

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 22

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. * SR 2024 - * 63

Amendment No. (req. for Amendments *)

Filing by Nasdaq PHLX LLC

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>
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Rule

<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)
<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)
<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010
Section 806(e)(1) *

Section 806(e)(2) *

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 3C(b)(2) *

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Remove Rules Related to the Nasdaq 100 Volatility Index

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Angela Last Name * Dunn

Title * Principal Associate General Counsel

E-mail * angela.dunn@nasdaq.com

Telephone * (215) 496-5692 Fax

Signature

Pursuant to the requirements of the Securities Exchange of 1934, Nasdaq PHLX LLC has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 11/21/2024

(Title *)

By John Zecca
(Name *)

EVP and Chief Legal Officer

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

 Date: 2024.11.21 15:45:39 -05'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information *

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SR-PHLX-2024-63 19b-4.docx

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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SR-PHLX-2024-63 Exhibit 1.docx

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2- Notices, Written Comments, Transcripts, Other Communications

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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SR-PHLX-2024-63 Exhibit 5.docx

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) Nasdaq Phlx LLC (“Phlx” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to remove rule text related to the listing of options on the Nasdaq-100[®] Volatility Index.

A notice of the proposed rule change for publication in the Federal Register is attached as Exhibit 1.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors (the “Board”). Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

Questions and comments on the proposed rule change may be directed to:

Angela Saccomandi Dunn
Principal Associate General Counsel
Nasdaq, Inc.
(215) 496-5692

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

a. Purpose

The Exchange proposes to amend various rules to remove references to the listing of options on the Nasdaq-100[®] Volatility Index.³

In 2021, Phlx received approval⁴ to list and trade options on VOLQ. Phlx subsequently received approval⁵ to amend the calculation of its final settlement price for options on VOLQ. Phlx launched VOLQ options on June 14, 2022.⁶ On May 18, 2023, Phlx delisted options on VOLQ and the Exchange does not have plans to re-list VOLQ options in the foreseeable future. There is no open interest in VOLQ at this time. The Exchange proposes to delete all references to VOLQ options to provide greater clarity to members and member organizations and the public regarding the Exchange’s offerings and Rulebook.

Specifically, the Exchange proposes to delete references to the Nasdaq-100[®] Volatility Index or “VOLQ” in Options 3, Section 1, Hours of Business; and Options 4A

³ VOLQ is a proprietary index product. The VOLQ options index product measured “at-the-money” volatility, a precise measure of volatility used by investors. Specifically, VOLQ options measured changes in 30-day implied volatility of the Nasdaq-100 Index (commonly known as and referred to by its ticker symbol, NDX).

⁴ See Securities Exchange Act Release No. 91781 (May 5, 2021), 86 FR 25918 (May 11, 2021) (SR-Phlx-2020-41) (Notice of Filing of Amendment Nos. 1 and 2 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment Nos. 1 and 2, To List and Trade Options on a Nasdaq-100 Volatility Index) (“VOLQ Options Approval Order”).

⁵ See Securities Exchange Act Release No. 93628 (November 19, 2021), 86 FR 67555 (November 26, 2021) (SR-Phlx-2021-56) (Order Approving a Proposed Rule Change To Amend Options 4A, Section 12 Regarding the Calculation of the Closing Volume Weighted Average Price for Options on the Nasdaq-100 Volatility Index in Certain Circumstances) (“Amendment to VOLQ Options”).

⁶ See Options Trader Alert #2022-16 (<http://www.nasdaqtrader.com/MicroNews.aspx?id=OTA2022-16>).

Rules at: Section 2, Definitions;⁷ Section 6, Position Limits; and Section 12, Terms of Index Options Contracts. The Exchange also proposes to remove pricing in Options 7, Pricing Schedule, at Section 5, Index and Singly Listed Options (Includes options overlying FX Options, equities, ETFs, ETNs, and indexes not listed on another exchange).

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁹ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

Phlx's proposal to remove references to the Nasdaq-100[®] Volatility Index or "VOLQ" in Phlx Rules is consistent with the Act as Phlx delisted options on VOLQ in 2023 and there is no open interest in VOLQ options at this time. Further, the Exchange does not have plans to re-list VOLQ options in the foreseeable future. The Exchange proposes to delete all references to VOLQ options to provide greater clarity to members and member organizations and the public regarding the Exchange's offerings and Rulebook.

4. Self-Regulatory Organization's Statement on Burden on Competition

The proposed rule change does not impose any burden on competition that is not

⁷ The Exchange proposes to remove a stray period after the title "Definitions."

⁸ 15 U.S.C. 78f(b)

⁹ 15 U.S.C. 78f(b)(5).

necessary or appropriate in furtherance of the purposes of the Act.

The Exchange's proposal to remove references to the Nasdaq-100[®] Volatility Index or "VOLQ" in Phlx Rules does not impose an undue burden on intra-market competition as, today, no member or member organization is able to options on VOLQ or will be able to trade options on VOLQ in the future.

The Exchange's proposal to remove references to the Nasdaq-100[®] Volatility Index or "VOLQ" in Phlx Rules does not impose an undue burden on inter-market competition as VOLQ options was a proprietary product of Nasdaq, Inc. and singly listed on Phlx. Other options markets can develop a similar index options product on their market.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

The Exchange does not consent to an extension of the time period for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii)¹⁰ of the Act and Rule 19b-4(f)(6) thereunder¹¹ in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not

¹⁰ 15 U.S.C. 78s(b)(3)(A)(iii).

¹¹ 17 CFR 240.19b-4(f)(6).

become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The proposal does not significantly affect the protection of investors or the public interest because there is no open interest in VOLQ options at this time and the Exchange does not have plans to re-list VOLQ options in the foreseeable future. Deleting all references to VOLQ options to provide greater clarity to members and member organizations and the public regarding the Exchange's offerings and Rulebook.

The proposal does not impose any significant burden on competition as VOLQ options was a proprietary product of Nasdaq, Inc. and singly listed on Phlx. Other options markets can develop a similar index options product on their market.

Furthermore, Rule 19b-4(f)(6)(iii)¹² requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

¹² 17 CFR 240.19b-4(f)(6)(iii).

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not Applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not Applicable.

11. Exhibits

1. Notice of Proposed Rule Change for publication in the Federal Register.

5. Rule text of proposed rules.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-Phlx-2024-63)

November __, 2024

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Remove Rules Related to the Nasdaq-100[®] Volatility Index

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on November 21, 2024, Nasdaq PHLX LLC (“Phlx” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to remove rule text related to the listing of options on the Nasdaq-100[®] Volatility Index.

The text of the proposed rule change is available on the Exchange’s Website at <https://listingcenter.nasdaq.com/rulebook/phlx/rules>, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend various rules to remove references to the listing of options on the Nasdaq-100[®] Volatility Index.³

In 2021, Phlx received approval⁴ to list and trade options on VOLQ. Phlx subsequently received approval⁵ to amend the calculation of its final settlement price for options on VOLQ. Phlx launched VOLQ options on June 14, 2022.⁶ On May 18, 2023, Phlx delisted options on VOLQ and the Exchange does not have plans to re-list VOLQ options in the foreseeable future. There is no open interest in VOLQ at this time. The

³ VOLQ is a proprietary index product. The VOLQ options index product measured “at-the-money” volatility, a precise measure of volatility used by investors. Specifically, VOLQ options measured changes in 30-day implied volatility of the Nasdaq-100 Index (commonly known as and referred to by its ticker symbol, NDX).

⁴ See Securities Exchange Act Release No. 91781 (May 5, 2021), 86 FR 25918 (May 11, 2021) (SR-Phlx-2020-41) (Notice of Filing of Amendment Nos. 1 and 2 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment Nos. 1 and 2, To List and Trade Options on a Nasdaq-100 Volatility Index) (“VOLQ Options Approval Order”).

⁵ See Securities Exchange Act Release No. 93628 (November 19, 2021), 86 FR 67555 (November 26, 2021) (SR-Phlx-2021-56) (Order Approving a Proposed Rule Change To Amend Options 4A, Section 12 Regarding the Calculation of the Closing Volume Weighted Average Price for Options on the Nasdaq-100 Volatility Index in Certain Circumstances) (“Amendment to VOLQ Options”).

⁶ See Options Trader Alert #2022-16 (<http://www.nasdaqtrader.com/MicroNews.aspx?id=OTA2022-16>).

Exchange proposes to delete all references to VOLQ options to provide greater clarity to members and member organizations and the public regarding the Exchange's offerings and Rulebook.

Specifically, the Exchange proposes to delete references to the Nasdaq-100[®] Volatility Index or "VOLQ" in Options 3, Section 1, Hours of Business; and Options 4A Rules at: Section 2, Definitions;⁷ Section 6, Position Limits; and Section 12, Terms of Index Options Contracts. The Exchange also proposes to remove pricing in Options 7, Pricing Schedule, at Section 5, Index and Singly Listed Options (Includes options overlying FX Options, equities, ETFs, ETNs, and indexes not listed on another exchange).

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁹ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

Phlx's proposal to remove references to the Nasdaq-100[®] Volatility Index or "VOLQ" in Phlx Rules is consistent with the Act as Phlx delisted options on VOLQ in 2023 and there is no open interest in VOLQ options at this time. Further, the Exchange does not have plans to re-list VOLQ options in the foreseeable future. The Exchange

⁷ The Exchange proposes to remove a stray period after the title "Definitions."

⁸ 15 U.S.C. 78f(b)

⁹ 15 U.S.C. 78f(b)(5).

proposes to delete all references to VOLQ options to provide greater clarity to members and member organizations and the public regarding the Exchange's offerings and Rulebook.

B. Self-Regulatory Organization's Statement on Burden on Competition

The proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange's proposal to remove references to the Nasdaq-100[®] Volatility Index or "VOLQ" in Phlx Rules does not impose an undue burden on intra-market competition as, today, no member or member organization is able to options on VOLQ or will be able to trade options on VOLQ in the future.

The Exchange's proposal to remove references to the Nasdaq-100[®] Volatility Index or "VOLQ" in Phlx Rules does not impose an undue burden on inter-market competition as VOLQ options was a proprietary product of Nasdaq, Inc. and singly listed on Phlx. Other options markets can develop a similar index options product on their market.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant

to Section 19(b)(3)(A)(iii) of the Act¹⁰ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹¹

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-Phlx-2024-63 on the subject line.

¹⁰ 15 U.S.C. 78s(b)(3)(A)(iii).

¹¹ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-Phlx-2024-63. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-Phlx-2024-63 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

Sherry R. Haywood,

Assistant Secretary.

¹² 17 CFR 200.30-3(a)(12).

EXHIBIT 5

New text is underlined; deleted text is in brackets.

Nasdaq Phlx LLC Rules

* * * * *

Options Rules

* * * * *

Options 3 Options Trading Rules

Section 1. Hours of Business

* * * * *

(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 [and the Nasdaq-100 Volatility 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).

* * * * *

Options 4A Options Index Rules

* * * * *

Section 2. Definitions[.]

* * * * *

Supplementary Material to Options 4A, Section 2

* * * * *

.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.
[Nasdaq-100® Volatility Index]	[The Nasdaq Stock Market]

* * * * *

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.

[(ii) Respecting Nasdaq-100® Volatility Index Options, there shall be no position limits.]

* * * * *

(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[; or in excess of 100,000 contracts for its own account for the account of a customer in Nasdaq-100® Volatility 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.

* * * * *

Section 12. Terms of Index Options Contracts

(a) *General.*

* * * * *

(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 at any one time for any class that the Exchange (as the Reporting Authority) uses to calculate a volatility index; and] (ii[i]) 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® Volatility Index; and]

(vi[i]) Nasdaq-100 ESG 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.

* * * * *

(2) Long-Term Option Series

The Exchange may list, with respect to any class of stock index options[or Nasdaq-100® Volatility 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).

* * * * *

[(7) Nasdaq-100[®] Volatility Index Options (“VOLQ options”).

(A) *Listing Schedule.* The Exchange may list up to six weekly expirations and up to 12 standard (monthly) expirations in VOLQ options. The six weekly expirations shall be for the nearest weekly expirations from the actual listing date and weekly expirations may not expire in the same week in which standard (monthly) VOLQ options expire. Standard (monthly) expirations in VOLQ options are not counted as part of the maximum six weekly expirations permitted for VOLQ options.

(B) *Exercise Settlement Value Date.* The exercise settlement value of a VOLQ option for all purposes under these Rules and the Rules of the Clearing Corporation shall be calculated on the specific date (usually a Wednesday) identified in the option symbol for the series. If that Wednesday or the Friday that is 30 days following that Wednesday is an Exchange holiday, the exercise settlement value shall be calculated on the business day immediately preceding that Wednesday.

(C) *Expiration Date and Last Day of Trading.* The expiration date of a VOLQ option shall be the same day that the exercise settlement value of the VOLQ option is calculated. The last trading day for a VOLQ option shall be the business day immediately preceding the expiration date of the VOLQ option. When the last trading day is moved because of an Exchange holiday, the last trading day for an expiring VOLQ option contract will be the day immediately preceding the last regularly scheduled trading day.

(D) *Final Settlement Price Calculation.*

(I) The final settlement price for VOLQ options will be the Closing Volume Weighted Average Price (“Closing VWAP”) calculated on the morning of the VOLQ options expiration.

(II) The Closing VWAP shall be determined by reference to the prices and sizes of executed orders or quotes in the thirty-two underlying Nasdaq-100[®] index (“NDX”) component options on Phlx, Nasdaq ISE, LLC and Nasdaq GEMX, LLC markets. Executed orders shall include simple orders and complex orders (excluding out-of-sequence and late trades), however, individual leg executions of a complex order will only be included if the executed price of the leg is at or within the NBBO. The following process is used to calculate the Closing VWAP of the VOLQ options. At the end of individual one-second time observations during a 300 second period of time (the “Closing Settlement Period”) commencing at 9:32:01 on the expiration day (or two minutes and one second after the open of trading in the event trading does not commence at 9:30:00 A.M. ET), and continuing each second for the next 300 seconds, the number of contracts traded at each price during the observation period is multiplied by that price to yield a Reference Number. All Reference Numbers are then summed, and that sum is then divided by the total number of contracts traded during the observation period [Sum of (contracts traded at a price x price) ÷ total contracts traded] to calculate a Volume Weighted Average Price for that observation period (a “One Second VWAP”) for that component option. If no transactions occur on Phlx, ISE and GEMX during any one-

second observation period, the NBBO midpoint at the end of the one second observation period will be considered the One Second VWAP for that observation period for purposes of this settlement methodology. VOLS would utilize the best bid and best offer, which may consist of a quote or an order, from among the listing markets (Phlx, Nasdaq ISE, LLC and Nasdaq GEMX, LLC markets).

If, during any one second of the observation period, any of the thirty-two NDX option series used for Closing VWAP do not have a trade/quote, the index calculator would look back and use the most recent published quote midpoint during that day for the One Second VWAP for the option component that does not have a trade/quote.

If there is no One Second VWAP to utilize for any of the thirty-two NDX option series during the Closing Settlement Period, then the index calculator will consider that Closing Settlement Period invalid and will be unable to determine a Closing VWAP at that time.

In the event the Closing Settlement Period is invalid and a Closing VWAP cannot be determined, the index calculator will then roll the Closing Settlement Period forward by one second and determine if there is a One Second VWAP for each of the thirty-two NDX option series for all 300 consecutive seconds of the new Closing Settlement Period. If there is a One Second VWAP for all of the thirty-two NDX option series for all 300 consecutive seconds of the new Closing Settlement Period, a Closing VWAP will be calculated. If a One Second VWAP is not present for all of the thirty-two NDX option series during any one second of the new observation period, the index calculator will again roll the Closing Settlement Period forward by one second. The index calculator would continue to roll the Closing Settlement Period forward by one second until such time as it is able to capture a One Second VWAP for each of the thirty-two NDX option series for all 300 consecutive seconds of the new Closing Settlement Period. At that time, a Closing VWAP will be calculated.

Each One Second VWAP for each component option is then used to calculate the Volatility Index, resulting in the calculation of 300 sequential Volatility Index values. Finally, all 300 Volatility Index values will be arithmetically averaged (i.e., the sum of 300 Nasdaq-100[®] Volatility Index calculations is divided by 300) and the resulting figure is rounded to the nearest .01 to arrive at the settlement value disseminated under the ticker symbol VOLS.

In the event of a trading halt in one or more options, excluding a halt in all Nasdaq-100 index options, prior to the completion of the Closing Settlement Period, the Exchange would continue to look back for a One Second VWAP prior to looking forward. In the event of a trading halt in all Nasdaq-100 index options, the Exchange would commence the calculation of the settlement window beginning two minutes and one second after the re-opening of trading and publish that value on its website. In this scenario, the Exchange would not look back prior to the trading halt.

(E) *Strike Price Intervals*. Notwithstanding subsection (a) to this Options 4A, Section 12, the interval between strike prices for VOLQ options will be \$0.50 or greater where the

strike price is less than \$75, \$1 or greater where the strike price is \$200 or less and \$5 or greater where the strike price is more than \$200.]

* * * * *

(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:

* * * * *

(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[®] Volatility Index; and]
- (ix) Nasdaq-100 ESG 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 Nasdaq-100[®] Volatility Index Options may be effected on the Exchange until 4:00 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.

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Options 7 Pricing Schedule

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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 ^{1,7}	\$0.25 ⁶	\$0.75 ⁵	\$0.75 ⁵	\$0.75 ⁵	\$0.75 ⁵
NDXP ^{1,7}	\$0.25 ⁶	\$0.75 ⁵	\$0.75 ⁵	\$0.75 ⁵	\$0.75 ⁵
EXGN ¹	\$0.00	\$0.75	\$0.75	\$0.75	\$0.75
XND ²	\$0.00	\$0.10	\$0.10	\$0.10	\$0.10
[VOLQ ³]	[\$0.00]	[\$0.40]	[\$0.40 ⁴]	[\$0.40]	[\$0.40]

• 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.

¹A surcharge for NDX, NDXP and EXGN of \$0.25 per contract will be assessed to Non-Customers.

²A surcharge for XND of \$0.10 per contract will be assessed to Non-Customers.

³Reserved.[A surcharge for VOLQ of \$0.10 per contract will be assessed to Non-Customers.]

⁴Reserved.[In addition to the above VOLQ transaction fees, a rebate of \$0.40 per contract will be paid to Lead Market Makers and Market Makers who add liquidity in VOLQ. With respect to Section 5 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.]

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