

which is on parity may receive a smaller participation than any other crowd participant including the specialist]. The Allocation, Evaluation and Securities Committee may extend such [e]Enhanced [parity split] *Specialist Participation* for each applicable option beyond the initial six month period for one additional six month period upon petition by the specialist unit and a determination by the Committee that such extension is consistent with the promotion of just and equitable principles of trade and the public interest. Additionally, the Committee after granting such extension may at any time terminate such [e]Enhanced [parity split] *Specialist Participation* for any particular options class if the Committee determines that such action is consistent with the promotion of just and equitable principles of trade and the public interest.

(A)–(B) No change.

(C) a new specialist unit may receive the [e]Enhanced [s]Specialist [p]Participation in a New Options Class at the time that the New Options Class commences trading.

(D) a new specialist unit will be entitled to receive the [e]Enhanced [s]Specialist [p]Participation for any additional New Options Classes so long as such options classes commence trading at a time when the unit is still entitled to receive the [e]Enhanced [s]Specialist [p]Participation on the first New Options Class it commenced trading.

(iv) New Product Enhanced Specialist Participation—When a specialist unit develops and trades a new product, such specialist [will] *is entitled to* receive an [e]Enhanced [split] *Specialist Participation* in that option such that when the specialist is on parity with three or more controlled accounts in the crowd, the specialist *is entitled to* receive[s] 40% of the contracts and the controlled accounts are entitled to receive the remaining 60%; when the specialist is on parity with less than three controlled accounts in the crowd, the specialist *is entitled to* receive[s] 60% of the contracts and the controlled accounts *are entitled to* receive the remaining 40%. [In either of these situations, if a customer is on parity, the customer may not receive a lesser allotment than any other crowd participant, including the specialist.] In order for the [enhancement] *Enhanced Specialist Participation* to apply, the specialist must both develop and trade a new product. If one specialist unit develops a new product idea and another specialist is allocated specialist privileges in the product, the specialist unit trading the product would not be

entitled to [this split] *receive an Enhanced Specialist Participation*. The Options Committee will determine whether a specialist “developed” a new product.

(v) *Allocation of the Remainder of the Order Among Specialist and ROTs on Parity. After the application of Rule 1014(g)(i) to an Initiating Order, the Remainder of the Order shall be allocated by the Allocating Participant (as defined in Rule 1014(g)(vi)) as follows:*

(A) *Entitlement. ROTs and specialists 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 relation to a crowd participant and in respect of an order shall mean:*

(1) *in the case of orders handled manually by the specialist:*

(a) *if a crowd participant (including the specialist) has actually stated a size (“Actual Size”), such crowd participant’s stated size shall be his or her Actual Size;*

(b) *unless the specialist has an Actual Size, the stated size of the specialist 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 ROTs who have Actual Sizes;*

(c) *the stated size of an ROT 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 specialist entitled to an Enhanced Specialist Participation, the Enhanced Specialist Participation, up to the specialist’s stated size, as set forth in sub-paragraphs (g)(ii), (iii), or (iv) of this Rule, as applicable. The specialist may decline to receive the Enhanced Specialist Participation, in which case the specialist shall be entitled to participate as one crowd participant, up to the specialist’s stated size.*

(2) *except as provided in (1) above, the Defined Participation of the specialist and ROTs 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*