

Text of the Proposed Rule Change:<sup>1</sup>

**Rules of The NYSE Arca, Inc.**

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**Rule 5**

**Option Contracts Traded On The Exchange**

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**Rule 5.32.**

**Terms of FLEX Options**

(a)-(f) No Change

***Commentary:***

**.01** Provided the options on an underlying security or index are otherwise eligible for FLEX trading, FLEX Options shall be permitted in puts and calls that do not have the same exercise style, same expiration date and same exercise price as Non-FLEX Options that are already available for trading on the same underlying security or index. FLEX Options shall also be permitted before the options are listed for trading as Non-FLEX Options. Once and if the option series are listed for trading as Non-FLEX Options, (i) all existing open positions established under the FLEX trading procedures shall be fully fungible with transactions in the respective Non-FLEX Option series, and (ii) any further trading in the series would be as Non-FLEX Options subject to the Non-FLEX trading procedures and rules.

However, in the event the Non-FLEX series is added intra-day, the holder of a position established under FLEX Trading Procedures would be permitted to close such position using FLEX trading procedures against another closing only FLEX position for the balance of the trading day on which the series is added.

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<sup>1</sup> New text is underscored; deleted text is in brackets.