

New text is underlined;  
Deleted text is in [brackets]

**RULES OF THE NYSE ARCA, INC.**

\*\*\*\*\*

**RULE 5-O OPTION CONTRACTS TRADED ON THE EXCHANGE**

\*\*\*\*\*

**Section 4. Flexible Exchange (“FLEX”) Options**

**Rule 5.30.-O Applicability, Definitions and References**

\*\*\*\*\*

**Rule 5.32-O. Terms of FLEX Options**

(a) - (e) No Change.

(f) Special Terms for FLEX Equity Options

- (1) The Exchange may approve and open for trading any FLEX Equity Options series on any security that is eligible for Non-FLEX Options trading under Rule 5.3-O (except those set forth in Commentary .01 to Rule 5.3-O other than GBTC, BTC, BITB, and IBIT), and that has Non-FLEX Options on such security listed and traded on at least one national securities exchange, even if the Exchange does not list and trade such Non-FLEX Options;
- (2) Exercise prices and premiums may be stated in terms of (i) a dollar amount; (ii) a method for fixing such a number at the time a FLEX Request for Quote or FLEX Order is traded; or (iii) a percentage of the price of the underlying security at the time of the trade or as of the close of trading on the Exchange on the trade date. Exercise prices may be rounded to the nearest minimum tick or other decimal increment determined by the Exchange on a class-by-class basis that may not be smaller than \$0.01. Premiums will be rounded to the nearest minimum tick. For exercise prices and premiums stated using a percentage-based methodology, such values may be stated in a percentage increment determined by the Exchange on a class-by-class basis that may not be smaller than 0.01% and will be rounded as provided above.

(3) Exercise settlement shall be:

(i) for FLEX Equity Options other than as permitted in paragraphs (ii) and (iii) below[FLEX ByRDs,] by physical delivery of the underlying security or Exchange-Traded Fund Shares.]; and]

(ii) for FLEX Equity Options with an underlying security that is an Exchange-Traded Fund Share (“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, 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 paragraph (f)(3)(ii) of this Rule 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 paragraph (f)(3)(ii) of this Rule. 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 trading volume.

(B) If the Exchange determines pursuant to the review conducted under paragraph (f)(3)(ii)(A) of this Rule that an underlying ETF ceases to satisfy the criteria in paragraph (f)(3)(ii) 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.

(iii) for FLEX ByRDs, in the same manner and style as Non-FLEX ByRDs, pursuant to the VWAP settlement provision contained in Rule 5.89-O and pursuant to the European exercise style, per Rule 5.82-O(b)(1).

(4) FLEX Equity Options shall be subject to the exercise by exception provisions of Rule 805 of the Options Clearing Corporation.

\*\*\*\*\*

### **Rule 5.35-O. Position Limits for FLEX Options**

(a) No Change.

(b) *FLEX Equity Options*. Except as provided in paragraphs (i) - ([iii]iv) below, there shall be no position limits for FLEX Equity Options. However, every OTP Holder or OTP Firm (other than a Market Maker) that maintains a position on the same side of the

market in excess of the standard position limit established pursuant to Rule 6.8-O for Non-FLEX Equity Options overlying the same underlying issue on behalf of its own account or for the account of a customer shall report information on such 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 lie in the form and manner prescribed by the Exchange. 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 position limit established for Non-FLEX Equity Options overlying the same underlying issue, the Exchange may, pursuant to its authority under Exchange Rule 4.16-O(a), consider imposing additional margin upon the account maintaining such under-hedged position. 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.

(i) 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 ("comparable Non-FLEX Options") and shall be subject to the position limits set forth in Rule 6.8-O, and the exercise limits set forth in Rule 6.9-O.

(ii) Position limits for FLEX Equity Options where the underlying security is an Exchange-Traded Fund Share that are settled in cash pursuant to Rule 5.32-O(f)(3)(ii) shall be subject to the position limits set forth in Rule 5.35-O, and subject to the exercise limits set forth in Rule 5.36-O. Positions in such cash-settled FLEX Equity Options shall be aggregated with positions in physically-settled options on the same underlying ETF for the purpose of calculating the position limits set forth in Rule 5.35-O, and the exercise limits set forth in Rule 5.36-O.

(iii) Position limits for FLEX ByRDs shall be the same as Non-FLEX ByRDs, as set forth in Rule 5.86(a), except that positions in FLEX ByRDs shall be aggregated with positions in Non-FLEX ByRDs on the same or similar underlying ("comparable Non-FLEX ByRDs") for the purpose of calculating position limits. For purposes of the position limits established under this Rule, long positions in "Finish Low" and short positions in "Finish High" Binary Return Derivatives shall be considered to be on the same side of the market; and short positions in "Finish Low" and long positions in "Finish High" Binary Return Derivatives shall be considered to be on the same side of the market.

(iii)iv) FLEX GBTC, BTC, BITB, and IBIT Options. Position limits on FLEX Equity Options for GBTC, BTC, BITB, and IBIT will be aggregated with positions on the same non-FLEX underlying ETF for the purpose of calculating position and exercise limits on GBTC, BTC, BITB, and IBIT options as set forth in Rules 6.8-O and 6.9-O.

\*\*\*\*\*