to communicate with persons located on the Options Floor. These telephones may not use a call forwarding or open mic feature on the Options Floor; if a call forwarding or open mic feature is available on the phone then such feature must be disengaged at all times when the phone is on the Options Floor. Headsets are permitted for Floor Brokers, but if the Exchange determines that a Floor Broker is maintaining a continuous open line through the use of a headset, the Floor Broker will be prohibited from future use of any headset for a length of time to be determined by the Exchange.

(B) All orders phoned to Floor Brokers must be received initially at the Floor Broker's booth. Floor Brokers may not receive telephonic orders while in the trading crowd except from their booth. Any telephonic order entered from off the Options Floor must be placed with a person located in a member organization booth.

(5) *Clerks*.

(A) Floor Broker clerks are subject to the same terms and conditions on telephone use as Floor Brokers.

(B) The Exchange reserves the right to prohibit clerks from using cellular or cordless phones on the floor at any time that it is necessary due to electronic interference problems or capacity problems resulting from the number of such phones then in use on the Options Floor.

(6) *Telephone Records*. Members must maintain logs of calls and chats, including their cellular or cordless telephone records and logs of calls placed, for a period of not less than three years, the first two years in an easily accessible place. The Exchange reserves the right to inspect and/or examine such telephone records.

(7) *Exchange Liability*. The Exchange assumes no liability to members or member organizations due to conflicts between telephones in use on the Options Floor or due to electronic interference problems resulting from the use of telephones on the trading floor.

(f) The Exchange has established a Wireless Telephone System policy. Violations of the Wireless Telephone System policy may result in disciplinary action by the Exchange.

(g) This Rule and any relevant Exchange policy are intended to apply to all communication and other electronic devices on the floor of the Exchange, including, but not limited to, wireless, wired, tethered, voice, and data.

Adopted: April 16, 2019 (19-17); amended Feb. 3, 2020 (20-03).

Section 39. Option Minor Rule Violations and Order and Decorum Regulations

A. Lead Market Makers

A-1 Options Floor Based Management System

Options Floor Based Management System. In order to create an electronic audit trail for options orders negotiated by Lead Market Makers on the Exchange's Options Floor, a Lead Market Maker or such Lead Market Maker's employees shall, prior to the negotiation of such an order in the trading crowd, record all options orders negotiated by such Lead Market Maker onto the electronic Options Floor Based Management System as described in Options 8, Section 28(e)(1). The following specific information with respect to orders negotiated by a Lead Market Maker shall be recorded by such Lead Market Maker or such Lead Market Maker's employees: (i) the order type (i.e., market maker) and order receipt time; (ii) the option symbol; (iii) buy, sell, cross or cancel; (iv) call, put, complex (i.e., spread, straddle) or contingency order as described in Options 8, Section 32; (v) number of contracts; (vi) limit price or Market Order or, in the case of a multi-leg order, net debit or credit, if applicable; and (vii) whether the transaction is to open or close a position, as applicable (collectively, the "required information"). A Lead Market Maker must enter complete alpha/numeric identification assigned by the Exchange for all orders entered. Any additional information with respect to the order shall be inputted into the Options Floor Based Management System contemporaneously upon receipt, which may occur after the negotiation and execution of the order.

Pursuant to Options 8, Section 22(a) Lead Market Makers are not permitted to execute orders in the Exchange's options trading crowd (subject to certain exceptions). In the event that Lead Market Makers execute orders in the Exchange's options trading crowd pursuant to Options 8, Section 22(a)(2) (other than for the use of Snapshot, as set forth in Options 8, Section 22(a)(2)(E)), Lead Market Makers shall record the required information on trade tickets, and shall not negotiate an order for execution which has not been time stamped with the time of entry on the trading floor. Such trade tickets also shall be time stamped upon the execution of such an order. Lead Market Makers or their employees shall ensure the required information that is recorded on such trade tickets is entered into the Exchange's electronic trading system by DETs for inclusion in the electronic audit trail.

Lead Market Makers or their employees shall enter the required information (as described above) for FLEX options.

FBMS is designed to execute orders entered by Lead Market Makers, including multi-leg orders up to 15 legs, after negotiation in the trading crowd. When a Specialist submits an order for execution through FBMS, the order will be executed based on market conditions at the time of execution and in accordance with Exchange rules. FBMS execution functionality will assist the Specialist in clearing the Exchange book, consistent with Exchange priority rules. If the order cannot be executed, the System will attempt to execute the order a number of times for a period

of no more than one second, which period shall be established by the Exchange and announced by Options Trader Alert, after which it will be returned to the Specialist on the FBMS. The Lead Market Maker may resubmit the order for execution, as long as the quotes that comprise the order have not been withdrawn. Lead Market Makers are responsible for handling all FBMS orders in accordance with Exchange priority and trade-through rules, including Options 3, Section 7, Options 5, Section 2 and Options 8, Section 24.

A Lead Market Maker is prohibited from triggering the Snapshot feature for the purpose of obtaining favorable priority or trade-through conditions or avoiding unfavorable priority or trade-through conditions.

FINE SCHEDULE (Implemented on a two-year running calendar basis)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

A-2 Requesting Market Quotations

A Lead Market Maker may request an ROT in the crowd to state his current bid and offer (including size) for any series of options traded at the post. A Lead Market Maker may request that staff or an Options Exchange Official call for additional Floor Market Makers to enter the trading crowd.

FINE SCHEDULE

Fine not applicable

A-3 All-or-None Option Orders

An All-or-None Order is described in Options 3, Section 7(b)(5). This rule shall apply to All-or-None Orders submitted on the trading floor. An All-or-None Order has no standing respecting executions in the trading crowd except with respect to other All-or-None Orders. When represented in the trading crowd, All-or-None Orders are not included as part of the bid or offer.

FINE SCHEDULE

Fine not applicable

B. Market Makers

B-1 Responsibility to Make Markets

An ROT shall not refuse a request by a Floor Broker, Lead Market Maker, or Options Exchange Official to make a two sided market for any option series trading in the same crowd at which such ROT is trading.
FINE SCHEDULE (Implemented on a three-year running calendar basis)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

B-2 Crowd Courtesy
An ROT shall position himself in the trading crowd so as to permit easy access to the time clock located at the Lead Market Maker post.
FINE SCHEDULE (Implemented on a two-year running calendar basis)

1st Occurrence	$250.00
2nd Occurrence	$500.00
3rd Occurrence	$1,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

B-3 Trading Requirements
(a) An ROT (other than an RSQT or a Remote Lead Market Maker) is required to trade in person, and not through the use of orders (except that non-streaming Floor Market Makers can use orders entered in person), the greater of 1,000 contracts or 50% of his contract volume on the Exchange each quarter. Also, at least 50% of an ROT's trading activity in each quarter must be in assigned options. No application by an ROT to change options assignments will be approved unless such ROT is in compliance with the above requirements at the time the application for change is made.
FINE SCHEDULE (Implemented on a two-year running calendar basis)
(a)
1. Quarterly requirement to trade the greater of 1,000 contracts or 50% of contract volume in person

1st Occurrence	$250.00
2nd Occurrence	$500.00
3rd Occurrence	$1,000.00

4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

2. Quarterly requirement to trade 50% in assigned options

1st Occurrence	$250.00
2nd Occurrence	$500.00
3rd Occurrence	$1,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

(b) For any calendar quarter, in addition to the requirements of paragraph (a) above, in order for an ROT (other than an RSQT or a Remote Lead Market Maker) to receive Lead Market Maker margin treatment for off-floor orders in accordance with Options 8, Section 27(f), the ROT must execute the greater of 1,000 contracts or 80% of his total contracts that quarter in person (not through the use of orders except that non-streaming Floor Market Makers can use orders entered in person) and 75% of his total contracts that quarter in assigned options. Violations of this trading requirement are subject to Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement review.

B-4 Floor Market Makers Entering Orders from On-Floor and Off-Floor for Execution on the Exchange

An Floor Market Maker may not enter from off the floor opening orders for his market maker accounts, but may enter from off the floor or on the floor opening orders for his customer account. An Floor Market Maker may enter from off the floor closing orders for either his market maker or customer account.

However, an ROT who has executed the greater of 1,000 contracts or 80% of his total contracts in a calendar quarter in person and 75% of his total contracts that quarter in assigned options may enter an opening transaction from off the floor for his market maker account if such transaction is for the purpose of hedging, reducing risk of, or rebalancing positions of the ROT. The off-floor orders for which an ROT receives Lead Market Maker margin treatment shall be subject to the obligations of Options 2, Section 4(a) and an ROT is responsible for evidencing reliance of these provisions. Violations of this paragraph are subject to Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement review.

An ROT who enters an order from off the floor must advise the person receiving the order that it is an order for an ROT and must state whether the order is opening or closing, for a customer or market maker account, or opening from off-floor pursuant to the previous paragraph.

While on the floor, an ROT may place opening orders for his market maker account with a Floor Broker or with a Lead Market Maker which may then be executed even if the ROT has left the floor prior to its execution.

An ROT may cancel from off the floor opening or closing orders for his market maker or customer accounts; but if he wishes to effect a change in the terms of an opening order (e.g., security, price, volume, series, class or contingencies) from off the floor such changed order must be executed in his customer account, except in accordance with the second paragraph of this Advice.

An ROT shall not give discretion to a Floor Broker and shall not give a Floor Broker "not held" orders. With respect to delta orders placed with a Floor Broker for the account of an ROT, such orders may only be placed as day orders and must have the applicable delta legibly recorded on both the broker's floor ticket and the ROT's record of the order.

FINE SCHEDULE (Implemented on a three-year running calendar basis)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

B-5 Agency-Principal Restrictions

Except under extraordinary circumstances and with the prior approval of an Options Exchange Official, a member may not act as an ROT and as a Floor Broker during the same trading session in options on the same underlying security. A member has acted as a Floor Broker if he has accepted an order even though such order was not executed. However, an ROT may close out positions held in his customer account in options on the same underlying security while he is acting as an ROT in those options.

FINE SCHEDULE (Implemented on a two-year running calendar basis)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

B-6 Priority of Options Orders for Equity Options, Index Options and U.S. Dollar-Settled Foreign Currency Options by Account Type (EQUITY OPTION, INDEX OPTION AND U.S. DOLLAR-SETTLED FOREIGN CURRENCY OPTION ONLY)

Section A

Supplementary Material .02 and .03 to Options 8, Section 30 direct members in the establishment of priority of orders on the floor. An account type is either a controlled account or

a customer account. A controlled account includes any account controlled by or under common control with a broker-dealer. Customer accounts are all other accounts. Equity option, index option and U.S. dollar-settled foreign currency option orders of controlled accounts are required to yield priority to customer orders when competing at the same price, as described below. Orders of controlled accounts are not required to yield priority to other controlled account orders, except as provided in sub-paragraph (ii) below.

For the purposes of this Advice, "Initiating Order" means an incoming contra-side order.

(i) Respecting transactions that are executed and allocated in open outcry by a participant other than the Lead Market Maker, "Remainder of the Order" means the portion of an Initiating Order that remains following the allocation of contracts to customers that are on parity in accordance with this Advice. The Remainder of the Order shall be allocated pursuant to this Advice.

(ii) An Initiating Order executed manually by the Lead Market Maker shall be allocated as follows: first, to customer orders, and next to off-floor broker-dealer limit orders (as defined in Options 3, Section 7(b)(i)(C)) resting on the limit order book. This provision shall not apply to electronically executed contracts, the allocation of which is described in Section F of this Advice. "Remainder of the Order" means the portion of an Initiating Order that remains following the allocation of contracts to customers and to off-floor broker-dealers in accordance with this sub-paragraph (ii).

Section B

Orders of controlled accounts, other than Floor Market Makers and Lead Market Makers market making in-person, must be

(1) verbally communicated as for a controlled account when placed on the floor and when represented to the trading crowd and

(2) recorded as for a controlled account by making the appropriate notation in the Options Floor Based Management System.

In any instance where an order is misrepresented in this fashion due to factors which give rise to the concern that it was the result of anything other than an inadvertent error, the Exchange may determine to bypass the fine schedule below and refer the incident to the Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement for possible disciplinary proceedings in accordance with those procedures set forth under the Rule 8000 and 9000 Series.

Section C

The Enhanced Lead Market Maker Participation is a percentage of the Remainder of the Order to which the Lead Market Maker is entitled.

Enhanced Lead Market Maker Participation - In equity option, index option and U.S. dollar-settled foreign currency option classes, when the registered Lead Market Maker is on parity with a controlled account, as defined above, in accordance with Exchange Supplementary Material .02 and .03 to Options 8, Section 30 and the number of contracts to be bought or sold is greater than five, the Lead Market Maker is entitled to receive an enhanced participation of 30% of the Remainder of the Order ("Enhanced Lead Market Maker Participation"), except in the following circumstances:

(1) where there is one controlled account on parity, in which case the Lead Market Maker is entitled to receive 60% of the Remainder of the Order; or

(2) where there are two controlled accounts on parity, in which case the Lead Market Maker is entitled to receive 40% of the Remainder of the Order.

Section D

Reserved.

Section E

Allocation of the Remainder of the Order Among Lead Market Maker and Floor Market Makers on Parity. After the application of this Advice to an Initiating Order, the Remainder of the Order shall be allocated by the Allocating Participant (as defined in Options 8, Section 25(c)(4)) as follows:

(A) *Entitlement*. Floor Market Makers and Lead Market Makers on parity are entitled to their Defined Participation (as described below), subject to: (1) any Waiver, as described below; and (2) rounding, as described below.

(B) *Size*. The term "stated size" in respect of an order or electronic quotation shall mean:

(1) in the case of orders handled manually by the Lead Market Maker:

(a) (a) (i) if a crowd participant (including the Lead Market Maker) has actually stated a size ("Actual Size"), such crowd participant's stated size shall be his or her Actual Size;

(ii) if the Lead Market Maker, an SQT or RSQT is disseminating an electronic quotation at the Exchange's disseminated price in a particular series at the time of the execution of an Initiating Order in such series, such Lead Market Maker, SQT or RSQT's disseminated size at the Exchange's disseminated price shall be his or her Actual Size, and such Lead Market Maker, SQT and/or RSQT shall be deemed a "crowd participant" for purposes of this Advice;

(b) unless the Lead Market Maker has an Actual Size, the stated size of the Lead Market Maker shall be the amount (if any) by which the disseminated size exceeds the sum of (x) the aggregate size of limit orders included in the disseminated size and (y) the aggregate sizes of all Floor Market Makers who have Actual Sizes;

(c) the stated size of an Floor Market Maker who does not have an Actual Size is zero.

(2) in the case of floor brokered orders, each crowd participant's stated size shall be his or her Actual Size.

(C) Defined Participation. Defined Participation is the portion of the Remainder of the Order to which a crowd participant is entitled. Defined Participation is determined as follows:

(1) in the case of a Lead Market Maker entitled to an Enhanced Lead Market Maker Participation, the Enhanced Lead Market Maker Participation, up to the Lead Market Maker's stated size, as set forth in C of this Advice, as applicable. The Lead Market

Maker may decline to receive the Enhanced Lead Market Maker Participation, in which case the Lead Market Maker shall be entitled to participate as one crowd participant, up to the Lead Market Maker's stated size.

(2) except as provided in (1) above, the Defined Participation of the Lead Market Maker and Floor Market Makers on parity is determined as follows:

(a) where all participants have equal stated sizes, their Defined Participations shall be equal;

(b) where participants have unequal stated sizes, the Defined Participations shall equal their Base Participations (as defined below) plus their Supplemental Participations (as defined below):

(i) the "Base Participations" of all of the participants shall equal the stated size of the smallest participant; to the extent that there remains any excess to be allocated after all participants have been allocated their Base Participations, the smallest participant shall have no Supplemental Participation, and the other participants shall have "Supplemental Participations" as determined under (ii) and (iii) below;

(ii) if the remaining stated sizes (i.e., after taking into account Base Participations) of all participants having Supplemental Participations is equal, then their Supplemental Participations shall be equal; otherwise the initial Supplemental Participations of such participants shall equal the remaining stated size of the smallest such participant; to the extent that there remains any excess to be allocated after all participants have been allocated their initial Supplemental Participations, the smallest participant shall have no further Supplemental Participation, and the other participants shall have further "Supplemental Participations" as determined under (iii) below; and

(iii) if the remaining stated sizes (i.e., after taking into account Base Participations and prior Supplemental Participations) of all participants having further Supplemental Participations is equal, then their further Supplemental Participations shall be equal; otherwise the next Supplemental Participations of such participants shall equal the remaining stated size of the smallest such participant; to the extent that there remains any excess to be allocated after all participants have been allocated the next Supplemental Participations, the smallest participant shall have no further Supplemental Participation, and the other participants shall have successive further Supplemental Participations determined in the same manner as provided in this clause (iii).

The process described in clause (iii) shall be followed to determine successive further Supplemental Participations until the sum of the Defined Participations equals the amount of the Remainder of the Order.

(iv) (a) If the sum of the Base Participations pursuant to sub-paragraph (i) above exceeds the number of contracts remaining to be allocated, such contracts shall be divided equally among crowd participants who are entitled to receive Base Participations, subject to rounding.

(b) If the sum of the Supplemental Participations pursuant to sub-paragraph (ii) above exceeds the number of contracts remaining to be allocated, such contracts shall be divided equally among crowd participants who are entitled to receive Supplemental Participations, subject to rounding.

(c) If the sum of the further Supplemental Participations pursuant to sub-paragraph (iii) above exceeds the number of contracts remaining to be allocated, such contracts shall be divided equally among crowd participants who are entitled to receive further Supplemental Participations, subject to rounding.

(3) Participation in additional contracts in excess of the Exchange's disseminated size among willing crowd participants shall be allocated under the applicable provisions of this Advice. Notwithstanding the limitation set forth in sub-paragraph (C)(1) that limits the Lead Market Maker's entitlement to his/her stated size, for all contracts executed in excess of the disseminated size, the Lead Market Maker shall be entitled to receive the Enhanced Lead Market Maker Participation as set forth in Section C of this Advice, as applicable, but not to exceed the Lead Market Maker's Actual Size (if the Lead Market Maker has an Actual Size) in such excess contracts.

(D) *Waiver*. (1) Any ROT (other than an RSQT) or Lead Market Maker may, in his or her sole discretion, offer to waive, in whole or in part, any part of a trade to which they were entitled to be allocated (an "Offer to Waive").

(a) Any Offer to Waive shall be made by stating it in a loud and audible voice to the other members of the trading crowd and the Allocating Participant.

(b) If the Allocating Participant has determined that the other crowd participant(s) then on parity is willing to take the number of contracts that are subject to the Offer to Waive, the Allocating Participant may (but shall not be required to), accept such Offer to Waive by (i) allocating the Remainder of the Order in accordance with this Advice, taking into account the Offer to Waive; or (ii) otherwise indicating, following the execution of the Remainder of the Order, that such Offer to Waive will be accepted (in which case, it shall be referred to as a "Waiver"). No Offer to Waive shall be an effective Waiver until the Allocating Participant has allocated the order or otherwise indicated that it is accepted.

(c) (i) In the case of an option which is not subject to an Enhanced Lead Market Maker Participation, as set forth in Section C of this Advice, if the Lead Market Maker or an ROT effects a Waiver in the manner provided above, the number of contracts to which such Lead Market Maker or ROT is entitled under this Advice shall be reduced by the number of contracts waived, and the entitlements of the other participants on parity shall be determined by redistributing the waived number of contracts to willing participants (including the Lead Market Maker) in accordance with this Advice.

(ii) In the case of an option which is subject to an Enhanced Lead Market Maker Participation, as set forth in Section C of this Advice, and one or more Floor Market Makers effect Waivers of their entire entitlements ("Total Waivers"), the number of Floor Market Makers with whom the Lead Market Maker is deemed to be on parity

for purposes of determining the Enhanced Lead Market Maker Participation shall be reduced by the number of Floor Market Makers effecting Total Waivers and the following additional Rules shall apply:

(A) in the event that one or more Floor Market Makers on parity with the Lead Market Maker effect a Total Waiver of their respective entitlements such that the Lead Market Maker is on parity with three or more Floor Market Makers, the number of contracts to be allocated to each crowd participant shall be determined as provided in sub-paragraph (c)(i) above, provided that the maximum number of contracts to be allocated to the Lead Market Maker shall be that which the Lead Market Maker would be entitled to receive under this Advice, as if the Lead Market Maker had been on parity with three Floor Market Makers.

(B) in the event that one or more Floor Market Makers on parity with the Lead Market Maker effect a Total Waiver of their respective entitlements such that the Lead Market Maker is on parity with two Floor Market Makers, the number of contracts to be allocated to each crowd participant shall be determined as provided in sub-paragraph (c)(i) above, provided that the maximum number of contracts to be allocated to the Lead Market Maker shall be that which the Specialist would be entitled to receive under this Advice as if the Lead Market Maker had been on parity with two Floor Market Makers.

(C) In the event that one or more Floor Market Makers on parity with the Lead Market Maker effect a Total Waiver of their respective entitlements such that the Lead Market Maker is on parity with one ROT, the number of contracts to be allocated to each crowd participant shall be determined as provided in sub-paragraph (c)(i) above, provided that the maximum number of contracts to be allocated to the Lead Market Maker shall be that which the Lead Market Maker would be entitled to receive under this Advice as if the Lead Market Maker had been on parity with one ROT. In no event shall any non-waiving ROT be required to participate in fewer contracts than he/she would have received absent the Waiver(s).

(iii) Partial Waiver. In the case of an option which is subject to an Enhanced Lead Market Maker Participation, in the event that one or more Floor Market Makers effect a Waiver of a portion of their respective entitlements, but not a Total Waiver, in the manner provided above (a "Partial Waiver"), the number of contracts to be allocated to each crowd participant shall be determined as provided in sub-paragraph (c)(i) above, provided that the Lead Market Maker shall not be entitled to receive a number of contracts that is greater than 40% of the Remainder of the Order except in the situation referred to in the following sentence, unless all remaining crowd participants on parity have waived their entitlements or have been satisfied. In the case of the Lead Market Maker being on parity with only one ROT, the Lead Market Maker shall not be entitled to receive a number of contracts that is greater than 60% of the Remainder of the Order unless all remaining crowd participants on parity have waived their entitlements or have been satisfied.

In no event shall any non-waiving ROT be required to participate in fewer contracts than he/she would have received absent the Partial Waiver(s).

(iv) In no event shall two or more crowd participants enter into any agreement regarding the number of contracts to be waived by any crowd participant (i.e., subject

to the provisions of sub-paragraph (D)(1)(b) above, any decision by a crowd participant to waive all or a portion of such crowd participant's entitlement must be an individual decision, and not the subject of an agreement among crowd participants).

(E) Rounding. In situations where the allocation of contracts pursuant to this Rule result in fractional amounts of contracts to be allocated to crowd participants, the number of contracts to be allocated shall be rounded in a fair and equitable manner.

(F) Just and Equitable Principles of Trade. (1) It shall be considered conduct inconsistent with just and equitable principles of trade for a member:

(a) to allocate initiating orders other than in accordance with this Advice;

(b) to enter into any agreement with another member concerning allocation of trades; or (c) to harass, intimidate or coerce any member to enter into any Waiver, or to make or refrain from making any complaint or appeal.

(2) A pattern or practice of waiving all or a portion of a crowd participant's entitlement, with the result that such crowd participant receives no allocation or a lesser allocation than he or she would otherwise have been entitled to, may be considered conduct inconsistent with just and equitable principles of trade.

(G) Notwithstanding the first sentence of this Advice, neither Supplementary Material .02 to Options 8, Section 30 concerning precedence based on the size of bids on parity, nor Supplementary Material .03 to Options 8, Section 30 (insofar as it incorporates those provisions by reference) shall apply to the allocation of orders covered by this Advice.

Section F

Allocation of Automatically Executed Trades. After public customer market and marketable limit orders have been executed, trades automatically executed in such options shall be allocated among the Lead Market Maker and crowd participants with orders or quotations at the Exchange's disseminated price in the following manner:

(i) If the Lead Market Maker or any crowd participant is quoting alone at the disseminated price and their quote is not matched by another market participant prior to execution, such Lead Market Maker or crowd participant shall be entitled to receive a number of contracts up to the size associated with his/her quotation.

(ii) *Parity*. Quotations entered electronically by the Lead Market Maker or an SQT that do not cause an order resting on the limit order book to become due for execution may be matched at any time by quotations entered electronically by the Lead Market Maker and/or other SQTs, and by ROT limit orders entered and shall be deemed to be on parity, subject to the requirement that orders of controlled accounts must yield priority to customer orders as set forth in Options 8, Section 25(c)(1)(A).

(A) if the Lead Market Maker is quoting at the Exchange's disseminated price:

(1) orders for 5 contracts or fewer shall be allocated first to the Lead Market Maker, provided, however, that 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 25%. In order to be entitled to receive the 5 contract or fewer order preference set forth in this sub-paragraph (ii)(A)(1), the Lead Market Maker must be quoting at the Exchange's disseminated price, and shall not be entitled to receive a number of contracts that is greater than the size that is associated with its quote.

(2) Respecting orders for greater than 5 contracts, the Lead Market Maker shall be entitled to receive a number of contracts that is the greater of: (i) the proportion of the aggregate size associated with the Lead Market Maker's quote, SQT quotes, and non-SQT ROT limit orders entered on the book at the disseminated price represented by the size of the Lead Market Maker's quote, or (ii) 60% of the contracts to be allocated if the Lead Market Maker is on parity with one SQT or one non-SQT ROT that has placed a limit order on the book at the Exchange's disseminated price; (iii) 40% of the contracts to be allocated if the Lead Market Maker is on parity with two SQTs or non-SQT Floor Market Makers that have placed a limit order on the book at the Exchange's disseminated price; and (iv) 30% of the contracts to be allocated if the Lead Market Maker is on parity with three or more SQTs or non-SQT Floor Market Makers that have placed a limit order on the book at the Exchange's disseminated price. In order to be entitled to receive the number of contracts set forth in this sub-paragraph (ii)(A)(2), the Lead Market Maker must be quoting at the Exchange's disseminated price, and shall not be entitled to receive a number of contracts that is greater than the size that is associated with its quote.

(3) Thereafter, SQTs quoting at the disseminated price and non-SQT Floor Market Makers that have placed limit orders on the limit order book at the Exchange's disseminated price shall be entitled to receive a number of contracts that is the proportion of the total remaining aggregate size associated with SQT quotes and non-SQT Floor Market Maker limit orders on the book at the disseminated price represented by the size of the SQT's quote or, in the case of a non-SQT Floor Market Maker, by the size of the limit order they have placed on the limit order book. Such SQT(s) and non-SQT Floor Market Makers shall not be entitled to receive a number of contracts that is greater than the size associated with their quotation or limit order.

(4) If any contracts remain to be allocated after the Lead Market Maker, SQTs and non-SQT Floor Market Makers with limit orders on the limit order book have received their respective allocations, off-floor broker-dealers (as defined in Options 3, Section 7(b)(i)(C)) that have placed limit orders on the limit order book which represent the Exchange's disseminated price shall be entitled to receive a number of contracts that is the proportion of the aggregate size associated with off-floor broker-dealer limit orders on the limit order book at the disseminated price represented by the size of the limit order they have placed on the limit order book.

Such off-floor broker-dealers shall not be entitled to receive a number of contracts that is greater than the size that is associated with each such limit order.

(B) If the Lead Market Maker is not quoting at the Exchange's disseminated price, SQTs quoting at the disseminated price and non-SQT Floor Market Makers that have placed limit orders on the limit order book which represent the Exchange's disseminated price shall be entitled to receive a number of contracts equal to the proportion of the aggregate size associated with SQT quotes and non-SQT ROT limit orders on the book at the disseminated price represented by the size of the SQT's quote or, in the case of a non-SQT ROT, by the size of the limit order they have placed on the limit order book. Thereafter, off-floor broker-dealers that have placed limit orders on the limit order book which represent the Exchange's disseminated price shall be entitled to receive a number of contracts as specified in paragraph (ii)(A)(4) above.

(iii) Notwithstanding the first sentence of Options 8, Section 25(c)(1) neither Supplementary Material .02 to Options 8, Section 30,, Options 8, Section 23(f), nor Supplementary Material .03 to Options 8, Section 30 (insofar as it incorporates those provisions by reference) shall apply to the allocation of automatically executed trades.

FINE SCHEDULE (Implemented on a two-year running calendar basis)

Section A	No fine applicable. Matters subject for review by the Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement.	
Section B	1st Occurrence	$500.00
	2nd Occurrence	$1,000.00
	3rd Occurrence	$2,000.00
	4th Occurrence and thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement
Section C	Fine not applicable	
Section D	Fine not applicable	
Section E	Fine not applicable	

B-7 Options Floor Based Management System

Options Floor Based Management System. In order to create an electronic audit trail for options orders negotiated by Floor Market Makers on the Exchange's Options Floor, a Floor Market Maker or such Floor Market Maker's employees shall, prior to the negotiation of such an order in the trading crowd, record all options orders negotiated by such Floor Market Maker onto the

electronic Options Floor Based Management System as described in Options 8, Section 28(e)(1). The following specific information with respect to orders negotiated by a Floor Market Maker shall be recorded by such Floor Market Maker or such Floor Market Maker's employees: (i) the order type (i.e., market maker) and order receipt time; (ii) the option symbol; (iii) buy, sell, cross or cancel; (iv) call, put, complex (i.e., spread, straddle) or contingency order as described in Options 8, Section 32; (v) number of contracts; (vi) limit price or Market Order or, in the case of a multi-leg order, net debit or credit, if applicable; and (vii) whether the transaction is to open or close a position, as applicable (collectively, the "required information"). A Floor Market Maker must enter complete alpha/numeric identification assigned by the Exchange for all orders entered. Any additional information with respect to the order shall be inputted into the Options Floor Based Management System contemporaneously upon receipt, which may occur after the negotiation and execution of the order.

Pursuant to Options 8, Section 22, Floor Market Makers are not permitted to execute orders in the Exchange's options trading crowd (subject to certain exceptions). In the event that Floor Market Makers execute orders in the Exchange's options trading crowd pursuant to Options 8, Section 22(a) (other than for the use of Snapshot, as set forth in Options 8, Section 22(a)(2)(E)), Floor Market Makers shall record the required information on trade tickets, and shall not negotiate an order for execution which has not been time stamped with the time of entry on the trading floor. Such trade tickets also shall be time stamped upon the execution of such an order. Floor Market Makers or their employees shall ensure the required information that is recorded on such trade tickets is entered into the Exchange's electronic trading system by DETs for inclusion in the electronic audit trail.

Floor Market Makers or their employees shall enter the required information (as described above) for FLEX options**.**

FBMS is designed to execute orders entered by Floor Market Makers, including multi-leg orders up to 15 legs, after negotiation in the trading crowd. When a Floor Market Makers submits an order for execution through FBMS, the order will be executed based on market conditions at the time of execution and in accordance with Exchange rules. FBMS execution functionality will assist the Floor Market Maker in clearing the Exchange book, consistent with Exchange priority rules. If the order cannot be executed, the System will attempt to execute the order a number of times for a period of no more than one second, which period shall be established by the Exchange and announced by Options Trader Alert, after which it will be returned to the Floor Market Maker on the FBMS. The Floor Market Maker may resubmit the order for execution, as long as the quotes that comprise the order have not been withdrawn. Floor Market Makers are responsible for handling all FBMS orders in accordance with Exchange priority and trade-through rules, including Options 3, Section 10 and Option 8, Section 24 and Options 5, Section 2.

A Floor Market Maker is prohibited from triggering the Snapshot feature for the purpose of obtaining favorable priority or trade-through conditions or avoiding unfavorable priority or trade-through conditions.

FINE SCHEDULE (Implemented on a two-year running calendar basis)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

B-8 Use of Floor Brokers by an ROT While on the Floor

(a) When an ROT who is on the floor gives an order to a Floor Broker for execution, the ROT must initial and time stamp the order ticket. The Floor Broker or his employees must indicate on the Options Floor Based Management System whether such order is opening or closing.

(b) If such order opens or increases a position in the account of an ROT, the ROT must be aware of the terms of the trade, initial and time stamp the order and retain a copy of the ticket.

FINE SCHEDULE (Implemented on a three-year running calendar basis)

1st Occurrence	$250.00
2nd Occurrence	$500.00
3rd Occurrence	$1,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

B-9 Use of Tickets

When an issue of parity arises among yielding and non-yielding orders, unless the field which reads "closing" on an options ticket is checked, the order for an ROT shall be presumed to be an opening order.

FINE SCHEDULE

Fine not applicable

B-10 Responsibility for Mismatched or "Out" Trades

In order for an ROT to be held responsible on mismatches or other "out" trades of listed options, the ROT must have been informed of the problem before 9:30 A.M. on the business day following the transaction in question.

FINE SCHEDULE

Fine not applicable

B-11 Floor Market Makers and Lead Market Makers Entering Orders for Execution on Other Exchanges in Multiply Traded Options

(a) A ROT or Lead Market Maker may not for the Market Functions Account send an opening order to buy or sell options on any other exchange unless such ROT or Lead Market Maker is registered in that specific option on the Exchange.

(b) Each opening order sent for execution on another market for the market maker account of a ROT or Lead Market Maker must be initiated from on the Exchange floor, except if executed pursuant to Options 8, Section 27(f) and the corresponding provisions in Advice B-4 respecting off-floor orders. In initiating any such order, the ROT or Lead Market Maker, or Floor Broker, in the case of orders initiated from off-floor, is required to clear the crowd on the Exchange when the bid or offer of the order is on or between the Exchange disseminated market. Clearing the crowd on the Exchange requires that the order be loudly and audibly voiced in the crowd and, if not then executed, the order may be sent away.

FINE SCHEDULE (Implemented on a three-year running calendar basis)

1st Occurrence	$250.00
2nd Occurrence	$500.00
3rd Occurrence	$1,000.00
4th Occurrence of Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

C. FLOOR BROKERS

C-1 Ascertaining the Presence of Floor Market Makers in a Trading Crowd

A Floor Broker representing an order in options shall ascertain that at least one Floor Market Maker is present in the trading crowd at the post where such order is traded. This Floor Procedure Advice C-1 shall not apply to a Floor Broker in any foreign currency option if no Floor Market Maker registered in such foreign currency option is present on the Exchange's trading floor at that time.

FINE SCHEDULE (Implemented on a two-year running calendar basis)

1st Occurrence	$250.00
2nd Occurrence	$500.00
3rd Occurrence	$1,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

C-2 Options Floor Based Management System

Options Floor Based Management System. In order to create an electronic audit trail for options orders represented by Floor Brokers on the Exchange's Options Floor, a Floor Broker or such Floor Broker's employees shall, contemporaneously upon receipt of an order and prior to the representation of such an order in the trading crowd, record all options orders represented by

such Floor Broker onto the electronic Options Floor Based Management System (as described in Options 3, Section 7(a)(i)(C). The following specific information with respect to orders represented by a Floor Broker shall be recorded by such Floor Broker or such Floor Broker's employees: (i) the order type (i.e., customer, firm, broker-dealer, professional, market maker) and order receipt time; (ii) the option symbol; (iii) buy, sell, cross or cancel; (iv) call, put, complex (i.e., spread, straddle), or contingency order as described in Options 8, Section 32; (v) number of contracts; (vi) limit price or Market Order or, in the case of a complex or multi-leg order, net debit or credit, if applicable; (vii) whether the transaction is to open or close a position; and (viii) The Options Clearing Corporation ("OCC") clearing number of the broker-dealer that submitted the order (collectively, the "required information"). A Floor Broker must enter complete alpha/numeric identification assigned by the Exchange for all orders entered on behalf of Exchange Registered Option Traders. Any additional information with respect to the order shall be inputted into the Options Floor Based Management System contemporaneously upon receipt, which may occur after the representation and execution of the order.

Pursuant to Options 8, Section 22(a), Floor Brokers are not permitted to execute orders in the Exchange's options trading crowd (subject to certain exceptions). In the event of a malfunction in the Options Floor Based Management System or in the event that the Exchange determines that Floor Brokers are permitted to execute orders in the Exchange's options trading crowd for a specific reason pursuant to Options 8, Section 22(a)(2), (other than for the use of Snapshot, as set forth in Options 8, Section 22(a)(2)(E)), Floor Brokers shall record the required information on trade tickets, and shall not represent an order for execution which has not been time stamped with the time of entry on the trading floor. Such trade tickets also shall be time stamped upon the execution of such an order. Floor Brokers or their employees shall either enter the required information that is recorded on such trade tickets into the Exchange's electronic trading system or ensure that such information is entered for inclusion in the electronic audit ensure the required information that is recorded on such trade tickets is entered into the Exchange's electronic trading system by DETs for inclusion in the electronic audit trail.

Floor Brokers or their employees shall enter the required information (as described above) for FLEX options.

FBMS is also designed to execute two-sided orders entered by Floor Brokers, including multi-leg orders up to 15 legs, after representation in the trading crowd. When a Floor Broker submits an order for execution through FBMS, the order will be executed based on market conditions at the time of execution and in accordance with Exchange rules. FBMS execution functionality will assist the Floor Broker in clearing the Exchange book, consistent with Exchange priority rules. If the order cannot be executed, the System will attempt to execute the order a number of times for a period of no more than one second, which period shall be established by the Exchange and announced by Options Trader Alert, after which it will be returned to the Floor Broker on the FBMS. The Floor Broker may resubmit the order for execution, as long as the quotes/orders that comprise the cross have not been withdrawn. Floor Brokers are responsible for handling all FBMS orders in accordance with Exchange priority and trade-through rules, including Options 3, Section 10 and Option 8, Section 24 and Options 5, Section 2.

A Floor Broker is prohibited from triggering the Snapshot feature for the purpose of obtaining favorable priority or trade-through conditions or avoiding unfavorable priority or trade-through conditions.

FINE SCHEDULE (Implemented on a two-year running calendar basis)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

C-3 Handling Orders of Floor Market Makers and Other Registered Options Market Makers

(a) A Floor Broker must announce to the trading crowd when he is handling an order for a ROT and must state whether such order is opening or closing. In addition, in handling such orders the Floor Broker must comply with Options 8, Section 25 (d)(1), (h) and (j).

(b) Upon receipt of an options order on the Exchange for any account of a person registered as an options market maker on another national securities exchange, the Floor Broker or his employees must so indicate on the Options Floor Based Management System and must ensure that the order is represented in the trading crowd as a "BD" order for the purposes of the Exchange's yielding requirements. A Floor Broker must make reasonable efforts to inquire which orders placed with him for execution on the Exchange qualify as such orders.

(c) Before handling an opening transaction on behalf of a ROT, the Floor Broker or his employees must ascertain that the ROT is aware of the terms of the trade and assure that the floor ticket has been initialed and time-stamped by the ROT and that the order is appropriately entered on the Options Floor Based Management System. The Floor Broker must note on the Options Floor Based Management System any opening off-floor order to be cleared into an Exchange market maker account, as indicated by a ROT seeking market maker margin treatment for such order pursuant to Options 8, Section 27(f) and Advice B-4, and comply with the requirements of Advice B-12 respecting multiply traded options.

(d) A Floor Broker may not exercise any discretion with respect to the order of a ROT or any order for the account of an options market maker registered on another exchange.

FINE SCHEDULE (Implemented on a two-year running calendar basis)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

C-4 Floor Brokers Handling Orders for Same Firm

A Floor Broker may not accept opening or discretionary orders for an ROT who is associated with the same member organization as such Floor Broker or who is associated with another member organization affiliated with the same member organization as such Floor Broker.

FINE SCHEDULE (Implemented on a three-year running calendar basis)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

C-5 Floor Market Makers Acting as Floor Brokers

Whenever an order is handled as agent by a Floor Broker who is also an ROT, the Floor Broker must advise at the time a market is sought from the crowd for the order that he is acting as a Floor Broker. Bids or offers made in person by an ROT will be assumed to be for his account unless otherwise specified.

An exemption to the above exists in the instance where a Floor Broker is representing an order in an issue in which the broker has previously that day represented himself as an agent, provided that the Floor Broker obtain the prior approval of an Options Exchange Official. In such cases, a Floor Broker is not required to further advise the crowd of his role as agent in that issue for the remainder of that day.

FINE SCHEDULE (Implemented on a two-year running calendar basis)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

C-6 Responsibility to Represent Orders to the Trading Crowd

(a) Except as otherwise provided in Options Floor Procedure Advice B-11(c) and Exchange Options 8, Section 30(c), once an option order has been received on the floor, it must be represented to the trading crowd before it may be represented away from the crowd.

(b) A Floor Broker must be loud and audible when representing a market and/or representing an order in the trading crowd. A Floor Broker must make reasonable efforts to position himself in the trading crowd to be heard by the majority of the trading crowd.

FINE SCHEDULE (Implemented on a two-year running calendar basis)

(a) Fine not applicable. Matters subject for review by the Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement.

(b)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

C-7 Floor Brokers and Clerks Trading in their Customer Accounts

All persons employed on the trading floor in association with a member organization, other than Floor Market Makers and Lead Market Makers, are prohibited from initiating trades in Exchange options in their customer accounts while on the floor. A member organization which accepts an order for the customer account of such a person must process the order through the channels it normally provides for its other customer orders. When any such order is received by the member organization and delivered to the floor for execution, it may not be handled by any person with a beneficial interest in the account, or by any associated person with knowledge that the order is for the account of an associate. Once such a person has placed an order for his/her customer account in an option, that person is prohibited from brokering orders in that option for the remainder of that day or until such order has been executed or cancelled whichever is later. This provision shall not apply to any transaction permissible under Section 11(a)(1) of the Securities Exchange Act of 1934.

FINE SCHEDULE (Implemented on a three-year running calendar basis)

Matters subject to review by Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement.

D. STAFFING

D-1 Required Staffing of Options Floor

Every Options Lead Market Maker Unit, Floor Brokerage Unit, Clearing Firm, Floor Broker and ROT must have a representative available on the floor (except that a Remote Lead Market Maker must have a representative available via telephonic and/or electronic communication access) for the thirty minutes before the opening and the thirty minutes after the close of trading and one hour after the preliminary trade reports are distributed. Such representatives must be authorized to make appropriate changes and corrections to trades of or guaranteed by such Lead Market Maker Unit, Floor Brokerage Unit, Clearing Firm, Floor Broker and ROT. Additionally, on expiration such representatives must be available on the floor until the Exchange has announced the last call for adjustments in expiring options.

FINE SCHEDULE (Implemented on a two-year running calendar basis)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,000.00

4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

E. MISCELLANEOUS

E-1 Use of Identification Letters and Numbers

All Lead Market Makers, Floor Market Makers, and Floor Brokers must use the complete alpha/numeric identification assigned by the Exchange. All Floor Brokers or their employees must indicate their complete alpha/numeric identifiers on the Options Floor Based Management System for each order they receive and represent in the trading crowd.

Fine not applicable.

E-2 Allocation, Time Stamping, Matching and Access to Matched Trades

(a) In order to facilitate timely tape reporting of trades, it is the duty of the persons identified below to allocate, match and time stamp trades executed in open outcry and to submit the matched trade tickets to an Exchange Data Entry Technician ("DET") located on the trading floor immediately upon execution. When executing trades electronically, it is also the duty of the persons identified below to enter and submit trade information to the Trading System using the Options Floor Based Management System. Trades executed electronically via the System and through the Options Floor Based Management System are automatically trade reported without further action required by executing parties:

(i) in a trade involving a Floor Broker, the Floor Broker shall do so, provided that a Floor Broker may delegate this responsibility to the Lead Market Maker (or a back-up to the Lead Market Maker under the Lead Market Maker's direct supervision) if the Specialist agrees to accept such responsibility, and, in the event of such delegation, the Lead Market Maker (or a back-up to the Lead Market Maker under the Lead Market Maker's direct supervision) shall do so:

(ii) in all other cases where the Lead Market Maker is a participant (i.e., where there is no Floor Broker), the Lead Market Maker (or a back-up to the Lead Market Maker under the Specialist's direct supervision) shall do so.

(iii) in any other case (i.e., where there is no Floor Broker and no Lead Market Maker is involved), the largest participant shall do so (for example, where several Floor Market Makers are involved):

and

(iv) if there is only one seller and one buyer (no Floor Broker and no Lead Market Maker is involved), the seller shall do so (for example, where only two Floor Market Makers are involved).

The person responsible for trade allocation (the "Allocation Participant") shall, for each trade allocated by such Allocating Participant, circle his or her badge identification number on the trade tickets, identifying himself or herself as the Allocating Participant in the particular trade. If the Allocating Participant is not a participant in the trade to be allocated, he/she shall identify himself/herself/ by initialing the trade tickets. In the case of a trade, executed using the Floor Based Management System, such member shall allocate the trade using the Options Floor Based Management System.

(b) A member or member organization initiating an options transaction, whether acting as principal or agent, must report or ensure that the transaction is reported within 90 seconds of the execution to the tape. Transactions not reported within 90 seconds after execution shall be designated as late. A pattern or practice of late reporting without exceptional circumstances may be considered conduct inconsistent with just and equitable principles of trade.

(c) Execution times must be recorded on the reverse side of one or more of the tickets to a matched trade.

(d) Once a trade has been matched and submitted to a DET located on the trading floor for reporting, the respective parties to the trade must preserve the matched tickets, or copies thereof, for a period of not less than three years.

(e) Member access to tickets comprising a matched trade is available to any participant of that trade, as well as the respective Lead Market Maker and any Options Exchange Official acting in his capacity as an Options Exchange Official. Requests to review trade matches must be made with the Lead Market Maker Unit.

FINE SCHEDULE (Implemented on a three-year running calendar basis).

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

E-2 (b)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,500.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

E-3 Orders Executed as Spreads, Straddles, Combinations or Synthetics and Other Order Ticket Marking Requirements

(a) Sp, St, Comb, Syn - Members executing spread, straddle or combination orders in reliance upon the "spread priority rule," Options 8, Section 34(d), or synthetic option (buy-write, synthetic put and synthetic call) orders, must mark the tickets as "sp" for spreads, "st" for straddles, "comb" for combinations and "syn" for synthetics. Members or their employees must make the appropriate notation on the Options Floor Based Management System.

(b) Additional Marking Requirements - The following is a list of requirements to mark order tickets or, in the case of trades involving the Options Floor Based Management System to make the appropriate notations on the Options Floor Based Management System, including a description and reference to the Rule or Advice requiring such mark or notation:

Circling "yield"	yielding/11(a) (1)	Advice B-6
acronym	identification letter/#s	Advice E-1
ROT initial/time stamp	on-floor brokered orders	Advice B-8, C-3
SS	sold sale	Minor Rule Plan F-3
F	facilitation	Advice B-11
BD	non-member BD	Advice A-11
N	non-Phlx Floor Market Makers	Advice C-3
P	off-floor/market maker margin	Options8, Section 27(f)
P/A	principal acting as agent	General 2, Section 17

FINE SCHEDULE (Implemented on a two-year running calendar basis)

1st Occurrence	$250.00
2nd Occurrence	$500.00
3rd Occurrence	$1,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

E-4 Changes or Corrections to Material Terms of a Matched Trade

(a) All correction sheet submissions which change material terms of a transaction (security, price, volume, series, class and customer to Firm participations) must be signed by all parties to the transaction and by a representative of the Lead Market Maker Unit. Also if one of the parties to the transaction is not present at a time such matter is being resolved, a signature by Regulatory staff is required to acknowledge the contra-side's absence. The Regulatory signature in any such case does not relieve any party to the trade of liability in connection with the change.

(b) Any person signing a correction sheet shall use due diligence to confirm the correction before signing the correction sheet, including checking the appropriate floor tickets or computerized report ("run") in any case where a sizeable error may result in the absence of appropriate corrective action.

Generally, a sizeable error with respect to equity options and index options exceeds $1,000 and, with respect to foreign currency options, exceeds $3,000. However, the circumstances surrounding each correction must be considered and these amounts are guidelines only.

FINE SCHEDULE (Implemented on a three-year running calendar basis)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00

3rd Occurrence	$2,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

E-5 Option Quote Parameters

When bidding and/or offering in equity option or index option issues, the following parameters should be utilized after the opening for those quoting verbally:

Current Option Bid	***Maximum Quote Spread***
Less than $2.00	.25
$2.00 to less than $5.00	.40
$5.00 to less than $10.00	.50
$10.00 to less than $20.00	.80
$20.00 and greater	1

Quotations provided in open outcry may not be made with $5 bid/ask differentials and instead must comply with the bid/ask differential requirements described above.

The bid/ask differentials stated above shall not apply to in-the-money series where the market for the underlying security is wider than the differentials set forth above. For such series, the bid/ask differential may be as wide as the quotation for the underlying security on the primary market, or its decimal equivalent rounded up to the nearest minimum increment.

Foreign Currency Options

When bidding and/or offering in U.S. dollar-settled foreign currency option issues, the following parameters should be utilized after the opening for those quoting verbally (in open outcry):

Current Option Bid	***Maximum Quote Spread***
Less than $2.00	.25
$2.00 to less than $5.00	.40
$5.00 to less than $10.00	.50
$10.00 to less than $20.00	.80
$20.00 and greater	1

Quotations provided in open outcry may not be made with $5 bid/ask differentials and instead must comply with the bid/ask differential requirements described above.

The bid/ask differential as stated above shall apply to all listed series, including the longest term, except for the two longest term series open for trading in the Euro options and long-term foreign currency options.

Relief

Relief from the established bid/ask differentials may be granted upon the receipt of an approval of an Options Exchange Official.

Batching

The Exchange may aggregate individual violations and treat such violations as a single offense.

FINE SCHEDULE (Implemented on a one-year running calendar basis)

1st Occurrence	Warning letter
2nd Occurrence	Warning letter
3rd Occurrence	Warning letter
4th Occurrence	$250.00
5th Occurrence	$500.00
6th Occurrence	$1,000.00
7th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

E-6 Failure to Comply with an Exchange Inquiry

In addition to E-2 of the Options Minor Rule Plan, whenever the Exchange staff requests that a floor broker identify clients with respect to an order, regardless of whether that order has been executed or not, the floor broker must immediately provide the Exchange with sufficient information to reveal the identity of the floor broker's clients. If the floor broker fails to comply immediately with such request, the fines in the schedule above apply.

FINE SCHEDULE (Implemented on a three-year running calendar basis)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

E-7 Affiliations

In addition to F-3 of the Options Minor Rule Plan, Floor members shall adhere to the following requirements:

(a) Pursuant to Options 2, Section 12, an ROT is prohibited from receiving communications about trading interests or orders from an affiliated Floor Broker's customers prior to the respective trading crowd receiving the same information. In this regard, the ROT is prohibited from answering telephones at the affiliate's post, except that he may access a telephone at the post to communicate with associates of his Registered Options Trading Firm.

(b) Any exchange of interests to trade between an ROT or his Firm and an affiliated Floor Broker Firm will require that the same information be provided to the respective trading crowd and shall also require that the crowd be advised that the order is presented for execution under Options 8, Section 30(c) - Solicited Orders.

FINE SCHEDULE (Implemented on a three-year running calendar basis)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

E-8 Splitting Orders

Floor Market Makers of the same Firm, affiliated or financially affiliated Floor Market Makers, when bidding or offering at the same price for the same option, are to be treated as one interest for purpose of splitting an order in the trading crowd.

For the purposes of this Advice, affiliated Floor Market Maker's are Floor Market Makers required to report such affiliations pursuant to General 3, Section 11 and financially affiliated Floor Market Maker's are Floor Market Maker's required to report financial arrangements pursuant to General 9, Section 7.

FINE SCHEDULE (Implemented on a two-year running calendar basis)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

E-9 Responsibility for Assigning Participation

a) In each instance where a member effects a transaction on the options or foreign currency options floor, he must make reasonable efforts to ensure that a meeting of the minds occurred with the contra-side as to confirming the contra-side's participation in the trade. In trades where more than one contra-side is involved, each contra-side must immediately make known to the largest participant his understanding as to his respective level of participation in the trade.

b) No such contra-side who has participated in the trade shall leave the crowd until the level of his participation in the trade has been confirmed by the largest participant.

c) No person in the crowd shall submit a ticket for matching on a trade when that person is not due participation in the trade.

d) Disputes as to participation on a trade shall be resolved by a majority vote of those persons present in the crowd during the relevant time or, if not so settled, then by an Options Exchange Official.

FINE SCHEDULE (Implemented on a two-year running calendar basis)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

E-10 Executing Multi-leg and Synthetic Option Orders

A multi-leg order (i.e. spread type order) as defined in Options 8, Section 32(e) may be executed as a single transaction at a single credit or debit in accordance with Options 8, Section 24(d) and the requirements below:

(a) Bids (offers) for the total hedge order must be solicited from the crowd on the basis of a total credit or debit.

(b) In the case of an "options-only hedge order" (spread, straddle, and combination orders), the trade may be immediately executed at a single credit or debit which is superior to the aggregate price of the established markets for the individual option legs (on a buy-on-the-bid or sell-on-the-offer basis), such that:

(1) no option leg is executed outside of the established bid/offer for that option contract; and

(2) at least one option leg is executed at a price better than the established bid/offer for that option contract.

(c) In the case of conversions and reversals, the trade may be immediately executed at a single credit or debit which is superior to the aggregate price of the established markets for the individual option legs (on a buy-on-the-bid or sell-on-the-offer basis), such that:

(1) no option leg is executed outside of the established bid/offer for that option contract;

(2) at least one option leg is executed at a price better than the established bid/offer for that option contract.

(d) In the case of a synthetic option order, the trade may be immediately executed at a single credit or debit which is superior to the aggregate price of the established market for the individual legs (on a buy-on-the-offer and sell-on-the-bid basis), provided that the option leg is executed at a price better than the established bid/offer for that option contract.

Once the credit or debit execution price to a multi-leg option order is agreed upon, the stock portion of the order, if any, must be effected at or near the same time as the execution of the option portion.

FINE SCHEDULE

Fine not applicable.

E-11 Two-Way, Three Way and Multi-Spread Transactions (FOREIGN CURRENCY OPTION ONLY)

Execution of spread type orders (spread, straddle and combination orders, as defined in Options 8, Section 32(f) in foreign currency options must be effected in accordance with the provisions of Options 8, Section 24(d), which requires that a foreign currency options participant holding a spread type order must first determine that the order is best served by bidding or offering on the basis of a total credit or debit before executing the order as a single transaction. Options 8, Section 24(d), also requires the participant to ensure that at least one leg of the order is executed at a better price than the established bid/offer for that option and that no leg is executed at a price outside of the established bid/offer for that option.

Options 8, Section 24(h) governing ration spread type orders in foreign currency options permits the size of the respective legs of such orders to be either equal in size or related by a permissible ratio (two-to-one, three-to-one, and three-to-two). In addition, spread type orders may be comprised of two or more legs, as described below:

Two-Way Transaction

(a) A two-way transaction is comprised of two legs, which can be either equal in size or differ by a permissible ratio (two-to-one, three-to-one, and three-to two), forming one spread type. See Options 8, Section 24(d)

Three-Way Transaction

(b) A three-way transaction is comprised of three legs forming one spread type where (1) the order sizes of each of the three legs are equal to each other, or (2) the combined order size of any two legs on the same side of the market is either equal to the order size of the third leg or differs from the order size of the third leg by a permissible ratio (two-to-one, three-to-one, and three-to-two). See Options 8, Section 24(g).

Multi-Spread Transaction

(c) A multi-spread transaction, as defined in Options 8, Section 32(e), combines two of the same spread type orders for execution at a total net credit or debit, such as: a two-way order with another two-way order of the same spread type; a three-way order with another three-way order of the same spread type; or a two-way order with a three-way order of the same spread type. In addition, a multi-spread transaction may combine a spread type order with a ratio spread type order of the same spread type. In combining spread type orders to create a multi-spread transaction, each individual spread must meet the execution requirements of Options 8, Section 24(i) at least one leg of each spread must be executed at a price better than the established bid/offer for that option and no leg of any spread may be executed at a price outside of the established market for that option.

FINE SCHEDULE

Fine not applicable.

E-12 Intra-Day Addition of Strike Prices

The Exchange may, under appropriate circumstances, list and make available for trading on an intra-day basis one or more option series with new strike prices.

For the purposes of this Advice, appropriate circumstances may include instances where:

(1) bona fide off floor customer interest is expressed to effect a sizable transaction at a strike price at or within 5 points of the price of the underlying instrument, or within a comparable amount of ticks respecting foreign currency options; or

(2) an operational error in not adding a requested exercise strike price has occurred. Customer interest includes institutional (Firm), corporate or customer interest expressed directly to the Exchange or through the customer's Floor Brokerage unit, but not interest expressed by an ROT with respect to trading for the ROT's own account. Only strike prices which are consistent with the provision in Options 4, Section 5 and Options 4A, Section 12 imposing a "reasonably related" standard for listing additional strike prices may be added intraday pursuant to this Advice.

In each instance where such approval has been granted, prior written disclosure of each strike price to be added shall be disseminated to the trading floor and electronically to the options members. No trading may occur in any such series until such dissemination has taken place.

New series of equity options, options on Exchange Traded Fund Shares and options on Trust Issued Receipts opened for trading shall be subject to the range limitations set forth in Options 4, Section 5 at Supplementary Material .10.

FINE SCHEDULE

Fine not applicable

E-13 Clerks in the Crowd

Clerks, other than Lead Market Maker clerks, are prohibited from a sustained presence in the trading crowd. In addition, clerks are prohibited from requesting market quotations from a Lead Market Maker or ROT, except that a Lead Market Maker clerk, under the supervision of a Lead Market Maker, may request the crowd's market in order to update disseminated markets or ascertain parity/priority splits in relation to the execution of an order. For purposes of this Advice, a clerk is any associated person not registered or eligible to effect transactions on the floor as a Lead Market Maker, ROT or Floor Broker, including member organizations whose membership privileges have been suspended or terminated as well as other member organizations without trading privileges.

A sustained presence shall be a period of time beyond such time that would, under the prevailing circumstances, be needed by the clerk to complete the allowable business function which brought the clerk to that crowd in the first place.

FINE SCHEDULE (Implemented on a three-year running calendar basis)

1st Occurrence	$250.00
2nd Occurrence	$500.00
3rd Occurrence	$1,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

E-14 Fingerprinting Floor Personnel

Member organizations are required to comply with Section 17(f) of the Securities Exchange Act of 1934 respecting the fingerprinting of required employees. Applicants for a permit must also be fingerprinted. Such fingerprints must be submitted to the FINRA for identification and appropriate processing prior to any employee performing the functions listed in SEC Rule 17f-2.

FINE SCHEDULE (Implemented on a two-year running calendar basis)

1st Occurrence	$250.00
2nd Occurrence	$500.00
3rd Occurrence	$1,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

E-15 Options Trading Floor Training

All members and persons employed by or associated with a member organization shall successfully complete mandatory training, as required by the Exchange. Training topics include, but are not limited to, training related to that member's or person's function at the Exchange, changes in existing automated systems or any new technology that is utilized by the Exchange, compliance with Exchange Rules and federal securities laws, and issues related to conduct, health and safety on the trading floor. In addition, floor members shall complete mandatory training programs, on at least a semi-annual basis, that address compliance with the federal securities laws and the Exchange's Rules in place to prevent and deter unlawful trading by floor members.

Failure to attend the scheduled mandatory training described above may result in the issuance of a fine in accordance with the fine schedule below.

FINE SCHEDULE (Implemented on a three-year running calendar basis)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

E-16 Communications and Equipment

(1) **Registration**. Members and member organizations must register, prior to use, any new telephone to be used on the Options floor. Each phone registered with the Exchange must be registered by category of user. If there is a change in the category of any user, the phone must be re-registered with the Exchange. At the time of registration, members and representatives of member organizations must sign a statement that they are aware of and understand the Rules and procedures governing the use of telephones on the Options floor.

(2) **Capacity and Functionality**. No wireless telephone used on the Options floor may have an output greater than one watt. No person on the Options floor may use any device for the purpose of maintaining an open line of continuous communication whereby a person not located in the trading crowd may continuously monitor the activities in the trading crowd. This prohibition covers intercoms, walkie-talkies and any similar device. Speed-dialing features are permitted on any member telephone.

(3) **Lead Market Makers and Floor Market Makers.**

(a) Lead Market Makers and Floor Market Makers may use their own cellular and cordless phones to place calls to any person at any location (whether on or off the Options floor).

(b) Floor Market Makers located off the Options floor may not place an order by calling a Floor Broker who is present in the trading crowd. Floor Market Makers located off the Options floor may not otherwise place an order by calling the Lead Market Maker phone in the trading crowd. Any telephonic order entered from off the Options floor must be placed with a person located in a member organization booth.

(4) **Floor Brokers.**

(a) Floor Brokers may use cellular and cordless telephones, but only to communicate with persons located on the Options floor. These telephones may not include a call forwarding feature. Headsets are permitted for Floor Brokers, but if the Exchange determines that a Floor Broker is maintaining a continuous open line through the use of a headset, the Floor Broker will be prohibited from future use of any headset for a length of time to be determined by the Exchange.

(b) All orders phoned to Floor Brokers must be received initially at the Floor Broker's booth. Floor Brokers may not receive telephonic orders while in the trading crowd except from their booth. Any telephonic order entered from off the Options floor must be placed with a person located in a member organization booth.

(5) **Clerks.**

(a) Floor Broker clerks are subject to the same terms and conditions on telephone use as Floor Brokers.

(b) Stock Execution clerks are subject to the same terms and conditions on telephone use as Floor Brokers.

(c) The Exchange reserves the right to prohibit clerks from using cellular or cordless phones on the floor at any time that it is necessary due to electronic interference problems or capacity problems resulting from the number of such phones then in use on the Options floor. In such circumstances, the Exchange will first consider restricting the use of such phones by Stock Execution Clerks, and then by Floor Broker Clerks.

(6) **General Access In-House Phones**. The general access in-house telephones located outside of the trading post areas may be used by any member, clerk or Floor Broker to communicate with persons located on the Options floor or within the Exchange complex.

(7) **Telephone Records**. Members must maintain their cellular or cordless telephone records, including logs of calls placed, for a period of not less than one year. The Exchange reserves the right to inspect and/or examine such telephone records.

(8) **Exchange Liability.** The Exchange assumes no liability to members or member organizations due to conflicts between telephones in use on the Options floor or due to electronic interference problems resulting from the use of telephones on the trading floor.

FINE SCHEDULE (Implemented on a three year running calendar basis)

1st Occurrence	$250.00
2nd Occurrence	$500.00
3rd Occurrence	$1,000.00
4th Occurrence	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

E-17 Solicitation of Quotations

In response to a Floor Broker's solicitation of a single bid or offer, the members of a trading crowd (including the Lead Market Maker and Floor Market Makers) may discuss, negotiate and agree upon the price or prices at which an order of a size greater than the Exchange's disseminated size can be executed at that time, or the number of contracts that could be executed at a given price or prices, subject to the provisions of the Options Order Protection and Locked/Crossed Market Plan and the Exchange's Rules respecting Trade-Throughs. Notwithstanding the foregoing, a single crowd participant may voice a bid or offer independently from, and differently from, the members of a trading crowd (including the Lead Market Maker and Floor Market Makers).

F. REGULATIONS Pursuant to Rule 9216(c)

Regulation 1 - Smoking and Alcohol

Smoking is prohibited on the trading floor and the lower level areas adjacent to the trading floor except for those areas specifically designated for smoking.

1st Occurrence	$250.00
2nd Occurrence	$500.00
3rd Occurrence	$1,000.00
4th and Thereafter	Sanction is discretionary with Phlx Regulation Department

Alcoholic beverages are prohibited on the trading floor and the lower level areas adjacent to the trading floor.

1st Occurrence	$1,000.00
2nd Occurrence	Sanction is discretionary with Phlx Regulation Department

Regulation 2 - Food, Liquids and Beverages, Trash, Litter and Vandalism

(a) Food, Liquids and Beverages

Food, liquids and beverages while allowed on the trading floor, should be kept and consumed in a way that does not unreasonably interfere with others. All drinks should be in cans or covered containers. Food and drink may not be consumed while in transit on the trading floor.

1st Occurrence	$250.00
2nd Occurrence	$500.00
3rd Occurrence	$1,000.00
4th and Thereafter	Sanction is discretionary with Phlx Regulation Department

(b) Trash and Litter

All debris resulting from the consumption of food and drink, and other non-business trash, must be properly disposed of. Throwing or dropping objects on the trading floor, including food or drink, is strictly prohibited. All trading posts/booths must be free of debris, trash or litter at the end of each trading day.

The following fine schedule will apply to a violation of this section:

1st Occurrence	$250.00
2nd Occurrence	$500.00
3rd Occurrence	$1,000.00
4th and Thereafter	Sanction is discretionary with Phlx Regulation Department

(c) Vandalism

The abuse, destruction, or theft ("Vandalism") of any property on the Exchange's premises, whether or not owned by the Exchange, is a serious offense and will be dealt with appropriately, including prompt disciplinary action.

The following fine schedule will apply to a violation of this section:

1st Occurrence	$3,000.00 and restitution
2nd Occurrence	$5,000.00 and restitution
3rd Occurrence	$10,000.00 and restitution
4th and Thereafter	Sanction is discretionary with Phlx Regulation Department

Each Floor Manager, Post Supervisor, or Firm Representative will be responsible for monitoring staff compliance with this Regulation. A violation of this Regulation may result in fines to the members, member organizations and associated persons.

Regulation 3 - Identification Badges/Access Cards

(i) Identification badges must be worn chest high in full view and must accurately reflect the respective person's associations and affiliations.

1st Occurrence	Official Warning
2nd Occurrence	$100.00
3rd Occurrence	$200.00
4th and Thereafter	Sanction is discretionary with Phlx Regulation Department

(ii) Use of another person's Identification Badge or Access Card will carry a fine of $250.00 for the first occurrence and $500.00 for each subsequent occurrence. The fine may be assessed against both the user and the person who allowed such use.

Regulation 4 - Order

(a) Members and associated persons shall not conduct themselves in a disorderly manner on the trading floor or on the premises immediately adjacent to the trading floor. Further, members, participants and associated persons shall not conduct themselves in an indecorous manner that is disruptive to the conduct of business on the trading floor, including but not limited to the use of profanity.

The fines to be imposed for such violations shall be as follows:

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,500.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department

(b) Members and associated persons shall not direct any threatening, abusive, harassing or intimidating speech or conduct at anyone while on the trading floor or on the premises immediately adjacent to the trading floor. The fines to be imposed for such violations shall be as follows:

1st Occurrence	$2,500.00
2nd Occurrence	$5,000.00
3rd and thereafter	Sanction is discretionary with Phlx Regulation Department

(c) Members and associated persons shall not possess a firearm on the trading floor or on the premises immediately adjacent to the trading floor. As stated in Rule 9216(c), members, participants and associated persons shall be excluded from the floor if they possess a firearm. In addition, the fines to be imposed for such violations shall be as follows

1st Occurrence	$5,000.00
2nd Occurrence	Sanction is discretionary with Phlx Regulation Department

(d) Members and associated persons shall not possess illegal controlled substances on the trading floor or on the premises immediately adjacent to the trading floor.

1st Occurrence	$5,000.00
2nd Occurrence	Sanction is discretionary with Phlx Regulation Department

(e) The Exchange must report fines over $1,000 to the Securities and Exchange Commission.

(f) Each Floor Manager, Post Supervisor, or Firm Representative will be responsible for monitoring staff compliance with this Regulation. A violation of this Regulation may result in fines to the members, member organizations and associated persons.

Regulation 5 - Visitors

Non-member visitors will be permitted on the trading floor at the discretion of an Exchange official or Options Exchange Official. All visitors must be signed in by a member or Exchange official and accompanied at all times by a member, associated person or an Exchange official.

1st Occurrence	Official Warning
2nd Occurrence	$50.00
3rd Occurrence	$100.00
4th Occurrence	$200.00
5th and Thereafter	Sanction is discretionary with Phlx Regulation Department

Each Floor Manager, Post Supervisor, or Firm Representative will be responsible for monitoring staff compliance with this Regulation. A violation of this Regulation may result in fines to the members, member organizations and associated persons.

Non-member visitors who are performing contract work at the Exchange on behalf of a member are required to provide, upon request, a certificate of insurance evidencing Professional Liability Insurance in respect of all claims for injury, loss or damage arising out of any errors, acts or omissions in the performance of his or her duties for a sum of not less than $1,000,000 for any one occurrence or series of occurrences and list Nasdaq PHLX as an insured. This includes any non-member visitors who are requesting access to perform any type of work at the Exchange or are utilizing any building facilities.

1st Occurrence	$1,000.00
2nd Occurrence	$5,000.00
3rd and Thereafter	Sanction is discretionary with Phlx Regulation Department

Regulation 6 - Dress

(a) The Dress Code must be complied with at the point of entry to the trading floor. The Dress Code is in effect on the trading floor before, during and after trading hours. The Dress Code outlining acceptable and unacceptable dress for members and member organization staff, and changes thereto, shall be communicated to members and member organizations by the Exchange in writing. Changes to the Dress Code shall be effective three business days after they are so communicated. In addition, the Dress Code will be posted in at least one visible location on the trading floor of the Exchange.

(b) Each member will be responsible for compliance with this Regulation; and each member organization will be responsible for monitoring staff compliance with this Regulation. A violation of this Regulation may result in fines to the members, member organizations and associated persons.

The following is the fine schedule for dress code violations:

1st Occurrence	$100.00
2nd Occurrence	$250.00
3rd Occurrence	$500.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department

Regulation 7 - Proper Utilization of the Security System

(a) Attempt to Circumvent the Security System of the Exchange

Any member or employee of a member organization who wishes to enter or exit the Exchange trading facilities must do so through the areas where the Exchange security systems are located.

1st Occurrence	$250.00
2nd Occurrence	$500.00
3rd and Thereafter	Sanction is discretionary with Phlx Regulation Department

(b) Required Filing for Floor Member Organization Employee Status Notices with the Exchange Following the termination of, or the initiation of a change in the trading status of any member or any non-member/clerk and trading floor personnel including clerks, interns, stock execution clerks and any other associated person, of member organizations who have been issued an Exchange access card and trading floor badge, the appropriate Exchange form must be completed, approved and dated by a firm, principal, officer, or member of the firm with authority to do so, and submitted to the appropriate Exchange Department as soon as possible, but no later than 9:30 A.M. the next business day by the member organization employer. Further, every effort

should be made to obtain the employee's access card and trading floor badge and to submit these to the appropriate Exchange Department.

1st Occurrence	$100.00
2nd Occurrence	$200.00
3rd and Thereafter	Sanction is discretionary with Phlx Regulation Department

(c) Required Filing for the Termination of, or the Initiation of a Change in the Status of, a Business Relationship between member organizations and their Clearing Organizations Following the commencement or termination of a clearing arrangement between member organizations and their clearing organization, a completed "Clearing Arrangement Notice" must be submitted to the Exchange as soon as possible, but no later than 9:30 AM the next business day by such clearing organization.

1st Occurrence	$100.00
2nd Occurrence	$200.00
3rd and Thereafter	Sanction is discretionary with Phlx Regulation Department

Adopted: April 16, 2019 (19-17); amended Sept. 10, 2019 (19-33); amended Nov. 26, 2019 (19-52), operative Dec. 26, 2019; amended Feb. 3, 2020 (20-03); amended April 16, 2020 (20-22); amended April 14, 2020 (20-21); amended July 13, 2021 (SR-Phlx-2021-41), operative August 12, 2021; amended December 23, 2021 (SR-Phlx-2021-76); amended Nov. 9, 2023 (SR-Phlx-2023-48), operative Dec. 9, 2023.

OPTIONS 9 BUSINESS CONDUCT
Section 1. Reserved

Adopted Feb. 3, 2020 (20-03); amended Jan. 22, 2021 (SR-Phlx-2021-04).
Section 2. Reserved

Adopted Feb. 3, 2020 (20-03).
Section 3. Reserved

Adopted Feb. 3, 2020 (20-03).
Section 4. Reserved

Adopted Feb. 3, 2020 (20-03).
Section 5. Reserved

Adopted Feb. 3, 2020 (20-03); amended Jan. 22, 2021 (SR-Phlx-2021-04).

Section 6. Reserved
Adopted Feb. 3, 2020 (20-03).

Section 7. Reserved
Adopted Feb. 3, 2020 (20-03).

Section 8. Reserved
Adopted Feb. 3, 2020 (20-03).

Section 9. Reserved
Adopted Feb. 3, 2020 (20-03).

Section 10. Reserved
Adopted Feb. 3, 2020 (20-03).

Section 11. Reserved
Adopted Feb. 3, 2020 (20-03).

Section 12. Reserved
Adopted Feb. 3, 2020 (20-03).

Section 13. Position Limits

(a) Except with the prior written approval of the Exchange in each instance, no member or member organization shall effect, for any account in which such member or member organization has an interest or for the account of any partner, officer, director or employee thereof or for the account of any customer, an opening transaction (whether on the Exchange or on another participating exchange) in an option contract of any class of options dealt in on the Exchange if the member or member organization has reason to believe that, as a result of such transaction, the member or member organization or partner, officer, director or employee thereof or customer would, acting alone or in concert with others, directly or indirectly control an aggregate position: (a) of more than 25,000, 50,000, 75,000, 200,000 or 250,000 option contracts (whether long or short), put or call option contracts on the same side of the market relating to the same underlying security, which limit is determined in accordance with section (g)(1)(a) herein, in the case of options on a stock or Exchange-Traded Fund Share, except with respect to put or call option contracts overlying:

- INVESCO QQQ Trust[SM], Series 1 ("QQQ")® for which the position limit shall be 1,800,000 contracts on the same side of the market;
- SPDR® S&P 500® ETF Trust ("SPY") for which the position limit shall be 3,600,000 contracts on the same side of the market;
- iShares® Russell 2000® ETF ("IWM"), for which the position limit shall be 1,000,000 contracts;
- Diamonds Trust ("DIA"), for which the position limit shall be 300,000 contracts on the same side of the market;
- iShares MSCI Emerging Markets ETF ("EEM"), for which the position limit shall be 1,000,000 contracts on the same side of the market;

- iShares China Large-Cap ETF ("FXI"), for which the position limit shall be 1,000,000 contracts on the same side of the market;
- iShares MSCI EAFE ETF ("EFA"), for which the position limit shall be 1,000,000 contracts on the same side of the market;
- iShares MSCI Brazil Capped ETF ("EWZ"), for which the position limit shall be 500,000 contracts on the same side of the market;
- iShares 20+ Year Treasury Bond Fund ETF ("TLT"), for which the position limit shall be 500,000 contracts on the same side of the market;
- iShares MSCI Japan ETF ("EWJ"), for which the position limit shall be 500,000 contracts on the same side of the market;
- iShares iBoxx High Yield Corporate Bond Fund ("HYG"), for which the position limit shall be 500,000 contracts on the same side of the market;
- Financial Select Sector SPDR Fund ("XLF"), for which the position limit shall be 500,000 contracts on the same side of the market;
- iShares iBoxx $ Investment Grade Corporate Bond ETF ("LQD"), for which the position limit shall be 500,000 contracts on the same side of the market;
- VanEck Vectors Gold Miners ETF ("GDX"), for which the position limit shall be 500,000 contracts on the same side of the market;
- Fidelity Wise Origin Bitcoin Fund, for which the position limit shall be 25,000 contracts on the same side of the market;
- ARK21Shares Bitcoin ETF, for which the position limit shall be 25,000 contracts on the same side of the market;
- VanEck Bitcoin ETF, for which the position limit shall be 25,000 contracts on the same side of the market;
- iShares Ethereum ETF, for which the position limit shall be 25,000 contracts on the same side of the market;
- Fidelity Ethereum Fund, for which the position limit shall be 25,000 contracts on the same side of the market;
- Bitwise Ethereum ETF, for which the position limit shall be 25,000 contracts on the same side of the market;
- Grayscale Ethereum Trust, for which the position limit shall be 25,000 contracts on the same side of the market;
- Grayscale Ethereum Mini Trust, for which the position limit shall be 25,000 contracts on the same side of the market;

or (b) with respect to a stock or Exchange-Traded Fund Share option not dealt in on the Exchange, exceeding the applicable position limit established by the exchange on which the option contract is transacted, when the member or member organization is not a member of that other exchange, or such other number of option contracts as may be fixed from time to time by

the Exchange as the position limit for one or more classes or series. Position limits for foreign currency options shall be determined in accordance with section (j) herein.

(b) Reserved.

(c) It shall be the responsibility of each member and member organization accepting orders for opening transactions (purchase or writing) in options contracts of any class of options dealt in on the Exchange to inform their customers of the applicable position limits and not to accept any such orders from any customer in any instance in which such member or member organization has reason to believe that such customer, acting alone or in concert with others, has exceeded or is attempting to exceed such position limits.

(d) For the purpose of computing the aggregate position limits established by this Rule, long positions in call option contracts are aggregated with short positions in put option contracts and short positions in call option contracts are aggregated with long positions in put option contracts.

(e) The Exchange will not approve any opening purchase or writing transaction or the carrying of any position that would exceed the limits established by this Rule except in highly unusual circumstances. An exemption will be granted to a member or member organization only under the following circumstances:

(i) the exemption request must be submitted in writing to an Options Exchange Official and set forth the facts justifying the exemption;

(ii) if the exemption is sought by a registered options trader, the registered options trader must hold an assignment in the option;

(iii) the applicant's position must be near the current position limit (generally within 10% of the current limit); and

(iv) the character of trading in the option has been such as to support an exemption request; the applicant's participation in the market in the period prior to the exemption request has been significant in terms of daily volume.

A position limit exemption requires the approval of an Options Exchange Official. The exemption is effective at the time a decision is communicated; retroactive exemptions will not be granted. The size and duration of an exemption will be determined on a case-by-case basis. An exemption usually will be granted only until the nearest expiration.

(f) Lead Market Makers. The Exchange may establish higher position limits for Lead Market Makers' transactions than those applicable with respect to other accounts. Whenever a Lead Market Maker reasonably anticipates that he may exceed such position limits in the performance of his function of assisting in the maintenance of a fair and orderly market, he must seek an exemption in writing in accordance with this Rule.

A position limit exemption requires the approval of an Options Exchange Official. The exemption is effective at the time a decision is communicated; retroactive exemptions will not be granted. The size and duration of an exemption will be determined on a case-by-case basis. An exemption usually will be granted only until the nearest expiration.

(g) Equity Option Position Limits.

(i) The position limit shall be 250,000 contracts for options:

(a) on an underlying stock or Exchange-Traded Fund Share which had trading volume of at least 100,000,000 shares during the most recent six-month trading period; or

(b) on an underlying stock or Exchange-Traded Fund Share which had trading volume of at least 75,000,000 shares during the most recent six-month trading period and has at least 300,000,000 shares currently outstanding;

(ii) The position limit shall be 200,000 contracts for options:

(a) on an underlying stock or Exchange-Traded Fund Share which had trading volume of at least 80,000,000 shares during the most recent six-month trading period; or

(b) on an underlying stock or Exchange-Traded Fund Share which had trading volume of at least 60,000,000 shares during the most recent six-month trading period and has at least 240,000,000 shares currently outstanding;

(iii) The position limit shall be 75,000 contracts for options:

(a) on an underlying stock or Exchange-Traded Fund Share which had trading volume of at least 40,000,000 shares during the most recent six-month trading period; or

(b) on an underlying stock or Exchange-Traded Fund Share which had trading volume of at least 30,000,000 shares during the most recent six-month trading period and has at least 120,000,000 shares currently outstanding.

(iv) The position limit shall be 50,000 contracts for options:

(a) on an underlying stock or Exchange-Traded Fund Share which had trading volume of at least 20,000,000 shares during the most recent six-month trading period; or

(b) on an underlying stock or Exchange-Traded Fund Share which had trading volume of at least 15,000,000 shares during the most recent six-month trading period and has at least 40,000,000 shares currently outstanding.

(v) The position limit shall be 25,000 contracts for all other options.

(h) The Exchange will review the volume and outstanding share information of all underlying stocks and Exchange-Traded Fund Shares every six months to determine which limit shall apply. A higher limit will be effective on the date set by the Exchange, while any change to a lower limit will take effect after the last expiration then trading, unless the requirement for the same or a higher limit is met at the time of an intervening six-month review. However, if, subsequent to a six-month review, an increase in volume and/or outstanding shares would make a stock or Exchange-Traded Fund Share eligible for a higher position limit prior to the next review, the Exchange in its discretion may immediately increase such position limit.

(i) Except with the prior written approval of the Exchange in each instance, no member or member organization shall effect for any account in which such member or member organization has an interest or for the account of any partner, officer, director or employee thereof or for the account of any customer, a purchase or sale transaction (whether on the Exchange or on or through the facilities of, or otherwise subject to the rules of, another national securities exchange or national securities association) in a stock index warrant if the member or member organization has reason to believe that as a result of such transaction the member or member organization or partner, officer, director or employee thereof or customer would, acting alone or in concert with others, directly or indirectly, control an aggregate position in a stock index warrant issue, or in all

warrants issued on the same stock index, on the same side of the market, in excess of the position limits specified in sections (c) and (d).

(j) Foreign Currency Option Position Limits

(i) The position limit shall be 300,000 contracts for options on the following foreign currency: the Mexican peso, the Brazilian real, the Chinese yuan, the Danish krone, the Norwegian krone, the Russian ruble, the South African rand, the South Korean won, the Swedish krona,

(ii) The position limit shall be 600,000 contracts for options on the following foreign currency: the British pound, the Swiss franc, the Canadian dollar, the Australian dollar, the Japanese yen, and the New Zealand dollar

(iii) The position limit shall be 1,200,000 contracts for options on the following foreign currency: the Euro.

(iv) However, if a foreign currency option (FCO or WCO) and a PHLX FOREX Option™ are listed on the same underlying currency (e.g. a Euro foreign currency option and a Euro PHLX FOREX Option), then the position for each such option on the same underlying currency will be aggregated for purposes of determining compliance with the position limit established in this rule.

(k) Control exists, under General 1, Section 1, Options 1, Section 1, and Options 9, Section 15, when it is determined that an individual or entity (1) makes investment decisions for an account or accounts, or (2) materially influences directly or indirectly the actions of any person who makes investment decisions.

(a) In addition, control will be presumed in the following circumstances:

(1) among all parties to a joint account who have authority to act on behalf of the account;

(2) among all general partners to a partnership account;

(3) when an individual or entity (1) holds an ownership interest of 10 percent or more in an entity (ownership interest of less than 10 percent will not preclude aggregation), or (2) shares in 10 percent or more of profits and/or losses of an account;

(4) when accounts have common directors or management;

(5) where a person or entity has the authority to execute transactions in an account;

(b) Control, presumed by one or more of the above findings or circumstances, can be rebutted by proving the factor does not exist or by showing other factors which negate the presumption of control. The rebuttal proof must be submitted by affidavit and/or such other documentary evidence as may be appropriate in the circumstances. The Exchange will also consider the following factors in determining if aggregation of accounts is required:

(1) similar patterns of trading activity among separate entities;

(2) the sharing of kindred business purposes and interests;

(3) whether there is common supervision of the entities which extends beyond assuring adherence to each entity's investment objectives and/or restrictions;

(4) the degree of contact and communication between directors and/or managers of separate accounts.

(c) Initial determinations under this Interpretation shall be made by Regulatory staff of the Exchange. A member or customer directly affected by such a determination may ask the Exchange to reconsider but may not request any other review or appeal, except in the context of a disciplinary proceeding.

(l) Equity Option Hedge Exemptions. The following qualified hedge transactions and positions described in paragraphs 1-5 below shall be exempt from established position limits as prescribed under sections (g) and (d)(i) above. Hedge transactions and positions established pursuant to paragraphs (6) and (7) below are subject to a position limit equal to five (5) times the standard limit established under sections (g) and (d)(i).

(1) Where each option contract is "hedged" or "covered" by 100 shares of the underlying security or securities convertible into such underlying security, or, in the case of an adjusted option contract the same number of shares represented by the adjusted contract; (i) long call and short stock; (ii) short call and long stock; (iii) long put and long stock; (iv) short put and short stock.

(2) A long call position accompanied by a short put position, where the long call expires with the short put, and the strike price of the long call and short put is equal, and where each long call and short put position is hedged with 100 shares (or other adjusted number of shares) of the underlying security or securities convertible into such stock ("reverse conversion").

(3) A short call position accompanied by a long put position where the short call expires with the long put, and the strike price of the short call and long put is equal and where each short call and long put position is hedged with 100 shares (or other adjusted number of shares) of the underlying security or securities convertible into such stock ("conversion").

(4) A short call position accompanied by a long put position, where the short call expires with the long put, and the strike price of the short call equals or exceeds the long put, and where each short call and long put position is hedged with 100 shares of the underlying security (or other adjusted number of shares). Neither side of the short call, long put position can be in-the-money at the time of the position is established ("collar").

(5) A long call position accompanied by a short put position where the long call expires with the short put and the strike price of the long call equals or exceeds the short put and where each long call and short put position is hedged with 100 shares of the underlying security (or other adjusted number of shares). Neither side of the long call, short put position can be in-the- money at the time the position is established ("reverse collar").

(6) A long call position accompanied by a short put position with the same strike price and a short call position accompanied by a long put position with a different strike price ("box spread").

(7) A listed option position hedged on a one-for-one basis with an over-the-counter ("OTC") option position on the same underlying security. The strike price of the listed option position and corresponding OTC option position must be within one strike of each other and no more than one expiration month apart.

(8) For those strategies described under (2), (3), and (4) above, one component of the option strategy may be an OTC option contract guaranteed or endorsed by the firm maintaining the proprietary position or carrying the customer account.

(9) An OTC option contract is defined as an option contract that is not listed on a National Securities Exchange or cleared at The Options Clearing Corporation.

(m) Firm Facilitation Exemption. A member organization may be exempt from established position limits for equity option positions (including Exchange- Traded Fund Share option positions) held in its proprietary account where such position will facilitate an order for a customer of that member organization, provided that such position satisfies the following:

(i) Maximum limit: the facilitating position may exceed the applicable position limit by two times that limit, in addition to the allowable amount. For example, where the position limit is 25,000 contracts, a firm facilitation exemption is available for an additional 50,000 contracts. This exemption is in addition to any other exemptions available under Exchange Rules.

(ii) Approval Procedure: prior approval from an Options Exchange Official and the submission of a complete Firm Facilitation Form, which must be kept current, are required. Approval may be granted on the basis of verbal representations, in which case the member organization shall submit to the Regulatory staff of the Exchange a completed form respecting such approval within two business days or the time specified when approval is granted. A member organization may request an exemption based on interest expressed by its customer, prior to obtaining an order. This exemption is not available where either the customer or facilitation order are all or none or fill or kill orders.

(a) The facilitation firm shall promptly provide the Exchange with information or documents requested concerning the exempted and hedging positions. A copy of all applicable order tickets must be provided to the Regulatory staff of the Exchange on the day of execution.

(b) The facilitation firm shall establish and liquidate its own as well as its customer's option, stock and Exchange-Traded Fund Share positions in an orderly fashion, and not in a manner calculated to cause unreasonable price fluctuations or unwarranted price changes nor with a view toward taking advantage of any differential in price between a group of securities and an overlying stock index option. The facilitation firm shall notify the Exchange of any material change in the exempted option position or hedge. The facilitation firm shall not increase the exempt option position once it is liquidated, unless prior approval is again received pursuant to this Rule.

(iii) Facilitation Procedure: compliance with the facilitation procedures of Options 8, Section 30(b) is required, such that the terms of the order are disclosed and the market quoted, with bidding/offering by the facilitation firm providing an opportunity for the trading crowd to participate. is required, such that the terms of the order are disclosed

and the market quoted, with bidding/offering by the facilitation firm providing an opportunity for the trading crowd to participate.

(iv) Hedge: to remain qualified, the facilitation firm must hedge all exempt option positions within five business days after the execution of the order and furnish the Exchange's Regulatory staff with documentation reflecting the resulting hedged positions.

(v) Violations of these requirements, absent reasonable justification or excuse, shall result, in addition to any disciplinary action, in withdrawal of the exemption and may form the basis for subsequent denial of an application for an exemption hereunder.

(n) Delta-Based Equity Hedge Exemption. The Delta-Based Equity Hedge Exemption is in addition to the standard limit and other exemptions available under Exchange Rules, interpretations and policies.

(i) An equity option position of a member or non-member affiliate of a member that is delta neutral shall be exempt from established position limits as prescribed in this General 1, Section 1, Options 1, Section 1, subject to the following:

(a) The term "delta neutral" refers to an equity option position that is hedged, in accordance with a permitted pricing model, by a position in the underlying security or one or more instruments relating to the underlying security, for the purpose of offsetting the risk that the value of the option position will change with incremental changes in the price of the security underlying the option position.

(1) In the case of an equity option position for which the underlying security is an ETF that is based on the same index as an index option, the equity option position and any position in the underlying ETF may be combined with such an index option position and/or correlated instruments as defined in subparagraph (A) of Supplementary .04(A), in accordance with Options 4A, Section 6 - Delta-Based Index Hedge Exemption, for calculation of the delta-based equity hedge exemption.

(b) An equity option position that is not delta neutral shall be subject to position limits in accordance with this Rule (subject to the availability of other position limit exemptions). Only the option contract equivalent of the net delta of such position shall be subject to the appropriate position limit.

(1) The term "options contract equivalent of the net delta" means the net delta divided by the number of shares that equate to one option contract on a delta basis.

(2) The term "net delta" means, at any time, the number of shares and/or units of trade (either long or short) required to offset the risk that the value of an equity option position will change with incremental changes in the price of the security underlying the option position, as determined in accordance with a permitted pricing model.

(c) A "permitted pricing model" means -

(1) A pricing model maintained and operated by The Options Clearing Corporation ("OCC Model");

(2) A pricing model maintained and used by a member subject to consolidated supervision by the Commission pursuant to Appendix E of Commission rule 15c3-1, or by an affiliate that is part of such member's consolidated supervised holding company group, in accordance with its internal risk management control system and consistent with the requirements of Appendices E or G, as applicable, to SEC Rule 15c3-1 and SEC Rule 15c3-4 under the Act, as amended from time to time, in connection with the calculation of risk-based deductions from capital or capital allowances for market risk thereunder, provided that the member or affiliate of a member relying on this exemption in connection with the use of such model is an entity that is part of such member's consolidated supervised holding company group;

(3) A pricing model maintained and used by a financial holding company or a company treated as a financial holding company under the Bank Holding Company Act of 1956, or by an affiliate that is part of either such company's consolidated supervised holding company group, in accordance with its internal risk management control system and consistent with:

(i) the requirements of the Board of Governors of the Federal Reserve System, as amended from time to time, in connection with the calculation of risk-based adjustments to capital for market risk under capital requirements of the Board of Governors of the Federal Reserve System, provided that the member or affiliate of a member relying on this exemption in connection with the use of such model is an entity that is part of such company's consolidated supervised holding company group; or

(ii) the standards published by the Basel Committee on Banking Supervision, as amended from time to time and as implemented by such company's principal regulator, in connection with the calculation of risk based deductions or adjustments to or allowances for the market risk capital requirements of such principal regulator applicable to such company - where "principal regulator" means a member of the Basel Committee on Banking Supervision that is the home country consolidated supervisor of such company - provided that the member or affiliate of a member relying on this exemption in connection with the use of such model is an entity that is part of such company's consolidated supervised holding company group;

(4) A pricing model maintained and used by an OTC derivatives dealer registered with the SEC pursuant to SEC Rule 15c3-1(a)(5) in accordance with its internal risk management control system and consistent with the requirements of Appendix F to SEC Rule 15c3-1 and SEC Rule 15c3-4 under the Act, as amended from time to time, in connection with the calculation of risk-based deductions from capital for market risk thereunder, provided that only such OTC derivatives dealer and no other affiliated entity (including a member) may rely on this subparagraph (c)(4); or

(5) A pricing model used by a national bank under the National Bank Act maintained and used in accordance with its internal risk management control system and consistent with the requirements of the Office of the Comptroller of the Currency, as amended from time to time, in connection with the calculation of

risk-based adjustments to capital for market risk under capital requirements of the Office of the Comptroller of the Currency, provided that only such national bank and no other affiliated entity (including a member) may rely on this subparagraph (c)(5).

(d) Effect on Aggregation of Accounts

(1) Members and non-member affiliates who rely on this exemption must ensure that the permitted pricing model is applied to all positions in or relating to the security underlying the relevant option position that are owned or controlled by such member or non-member affiliate.

(2) Notwithstanding subparagraph (d)(1), the net delta of an option position held by an entity entitled to rely on this exemption, or by a separate and distinct trading unit of such entity, may be calculated without regard to positions in or relating to the security underlying the option position held by an affiliated entity or by another trading unit within the same entity, provided that:

(i) the entity demonstrates to the Exchange's satisfaction that no control relationship, as defined in section (k) to this Rule; and

(ii) the entity has provided the Exchange written notice in advance that it intends to be considered separate and distinct from any affiliate or, as applicable, which trading units within the entity are to be considered separate and distinct from each other for purposes of this exemption.

(3) Notwithstanding subparagraph (d)(1) or (d)(2), a member or non-member affiliate who relies on this exemption shall designate, by prior written notice to the Exchange, each trading unit or entity whose option positions are required under Exchange Rules to be aggregated with the option positions of such member or non-member affiliate that is relying on this exemption for purposes of compliance with Exchange position limits or exercise limits. In any such case:

(i) the permitted pricing model shall be applied, for purposes of calculating such member's or affiliate's net delta, only to the positions in or relating to the security underlying any relevant option position owned and controlled by those entities and trading units who are relying on this exemption; and

(ii) the net delta of the positions owned or controlled by the entities and trading units who are relying on this exemption shall be aggregated with the non-exempt option positions of all other entities and trading units whose options positions are required under Exchange Rules to be aggregated with the option positions of such member or affiliate.

(e) Obligations of Members and Affiliates

(1) A member that relies on this exemption for a proprietary equity options position:

(i) must provide a written certification to the Exchange that it is using a permitted pricing model pursuant to subparagraph (c) in this Rule; and

(ii) by such reliance authorizes any other person carrying for such member an account including, or with whom such member has entered into, a position in or relating to a security underlying the relevant option position to provide to the Exchange or the Clearing Corporation such information regarding such account or position as the Exchange or Clearing Corporation may request as part of the Exchange's confirmation or verification of the accuracy of any net delta calculation under this exemption.

(2) The equity option positions of a non-member relying on this exemption must be carried by a member with which it is affiliated.

(3) A member carrying an account that includes an equity option position for a nonmember affiliate that intends to rely on this exemption must obtain from such nonmember:

(i) a written certification to the Exchange that it is using a permitted pricing model pursuant to subparagraph (c) in this Rule; and

(ii) a written statement confirming that such non-member affiliate:

(a) is relying on this exemption;

(b) will use only a permitted pricing model for purposes of calculating the net delta of its option positions for purposes of this exemption;

(c) will promptly notify the member if it ceases to rely on this exemption;

(d) authorizes the member to provide to the Exchange or the Clearing Corporation such information regarding positions of the non-member affiliate as the Exchange or Clearing Corporation may request as part of the Exchange's confirmation or verification of the accuracy of any net delta calculation under this exemption; and

(e) if the non-member affiliate is using the OCC Model, has duly executed and delivered to the Exchange such documents as the Exchange may require to be executed and delivered to the Exchange as a condition to reliance on this exemption.

(f) Reporting.

(g) Each member (other than an Exchange market-maker using the OCC model) that holds or carries an account that relies on this exemption shall report, in accordance with Options 6E, Section 2, all equity option positions (including those that are delta neutral) that are reportable thereunder. Each such member on its own behalf or on behalf of a designated aggregation unit pursuant to section (n)(1)(d) herein shall also report, in accordance with Options 6E, Section 2, for each such account that holds an equity option position subject to this exemption in excess of the levels specified in this Rule, the net delta and the options contract equivalent of the net delta of such position.

(h) Records.

Each member relying on this exemption shall:

(i) retain, and undertake reasonable efforts to ensure that any non-member affiliate of the member relying on this exemption retains, a list of the options, securities and

other instruments underlying each option position net delta calculation reported to the Exchange hereunder, and

(ii) produce such information to the Exchange upon request.

(o) Exemptions Granted by Other Options Exchanges. A member may rely upon any available exemptions from applicable position limits granted from time to time by another options exchange for any options contract traded on the Exchange provided that such member:

(1) provides the Exchange with a copy of any written exemption issued by another options exchange or a written description of any exemption issued by another options exchange other than in writing containing sufficient detail for Exchange Regulatory staff to verify the validity of that exemption with the issuing options exchange, and

(2) fulfills all conditions precedent for such exemption and complies at all times with the requirements of such exemption with respect to the member's trading on the Exchange.

Adopted Feb. 3, 2020 (20-03); amended Mar. 5, 2020 (20-08), operative April 4, 2020; amended Mar. 5, 2020 (20-08), operative April 4, 2020; amended Jun. 17, 2020 (SR-Phlx-2020-30); amended November 19, 2021 (SR-Phlx-2021-70); amended Dec. 23, 2022 (SR-Phlx-2022-50); amended Nov. 4, 2024 (SR-Phlx-2024-53); amended Nov. 21, 2024 (SR-Phlx-2024-64); amended Apr. 10, 2025 (SR-Phlx-2025-18); amended Aug. 6, 2025 (SR-Phlx-2025-34); amended Aug. 7, 2025 (SR-Phlx-2025-36).

Section 14. Reserved

Adopted Feb. 3, 2020 (20-03).

Section 15. Exercise Limits

(a) Except as set forth in subparagraph (c) herein, no member or member organization shall exercise, for any account in which such member or member organization has an interest or for the account of any partner, officer, director or employee thereof or for the account of any customer, a long position in any option contract of a class of options dealt in on the Exchange (or, respecting an option not dealt in on the Exchange, another exchange if the member or member organization is not a member of that exchange) if as a result thereof such member or member organization, or partner, officer, director or employee thereof or customer, acting alone or in concert with others, directly or indirectly, has or will have exercised within any five (5) consecutive business days aggregate long positions in that class (put or call) as set forth as the position limit in Options 9, Section 13, in the case of options on a stock or on an Exchange-Traded Fund Share, on a foreign currency, or stock index warrants; without regard to the exchange on which the options were purchased. Whether option or warrant positions should be aggregated under this Rule shall be determined in the manner described in the Supplementary Material to Options 9, Section 13. Index option position and exercise limits are governed by Options 4A, Sections 6 and 10.

(b) It shall be the responsibility of each member and member organization accepting orders for the purchase (in opening transactions) of option contracts of a class of options dealt in on the Exchange to inform their customers of the applicable exercise limits and not to accept any exercise of an option contract from any customer in any instance in which such member or member organization has reason to believe that such customer, acting alone or in concert with others, has exceeded or is attempting to exceed such exercise limits.

(c) For a member or a member organization that has been granted an exemption to position limits pursuant to Options 9, Section 13(l)(Equity Option Hedge Exemptions) or Options 9, Section 13(n)(Delta-Based Equity Hedge Exemption), the number of contracts which can be exercised over a five (5) business day period shall equal the member's or member organization's exempted position.

(d) The Exchange may establish different limits from time to time either across the board for all underlying securities or underlying foreign currencies covered by options traded in the Exchange or in respect to particular classes.

Adopted Feb. 3, 2020 (20-03).

Section 16. Reserved

Adopted Feb. 3, 2020 (20-03).

Section 17. Liquidation Of Positions

Whenever the Exchange shall determine that a person or group of persons acting in concert holds or controls, or is obligated in respect of, an aggregate position (whether long or short) in all option contracts of one or more classes or series dealt in on the Exchange in excess of the applicable position limit established pursuant to Options 9, Section 13, it may direct all members and member organizations carrying a position in option contracts of such classes or series for such person or persons to liquidate such position as expeditiously as possible consistent with the maintenance of an orderly market. Whenever such a direction is issued by the Exchange, no member organization receiving notice thereof shall accept any order to purchase, sell or exercise any option contract for the account of the person or persons named in such directive, unless in each instance express approval therefore is given by the Exchange, or until such directive is rescinded.

Adopted Feb. 3, 2020 (20-03).

Section 18. Limit On Uncovered Short Positions

Whenever the Exchange shall determine in light of current conditions in the Exchange options market or in the markets for underlying stocks, Exchange-Traded Fund Shares or foreign currencies, as the case may be, that there are outstanding an excessive number of uncovered short positions in option contracts of a given class dealt in on the Exchange or that an excessively high percentage of outstanding short positions in option contracts of a given class dealt in on the Exchange are uncovered, the Exchange may prohibit any further opening writing transactions (whether on the Exchange or on another Participating Exchange) in option contracts

of that class unless the resulting short position will be covered, and it may prohibit the uncovering of any existing covered short position in option contracts of one or more series of options of that class, as it deems appropriate in the interests of maintaining a fair and orderly market in such option contracts or in the underlying stocks or Exchange-Traded Fund Shares (in the case of options on stocks or Exchange-Traded Fund Shares), or otherwise deems advisable in the public interest or for the protection of investors. The Exchange may exempt transactions of Lead Market Makers from restrictions imposed under this Rule and it shall rescind such restrictions upon its determination that they are no longer appropriate.

Adopted Feb. 3, 2020 (20-03).

Section 19. Other Restrictions on Exchange Options Transactions and Exercises

(a) Phlx may impose such restrictions on transactions or exercises in one or more series of options of any class traded on Phlx as the Exchange's Regulation Department in its judgment deems advisable in the interests of maintaining a fair and orderly market in options contracts or in underlying securities, or otherwise deems advisable in the public interest or for the protection of investors.

i. During the effectiveness of such restrictions, no member or member organization shall, for any account in which it has an interest or for the account of any customer, engage in any transaction or exercise in contravention of such restrictions.

ii. Notwithstanding the foregoing, during the ten (10) business days prior to the expiration date of a given series of options, other than index options, which shall include such expiration date for an option contract that expires on a business day, no restriction on exercise under this Section may be in effect with respect to that series of options. With respect to index options, restrictions on exercise may be in effect until the opening of business on the business day of their expiration or, in the case of an option contract expiring on a day that is not a business day, on the last business day before the expiration date.

iii. Exercises of American-style, cash-settled index options shall be prohibited during any time when trading in such options is delayed, halted, or suspended, subject to the following exceptions:

(1) The exercise of an American-style, cash-settled index option may be processed and given effect in accordance with and subject to the Rules of The Options Clearing Corporation while trading in the option is delayed, halted, or suspended if it can be documented, in a form prescribed by Phlx Regulation, that the decision to exercise the option was made during allowable time frames prior to the delay, halt, or suspension;

(2) Exercises of expiring American-style, cash-settled index options shall not be prohibited on the business day of expiration, or in the case of an option contract expiring on a day that is not a business day, the last business day prior to their expiration;

(3) 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 procedures described in Options 3, Section 9 and Options 4A, Section 18, exercises may occur during the resumption of trading and for five (5) minutes after the close of the resumption of trading. The provisions of this subparagraph (a)(iii)(3) are subject to the authority of the Board to impose restrictions on transactions and exercises pursuant to paragraph (a) of this Rule; and

(4) Phlx may determine to permit the exercise of American-style, cash-settled index options while trading in such options is delayed, halted, or suspended.

(b) Whenever the issuer of a security underlying a call option traded on Phlx is engaged or proposes to engage in a public underwritten distribution ("public distribution") of such underlying security or securities exchangeable for or convertible into such underlying security, the underwriters may request that Phlx impose restrictions upon all opening writing transactions in such options at a "discount" where the resulting short position will be uncovered ("uncovered opening writing transactions").

i. In addition to a request, the following conditions are necessary for the imposition of restrictions:

(1) less than a majority of the securities to be publicly distributed in such distribution are being sold by existing security holders;

(2) the underwriters agree to notify Phlx Regulation upon the termination of their stabilization activities; and

(3) the underwriters initiate stabilization activities in such underlying security on a national securities exchange when the price of such security is either at a "minus" or "zero minus" tick.

ii. Upon receipt of such a request and determination that the conditions listed above are met, Phlx Regulation shall impose the requested restrictions as promptly as possible but no earlier than fifteen (15) minutes after members or member organizations shall have been notified and shall terminate such restrictions upon request of the underwriters or when Phlx Regulation otherwise discovers that stabilizing transactions by the underwriters has been terminated.

iii. For purposes of paragraph (b) of this Rule, an uncovered opening writing transaction in a call option will be deemed to be effected at a "discount" when the premium in such transaction is either:

(1) in the case of a distribution of the underlying security not involving the issuance of rights and in the case of a distribution of securities exchangeable for or convertible into the underlying security, less than the amount by which the underwriters' stabilization bid for the underlying security exceeds the exercise price of such option; or

(2) in the case of a distribution being offered pursuant to rights, less than the amount by which the underwriters' stabilization bid in the underlying security at the subscription price exceeds the exercise price of such option.

Adopted Feb. 3, 2020 (20-03).

Section 20. Reserved
Adopted Feb. 3, 2020 (20-03).

Section 21. Reserved

Adopted Feb. 3, 2020 (20-03); amended Feb. 18, 2020 (20-06), operative Mar. 19, 2020; amended Jan. 22, 2021 (SR-Phlx-2021-04).

Section 22. Reserved
Adopted Feb. 3, 2020 (20-03).

Section 23. Reserved
Adopted Feb. 3, 2020 (20-03).

Section 24. Violation Of By-Laws And Rules Of Options Clearing Corporation
A member, member organization or director of a member organization that is a corporation who or which has been determined in an Exchange disciplinary proceeding to have violated any provision of the rules of The Options Clearing Corporation with respect to the reporting, clearance or settlement of any Exchange options transaction, shall be subject to the same penalty or penalties as may be imposed for violation of an Exchange Rule.
Adopted Feb. 3, 2020 (20-03).

OPTIONS 10 DOING BUSINESS WITH THE PUBLIC
Section 1. Reserved

Adopted Feb. 3, 2020 (20-03).
Section 2. Registration of Options Principals
(a) No member or member organization or individual associated with a member organization shall be approved to transact options business with the public until such persons, who are designated as Options Principals, have been approved by and registered with the Exchange. Persons engaged in the supervision of options sales practice or a person to whom the designated general partner or executive officer (pursuant to Options 10, Section 7) or another Registered Options Principal delegates the authority to supervise options sales practices shall be designated as Options Principals.
(b) *Foreign Currency Options-Qualified Customer Personnel*—Registered Representatives of a member organization may solicit or accept customer orders for foreign currency options. Otherwise, an Application for Waiver of Series 7 Examination may be submitted describing and certifying at least six months of options-related experience. Such waiver is not automatic, but is subject to approval based on the information contained in the application.

Adopted Feb. 3, 2020 (20-03).

Section 3. Reserved
Adopted Feb. 3, 2020 (20-03).

Section 4. Reserve
Adopted Feb. 3, 2020 (20-03).

Section 5. Branch Offices

(a) Every OEF approved to do options business with the public under this Options 10 shall file with Phlx Regulation and keep current a list of each of its branch offices showing the location of each such office and the name of the manager of each such office.

(b) No branch office of an OEF shall transact options business with the public unless the manager of such branch office has been qualified as a Registered Options Principal or General Securities Sales Supervisor; provided, that this requirement shall not apply to branch offices in which not more than three (3) representatives are located so long as the OEF can demonstrate to the satisfaction of Phlx Regulation that the options activities of such branch offices are appropriately supervised by a Registered Options Principal or General Securities Sales Supervisor.

Supplementary Material to Options 10, Section 5

.01 Definition of Branch Office. A "branch office" is any location where one or more associated persons of a member or member organization regularly conduct the business of effecting any transactions in, or inducing or attempting to induce the purchase or sale of any security, or is held out as such, excluding:

(i) any location that is established solely for customer service and/or back office type functions where no sales activities are conducted and that is not held out to the public as a branch office;

(ii) any location that is the associated person's primary residence; provided that: (a) only one associated person, or multiple associated persons, who reside at that location and are members of the same immediate family, conduct business at the location; (b) the location is not held out to the public as an office and the associated person does not meet with customers at the location; (c) neither customer funds nor securities are handled at that location; (d) the associated person is assigned to a designated branch office, and such branch office is reflected on all business cards, stationery, advertisements and other communications to the public by such associated person; (e) the associated person's correspondence and communications with the public are subject to all supervisory provisions of the Exchange's Rules (f) electronic communications (e.g., e-mail) are made through the member's or member organization's electronic system; (g) all orders are entered through the designated branch office or an electronic system established by the member or member organization that is reviewable at the branch office; (h) written supervisory procedures pertaining to supervision of sales activities conducted at the residence are maintained by the member or member organization; and (i) a list of the locations is maintained by the member or member organization;

(iii) any location, other than a primary residence, that is used for securities business for less than 30 business days in any one calendar year, provided the member or member organization complies with the provisions of (b) through (h) of paragraph (ii) above;

(iv) any office of convenience, where the associated person occasionally and exclusively by appointment meets with customers, which is not held out to the public as a branch office (where such location is on bank premises, however, only signage required by the Interagency Statement (Statement on Retail Sales of Non-deposit Investment Products required under Banking Regulations) may be displayed);

(v) any location that is used primarily to engage in non-securities activities and from which the associated person effects no more than 25 securities transactions in any one calendar year; provided that any advertisements or sales literature identifying such location also sets forth the address and telephone number of the location from which the associated person conducting business at the non-branch locations are directly supervised;

(vi) the Floor of a registered national securities exchange where a member or member organization conducts a direct access business with public customers; or

(vii) a temporary location established in response to the implementation of a business continuity plan.

Notwithstanding the exclusions in subparagraphs (i) - (vii) above, any location that is responsible for supervising the activities of persons associated with a member or member organization at one or more non-branch locations of such member or member organization is considered to be a branch office.

For purposes of this Rule, the term “business day” shall not include any partial business day provided that the associated person spends at least four hours on such business day at his or her designated branch office during the hours that such office is normally open for business.

For purposes of this Rule, the term “associated person of a member or member organization” is defined as a member, allied member, or employee associated with a member or member organization.

For purposes of (ii)(h) above, written supervisory procedures shall include criteria for on-site for cause reviews of an associated person's primary residence. Such reviews must utilize risk-based sampling or other techniques designed to assure compliance with applicable securities laws and regulations and with Exchange Rules.

For purposes of (ii)(h) and (iii) above, written supervisory procedures for such residences and other remote locations must be designed to assure compliance with applicable securities laws and regulations and with Exchange Rules.

Factors which should be considered when developing risk-based sampling techniques to determine the appropriateness of on-site for cause reviews of selected residences and other remote locations shall include, but not be limited to, the following: (i) the firm's size; (ii) the firm's organizational structure; (iii) the scope of business activities; (iv) the number and location of offices; (v) the number of associated persons assigned to a location; (vi) the nature and complexity of products and services offered; (vii) the volume of business done; (viii) whether the location has a Series 9/10-qualified person on-site; (ix) the disciplinary history of the registered persons or associated persons, including a review of such person's customer complaints and Forms U4 and U5; and (x) the nature and extent of a registered person's or associated person's outside business activities, whether or not related to the securities business.

Adopted Feb. 3, 2020 (20-03); amended September 3, 2021 (SR-Phlx-2021-52), operative October 3, 2021.

Section 6. Opening of Accounts

(a) No member or member organization shall accept an order from a customer to purchase or write an option contract or currency or index warrant contract unless the customer's account has been approved for options trading in accordance with the provisions of this Rule. In addition, no member or member organization shall accept an order from a customer to purchase or write a foreign currency option contract unless such customer's account has been specially approved by a designated Foreign Currency Options Principal of such member or member organization, in writing, for transactions in foreign currency options. Such approval to engage in foreign currency options transactions shall be based upon the facts known to the member or member organization concerning the customer and his investment objectives and financial situations.

(b) *Diligence in Opening Accounts*—In approving a customer's account for options transactions, a member or member organization shall exercise due diligence to learn the essential facts as to the customer and his investment objectives and financial situation, and shall make a record of such information which shall be retained in accordance with Options 6, Section 1 and Options 10, Section 7. Based upon such information, the branch office manager or other Registered Options Principal shall approve, in writing, the customer's account for options transactions; provided, that if the branch office manager is not a Registered Options Principal, his approval shall within a reasonable time be confirmed by a Registered Options Principal.

(c) *Verification of Customer Background and Financial Information*—The background and financial information upon which the account of every new customer that is a natural person has been approved for options trading, unless the information is included in the customer's account agreement, shall be sent to the customer for verification within fifteen (15) days after the customer's account has been approved for options transactions. A copy of the background and financial information on file with the member organization shall also be sent to the customer for verification within fifteen (15) days after the member organization becomes aware of any material change in the customer's financial situation.

(d) *Agreements to Be Obtained* —Within fifteen (15) days after a customer's account has been approved for options transactions, a member organization shall obtain from the customer a written agreement that the account shall be handled in accordance with the Rules of the Exchange and the rules of The Options Clearing Corporation and that such customer, acting alone or in concert with others, will not violate the position or exercise limits set forth in Rules 1001 and 1002.

(e) *Options Disclosure Documents to be Furnished* —At or prior to the time a customer's account is approved for options transactions, a member organization shall furnish the customer with one or more current Options Disclosure Documents in accordance with the requirements of Options 10, Section 13.

(f) Every member organization transacting business with the public in uncovered option contracts shall develop, implement and maintain specific written procedures governing the conduct of such business which shall include, at least, the following:

(1) Specific criteria and standards to be used in evaluating the suitability of a customer for uncovered short option transactions;

(2) Specific procedures for approval of accounts engaged in writing uncovered short option contracts, including written approval of such accounts by a Registered Options Principal;

(3) Designation of a specific Registered Options Principal qualified individual(s) as the person(s) responsible for approving accounts which do not meet the specific criteria and standards for writing uncovered short option transactions and for maintaining written records of the reasons for every account so approved;

(4) Establishment of specific minimum net equity requirements for initial approval and maintenance of customer uncovered option accounts; and

(5) Requirements that customers approved for writing uncovered short options transactions be provided with a special written description of the risks inherent in writing uncovered short option transactions, at or prior to the initial uncovered short option transaction. See Options 10, Section 13(b).

Supplementary Material to Options 10, Section 6

.01 In fulfilling its obligations pursuant to paragraph (b)(ii) of this Rule with respect to options customers that are natural persons, a member organization shall seek to obtain the following information at a minimum (information shall be obtained for all participants in a joint account):

1. Investment objectives (e.g., safety of principal, income, growth, trading profits, speculation)

2. Employment status (name of employer, self-employed or retired)

3. Estimated annual income from all sources

4. Estimated net worth (exclusive of family residence)

5. Estimated liquid net worth (cash, securities, other)

6. Marital status: number of dependents

7. Age

8. Investment experience and knowledge (e.g., number of years, size, frequency and types of transactions for options, stocks and bonds, and commodities)

In addition, the customer's account records shall contain the following information, if applicable:

a. Source or sources of background and financial information (including estimates) concerning the customer

b. Discretionary trading authorization: agreement on file; name; relationship to customer and experience of person holding trading authority

c. Date Options Disclosure Document(s) furnished to customer

d. Nature and types of transactions for which account is approved (e.g., buying, covered writing, uncovered writing, spreading, discretionary transactions)

e. Name of registered representative

f. Name of ROP approving account; date of approval

g. Dates of verification of currency of account information

The member organization should consider utilizing a standard account approval form so as to ensure the receipt of all the required information.

.02 Refusal of a customer to provide any of the information called for in Supplementary Material .01 shall be so noted on the customer's records at the time the account is opened. Information provided shall be considered together with other information available in determining whether and to what extent to approve the account for options transactions.

.03 The requirement of paragraph (b)(iii) of this Rule for the initial and subsequent verification of customer background and financial information is to be satisfied by sending to the customer the information required in Items 1 through 6 of Supplementary Material .01 above as contained in the member's records and providing the customer with an opportunity to correct or complete the information. In all cases, absent advice from the customer to the contrary, the information will be deemed to be verified.

.04 Approval of the accounts of customers for foreign currency options transactions shall be conducted in accordance with this Rule and, in the case of customers that are natural persons, shall include consideration of the background and financial information that a member organization must seek to obtain under Supplementary Material .01 to this Rule. With respect to institutional foreign currency options customers (i.e., customers that are not natural persons), a member organization shall seek to obtain the following information.

(i) evidence of authority for the institution to engage in foreign currency options transactions (corporate resolutions, trust documents, etc.);

(ii) written designations of individuals within the institution authorized to act for it in connection with foreign currency options transactions; and

(iii) basic financial information concerning the institution.

.05 For purposes of Options 10, Section 6 (Conduct of Accounts for Options Trading), Options 10, Section 7 (Supervision of Accounts), and Options 10, Section 13 (Delivery of Options Disclosure Document), the term writing uncovered short option positions shall include combinations and any transactions which involve naked writing.

.06 Individuals who are delegated responsibility pursuant to Option 10, Section 7 for reviewing the acceptance of discretionary accounts, for approving exceptions to a member organization's criteria or standards for uncovered options accounts, and for approval of communications, shall be designated as Options Principals and are required to qualify as an Options Principal by passing the Registered Options Principal Qualification Examination (Series 4).

.07 A person accepting orders from non-member customers (unless such customer is a broker-dealer registered with the Securities and Exchange Commission) is required to register with the Exchange and to be qualified by passing the General Securities Registered Representative Examination (Series 7).

Adopted Feb. 3, 2020 (20-03); amended September 3, 2021 (SR-Phlx-2021-52), operative October 3, 2021.

Section 7. Supervision of Accounts

The deadline to submit the annual supervision-related reports pursuant to Options 10, Section 7(g) and (h) will be extended from June 30, 2020 to July 31, 2020.

(a) *Duty to Supervise*; —The general partners or directors of each member organization that conducts a non-member customer business shall provide for appropriate supervisory control and shall designate a general partner or executive officer, who shall be identified to the Exchange, to assume overall authority and responsibility for internal supervision and control of the organization and compliance with securities laws and regulations. This person, who may be the same individual designated pursuant to substantially similar New York Stock Exchange or FINRA rules shall:

(i) Delegate to qualified employees responsibilities and authority for supervision and control of each office, department or business activity, and shall provide for appropriate written procedures of supervision and control.

(ii) Establish a separate system of follow-up and review to determine that the delegated authority and responsibility is being properly exercised.

(iii) Develop and implement written policies and procedures reasonably designed to independently supervise the activities of accounts serviced by branch office managers, sales managers, regional/district sales managers or any person performing a similar supervisory function. Such supervisory reviews must be performed by a qualified Registered Options Principal who:

A. Is either senior to, or otherwise independent of, the producing manager under review. For purposes of this Rule, an "otherwise independent" person: may not report either directly or indirectly to the producing manager under review; must be situated in an office other than the office of the producing manager; must not otherwise have supervisory responsibility over the activity being reviewed; and must alternate such review responsibility with another qualified person every two years or less. Further, if a person designated to review a producing manager receives an override or other income derived from that producing manager's customer activity that represents more than 10% of the designated person's gross income derived from the member organization over the course of a rolling twelve-month period, the member organization must establish alternative senior or otherwise independent supervision of that producing manager to be conducted by a qualified Registered Options Principal other than the designated person receiving the income.

B. If a member organization is so limited in size and resources that there is no qualified Registered Options Principal senior to, or otherwise independent of, the producing manager to conduct the reviews pursuant to paragraph (a)(iii)(A) of this Rule (for instance, the member organization has only one office, or an insufficient number of qualified personnel who can conduct reviews on a two-year rotation), the reviews may be conducted by a Registered Options Principal in compliance with paragraph (a)(iii)(A) of this Rule to the extent practicable.

C. A member organization relying on subparagraph (a)(iii)(B) of this Rule must document the factors used to determine that complete compliance with all of the provisions of subparagraph (a)(iii)(A) of this Rule is not possible, and that the

required supervisory systems and procedures in place with respect to any producing manager comply with the provisions of subparagraph (a)(iii)(A) of this Rule to the extent practicable.

D. A member organization that complies with requirements of the New York Stock Exchange or FINRA that are substantially similar to the requirements in subparagraphs (a)(iii)(A), (a)(iii)(B) and (a)(iii)(C) of this Rule will be deemed to have met such requirements.

(b) Maintenance of Customer Records—

(i) Background and financial information of customers who have been approved for options transactions shall be maintained at both the branch office servicing the customer's account and the principal supervisory office having jurisdiction over that branch office. Copies of account statements of options customers shall be maintained at both the branch office supervising the accounts and the principal supervisory office having jurisdiction over that branch for the most recent six-month period. With respect to the record retention responsibility of principal supervisory offices, customer information and account statements may be maintained at a location off premises so long as the records are readily accessible and promptly retrievable. Other records necessary to the proper supervision of accounts shall be maintained at a place easily accessible both to the branch office servicing the customer's account and to the principal supervisory office having jurisdiction over that branch office.

(ii) Upon the written instructions of a customer, a member may hold mail for a customer who will not be at his or her usual address for the period of his or her absence, but (A) not to exceed two months if the member is advised that such customer will be on vacation or traveling or (b) not to exceed three months if the customer is going abroad.

(iii) Before any customer order is executed, there must be placed upon the memorandum for each transaction, the name or designation of the account (or accounts) for which such order is to be executed. No change in such account name(s) (including related accounts) or designation(s) (including error accounts) shall be made unless the change has been authorized by a member or a person(s) designated by the designated general partner or executive officer pursuant to this Rule. Such person must, prior to giving his or her approval of the account designation change, be personally informed of the essential facts relative thereto and indicate his or her approval of such change in writing on the order or other similar record of the member. The essential facts relied upon by the person approving the change must be documented in writing and preserved for a period of not less than three years, the first two years in an easily accessible place, as the term "easily accessible place" is used in SEC Rule 17a-4.

For purposes of this subparagraph (b)(iii), any person designated by the designated general partner or executive officer, pursuant to this Rule, must be a Registered Options Principal.

(c) *Internal Controls*.

(i) Member organizations must develop and maintain adequate controls over each of its business activities. Such controls must provide for the establishment of procedures for verification and testing of those business activities. An ongoing analysis, based upon appropriate criteria, may be employed to assess and prioritize those business activities

requiring independent verification and testing. A review of each member organization's efforts with respect to internal controls, including a summary of tests conducted and significant exceptions identified, must be included in the annual report required by paragraph (g) of this Rule.

(ii) A member organization that complies with requirements of the New York Stock Exchange or FINRA that are substantially similar to the requirements in subparagraph (c)(i) of this Rule will be deemed to have met such requirements.

(d) *Annual Branch Office Inspections*.

(i) Each branch office that supervises one or more non-branch locations must be inspected no less often than once each calendar year unless:

A. it has been demonstrated to the satisfaction of the Exchange that because of proximity, special reporting or supervisory practice, other arrangements may satisfy this Rule's requirements for a particular branch office; or

B. based upon the written policies and procedures of such member organization providing for a systematic risk-based surveillance system, the member organization submits a proposal to the Exchange and receives, in writing, an exemption from this requirement pursuant to paragraph (e) of this Rule.

(ii) Every branch office, without exception, must be inspected at least once every three calendar-years. All required inspections must be conducted by a person who is independent of the direct supervision and control of the branch office in question (i.e., not the branch office manager, or any person who directly or indirectly reports to such manager, or any person to whom such manager directly reports). Written reports reflecting the results of such inspections are to be maintained at the member organization for the longer of three years or until the next branch office inspection.

(iii) A member organization that complies with requirements of the New York Stock Exchange or FINRA that are substantially similar to the requirements in subparagraph (d)(1) and (d)(2) of this Rule as well as to related requirements in subparagraphs (e) and (f) of this Rule will be deemed to have met such requirements.

(e) *Risk -Based Surveillance and Branch Office Identification*.

(i) Any member organization seeking an exemption, pursuant to subpargraph 7(d)(i)(B), from the annual branch office inspection requirement must submit to the Exchange written policies and procedures for systematic risk-based surveillance of its branch offices. Such policies and procedures should reflect, among other factors, the member organization's business model and product mix. Such policies and procedures must also, at a minimum, provide for:

A. The inspection of branches where developments during the year require a reconsideration of such branch's exemption;

B. A requirement that no less than half of the branch offices inspected each year on a cycle basis be done on an unannounced basis; and

C. A system to enable employees to report compliance issues on a confidential basis outside of the branch office chain of command.

(ii) For purposes of subparagraph (e)(i) of this Rule, the risk-based factors to be considered should include, but not necessarily be limited to, the following:

A. Number of Registered Representatives;

B. A significant increase in the number of Registered Representatives;

C. Number of customers and volume of transactions;

D. A significant increase in branch office revenues;

E. Incidence of concentrated securities positions in customer's accounts;

F. Aggregate customer assets held;

G. Nature of the business conducted and the sales practice risk to investors associated with the products sold, and product mix (e.g. options, equities, mutual funds, annuities, etc.);

H. Numbers of accounts serviced on a discretionary basis;

I. Compliance and regulatory history of the branch, including:

(1) Registered Representatives subject to special supervision by the member organization, self-regulatory authorities, state regulatory authorities or the Securities and Exchange Commission in years other than the previous or current year;

(2) Complaints, arbitrations, internal discipline, or prior inspection findings; and

(3) Persons subject to recent disciplinary actions by self-regulatory authorities, state regulatory authorities or the Securities and Exchange Commission.

J. Operational factors, such as the number of errors and account designation changes per Registered Representative;

K. Incidence of accommodation mailing addresses (e.g., post office boxes and "care of" accounts);

L. Whether the branch office permits checks to be picked up by customers or hand delivery of checks to customers;

M. Experience, function (producing or non-producing) and compensation structure of branch office manager;

N. Branch offices recently opened or acquired; and

O. Changes in branch location, status or management personnel.

(iii) Notwithstanding any policies or procedures implemented pursuant to this Rule, branch offices that meet any of the following criteria must be inspected no less often than once each calendar year:

A. Offices with one or more Registered Representatives subject to special supervision as required by a self-regulatory authority or state regulatory authority during the current or immediately preceding year.

B. Offices with 25 or more registered individuals;

C. Offices in the top 20% of production or customer assets for the member organization;

D. Any branch office not inspected within the previous two calendar years; and

E. Any branch office designated as exercising supervision over another branch office.

(f) *Criteria for Inspection Programs*. An annual branch office inspection program must include, but is not limited to, testing and independent verification of internal controls related to the following areas:

(i) Safeguarding of customer funds and securities:

(ii) Maintaining books and records;

(iii) Supervision of customer accounts serviced by branch office managers;

(iv) Transmittal of funds between customers and Registered Representatives and between customers and third parties;

(v) Validation of customer address changes; and

(vi) Validation of changes in customer account information.

(g) *Written Report*. By April 1 of each year, each member organization that conducts a nonmember customer business shall submit to the Exchange a written report on the member organization's supervision and compliance effort during the preceding year and on the adequacy of the member organization's ongoing compliance processes and procedures. Each member organization that conducts a public customer options business shall also specifically include its options compliance program in the report. The report shall include, but not be limited to, the following:

(i) A tabulation of customer complaints (including arbitrations and civil actions) and internal investigations.

(ii) Identification and analysis of significant compliance problems, plans for future systems or procedures to prevent and detect violations and problems, and an assessment of the preceding year's efforts of this nature.

(iii) Discussion of the preceding year's compliance efforts, new procedures, educational programs, etc. in each of the following areas:

(A) antifraud and trading practices;

(B) investment banking activities;

(C) sales practices;

(D) books and records;

(E) finance and operations;

(F) supervision;

(G) internal controls; and

(H) anti-money laundering.

If any of these areas do not apply to the member organization, the report shall so state.

(iv) for each member organization, the designation of a general partner or principal executive officer as Chief Compliance Officer (which designation shall be updated on Schedule A of Form BD).

(v) A certification signed by the member organization's Chief Executive Officer (or equivalent), that:

A. The member organization has in place processes to:

(1) establish and maintain policies and procedures reasonably designed to achieve compliance with applicable Exchange Rules and federal securities laws and regulations,

(2) modify such policies and procedures as business, regulatory and legislative changes and events dictate, and

(3) test the effectiveness of such policies and procedures on a periodic basis, the timing and extent of which is reasonably designed to ensure continuing compliance with Exchange Rules and federal securities laws and regulations.

B. In member organizations, the Chief Executive Officer (or equivalent officer) conducted one or more meetings with the organization's Chief Compliance Officer during the preceding 12 months, and that they discussed and reviewed the matters described in this certification, including the organization's prior compliance efforts, and identified and addressed significant compliance problems and plans for emerging business areas.

C. In member organizations, the processes described in paragraph (g)(v)(A)(1) of this Rule, are evidenced in a report reviewed by the Chief Executive Officer (or equivalent officer), Chief Compliance Officer and such other officers as the organization may deem necessary to make this certification, and submitted to the organization's board of directors and audit committee (if such committee exists) on or before April 1 of each year.

D. In member organizations, the Chief Executive Officer (or equivalent officer) has consulted with the Chief Compliance Officer and other officers referenced in subparagraph (g)(v)(C) of this Rule and such other employees, outside consultants, lawyers and accountants, to the extent they deem appropriate, in order to attest to the statements made in this certification.

A member organization that specifically includes its options compliance program in a report that complies with substantially similar requirements of the New York Stock Exchange or FINRA will be deemed to have met the requirements of paragraphs (g) and (h).

(h) Reports to Control Persons—By April 1 of each year, each member organization shall submit a copy of the report that Options 10, Section 7(g) requires the member organization to prepare to its one or more control persons or, if the member organization has no control person, to the audit committee of its board of directors or its equivalent committee or group. In the case of a control person that is an organization (a "controlling organization"), the member organization shall submit the report to the general counsel of the controlling organization and to the audit committee of the controlling organization's board of directors or its equivalent committee or

group. For the purpose of this paragraph, "control person" means a person who controls the member organization, and the term "control" means the power to exercise a controlling influence over the management or policies of the member organization, unless such power is solely the result of an official position with the member organization. Any person who owns beneficially, directly or indirectly, more than 20% of the voting power in the election of directors of the member organization, or more than 25% of the voting power in the election of directors of any other corporation which directly or through one or more affiliates owns beneficially more than 25% of the voting power in the election of directors of the member organization, shall be presumed to control the member organization.

(i) Foreign Currency Options Principal—Every member handling public orders for foreign currency options shall designate and specifically identify to the Exchange one or more principals of the organization who shall be responsible for supervision of the member organization's nonmember customer accounts and communications to customers insofar as such accounts and communications relate to foreign currency options. Each designated Foreign Currency Options Principal shall be a general partner, an officer or a person of appropriate supervisory or managerial rank of the member and shall have successfully completed a Registered Options Principal Qualification Examination, allied member's examination or other principal's examination or have demonstrated equivalent knowledge, and an examination prescribed by the Exchange for the purpose of demonstrating an adequate knowledge of foreign currency options and the markets for the underlying foreign currencies.

(j) The provisions of this Rule are applicable to currency and index warrants. *Supplementary Material to Options 10, Section 7*

.01 A designated Foreign Currency Options Principal, in meeting his responsibility for supervision of nonmember customer accounts and orders, may delegate to qualified employees responsibility and authority, as provided above in the case of the Senior Registered Options Principal.

.02 Each member organization that conducts a non-member customer business shall establish, maintain, and enforce written procedures which detail the specific methods used to supervise all non-member customer accounts and all orders in such accounts. Such written procedures shall specifically identify the titles and positions of individuals who have been delegated authority and responsibility for an identified segment of the member organization's business, including option compliance functions. The procedures shall also include the registration status and location of all such supervisory and compliance personnel. Each member organization shall also develop and implement specific written procedures concerning the manner of supervision of customer accounts maintaining uncovered short option positions, and specifically providing for frequent supervisory review of such accounts.

.03 Each member organization shall maintain, at the principal supervisory office having jurisdiction over the office servicing the customer's account, or shall have readily accessible and promptly retrievable, information to permit review of each customer's options account, on a timely basis to determine (i) the compatibility of options transactions with investment objectives and with the types of transactions for which the account was approved; (ii) the size and frequency of option transactions; (iii) commission activity in the account; (iv) profit or loss in the account; (v) undue concentration in any options class or classes; and (vi) compliance with the provisions of Regulation T of the Federal Reserve Board.

.04 As a general matter, supervisory qualifications of a designated Foreign Currency Options Principal may be demonstrated only by successful completion of a registered options principal examination, allied member's examination or other principal examination. In exceptional circumstances, however, the Exchange may, upon written request by a member organization, accept as a demonstration of equivalent knowledge other evidence of a designated Foreign Currency Options Principal's supervisory qualifications. Advanced age, physical infirmity or experience in fields ancillary to the foreign exchange trading, investment banking or securities businesses will not individually of themselves constitute sufficient grounds to excuse a designated Foreign Currency Options Principal from the general requirement that supervisory qualifications be shown by successful completion of an appropriate examination.

.05 Documentation evidencing the annual written report required by paragraph (g) of this Rule, must be maintained in a place that is easily accessible and shall be provided to the Exchange upon request.

Adopted Feb. 3, 2020 (20-03); amended Mar. 27, 2020 (20-16); amended June 1, 2020 (20-29); amended July 1, 2020 (SR-Phlx-2020-35).

Section 8. Suitability

(a) No member, member organization or registered employee thereof shall recommend to any customer any transaction to purchase or write an option contract unless such member, member organization or registered employee has reasonable grounds to believe that the entire recommended transaction is not unsuitable for such customer on the basis of information furnished by such customer after reasonable inquiry concerning the customer's investment objectives, financial situation and needs, and any other information known by such member, member organization or registered employee.

(b) No member, member organization or registered employee thereof, shall recommend to a customer an opening transaction in any option contract unless the person making the recommendation has a reasonable basis for believing, at the time of making the recommendation, that the customer has such knowledge and experience in financial matters that he may reasonably be expected to be capable of evaluating the risks of the recommended transaction, and is financially able to bear the risks of the recommended position in the option contract.

(c) The provisions of this Rule are applicable to currency and index warrants.

Adopted Feb. 3, 2020 (20-03).

Section 9. Discretionary Accounts

(a) *Authorization and Approval Required*. The authorization of all discretionary options accounts and the approval of all discretionary options transactions shall be handled as follows:

> (i) *Stock, Index or Exchange-Traded Fund Share Options*—No member or member organization and no partner or employee of a member organization shall exercise any discretionary power with respect to trading in stock, index or Exchange-Traded Fund Share options contracts in a customer's account unless such customer has given prior written authorization and the account has been accepted in writing by a Registered

Options Principal. Each firm shall designate specific Registered Options Principals pursuant to Options 10, Section 7 to review discretionary accounts. A Registered Options Principal specifically delegated such responsibilities under Options 10, Section 7 (who is an individual other than the Registered Options Principal who accepted the account) shall review the acceptance of each discretionary account to determine that the Registered Options Principal accepting the account had a reasonable basis for believing that the customer was able to understand and bear the risks of the strategies or transactions proposed, and he shall maintain a record of the basis for his determination.

(ii) *Foreign Currency Options*—No member or member organization and no partner or employee of a member organization shall exercise any discretionary power with respect to trading in foreign currency options contracts in a customer's account unless such customer has given prior written authorization with respect to such trading and the account has been accepted in writing by a designated Foreign Currency Options Principal, who shall maintain a record of the basis for his determination that such customer was able to understand and bear the risks of the strategies or transactions proposed. Such designated Foreign Currency Options Principal must approve and initial each discretionary foreign currency options order on the day entered unless such order has already been approved and initialled by a Registered Options Principal, provided that in the case of approvals by Registered Options Principals who are not designated Foreign Currency Options Principals, such approvals shall be confirmed within a reasonable time by a designated Foreign Currency Options Principal..

(iii) *General* —Every discretionary order shall be identified as discretionary on the order at the time of entry. Discretionary accounts shall receive frequent appropriate supervisory review by the Registered Options Principal specifically delegated such responsibilities under Options 10, Section 7, who is not exercising the discretionary authority.

(iv) The provisions of this Rule are applicable to index warrants.

(b) *Options Programs*—Where the discretionary account utilizes options programs involving the systematic use of one or more options strategies, the customer shall be furnished with a written explanation meeting the requirements of Options 10, Section 20 of the nature and risks of such programs.

(c) *Prohibited Transactions*—No member or member organization and no partner, officer or employee of a member organization shall effect with or for any customer's account in respect to which such member or member organization or partner, officer or employee of a member organization is vested with any discretionary power any transactions of purchase or sale of option contracts which are excessive in size or frequency in view of the financial resources and character of such account.

(d) *Record of Transactions*—A record shall be made of every option transaction for an account in respect to which a member or member organization or a partner, officer or employee of a member organization is vested with any discretionary authority, such record to include the name of the customer, the designation, number of contracts and premium of the option contracts, the date and time when such transaction took place and clearly reflecting the fact that discretionary authority was exercised.

(e) *Discretion as to Time or Price Excepted*—This Rule shall not apply to discretion as to the price at which or the time when an order given by a customer for the purchase or sale of a definite number of option contracts in a specified security or foreign currency shall be executed, except that the authority to exercise time and price discretion will be considered to be in effect only until the end of the business day on which the customer granted such discretion, absent a specific, written contrary indication signed and dated by the customer. This limitation shall not apply to time and price discretion exercised in an institutional account, as defined below, pursuant to valid Good-Till-Cancelled instructions issued on a "not held" basis. Any exercise of time and price discretion must be reflected on the order ticket. As used in this paragraph (e) the term "institutional account" shall mean the account of: (i) a bank, savings and loan association, insurance company, or registered investment company; (ii) an investment adviser registered either with the Securities and Exchange Commission under Section 203 of the Investment Advisers Act of 1940 or with a state securities commission (or any agency or office performing like functions); or (iii) any other entity (whether a natural person, corporation, partnership, trust or otherwise) with total assets of at least $50 million.

(f) Any member organization that does not utilize computerized surveillance tools for the frequent and appropriate review of discretionary account activity must establish and implement procedures to require Registered Options Principal qualified individuals who have been designated to review discretionary accounts to approve and initial each discretionary order on the day entered.

Adopted Feb. 3, 2020 (20-03).

Section 10. Confirmations to Customers

(a) Every member and member organization shall promptly furnish to each customer a written confirmation of each transaction in option contracts for such customer's account. Each such confirmation shall show the type of option, the underlying stock, Exchange-Traded Fund Share or foreign currency, as the case may be, the expiration month, the exercise price, the number of option contracts, the premium, commissions, the transaction and settlement dates, whether the transaction was a purchase or a sale (writing) transaction, whether the transaction was an opening or a closing transaction, and whether the transaction was effected on a principal or agency basis. The confirmation shall by appropriate symbols distinguish between Exchange options transactions and other transactions in option contracts though such confirmation does not need to specify the exchange or exchanges on which such option contracts were executed.

Adopted Feb. 3, 2020 (20-03).

Section 11. Statements of Accounts

(a) Statements of accounts required by General 9, Section 65 shall be sent not less frequently than once every month to each customer in whose account there has been an entry during the preceding month with respect to an option contract and at least quarterly to all accounts having a money or a security position during the preceding quarter. Statements of accounts to customers shall show security and money positions, entries, interest charges and any special charges that have been assessed against such account during the period covered by the statement; provided, however, that such charges need not be specifically delineated on the statement if they are otherwise accounted for on the statement and have been itemized on transaction confirmations.

(b) With respect to options customers having a general (margin) account, such statement shall also provide the mark-to-market price and market value of each option position and other security position in the general (margin) account, the total market value of all positions in the account, the outstanding debit or credit balance in the account and the general (margin) account equity. The statement shall bear a legend stating that further information with respect to commissions and other charges related to the execution of listed option transactions has been included in confirmations of such transactions previously furnished to the customer, and that such information will be made available to the customer promptly upon request. The statement shall also bear a legend requesting the customer to promptly advise the member of any material change in the customer's investment objectives or financial situation.

Supplementary Material to Options 10, Section 11

.01 For purposes of the foregoing Rule, general (margin) account equity shall be computed by subtracting the total of the "short" security values and any debit balance from the total of the "long" security values and any credit balance.

Adopted Feb. 3, 2020 (20-03).

Section 12. Reserved

Adopted Feb. 3, 2020 (20-03).

Section 13. Delivery of Options Disclosure Documents

(a) *Options Disclosure Documents*—Every member and member organization shall deliver a current Options Disclosure Document to each customer at or prior to the time such customer's account is approved for options transactions. A copy of each amendment to an Options Disclosure Document shall be furnished to each customer who was previously furnished the Options Disclosure Document to which the amendment pertains, not later than the time a confirmation of a transaction in the category of options to which the amendment pertains is delivered to such customer. The term "current Options Disclosure Document" means the most recent edition of such Document which meets the requirements of Rule 9b-1 promulgated under the Exchange Act.

(b) The written description of risks required by Options 10, Section 2(c)(v) shall be in a format prescribed by the Exchange or in a format developed by the member organization, provided it contains substantially similar information as the prescribed Exchange format and has received prior written approval of the Exchange.

(c) Below is a sample risk description for use by member organizations to satisfy the requirements of paragraph (b) of this Options 10, Section 13:

Special Statement for Uncovered Options Writers.

There are special risks associated with uncovered options writing which expose the investor to potentially significant loss. Therefore, this type of strategy may not be suitable for all customers approved for options transactions.

1. *The potential loss of uncovered call writing is unlimited. The writer of an uncovered call is in an extremely risky position, and may incur large losses if the value of the underlying instrument increases above the exercise price*.

2. *As with writing uncovered calls, the risk of writing uncovered put options is substantial. The writer of an uncovered put option bears a risk of loss if the value of the underlying instrument declines below the exercise price. Such loss could be substantial if there is a significant decline in the value of the underlying instrument*.

3. *Uncovered options writing is thus suitable only for the knowledgeable investor who understands the risks, has the financial capacity and willingness to incur potentially substantial losses, and has sufficient liquid assets to meet applicable margin requirements. In this regard, if the value of the underlying instrument moves against an uncovered writer's options position, the investor's broker may request significant additional margin payments. If an investor does not make such margin payments, the broker may liquidate stock or options positions in the investor's account with little or no prior notice in accordance with the investor's margin agreement*.

4. *For combination writing, where the investor writes both a put and a call on the same underlying instrument, the potential risk is unlimited*.

5. *If a secondary market in options were to become unavailable, investors could not engage in closing transactions, and an options writer would remain obligated until expiration or assignment*.

6. *The writer of an American-style option is subject to being assigned an exercise at any time after he has written the option until the option expires. By contrast, the writer of a European-style option is subject to exercise assignment only during the exercise period. NOTE: It is expected that you will read the booklet entitled CHARACTERISTICS AND RISKS OF STANDARDIZED OPTIONS available from your broker. In particular, your attention is directed to the chapter entitled Risks of Buying and Writing Options. This statement is not intended to enumerate all of the risks entailed in writing uncovered options*.

Supplementary Material to Options 10, Section 13

.01 Where the customer of a member or member organization is a broker or dealer entering his orders with the member or member organization in a single omnibus account, such member or member organization shall take reasonable steps to assure that such broker or dealer is furnished reasonable quantities of current Options Disclosure Documents, as requested by him in order to enable him to comply with the requirements of this Rule.

.02 Where a broker or dealer enters orders for his customers with, or clears transactions through, a member organization on a fully disclosed basis and such member organization carries the accounts of such customers, the responsibility for delivering one or more current Options Disclosure Documents as provided in this Rule shall rest with the member organization. However, such member organization may rely upon the good faith representation of the introducing broker or dealer that one or more current Options Disclosure Documents have been delivered in compliance with this Rule.

.03 The Exchange will advise members and member organizations when an Options Disclosure Document is amended.

Adopted Feb. 3, 2020 (20-03).

Section 14. Restrictions on Pledge of Customers' Securities

(a) No agreement between a member organization and a customer authorizing the member organization to pledge securities carried for the account of the customer either alone or with other securities, either for the amount due thereon or for a greater amount, or to lend such securities, shall justify the member organization in pledging or lending more of such securities than is fair and reasonable in view of the indebtedness of said customer to said member organization, except as provided in paragraph (d) of this Rule.

Agreements for use of customers' securities

(b) No member organization shall lend, either to itself as broker or to others, securities held on margin for a customer and which may be pledged or loaned under paragraph (a) hereof, unless such member organization shall first have obtained a separate written authorization from such customer permitting the lending of such securities by such member organization.

Restrictions on delivery of customers' securities

(c) No general agreement between a member organization and a customer shall justify the member organization in delivering securities carried for the customer on sales made by the member organization for any account in which such member organization or any partner thereof or stockholder therein is directly or indirectly interested.

Free or excess margin securities

(d) No securities held by a member organization for the account of a customer, whether free or representing excess margin, may be loaned to itself as broker, or to others, or delivered on sales made by the member organization for any account in which the organization or any partner or stockholder has a direct or indirect interest unless a specific written agreement designating the particular securities to be loaned is first obtained from the customer.

Adopted Feb. 3, 2020 (20-03).

Section 15. Reserved

Adopted Feb. 3, 2020 (20-03).

Section 16. Reserved

Adopted Feb. 3, 2020 (20-03).

Section 17. Profit Sharing

(a) No member, member organization, or person associated with a member organization shall share directly or indirectly in the profits or losses in any account of a customer carried by the member, member organization, or any other member or member organization; provided, however, that a member, member organization, or person associated with a member organization may share in the profits or losses in such an account if:

(1) such member or person associated with a member organization obtains prior written authorization from the member organization employing the associated person;

(2) such member, member organization, or person associated with a member organization obtains prior written authorization from the customer; and

(3) such member, member organization, or person associated with a member organization shares in the profits or losses in any account of such customer only in direct proportion to the financial contributions made to such account by either the member, member organization, or person associated with a member organization.

(b) Exempt from the direct proportionate share limitation of paragraph (a)(3) are accounts of the immediate family of such member, member organization, or person associated with a member organization. For purposes of this Rule, the term "immediate family" shall include parents, mother-in-law or father-in-law, husband or wife, children or any relative to whose support the member, member organization, or person associated with a member organization otherwise contributes directly or indirectly.

(c) Notwithstanding the prohibition of paragraph (a), a member, member organization, or person associated with a member organization that is acting as an investment adviser may receive compensation based on a share in profits or gains in an account if:

(1) such member or person associated with a member organization seeking such compensation obtains prior written authorization from the member or member organization employing the associated person;

(2) such member, member organization, or person associated with a member organization seeking such compensation obtains prior written authorization from the customer; and

(3) all of the conditions in Rule 205-3 of the Investment Advisers Act (as the same may be amended from time to time) are satisfied.

Adopted Feb. 3, 2020 (20-03); amended September 3, 2021 (SR-Phlx-2021-52), operative October 3, 2021.

Section 18. Reserved

Adopted Feb. 3, 2020 (20-03).

Section 19. Reserved

Adopted Feb. 3, 2020 (20-03).

Section 20. Options Communications

(a) Phlx members and persons associated with a member shall comply with FINRA Rule 2220 (except FINRA Rule 2220(c)) as if such Rule were part of Phlx's Rules. Phlx and FINRA are parties to the Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of Phlx. Therefore, Phlx members are complying with Options 10, Section

20 by complying with FINRA Rule 2220 as written, including, for example, filing requirements and notifications. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under Options 10, Section 20 are being performed by FINRA on Nasdaq's behalf.

Adopted Feb. 3, 2020 (20-03); amended July 13, 2021 (SR-Phlx-2021-41), operative August 12, 2021.

Section 21. Reserved

Adopted Feb. 3, 2020 (20-03).

Section 22. Customer Complaints

(a) Every member organization conducting a customer business shall maintain and keep current a separate central log, index or other file for all options-related complaints, through which these complaints can easily be identified and retrieved. The central file shall be located at the principal place of business of the member organization or such other principal office as shall be designated by the member organization. At a minimum, the central file shall include: (i) identification of complaint; (ii) date complaint was received; (iii) identification of Registered Representative servicing the account; (iv) a general description of the matter complained of, and (v) a record of what action, if any, has been taken by the member organization with respect to the complaint. The term "options-related complaint" shall mean any written statement by a customer or person acting on behalf of a customer alleging a grievance arising out of or in connection with listed options. Each options-related complaint received by a branch office of a member organization shall be forwarded to the office in which the separate, central file is located no later than 30 days after receipt by the branch office. A copy of every options-related complaint shall be maintained at the branch office that is the subject of the complaint.

(1) The provisions of this Rule shall be applicable to index warrants.

Adopted Feb. 3, 2020 (20-03).

Section 23. Reserved

Adopted Feb. 3, 2020 (20-03); amended January 22, 2021 (SR-Phlx-2021-04).

Section 24. Transactions With Issuers

No member or member organization shall accept an order for the account of any corporation which is the issuer of an underlying stock or Exchange-Traded Fund Share for the sale (writing) of a call option contract with respect to that underlying stock or Exchange-Traded Fund Share.

Adopted Feb. 3, 2020 (20-03).

Section 25. Restricted Stocks

For the purposes of: (i) covering a short position in a call option contract, or (ii) delivery pursuant to the exercise of a put option contract, or (iii) satisfying an exercise notice assigned in respect of a call option contract, no member or member organization shall accept shares of an underlying stock, which may not be sold by the holder thereof except upon registration pursuant to the provisions of the Securities Act of 1933 or pursuant to SEC Rules promulgated under the Securities Act of 1933, unless, at the time such securities are accepted and at any later time such securities are delivered, applicable provisions of the Securities Act of 1933 and the rules thereunder have been complied with by the holder of such securities.

Adopted Feb. 3, 2020 (20-03).

Section 26. Reserved

Amended Nov. 22, 2022 (SR-Phlx-2022-48).

Section 27. Reserved

Amended Nov. 22, 2022 (SR-Phlx-2022-48).

OPTIONS 11 MINOR RULE PLAN VIOLATIONS

Section 1. Lead Market Maker as Market Maker

Lead Market Makers who are also Market Makers shall not have their Lead Market Maker activity included in the calculation for required trading as a Market Maker.

FINE SCHEDULE

Fine not applicable

Adopted Feb. 3, 2020 (20-03).

Section 2. Option Quote Parameters

When bidding and/or offering in equity option or index option issues, the following parameters should be utilized on the opening:

Current Option Bid	***Maximum Quote Spread***
Less than $2.00	.25
$2.00 to less than $5.00	.40
$5.00 to less than $10.00	.50
$10.00 to less than $20.00	.80
$20.00 and greater	1

After the opening, options trading on the System may be quoted electronically with a difference not to exceed $5 between the bid and offer regardless of the price of the bid. The $5 bid/ask

differentials only apply following the opening rotation in each security (i.e., the bid/ask differentials specified above shall apply during the opening).
The bid/ask differentials stated above shall not apply to in-the-money series where the market for the underlying security is wider than the differentials set forth above. For such series, the bid/ask differential may be as wide as the quotation for the underlying security on the primary market, or its decimal equivalent rounded up to the nearest minimum increment.
Foreign Currency Options
When bidding and/or offering in U.S. dollar-settled foreign currency option issues, the following parameters should be utilized on the opening:

Current Option Bid	***Maximum Quote Spread***
Less than $2.00	.25
$2.00 to less than $5.00	.40
$5.00 to less than $10.00	.50
$10.00 to less than $20.00	.80
$20.00 and greater	1

After the opening, options trading on the System may be quoted electronically with a difference not to exceed $5 between the bid and offer regardless of the price of the bid. The $5 bid/ask differentials only apply following the opening rotation in each security (i.e., the bid/ask differentials specified above shall apply during the opening).

The bid/ask differential as stated above shall apply to all listed series, including the longest term, except for the two longest term series open for trading in the Euro options and long-term foreign currency options.

Relief

Relief from the established bid/ask differentials may be granted upon the receipt of an approval of an Options Exchange Official.

Batching

The Exchange may aggregate individual violations and treat such violations as a single offense.

FINE SCHEDULE (Implemented on a one-year running calendar basis)

1st Occurrence	Warning letter
2nd Occurrence	Warning letter
3rd Occurrence	Warning letter
4th Occurrence	$250.00
5th Occurrence	$500.00
6th Occurrence	$1,000.00
7th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of

	Market Regulation, or Department of Enforcement

Adopted Feb. 3, 2020 (20-03).

Section 3. Failure to Comply with an Exchange Inquiry

Each member, member organization or associated person is required to promptly comply with any request of information made by the Exchange in connection with any regulatory inquiry, investigation or examination relating to the Exchange's disciplinary jurisdiction or regulatory obligations.

For the purposes of this Advice, information received within ten (10) business days from the date of the original request shall be deemed to meet the requirement of prompt compliance, except, for purposes of Exchange requests, information received within two business days from the date of the original request shall be deemed to meet the requirement of prompt compliance.

The Exchange may under extenuating circumstances grant extensions to allow for responses beyond the allotted requirement. Requests for extensions must be submitted in writing to the appropriate department, prior to the due date of the outstanding request. Each additional request for information not furnished within the allotted time periods may be considered a separate occurrence for purposes of the fine schedule below.

FINE SCHEDULE (Implemented on a three-year running calendar basis)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

Adopted Feb. 3, 2020 (20-03).

Section 4. Affiliations

(i) Affiliations must be filed in writing with the Exchange's Membership Department as provided by General 3, Section 11.

FINE SCHEDULE (Implemented on a three-year running calendar basis)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

Adopted Feb. 3, 2020 (20-03).

Section 5. Unusual Market Conditions

In the interest of maintaining a fair and orderly market under unusual market conditions for one or more classes of options, an Options Exchange Official may determine that the level of trading activities or the existence of unusual market conditions is such that the Exchange is incapable of collecting, processing, and making available to quotation vendors the data for a subject security required to be made available pursuant to the SEC Quote rule in a manner that accurately reflects the current market on the Exchange. The Exchange shall immediately notify all specified persons of such a determination. Regular trading procedures shall be resumed when an Options Exchange Official determines that the conditions supporting that declaration no longer exist.

FINE SCHEDULE

Fine not applicable

Adopted Feb. 3, 2020 (20-03).

Section 6. Supervisory Procedures Relating to ITSFEA

(a) Member organizations must maintain written supervisory procedures as required by the Insider Trading and Securities Fraud Enforcement Act of 1988 (ITSFEA). Such procedures must be reasonably designed to prevent the misuse of material, non-public information by employees.

(b) In addition to the requirements under ITSFEA, the Exchange herein institutes basic minimum standards for incorporation into ITSFEA-related written supervisory procedures for all member organizations. The requirements enumerated below must be included and, together with all related additional written supervisory procedures maintained in accordance with paragraph (a) above, must receive approval by the Exchange. These requirements are not intended to supersede, or be presumed to fulfill, the requirements of ITSFEA. These requirements are instead set forth as separate requirements of the Exchange.

In the instance where a member organization is subject to written supervisory procedures relating to ITSFEA, imposed by another self regulatory organization which is its designated examining authority ("DEA"), the Exchange requirements set forth in paragraph (b) of this Advice will not apply.

(1) Each new employee of the organization shall be furnished with a copy of the most current version of the Exchange's "Notice of Insider Trading" (Notice), or a document substantially similar to the Notice approved by the DEA for use in this connection. Within ten business days from the first date of employment with the Unit, each new employee must sign and return the Notice to the employer. By his signature on the Notice, the employee attests to having carefully read the Notice and agrees to appropriately supply the employer Firm with all trading accounts for which such person maintains a beneficial interest, including all personal and household accounts of the employee. Also, by his signature on the Notice, each new employee ensures that delivery of all related account statements will be made directly from the Firm(s) maintaining the account to the employer.

(2) Each Unit must complete the Exchange's "ITSFEA Accounts List," comprising all accounts submitted in connection with paragraph (1) above and all proprietary accounts of the Unit.

Updates to the list must be made within one month of any change and each completed version of the list must be maintained for no less than three years by the Unit.

(3) Each month a supervisory person of the Unit is required to make a reasonable review of all activities from the account statements of those accounts reflected on the ITSFEA Accounts List with a view toward identifying the possible misuse of material non-public information. A report must be made promptly to the Exchange's Regulatory staff in the event that any such unusual profits are so identified.

Failure to properly maintain the ITSFEA Accounts List, or to conduct related reviews required by this Advice, may result in the issuance of fines in accordance with the schedule below.

FINE SCHEDULE (Implemented on a three-year running calendar basis)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

Adopted Feb. 3, 2020 (20-03).

Section 7. Minor Infractions of Position/Exercise Limits and Hedge Exemptions

(a) Minor violations of the Exchange's position and exercise limits (Options 9, Section 13 - Position Limits, Options 9, Section 15 - Exercise Limits, Option 4A, Section 6 - Position Limits, and Options 4A, Section 10 - Exercise Limits) which do not exceed such limits by more than 5% may result in the issuance of a fine in accordance with section (a) of the fine schedule below.

In addition, when a position limit exemption for a specific period has lapsed without the position either being brought into compliance or a new exemption granted, a fine in accordance with section (a) of the fine schedule below may be issued.

Other violations of the position and exercise limit are subject to review by the Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement in accordance with those procedures set forth under the Rule 8000 and 9000 Series.

(b) Automatic hedge exemptions are available for stock option positions. Specifically, each option of a stock option position hedged by 100 shares of stock or securities convertible into such stock, is exempted from having to be included in the aggregation count for the purposes of the position and exercise limits. The exemption is limited, however, to an amount of option contracts no greater than twice the standard limit of the respective option. Permissible hedges are provided below:

long stock, short call

long stock, long put

short stock, long call

short stock, short put

(1) When utilizing a hedge exemption, a report of the position must be received by the Exchange's Regulatory staff in a manner prescribed by the Exchange no later than the close of business following the day the exemption is availed upon. Failure to provide the Exchange with a hedge exemption form as required may result in the issuance of a fine in accordance with section (b)(i) of the fine schedule below.

(2) Hedge exemptions apply for only as long as the hedge is maintained. In any instance where the stock side to a hedge exemption is decreased, the appropriate number of options must be liquidated prior to or simultaneous with the corresponding decrease in any stock position utilized to provide an automatic option hedge exemption. Failure to appropriately reduce the respective option position following such a decrease in the stock position such that the position limit does not exceed the limit by more than 5% may result in the issuance of a fine in accordance with section (b)(ii) of the fine schedule below. Instances where the resulting position exceeds established limits by more than 5% are subject to review by the Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement in accordance with those procedures set forth under the Rule 8000 and 9000 Series.

FINE SCHEDULE (Implemented on a two-year running calendar basis)

(a)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,000.00
4Th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

(b)

(i)

1st Occurrence	$250.00
2nd Occurrence	$500.00
3rd Occurrence	$1,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

(ii)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,000.00

4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

Adopted Feb. 3, 2020 (20-03).

Section 8. Clearing Agents' Responsibility for Carrying Positions in Market Maker Accounts

A member organization of this Exchange which is also a clearing member of OCC carrying accounts for Lead Market Makers and Market Makers/market makers is required to take reasonable steps to ensure that only those positions in Exchange listed options which are eligible for exempt credit treatment are carried in the market functions account. Any transaction on another Exchange in an option that is also listed on the Exchange is covered by this Advice. Reasonable steps include the adoption and implementation of procedures designed to detect any pattern of activity in contravention of this Advice.

FINE SCHEDULE (Implemented on a three-year running calendar basis)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

FINE SCHEDULE
Fine not applicable
Adopted Feb. 3, 2020 (20-03).

Section 9. Options Exchange Official Rulings

Options Exchange Officials are empowered to render rulings on the trading floor to resolve trading disputes occurring on and respecting activities on the trading floor. All rulings rendered by Options Exchange Officials are effective immediately and must be complied with promptly. Failure to promptly comply with a ruling concerning a trading dispute may result in referral to the Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement. Failure to promptly comply with other rulings issued pursuant to Order and Decorum Regulations or Floor Procedure Advices and not concerning a trading dispute may result in an additional violation. Options Exchange Officials need not render decisions in any instance where the request for a ruling was not made within a reasonable period of time. An Options Exchange Official should not render a decision or authorize a citation where such Options Exchange Official was involved in or affected by the dispute, as well as in any situation where the Options Exchange Official is not able to objectively and fairly render a decision.

Options Exchange Officials shall endeavor to be prompt in rendering decisions. However, in any instance where an Options Exchange Official has determined that the benefits of further

discovery as to the facts and circumstances of any matter under review outweigh the monetary risks of a delayed ruling, the Options Exchange Official may determine to delay rendering the ruling until such time as that further discovery is completed. In issuing decisions for the resolution of trading disputes, Options Exchange Officials shall institute the course of action deemed by the ruling Options Exchange Official to be more fair to all parties under the circumstances at the time. An Options Exchange Official may direct the execution of an order on the floor, or adjust the transaction terms or participants to an executed order on the floor. However, an Options Exchange Official may nullify a transaction if they determine the transaction to have been in violation of Options 2, Section 4 (Obligations of Market Makers) or Options 8, Section 24 (Bids And Offers-Premium).

Exchange staff may determine that an Options Exchange Official is ineligible to participate in a particular ruling where it appears that such Options Exchange Official has a conflict of interest. For purposes of this Rule, and without limitation, a conflict of interest exists where an Options Exchange Official: (a) is directly or indirectly affiliated with a party seeking an Options Exchange Official ruling; (b) is a participant or is directly or indirectly affiliated with a participant in a transaction that is the subject of an Options Exchange Official ruling; (c) is a debtor or creditor of a party seeking an Options Exchange Official ruling; or (d) is an immediate family member of a party seeking an Options Exchange Official ruling. Exchange staff may consider other circumstances, on a case-by-case basis, in determining the eligibility or ineligibility of a particular Options Exchange Official to participate in a particular ruling due to a conflict of interest.

All Options Exchange Official rulings concerning the adjustment and nullification of transactions are reviewable by the Exchange Review Council.

(1) Regulatory staff must be advised within 15 minutes of an Options Exchange Official's ruling that a party to such ruling has determined to appeal from such ruling to the Exchange Review Council. The Exchange may establish the procedures for the submission of a request for a review of an Options Exchange Official ruling. Options Exchange Official rulings concerning the nullification or adjustment of transactions may be sustained, overturned or modified by the Exchange Review Council. In making a determination, the Exchange Review Council may consider facts and circumstances not available to the ruling Options Exchange Official as well as action taken by the parties in reliance on the Options Exchange Official's ruling (e.g., cover, hedge and related trading activity).

(2) All decisions made by the Exchange Review Council in connection with initial rulings on requests for relief and with the review of an Options Exchange Official ruling pursuant to Options 8, Section 35(d) shall be documented in writing and maintained by the Exchange in accordance with the record keeping requirements set forth in the Exchange Act, as amended, and the rules thereunder.

(3) A member or member organization seeking the Exchange Review Council review of an Options Exchange Official ruling shall be assessed a fee of $250.00 for each Options Exchange Official ruling to be reviewed that is sustained and not overturned or modified by the Exchange Review Council.

(4) Decisions of the Exchange Review Council concerning the review of Options Exchange Official rulings relating to the nullification or adjustment of transactions shall be final and may not be appealed to the Exchange's Board of Directors.

(5) Failure to promptly comply with an Options Exchange Official or Exchange Review Council decision under this Rule may result in referral to the Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement.

FINE SCHEDULE

Section 10. Failure to Provide Notification of Changes in Business Operations

Any member organization for which the Exchange is the Designated Examining Authority ("DEA") shall provide prior written notification to the Exchange or its designee of any change in the business operations of such member organization which would cause the member organization to be subject to additional or modified net capital requirements, examination schedules or other registration, examination or regulatory requirements.

For the purposes of this Advice, the appropriate time frame for notification is at least 10 business days prior to the change in business operations.

FINE SCHEDULE (Implemented on a three year running calendar basis)

1st Occurrence	$250.00
2nd Occurrence	$500.00
3rd Occurrence	$1,000.00
4th and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

Adopted Feb. 3, 2020 (20-03).

Section 11. Failure to Timely Submit Amendments to Form U4, Form U5 and Form BD

Any member organization that is required to file Form U4, Form U5 or Form BD pursuant to Exchange Rules or the Exchange Act and the rules promulgated thereunder, is required to amend the applicable Form U4, Form U5 or Form BD to keep such forms current at all times. Member organizations and participant organizations shall amend Form U4, Form U5 or Form BD not later than thirty (30) days after the filer knew or should have known of the facts which gave rise to the need for the amendment.

FINE SCHEDULE (Implemented on a running 12 month period)

1st Occurrence	$500.00
2nd Occurrence	$1,000.00
3rd Occurrence	$2,000.00
4th and Thereafter	Sanction is discretionary with Phlx Regulation Department or Department of Enforcement

Adopted Feb. 3, 2020 (20-03).

Section 12. Violations of Exercise and Exercise Advice Rules for Noncash-Settled Equity Option Contracts

Any member who fails to submit to the Exchange in a timely manner pursuant to Options 6B, Section 1, or an exercise instruction relating to the exercise or nonexercise of a noncash-settled equity option shall be subject to the following fines:

FINE SCHEDULE (Implemented on a running 24 month period)

	Individual	**Member Organization**
1st Occurrence	$500.00	$1,000.00
2nd Occurrence	$1,000.00	$2,500.00
Subsequent Occurrence And Thereafter	$2,500.00	$5,000.00

Adopted Feb. 3, 2020 (20-03).

Section 13. Index Option Exercise Advices

In accordance with the provisions of Options 4A, Section 15, all Lead Market Makers, Market Makers, customers and Firms must complete an exercise advice when exercising any American style index option contract(s) and exercise the amount of option contracts indicated on the exercise advice.

Lead Market Makers, Market Makers, customers and Firms must time stamp and submit the completed exercise advice to Exchange staff at the Surveillance Post or in the trading crowd no later than five minutes after the close of trading on the day of the exercise with respect to any American style index option traded on the Exchange. Exercise advices for index options are not required on (a) the business day prior to expiration in series expiring on a day other than a business day or (b) the expiration day in series expiring on a business day.

Those Firms utilizing the electronic systems of The Options Clearing Corporation to meet the time requirements of this Advice must transmit to The Options Clearing Corporation index exercise instructions according to the time frames described above.

The fine schedule below provides sanctions for infractions of the index option exercise advice procedures which are minor in nature. Any violation of the procedure which has been deemed serious by the Exchange will be referred directly to the Exchange's Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement where stronger sanctions may result.

FINE SCHEDULE (Implemented on a two-year running calendar basis)

1st Occurrence	$250.00
2nd Occurrence	$500.00
3rd Occurrence	$1,000.00
4th Occurrence and Thereafter	Sanction is discretionary with Phlx Regulation Department, Department of Market Regulation, or Department of Enforcement

Adopted Feb. 3, 2020 (20-03).

Section 14. Failure to Comply with the Consolidated Audit Trail Compliance Rule Requirements

For failures to comply with the Consolidated Audit Trail Compliance Rule requirements under General 7, the Exchange may impose a minor rule violation fine of up to $2,500.

Amended August 25, 2020 (SR-Phlx-2020-40).