

## Chapter 351A

### Options on Standard and Poor's 500 Stock Price Index™ Futures

#### 351A00. SCOPE OF CHAPTER

This chapter is limited in application to options on Standard and Poor's 500 Stock Price Index™ futures ("S&P 500 Index futures" or "futures"). In addition to this chapter, options on futures shall be subject to the general rules and regulations of the Exchange as applicable.

Unless otherwise specified, times referenced herein shall refer to and indicate Chicago time.

##### 351A00.A. Primary Listing Exchange

For the purposes of this chapter a Primary Listing Exchange shall be as defined in the "Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934" approved 31 May 2012 by the U.S. Securities and Exchange Commission ("SEC"), as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4-631).

##### 351A00.B. Regulatory Halt

For the purposes of this chapter a Regulatory Halt shall be as defined in the "Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934" approved 31 May 2012 by the SEC, as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4-631) and as implemented under New York Stock Exchange Rule 80B for Trading Halts Due to Extraordinary Volatility or under Nasdaq Stock Market Rule 4121 for Trading Halts Due to Extraordinary Volatility.

#### 351A01. OPTIONS CHARACTERISTICS

##### 351A01.A. Contract Months, Trading Hours, and Trading Halts

Options shall be listed for expiration on such dates and shall be scheduled for trading during such hours as may be determined by the Exchange, *provided that* there shall be no trading in options when trading is halted in the Primary Futures Contract Month for S&P 500 Index futures pursuant to Rule 35102.I.

In accordance with Rule 35102.I. the Exchange shall determine, in its sole discretion, the futures delivery month that represents such Primary Futures Contract.

##### 351A01.B. Trading Unit

The trading unit shall be an option to buy in the case of a call, or to sell in the case of a put, one S&P 500 Index futures contract (Chapter 351).

##### 351A01.C. Minimum Fluctuations

Option prices shall be quoted in Index points. Each Index point shall represent \$250.00 per option contract.

Subject to Rules 351A01.C.1. and 351A01.C.2., the minimum price fluctuation shall be 0.10 Index points (equal to \$25.00 per option contract), *provided that* trades at price levels equal to or less than 5.00 Index points may occur at price levels that are integer multiples of 0.05 Index points (equal to \$12.50 per option contract), and *provided that* trade may occur at a price level of 0.05 Index points irrespective of whether such trade results in the liquidation of positions for both parties to such trade.

##### 1. Option Spreads and Combinations

Any option contract that trades as a component of a spread or combination shall be traded at a price that conforms to the applicable minimum price fluctuation as set forth in this Rule 351A01.C., *provided that*:

For any option spread or combination traded on the CME Globex electronic trading platform at a net premium of 5.00 Index points or less, each option contract comprised within such spread or combination may trade in price increments of 0.05 Index points; and

For any option spread or combination that is executed in open outcry, or as a privately negotiated block trade pursuant to Rule 526., or as a privately negotiated Exchange for Related Position

transaction pursuant to Rule 538., at a net premium of 10.00 Index points or less, each option contract comprised within such spread or combination may trade in price increments of 0.05 Index points.

## **2. Option Box Spreads**

For any option box spread the minimum fluctuation in net premium shall be 0.05 Index points. For the purpose of this Rule, an option box spread shall be defined to comprise four (4) option contracts representing two (2) distinct Exercise Price levels (Rule 351A01.E.), such that (i) one call option is bought, and one put option is sold, at one such Exercise Price level, and (ii) one call option is sold, and one put option is bought, at the second such Exercise Price level, and (iii) all four option contracts expire on the same expiration date (Rule 351A01.I.).

### **351A01.D. Underlying Futures Contract**

#### **1. American Style Options in the March Quarterly Cycle (“Quarterly options”)**

For any American style option for which the expiration month is in the March quarterly cycle (i.e., March, June, September, or December), the Underlying Futures Contract shall be for delivery in such option’s expiration month.

Example: For a given year, futures for delivery in March shall be the Underlying Futures Contract for a March Quarterly option.

#### **2. European Style Weekly Options**

For any European style Weekly option, the Underlying Futures Contract shall be for delivery on the third Friday of the March quarterly cycle month next following such option’s expiration, subject to Rule 35103.A.

Examples: For a given year, futures for delivery in June shall be the Underlying Futures Contract for third (3rd) March, fourth (4th) March, first (1st) April, second (2nd) April, third (3rd) April, fourth (4th) April, first (1st) May, second (2nd) May, third (3rd) May, fourth (4th) May, first (1st) June, and second (2nd) June European style Weekly options. Futures for delivery in September shall be the Underlying Futures Contract for third (3rd) June and fourth (4th) June European style Weekly options.

The Exchange shall not list a European style Weekly option for trading in any instance where such option’s expiration would occur on the last Business Day of a month.

#### **3. European Style Wednesday Weekly Options**

For any European style Wednesday Weekly option, the Underlying Futures Contract shall be for delivery on the third Friday of the March quarterly cycle month next following such option’s expiration, subject to Rule 35103.A.

The Exchange shall not list a European style Wednesday Weekly option for trading in any instance where such option’s expiration would occur on the last Business Day of a month.

#### **4. European Style Monday Weekly Options**

For any European style Monday Weekly option, the Underlying Futures Contract shall be for delivery on the third Friday of the March quarterly cycle month next following such option’s expiration, subject to Rule 35103.A.

The Exchange shall not list a European style Monday Weekly option for trading in any instance where such option’s expiration would occur on the last Business Day of a month.

#### **5. European Style End-of-Month Options**

For any European style End-of-Month option, the Underlying Futures Contract shall be for delivery on the third Friday of the March quarterly cycle month next following such option’s expiration, subject to Rule 35103.A.

Examples: For a given year, futures for delivery in March shall be the Underlying Futures Contract for a January European style End-of-Month option and for a February European style End-of-Month option. Futures for delivery in June shall be the Underlying Futures Contract for a March European style End-of-Month option.

### **351A01.E. Exercise Prices**

#### **1. Regularly-Listed Exercise Prices**

On any Business Day, the Exchange shall ensure that all Quarterly (Rule 351A01.D.1), European Style Weekly (Rule 351A01.D.2), European Style Wednesday Weekly (Rule 351A01.D.3), European Style Monday Weekly (Rule 351A01.D.4), and European Style End-of-Month (Rule

351A01.D.5) put and call options that are exercisable into a given Underlying Futures Contract are listed for trading at all eligible exercise prices as follows:

**100 Point Exercise Prices**

All exercise price levels that are integer multiples of 100 Index points (e.g., 2300, 2400, 2500) and that lie within a range from 50 percent below to 30 percent above the daily settlement price of such Underlying Futures Contract for the first preceding Business Day.

**50 Point Exercise Prices**

All exercise price levels that are integer multiples of 50 Index points (e.g., 2400, 2450, 2500) and that lie within a range from 40 percent below to 20 percent above the daily settlement price of such Underlying Futures Contract for the first preceding Business Day.

**10 Point Exercise Prices**

As of the Business Day on which such Underlying Futures Contract becomes the futures contract that is second-nearest to delivery in the March quarterly cycle (Rule 351A01.D.1.), and on any Business Day thereafter until the expiration of such options, all exercise price levels that are integer multiples of 10 Index points (e.g., 2480, 2490, 2500) and that lie within a range from 25 percent below to 10 percent above the daily settlement price of such Underlying Futures Contract for the first preceding Business Day.

**5 Point Exercise Prices**

As of the Business Day on which such put and call options have 35 or fewer calendar days until expiration, and on any Business Day thereafter until the expiration of such options, all exercise price levels that are integer multiples of 5 Index points (e.g., 2490, 2495, 2500) and that lie within a range from 15 percent below to 5 percent above the daily settlement price of such Underlying Futures Contract for the first preceding Business Day.

New options may be listed for trading on any Business Day up to and including the termination of trading in such options.

**2. Dynamically-Listed Exercise Prices**

Upon demand and at the discretion of the Exchange, an option with an out-of-current-range exercise price may be listed for trading as a User-Defined Instrument, on an as-soon-as-possible basis, provided that the exercise price of such option shall be an integer multiple of 5 Index points.

The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

**5. European Style Monday Weekly Options**

On any given Business Day, options that are European Style Monday Weekly Options (Rules 351A01.D.4), and that are exercisable into a given Underlying Futures Contract, shall be listed for trading at all eligible exercise prices, as follows:

25 Point Exercise Prices

The Exchange shall ensure that such put and call options are listed for trading at all exercise price levels that are integer multiples of 25 Index points (e.g., 2800, 2825, 2850) and that lie within a range from 35 percent below to 15 percent above the daily settlement price of such Underlying Futures Contract for the first preceding Business Day.

10 Point Exercise Prices

The Exchange also shall ensure that such put and call options are listed for trading at all exercise price levels that are integer multiples of 10 Index points (e.g., 2800, 2810, 2820) and that lie within a range from 25 percent below to 10 percent above the daily settlement price of such Underlying Futures Contract for the first preceding Business Day.

5 Point Exercise Prices

The Exchange also shall ensure that such put and call options are listed for trading at all exercise price levels that are integer multiples of 5 Index points (e.g. 2800, 2805, 2810) and that lie within a range from 15 percent below to 5 percent above the daily settlement price of such Underlying Futures Contract for the first preceding Business Day.

New options may be listed for trading on any Business Day up to and including the termination of trading in such options.

#### **6. Dynamically-Listed Exercise Prices**

Upon demand and at the discretion of the Exchange, a new option contract with an out-of-current-range exercise price may be added, on an as-soon-as-possible basis, provided that the exercise price of such option shall be an integer multiple of the appropriate exercise price interval (i.e., 25 Index points, 10 Index points, or 5 Index points) as prescribed in this Rule.

The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

#### **351A01.F. Position Limits, Exemptions, Position Accountability and Reportable Levels**

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

#### **351A01.G. Nature of Options**

Upon exercise of a put option by the buyer of such option, the seller of such option shall incur the obligation to assume a long position in one Underlying Futures Contract (Rule 351A01.D.) at such option's exercise price (Rule 351A01.E.). Upon exercise of a call option by the buyer of such option, the seller of such option shall incur the obligation to assume a short position in one Underlying Futures Contract at such option's exercise price.

##### **1. Quarterly Options**

The buyer of a Quarterly option (Rule 351A01.D.1.) may exercise such option at any time prior to its expiration.

##### **2. All Options Excluding Quarterly Options**

The buyer of a European style Weekly option (Rule 351A01.D.2.), or a European style Wednesday Weekly option (Rule 351A01.D.3.), or a European style Monday Weekly option (Rule 351A01.D.4.) or a European style End-of-Month option (Rule 351A01.D.5.) may exercise such option only at its expiration.

#### **351A01.H. [Reserved]**

#### **351A01.I. Termination of Trading**

##### **1. Quarterly Options**

Trading in any Quarterly option shall terminate on the same date and at the same time as the termination of trading in such option's Underlying Futures Contract (Rule 351A01.D.1.).

##### **2. European Style Weekly Options**

Trading in any European style Weekly option shall terminate at 3:00 p.m., or at noon in the case of an early scheduled close of the Primary Listing Exchange (Rule 351A00.A.), on the Friday designated by the Exchange as such option's expiration date. For a given calendar month:

Trading shall terminate in European style First Weekly options, and such options shall expire, on the first Friday of such month.

Trading shall terminate in European style Second Weekly options, and such options shall expire, on the second Friday of such month.

Trading shall terminate in European style Third Weekly options, and such options shall expire, on the third Friday of such month.

Trading shall terminate in European style Fourth Weekly options, and such options shall expire, on the fourth Friday of such month.

If such Friday is not a scheduled Business Day, then trading in expiring options shall be scheduled to terminate on the Business Day first preceding such Friday, *provided that* the Exchange shall not list European style Weekly options for trading in any such instance where the Business Day first preceding such Friday would be the last Business Day of the preceding calendar month (in accord

with Rule 351A01.D.2.).

If the market in the Underlying Futures Contract for such option does not open on the day scheduled for termination of option trading and for option expiration, then trading in such option shall terminate, and such option shall expire, on the next day on which the market in such Underlying Futures Contract is open for trading.

### **3. European Style Wednesday Weekly Options**

Trading in any European style Wednesday Weekly option shall terminate at 3:00 p.m., or at noon in the case of an early scheduled close of the Primary Listing Exchange (Rule 351A00.A.), on the Wednesday designated by the Exchange as such option's expiration date. For a given calendar month:

Trading shall terminate in European style First Wednesday Weekly options, and such options shall expire, on the first Wednesday of such month.

Trading shall terminate in European style Second Wednesday Weekly options, and such options shall expire, on the second Wednesday of such month.

Trading shall terminate in European style Third Wednesday Weekly options, and such options shall expire, on the third Wednesday of such month.

Trading shall terminate in European style Fourth Wednesday Weekly options, and such options shall expire, on the fourth Wednesday of such month.

Trading shall terminate in European style Fifth Wednesday Weekly options, and such options shall expire, on the fifth Wednesday of such month.

If such Wednesday is not a scheduled Business Day, then trading in expiring options shall be scheduled to terminate on the Business Day first preceding such Wednesday, *provided that* the Exchange shall not list European style Wednesday Weekly options for trading in any such instance where the Business Day first preceding such Wednesday would be the last Business Day of the preceding calendar month (in accord with Rule 351A01.D.3.).

If the market in the Underlying Futures Contract for such option does not open on the day scheduled for termination of option trading and for option expiration, then trading in such option shall terminate, and such option shall expire, on the next day on which the market in such Underlying Futures Contract is open for trading.

### **4. European Style Monday Weekly Options**

Trading in any European style Monday Weekly option shall terminate at 3:00 p.m., or at noon in the case of an early scheduled close of the Primary Listing Exchange (Rule 351A00.A.), on the Monday designated by the Exchange as such option's expiration date. For a given calendar month:

Trading shall terminate in European style First Monday Weekly options, and such options shall expire, on the first Monday of such month.

Trading shall terminate in European style Second Monday Weekly options, and such options shall expire, on the second Monday of such month.

Trading shall terminate in European style Third Monday Weekly options, and such options shall expire, on the third Monday of such month.

Trading shall terminate in European style Fourth Monday Weekly options, and such options shall expire, on the fourth Monday of such month.

Trading shall terminate in European style Fifth Monday Weekly options, and such options shall expire, on the fifth Monday of such month.

If such Monday is not a scheduled Business Day, then trading in expiring options shall be scheduled to terminate on the Business Day next following such Monday, provided that the Exchange shall not list European style Monday Weekly options for trading in any such instance where the Business Day next following such Monday would be the last Business Day of the calendar month (in accord with Rule 351A01.D.4.).

Notwithstanding the aforementioned, if the Primary Listing Exchanges (Rule 351A00.A.) are closed on such Monday in observance of an unscheduled market holiday, trading in option contracts that are scheduled to expire on such Monday shall terminate, and such option contracts shall expire, on the Business Day immediately preceding such Monday.

If the market in the Underlying Futures Contract for such option does not open on the day scheduled for termination of option trading and for option expiration, then trading in such option

shall terminate, and such option shall expire, on the next day on which the market in such Underlying Futures Contract is open for trading.

#### **5. European Style End-Of-Month Options**

Trading in any European style End-of-Month option shall terminate at 3:00 p.m., or at noon in the case of an early scheduled close of the Primary Listing Exchange (Rule 351A00.A.), on the last Business Day of such option's expiration month.

If the market in the Underlying Futures Contract for such option does not open on the day scheduled for termination of option trading, then trading in such option shall terminate, and such option shall expire, on the next day on which the market in such Underlying Futures Contract is open for trading.

#### **351A01.J. [Reserved]**

### **351A02. EXERCISE AND ASSIGNMENT**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of options.

#### **351A02.A. Exercise**

##### **1. Quarterly Options**

Any Quarterly option (Rule 351A01.D.1.) may be exercised by the buyer on any Business Day prior to and including such option's Expiration Date. To exercise such option, the clearing member representing the option buyer shall present an exercise notice to the Clearing House by 7:00 p.m., or by such other time as the Exchange may designate, on the day of exercise.

Any unexercised option shall expire at 7:00 p.m. on the day scheduled for determination of the Final Settlement Price (Rule 35103.A.) of such option's Underlying Futures Contract. Any option that is in the money, and that has not been liquidated or exercised prior to its termination of trading, shall be exercised automatically upon expiration, in the absence of contrary instructions. Such contrary instructions must be delivered to the Clearing House by the clearing member representing the buyer of such option no later than 7:00 p.m., or at such other time on such option's Expiration Date as may be designated by the Exchange.

An expiring call option shall be in the money if the Final Settlement Price of such option's Underlying Futures Contract (Rule 351A01.D.) on such option's Expiration Date is strictly above such option's exercise price, and shall be out of the money if such Final Settlement Price is at or below such option's exercise price.

An expiring put option shall be in the money if the Final Settlement Price of such option's Underlying Futures Contract on such option's Expiration Date is strictly below such option's exercise price, and shall be out of the money if such Final Settlement Price is at or above such option's exercise price.

##### **2. All Options Excluding Quarterly Options**

Any European style Weekly option (Rule 351A01.D.2.), or European style Wednesday Weekly option (Rule 351A01.D.3.), or European style Monday Weekly option (Rule 351A01.D.4.), or European style End-of-Month option (Rule 351A01.D.5.) may be exercised only at, and not before, the expiration of such option. Following the termination of trading in expiring options, any such option that is in the money shall be automatically exercised by the Clearing House, and any such option that is out of the money shall be abandoned by the Clearing House. For the avoidance of doubt, no such option that expires in the money may be abandoned, and no such option that expires out of the money may be exercised.

Whether an option expires in the money or out of the money shall be determined by the Exchange by reference to the Fixing Price of the CME E-mini Standard and Poor's 500 Stock Price Index ("E-mini S&P 500") futures contract (Chapter 358) for the same delivery month as such option's Underlying Futures Contract (Rule 351A01.D.). Such Fixing Price shall be determined by the Exchange in accordance with Rule 358A02.A.2. on the last day of trading in such option (Rule 351A01.I.).

If, at the time such Fixing Price is scheduled to be calculated, the Primary Listing Exchange (Rule 351A00.A.) is subject to a Regulatory Halt (Rule 351A00.B.), and the Primary Futures Contract Month is limit offered at the maximum price limit permissible during such Regulatory Halt pursuant to Rule 35102.I., then (a) such option shall expire at 8:31 a.m. on the next following Business Day

on which a Regulatory Halt is not in effect, and (b) the Fixing Price for such option shall be calculated in accordance with the corresponding provisions of Rule 358A02.A.2.

An expiring call option shall be in the money if the corresponding Fixing Price is strictly above such option's exercise price, and shall be out of the money if the corresponding Fixing Price is at or below such option's exercise price.

An expiring put option shall be in the money if the corresponding Fixing Price is strictly below such option's exercise price, and shall be out of the money if the corresponding Fixing Price is at or above such option's exercise price.

#### **351A02.B. Assignment**

For a given option contract, an exercise notice accepted by the Clearing House in accordance with Rules 351A02.A. shall be assigned by the Clearing House through a process of random selection to clearing members carrying open short positions in such option contract. A clearing member to whom such exercise notice has been assigned shall be notified thereof as soon as practicable following such assignment.

The clearing member to whom such exercise notice has been assigned shall be assigned a short position in such option's Underlying Futures Contract (Rules 351A01.D.) if such option is a call, or a long position in such option's Underlying Futures Contract if such option is a put. The clearing member representing the option buyer making exercise shall be assigned a long position in such option's Underlying Futures Contract if such option is a call, or a short position in such option's Underlying Futures Contract if such option is a put.

All such futures positions shall be assigned at a price equal to the exercise price of such option contract, and shall be marked to market (in accordance with Rule 814) on the Business Day on which the Clearing House accepts such exercise notice.

#### **351A03. [RESERVED]**

#### **351A04. CORRECTIONS TO OPTION EXERCISES**

Corrections to option exercises may be accepted by the Clearing House after 7:00 p.m. and up to the beginning of final option expiration processing (in accord with Rules 351A02.A.), *provided that* such corrections are necessary due to: (1) a bona fide clerical error, (2) unreconciled Exchange option transaction(s), or (3) an extraordinary circumstance where the clearing firm and customer are unable to communicate final option exercise instructions prior to 7:00 p.m. The decision as to whether a correction is acceptable will be made by the President of the Clearing House, or the President's designee, and such decision will be final.

#### **351A05.-29. [RESERVED]**

#### **FLEXIBLE OPTIONS**

#### **351A30. SCOPE OF FLEXIBLE OPTIONS RULES**

For the purposes of the following Rules 351A30.-38. in respect of flexible options on Standard and Poor's 500 Stock Price Index futures ("flexible options"), standard options shall be as defined by the foregoing Rules 351A01.-29.

Unless otherwise noted below, the following flexible options rules supersede the standard option regulations presented in the earlier part of this chapter.

#### **351A31. FLEXIBLE OPTIONS CHARACTERISTICS**

##### **351A31.A. Nature of Flexible Contracts**

Flexible options on futures shall be permitted, provided that no such flexible option shall have the same Underlying Futures Contract (Rule 351A01.D.), and the same Exercise Price (Rule 351A01.E.), and the same exercise style, and the same Termination of Trading (Rule 351A01.I.) as any standard option that is concurrently listed for trading. For the avoidance of doubt, a flexible option shall be permitted to have the same Underlying Futures Contract, same Exercise Price, same exercise style, and same Termination of Trading as any standard option that is not concurrently listed for trading.

If and when a standard option is listed with terms and conditions identical to a flexible option previously opened for trading, then such option contract shall be traded only as a standard option and shall be subject to all trading requirements applicable to standard options. Upon the listing of

such standard option, all open positions previously established in such flexible option, subject to flexible option trading procedures, shall become fully fungible with transactions in such standard option for all purposes under these Rules.

**351A31.B. Trading Unit**

The minimum size for requesting a quote for, or for trading in, a flexible option shall be 10 contracts, where each contract represents an option to buy, in the case of a call, or to sell, in the case of a put, one S&P 500 Index futures contract (Chapter 351), provided that a party may request a quote for, or may trade, fewer than 10 contracts in order to entirely close out a position in such flexible option.

Any respondent to a request for quote for a flexible option must be willing to trade at least 10 contracts, provided that such respondent may trade fewer than 10 contracts in order to entirely close out a position in such flexible option.

**351A31.C. Minimum Fluctuations**

Minimum price fluctuations for flexible options must conform to standards set forth in Rule 351A01.C.

**351A31.D. Underlying Futures Contracts**

The Underlying Futures Contract for a flexible option must be listed for trading (Chapter 351).

**351A31.E. Exercise Prices**

The exercise price of any flexible option must be an integer multiple of 0.10 Index points (e.g., 400.00, 400.10, 400.20). Such exercise price shall be no less than 0.10 Index points and no greater than 9999.90 Index points.

**351A31.F. Position Limits, Exemptions, Position Accountability and Reportable Levels**

(Refer to Rule 351A01.F.)

**351A31.G. [Reserved]**

**351A31.H. [Reserved]**

**351A31.I. Termination of Trading**

A flexible option may be specified to expire on any Business Day prior to and including the day scheduled for determination of the Final Settlement Price of such flexible option's Underlying Futures Contract (Rule 351A31.D.).

Trading in any flexible option shall terminate at the close of trading on such option's specified expiration date, provided that if a flexible option is specified to expire on the day scheduled for determination of the Final Settlement Price of such option's Underlying Futures Contract, then trading in such flexible option shall terminate at the same time as the close of trading in such Underlying Futures Contract on the Business Day first preceding such flexible option's specified expiration date.

Notwithstanding the aforementioned, if the Primary Listing Exchanges (Rule 351A00.A.) are closed on a Monday in observance of an unscheduled market holiday, trading in option contracts that are scheduled to expire on such Monday shall terminate, and such option contracts shall expire, on the Business Day immediately preceding such Monday.

In the event that the market in the Underlying Futures Contract for such flexible option does not open on the day scheduled for termination of option trading, trading in such option shall terminate on the next Business Day on which the market in such Underlying Futures Contract is open for trading.

A flexible option contract may be opened for trading, and may be traded, on its last day of trading.

**351A31.J. [Reserved]**

**351A32. FLEXIBLE OPTIONS EXERCISE**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of flexible options on S&P 500 Stock Price Index futures.

**351A32.A. Exercise of Flexible Options by Buyer**

Flexible options may be specified for either American style exercise or European style exercise. A flexible option for American style exercise may be exercised by the option buyer on any Business Day that such option may be traded. A flexible option for European style exercise can be exercised by the option buyer only upon expiration.



To exercise any flexible option, the clearing member representing the buyer shall present an exercise notice to the Clearing House no later than 7:00 p.m. on the day of exercise.

Any unexercised flexible option shall expire at 7:00 p.m. on such option's specified expiration date. Any flexible option that is in the money, and that has not been liquidated or exercised prior to its termination of trading, shall be exercised automatically upon expiration, in the absence of contrary instructions. Such contrary instructions must be delivered to the Clearing House, by the clearing member representing the buyer of such option, no later than 7:00 p.m., or such other time as may be designated by the Exchange, on the last day of trading in such option.

**351A32.B. Assignment**

For a given flexible option contract, an exercise notice accepted by the Clearing House (Rule 351A32.A.) shall be assigned by the Clearing House in accordance with Rule 351A02.B.

**351A33. [RESERVED]**

**351A34. INITIATING A FLEXIBLE OPTIONS CONTRACT SERIES**

The opening of trading in any flexible option shall occur through a Request for Quote ("RFQ") for such option, *provided that* no such RFQ shall be accepted by the designated flexible options pit official (a) within 15 minutes of the scheduled daily close of trading in such flexible option's Underlying Futures Contract or (b) within 15 minutes of termination of trading in such option's Underlying Futures Contract.

**351A35. [RESERVED]**

**351A36. RFQ TRADING INTERVAL**

Upon acceptance of an RFQ for a flexible option by the designated flexible options pit official in accordance with Rule 351A34., trading in such flexible option may occur immediately.

Priority among multiple RFQs shall be determined by the order in which such RFQs are submitted to the designated flexible options pit official, provided that all RFQs submitted before the open shall be treated equally.

**351A37. EXPIRATION OF AN RFQ**

Following an RFQ for a flexible option within a given trading session, trading in such flexible option shall remain open for the remainder of such trading session. Trading in a given flexible option series following a transaction in such option series shall remain open through the remainder of the trading session in which such transaction was executed and through each subsequent session in which there is open interest in such flexible option series.

**351A38. REPORTING OF FLEXIBLE OPTIONS TRADES**

The parties to any trade in a flexible option shall be responsible to report timely the quantity and price of such trade to the designated flexible options pit official.

(End Chapter 351A)

**INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 351A**

Standard & Poor's, a division of the McGraw-Hill Companies, Inc. ("S&P"), licenses the Exchange to use various S&P stock indices ("S&P Stock Indices") in connection with the trading of futures contracts and options on futures contracts based upon such indices. S&P shall have no liability for damages, claims, losses or expenses caused by any errors or delays in calculating or disseminating the S&P Stock Indices.

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