

“CUBE”

ELECTRONIC PRICE IMPROVEMENT AUCTIONS

CUBE OFFERS ELECTRONIC PRICE IMPROVEMENT AUCTIONS FOR PAIRED ORDERS OF ANY SIZE

OVERVIEW

THE INITIAL RELEASE OF THE CUBE AUCTION SUPPORTS SINGLE-LEG AUCTIONS FOR PAIRED ORDERS OF ANY SIZE.

Paired orders consist of

1. an initiating CUBE order and
2. an accompanying contra order

The initiating CUBE order may be any clearing capacity (Customer, Firm, Market Maker, etc.). The contra order may be any clearing capacity, except Customer.

The contra order must guarantee an execution within the allowable range as defined below by either matching or improving the limit price of the CUBE order. The contra order may be either facilitated by principal interest or solicited from a third party.

CUBE AUCTION START PRICE RULES FOR CUBE ORDERS SMALLER THAN 50 CONTRACTS:

The auction start price on each side will be bound by:

1. the NBBO, if Amex is not already there; or
2. 0.01 inside the NBBO, if Amex is already on the NBBO

Ex. If NBBO is 1.00 - 1.20 and Amex BBO is also 1.00 - 1.20, the allowable execution range will be 1.01 - 1.19

Ex. If the Amex BBO is inferior to the NBBO on both sides (e.g., 0.99 - 1.21), then the allowable execution range will be 1.00 - 1.20

FOR CUBE ORDERS OF 50 CONTRACTS OR GREATER:

The auction start price will be bound by the NBBO on each side; however, the initiating CUBE order must improve the Amex BBO by one cent if there is already Customer interest on the book.

Ex. If NBBO is 1.00 - 1.20, the allowable price range for a CUBE order to buy will also be 1.00 - 1.20 provided there is no Amex Customer on the 1.00 bid

Ex. If the NBBO is 1.00 - 1.20 and an Amex Customer is bidding 1.00, the allowable execution range will be 1.01 - 1.20

THE ACCOMPANYING CONTRA ORDER CAN:

1. Indicate a single stop price that guarantees an execution at the initiating price or better, or
2. Indicate an “auto-match” or “auto-match limit” guarantee, which indicates that the contra firm will match other auction respondents’ volume at every improved price (up to the optional limit).

In either case, the contra order will receive a 40% guaranteed allocation subject to price improvement and priority rules as described below.

AUCTION PROCESS OVERVIEW

- When a CUBE order is submitted, an auction will be announced via a Request For Response (“RFR”) message broadcast to all XDP Options subscribers disclosing the price, side, and size of the CUBE order
- All orders and Market Maker quotes received during the auction are eligible to participate if they are marketable vs. the initiating CUBE order
- Orders sent in response to the RFR may also be marked with a special Time In Force of “GTX” (see below)
- The auction will end after a random duration between 500 and 750 milliseconds, unless an event causes an early conclusion to the auction as described below
- RFR responses with Customer account type will take first priority at a price; all other responses will be capped at the initiating order size and executed on a pro-rata basis
- If only the accompanying contra order and one other RFR response are eligible to trade at the CUBE execution price, each will receive a 50% allocation; otherwise, the accompanying contra order will receive a 40% guaranteed allocation unless more than 60% of the order is price improved by other participants (the accompanying contra will yield priority at a given price once the 40% entitlement is satisfied)

GTX ORDERS

GTX is a special Time In Force designation that can be used for CUBE auction responses:

- Valid for the duration of the auction (any unexecuted volume will cancel at the auction’s conclusion)
- Can be submitted in \$0.01 increments (whereas all other orders and quotes must be submitted in the standard trading increment)
- Not disseminated to OPRA or XDP Options
- Can only be submitted on the opposite side of the market as the initiating CUBE order

EARLY CONCLUSION OF AUCTION

CUBE auctions will conclude early and the initiating order will be filled if, in the same series as the current auction:

- A new CUBE order arrives
- A new BBO on the same side as the CUBE order improves the initiating price
- A market order, marketable quote, or marketable limit order arrives (on either side)

Sufficient interest to fill a resting AON order is received during the auction (the auction will conclude early and the CUBE Order will execute with priority; the AON order will then fill if sufficient size still remains)

Please note that engaging in a pattern and practice of disrupting the auction mechanism by intentionally causing auctions to end early will constitute a rule violation.

CONNECTIVITY

NYSE Amex Options offers streamlined access to multiple exchanges through one standard interface, the NYSE Arca FIX Gateway.

For the latest spec including information for the enhanced testing environment, please visit

<https://www.nyse.com/connectivity/specs>

PRICING

For details regarding CUBE pricing please visit

https://www.nyse.com/publicdocs/nyse/markets/amex-options/NYSE_Amex_Options_Fee_Schedule.pdf

FURTHER INFORMATION

Please contact your Relationship Manager at:

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(855) 898-9012 with any questions.

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