EXHIBIT 5A

(additions are underlined; deletions are [bracketed])

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Rules of Cboe Exchange, Inc.

(currently effective)

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CHAPTER XXIVA. FLEX HYBRID TRADING SYSTEM INTRODUCTION (RULES 24A.1 – 24A.16)

[Introduction

The rules in this Chapter apply only to the trading of Flexible Exchange Options on the Exchange's FLEX Hybrid Trading System as defined below. Except as indicated at the end of each rule herein, the rules in Chapters I through XIX and XXIV are also applicable to the trading of Flexible Exchange Options on the FLEX Hybrid Trading System. To the extent the rules in this Chapter are inconsistent with other Exchange rules, the rules in this Chapter take precedence in relation to the trading of Flexible Exchange Options on the FLEX Hybrid Trading System.

Rule 24A.1. Definitions

BBO

(a) The term "BBO" means the best bid or offer, or both, as applicable, entered in response to a Request for Quotes or resting in the electronic book.

BBO Improvement Interval

(b) The term "BBO Improvement Interval" refers to the period of time in respect of the open outcry RFQ process during which FLEX Traders in the trading crowd may submit FLEX Quotes to meet or improve the BBO established during the RFQ Response Period.

(c) Reserved.

Flexible Exchange Option

(d) The term "Flexible Exchange Option" (referred to herein as "FLEX Option") means an option contract that is subject to the rules in this Chapter.

FLEX Hybrid Trading System

(e) The term “FLEX Hybrid Trading System” (referred to herein as the “System”) means the Exchange’s trading platform that allows FLEX Traders to submit electronic and open outcry RFQs, FLEX Quotes in response to such RFQs, and FLEX Orders into the electronic book.

FLEX Equity Option

(f) The term “FLEX Equity Option” means an option on a specified underlying equity security that is subject to the rules in this Chapter.

FLEX Index Option

(g) The term “FLEX Index Option” means an index option that is subject to the rules in this Chapter.

FLEX Market-Maker

(h) The term “FLEX Market-Maker” means a FLEX Trader that is appointed as a FLEX Appointed Market-Maker or a FLEX Qualified Market-Maker, each as described in Rule 24A.9.

FLEX Official

(i) The term “FLEX Official” means the Exchange employee or independent contractor designated pursuant to Rule 24A.14 to perform the FLEX functions set forth in that rule.

FLEX Order

(j) The term “FLEX Order” refers to (i) FLEX bids and offers entered by FLEX Market-Makers and (ii) orders to purchase and orders to sell FLEX Options entered by FLEX Traders, in each case into the electronic book.

FLEX Quote

(k) The term “FLEX Quote” refers to (i) FLEX bids and offers entered by FLEX Market-Makers and (ii) orders to purchase and orders to sell FLEX Options entered by FLEX Traders, in each case in response to a Request for Quotes.

FLEX Trader

(l) The term “FLEX Trader” means a FLEX-participating Trading Permit Holder who has been approved by the Exchange to trade on the System.

Index Multiplier

(m) The term “Index Multiplier” means the monetary amount by which the current index value is to be multiplied to arrive at the value required to be delivered to the holder of a call or by the holder of a put upon valid exercise of the option. The Index Multiplier for FLEX Index Options is $100.

(n) Reserved.

Non-FLEX Equity Option

(o) The term "Non-FLEX Equity Option" means a Non-FLEX Option that is an option on a specified underlying equity security.

Non-FLEX Index Option

(p) The term "Non-FLEX Index Option" means a Non-FLEX Option that is an index option.

Non-FLEX Option

(q) The term "Non-FLEX Option" means an option contract that is not a FLEX Option.

Request for Quotes

(r) The term "Request for Quotes" ("RFQ") means the initial request supplied by a Submitting Trading Permit Holder to initiate FLEX bidding and offering.

RFQ Market

(s) The term "RFQ Market" means the bids and offers entered in response to an electronic Request for Quotes and FLEX Orders resting in the electronic book.

RFQ Order

(t) The term "RFQ Order" is an order to purchase or order to sell FLEX Options entered by the Submitting Trading Permit Holder during the RFQ Reaction Period.

RFQ Response Period

(u) The term "RFQ Response Period" means the period of time during which FLEX Traders may provide FLEX Quotes in response to a Request for Quotes.

RFQ Reaction Period

(v) The term "RFQ Reaction Period" means the period of time during which a Submitting Trading Permit Holder determines whether to accept or reject the RFQ Market.

Series of FLEX Options

(w) The term "Series of FLEX Options" means, in the case of FLEX Index Options, all such option contracts of the same class having the same exercise price, exercise style, exercise settlement value, expiration date, and index multiplier, and, in the case of FLEX Equity Options, all such option contracts of the same class having the same exercise price, exercise style and expiration date.

Submitting Trading Permit Holder

(x) The term “Submitting Trading Permit Holder” means the FLEX Trader that (i) initiates FLEX bidding and offering by submitting a Request for Quotes or (ii) enters a FLEX Order into the electronic book.

Trade Condition

(y) The term “Trade Condition” means a certain contingency that has been placed on an electronic RFQ, RFQ Order or FLEX Order. The following Trade Conditions will be available in the System for a FLEX Trader to choose from:

(1) Immediate-or-Cancel, which is a condition to execute an RFQ Order or FLEX Order in its entirety or in part as soon as it is represented or cancel it.

(2) Hedge, which is a electronic RFQ or FLEX Order condition contingent on trade execution in Non-FLEX Options or other Non-FLEX components (e.g., stock, futures, or other related instruments or interests).

The Immediate-or-Cancel Trade Condition will be inputted but not disclosed on the System. The Hedge Trade Conditions will be inputted and disclosed on the System. FLEX Orders, other than those designated as Immediate-or-Cancel, will be designated as day orders and, if unexecuted, will be automatically cancelled at the close of each trade day.

Underlying Equivalent Value

(z) The term “Underlying Equivalent Value” in respect of a given number of FLEX Index Options means the aggregate underlying monetary value covered by that number of contracts, derived by multiplying the index multiplier by the current index value times the given number of FLEX Index Options.

(aa) The term “Asian style settlement” is a settlement style that may be designated for FLEX Broad-Based Index Options and results in the contract settling to an exercise settlement value that is based on an arithmetic average of the specified closing prices of an underlying broad- based index taken on 12 predetermined monthly observation dates (including on the expiration date). FLEX Broad-Based Index Options with Asian style settlement have “preceding business day convention,” meaning that if a monthly observation date falls on a non Cboe Options business day (e.g., holiday or weekend), the monthly observation would be on the immediately preceding business day. FLEX Broad-Based Index Options with Asian style settlement have European- style exercise.

(bb) The term “Cliquet style settlement” is a settlement style that may be designated for FLEX Broad-Based Index Options and results in the contract settling to an exercise settlement value that is equal to the greater of $0 or the sum of capped monthly returns (i.e., percent changes in the closing value of the underlying broad-based index from one month to the next month) applied over 12 predetermined monthly observation dates (including on the expiration date).

(cc) FLEX Broad-Based Index Options with Cliquet style settlement have "preceding business day convention," meaning that if a monthly observation date falls on a non Cboe Options business day (e.g., holiday or weekend), the monthly observation would be on the immediately preceding business day. FLEX Broad-Based Index Options with Cliquet style settlement have European- style exercise.]

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[Rule 24A.3. Trading Rotations

There shall be no trading rotations in FLEX Options, either at the opening or at the close of trading. An existing FLEX Option series will automatically open for trading at a randomly selected time within a number of seconds after 8:30 a.m. (all times are CT), at which point FLEX Orders may be entered directly into the electronic book (if available) and/or a FLEX auction may be initiated pursuant to Rule 24A.5, 24A.5A, or 24A.5B. A new FLEX Option series may be established on any business day prior to the expiration date as provided for in Rule 24A.4 and opened for trading pursuant to the procedures and principles as provided for in Rule 24A.5, 24A.5A, or 24A.5B.

This rule supersedes Exchange Rule 6.2.

Rule 24A.4. Terms of FLEX Options

(a) General

(1) Options series will not be pre-established for FLEX trading. A new series of FLEX Options may be established on any business day prior to the expiration date as provided for in this Rule 24A.4. The variable terms of FLEX Options as provided for in this Rule 24A.4 shall be established through the bidding and offering mechanics detailed in Rule 24A.5. Other terms of FLEX Option contracts shall be the same as those that apply to Non-FLEX Options.

(2) Every FLEX Request for Quotes, every FLEX Order and every FLEX Option contract shall contain one element, as designated by the parties to the contract, from each of the following contract term categories:

(i) underlying security in the case of FLEX Equity Options and underlying index in the case of FLEX Index Options;

(ii) type (put or call);

(iii) exercise style (American or European);

(iv) expiration date (any business day specified as to day, month and year, not to exceed a maximum term of fifteen years, except that a FLEX Index Option that expires on any business day that falls on, or within two business days of, a third Friday-of-the-month expiration day for any Non-FLEX Option other than a QIX option) ("Expiration Friday"), may only have an exercise settlement value on the expiration date determined by reference to the reported level of the index as derived from the opening prices of the component securities ("a.m. settlement")); and

(v) exercise price (specified as described in subparagraph (b)(2) below for FLEX Index Options and in subparagraph (c)(2) below for FLEX Equity Options).

The information in subparagraphs (i) through (v) shall be provided for each component series in a multi-legged FLEX Request for Quotes or FLEX Order.

(3) In addition to the terms listed in subparagraph (a)(2) of this Rule 24A.4, every FLEX Request for Quotes shall contain the following additional transaction specifications:

(i) quote type and form sought (i.e., specify whether bid, offer, or both is sought (provided that electronic RFQs may only specify both bid and offer), and whether the FLEX Quote is to be submitted as a specific dollar amount, or in the case of a FLEX Equity Option, as a percentage of the underlying security price, or in the case of a FLEX Index Option, as a percentage of the Underlying Equivalent Value, and whether such price is contingent on specified factors in other related markets);

(ii) Trade Condition(s), if applicable; and

(iii) RFQ Response Period interval (provided that the length of the interval must fall within the time ranges established by the Exchange on a class-by-class basis with respect to electronic RFQs or open outcry RFQs and such time shall not be less than three (3) seconds).

(iv) Every RFQ Order shall contain the same transaction specifications as the related Request for Quotes plus any additional Trade Condition(s), if applicable.

(4) In addition to the terms listed in subparagraph (a)(2) of this Rule 24A.4, every FLEX Order shall contain the following additional transaction specifications:

(i) order type and form (i.e., specify bid or offer; size; and a specific dollar amount, or in the case of a FLEX Equity Option, as a percentage of the underlying security price, or in the case of a FLEX Index Option, as a percentage of the Underlying Equivalent Value, and whether such price is contingent on specified factors in other related markets); and

(ii) Trade Condition(s), if applicable.

(b) Special Terms for FLEX Index Options

(1) The Exchange may approve and open for trading any FLEX Options series on any index that is eligible for Non-FLEX Options trading under Rule 24.2, even if the Exchange does not list and trade Non-FLEX options on such index.

(2) Exercise prices shall be specified in terms of (i) a specific index value number, (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 index value calculated at the time of the trade or as of the

close of trading on the Exchange on the trade date. Premiums may be stated in (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 index value calculated 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 Value on the expiration date shall be specified, for use in setting the exercise settlement amount, as the index value determined by reference to the reported level of the index as derived from opening or closing prices of the component securities or as a specified average, provided that any average index value must conform to the averaging parameters established by the Exchange, and provided further that in the case of FLEX Index Options on the NYSE Composite Index, the Exercise Settlement Value on the expiration date must be determined by reference to the reported level of the index value as derived from opening prices of the component securities in accordance with Rule 24.9(a)(4) governing A.M.-Settled Index Options.

(4) FLEX Index Options shall be designated for settlement in U.S. Dollars.

(5) Asian style settlement. The parties to FLEX Broad-Based Index Options may designate Asian style settlement. FLEX Broad-Based Index Options with Asian style settlement shall be call options (no puts) and designated by: (i) the duration of the contract which may range from 350 to 371 days (which is approximately 50 to 53 calendar weeks) from the date of listing; (ii) the strike price; (iii) the expiration date which must be a Cboe Options business day; and (iv) a set of monthly observation dates.

(6) Cliquet style settlement. The parties to FLEX Broad-Based Index Options may designate Cliquet style settlement. FLEX Broad-Based Index Options with Cliquet style settlement shall be call options (no puts) and be designated by: (i) the duration of the contract which may range from 350 to 371 days (which is approximately 50 to 53 calendar weeks) from the date of listing; (ii) the capped monthly return that must be expressed in dollars and cents and in increments not less than $0.05 and must be a value between $0.05 and $25.95; (iii) the expiration date which must be a Cboe Options business day; and (iv) a set of monthly observation dates. The capped monthly return will serve as the “exercise (strike) price” for a FLEX Broad-Based Index Option with Cliquet style settlement.

(c) 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, even if the Exchange does not list and trade Non-FLEX options on such security.

(2) Exercise prices and premiums may be stated in (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 by physical delivery of the underlying security.

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

This rule supersedes Exchange Rules 5.5, 5.6, 6.5, 6.41, 24.8 and 24.9.

. . . *Interpretations and Policies:*

.01 FLEX Index Option PM Settlements Pilot Program: Notwithstanding subparagraph (a)(2)(iv) above, for a pilot period ending the earlier of November 4, 2019 or the date on which the pilot program is approved on a permanent basis, a FLEX Index Option that expires on an Expiration Friday may have any exercise settlement value that is permissible pursuant to subparagraph (b)(3) above.

.02 Fungibility of FLEX Options:

(a) Applicability: This Interpretation and Policy shall apply to all FLEX Options. In the event the relevant expiration is an Exchange holiday, this Interpretation and Policy shall be applicable to options with an expiration date that is the business day immediately preceding the Exchange holiday. Except, in the case of Monday expiring Weekly Expirations (Rule 24.9(e)(1)), this Interpretation and Policy shall be applicable to options with an expiration date that is the business day immediately following the Exchange Holiday.

(b) Requirements: 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 in series before series with identical terms are listed for trading as Non-FLEX Options. Once and if an option series with identical terms is 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 identical 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 a Non-FLEX American-style series is added intra-day, a position established under the FLEX trading procedures would be permitted to be closed using the FLEX trading procedures for the balance of the trading day on which the Non-FLEX series is added against another closing only FLEX position. For such FLEX series, the FLEX Official will make an announcement that the FLEX series is now restricted to closing transactions; a FLEX Request for Quotes may not be disseminated for any order representing a FLEX series having the same terms as a Non-FLEX series, unless such FLEX Order is a closing order (and it is the day the Non-FLEX series has been added); and only responses that close out an existing FLEX position are permitted. Any transactions in a restricted series that occur that do not conform to these requirements will be nullified by the FLEX Official pursuant to Rule 24A.14.

Rule 24A.5. FLEX Trading Procedures and Principles

(a) Request for Quotes Process. The Request for Quotes process may be used at any time, but is required to open trading in a new series (unless the auction process under Rule 24A.5A or 24A.5B is used to open trading in a new series). The Request for Quotes process may be conducted through the System or in open outcry pursuant to the following processes:

(1) Electronic RFQ Process.

(i) Initiating a FLEX Request for Quotes.

(A) To initiate a FLEX transaction using the electronic RFQ process, a Submitting Trading Permit Holder shall submit to the FLEX System a Request for Quotes, utilizing for that purpose the forms, formats and procedures prescribed by the Exchange.

(B) On receipt of a Request for Quotes in proper form, the System shall cause the terms and specifications of the Request for Quotes to be communicated via the System to FLEX Traders. Only one electronic RFQ may be ongoing at any given time in a series and electronic RFQs in the same series may not queue or overlap in any manner.

(ii) FLEX Bidding and Offering in Response to Requests for Quotes.

(A) FLEX Traders, including the Submitting Trading Permit Holder, may enter on the System FLEX Quotes responsive to an electronic Request for Quotes (provided, however, FLEX Quotes may not be entered for the account of an options Market- Maker from another options exchange).

(B) FLEX Quotes may be entered or withdrawn at any point during the RFQ Response Period (provided, however, FLEX Appointed Market-Makers must meet the FLEX Quote maintenance obligations set forth in Rule 24A.9). FLEX Orders may not be submitted to the electronic book during the RFQ Reaction Period, but may be withdrawn.

(C) During the RFQ Response Period, the System will dynamically calculate and disseminate to all FLEX Traders the RFQ Market given the current FLEX Quotes and resting FLEX Orders.

(iii) Formation of Contracts Following the RFQ Response Period.

(A) After the expiration of the RFQ Response Period, the Submitting Trading Permit Holder shall accept or reject the bids or offers, provided that such acceptance or rejection must occur within the RFQ Reaction Period (the duration of the RFQ Reaction Period will be established by the Exchange on a class-by-class basis and such time shall not be more than five minutes). Failure to accept the bids or offers before completion of the RFQ Reaction Period equates to a rejection.

(B) During the RFQ Reaction Period:

(I) FLEX Quotes may be entered or withdrawn (provided, however, FLEX Appointed Market-Makers must meet the FLEX Quote maintenance obligations set forth in Rule 24A.9). FLEX Orders may not be submitted to the electronic book during the RFQ Reaction Period, but may be withdrawn.

(II) The System will dynamically calculate and disseminate to all FLEX Traders the RFQ Market given the current FLEX Quotes and resting FLEX Orders.

(III) If the Submitting Trading Permit Holder chooses to reject the bids and offers, the Submitting Trading Permit Holder may either cancel the RFQ or let it expire.

(IV) If the Submitting Trading Permit Holder chooses to trade, the Submitting Trading Permit Holder may enter an RFQ Order to trade with one side of the RFQ Market (either bids or offers, not both); provided, however, if the Submitting Trading Permit Holder enters a FLEX Quote during the RFQ Reaction Period, the Submitting Trading Permit Holder must be bidding (offering) for at least the Crossing Exposure Period prior to entering the RFQ Order. The duration of the Crossing Exposure Period will be established by the Exchange on a class-by-class basis and shall not be less than three (3) seconds.

(C) Allocation:

(I) The incoming RFQ Order will be eligible to trade with FLEX Quotes and FLEX Orders at the best price(s).

(II) Allocation among multiple FLEX Quotes and FLEX Orders at the same price shall be as follows:

(aa) FLEX Quotes and FLEX Orders for the account of public customers and non- Trading Permit Holder broker-dealers will participate in the execution based on time priority;

(bb) any FLEX Quotes and FLEX Orders that are subject to a FLEX Appointed Market-Maker participation entitlement will participate in the execution pursuant to paragraph (d) below; then

(cc) all other FLEX Quotes and FLEX Orders will participate in the execution based on time priority.

In the event the RFQ Market is locked or crossed (e.g., \$1.25-\$1.20), FLEX Quotes and FLEX Orders will be eligible to trade at a single clearing price that will leave bids and offers which cannot trade with each other ("BBO clearing price"). In determining the priority of FLEX Quotes and FLEX Orders to be traded, the System gives priority to FLEX Quotes and FLEX Orders whose price is better than the BBO clearing price, then to FLEX Quotes and FLEX Orders at the BBO clearing price based on the allocation in paragraphs (aa) through (cc) above. Allocation among multiple FLEX Quotes and FLEX Orders that are priced at the BBO clearing price and are on the same side of the transaction as the RFQ Order shall be as follows:

(aa) FLEX Quotes and FLEX Orders for the account of public customers and non- Trading Permit Holder broker-dealers will participate in the execution based on time priority;

(bb) an RFQ Order will participate in the execution, then any FLEX Quotes and FLEX Orders that are subject to a FLEX Appointed Market-Maker participation entitlement will participate in the execution pursuant to paragraph (d) below;

(cc) all other FLEX Quotes and FLEX Orders will participate in the execution based on time priority.

(III) The System will then enter any remaining balance of the incoming RFQ Order in the electronic book (if available), unless the Submitting Trading Permit Holder has indicated that the balance is to be automatically cancelled if it is not traded. Once entered in the electronic book, an RFQ Order will be treated the same as other FLEX Orders.

(D) The Submitting Trading Permit Holder has no obligation to accept any FLEX bid or offer.

(E) Whenever the Submitting Trading Permit Holder rejects the RFQ Market or the RFQ Market size exceeds the Submitting Trading Permit Holder's FLEX transaction size, the System will automatically execute the remaining balance of any FLEX Quotes and FLEX Orders that are marketable against each other at the BBO clearing price. Allocation shall be in accordance with subparagraph (C) above. Thereafter any remaining balance of the FLEX Quotes will be automatically cancelled at the conclusion of the RFQ Reaction Period.

(2) Open Outcry RFQ Process.

(i) Initiating a FLEX Request for Quotes.

(A) To initiate a FLEX transaction using the open outcry RFQ process, a Submitting Trading Permit Holder shall submit to the FLEX Official a Request for Quotes, utilizing for that purpose the forms, formats and procedures established by the Exchange.

(B) After providing a Request for Quotes in proper form to the FLEX Official, the Submitting Trading Permit Holder shall immediately announce the terms and specifications of the Request for Quotes to the trading crowd for the FLEX Option by public outcry.

(ii) FLEX Bidding and Offering in Response to Requests for Quotes.

(A) FLEX Traders present in the trading crowd may provide the Submitting Trading Permit Holder with FLEX Quotes responsive to each Request for Quotes. FLEX Quotes must be entered during the RFQ Response Period by public outcry.

(B) All FLEX Quotes may be entered, modified or withdrawn at any point during the RFQ Response Period (provided, however, that FLEX Appointed Market-Makers must meet the FLEX Quote maintenance obligations set forth in Rule 24A.9). At the expiration of the RFQ Response Period, the BBO shall be identified by the Submitting Trading Permit Holder considering FLEX Quotes and, if applicable, FLEX Orders resting in the electronic book. At the expiration of the RFQ Response Period, the Submitting Trading Permit Holder shall announce the BBO to the FLEX Traders in the trading crowd.

(iii) Formation of Contracts Following the RFQ Response Period.

(A) If the Submitting Trading Permit Holder does not intend to cross or act as principal with respect to any part of the FLEX trade, the Submitting Trading Permit Holder shall promptly accept or reject the BBO; provided, however, that if the Submitting Trading Permit Holder either rejects the BBO or is given a BBO for less than the entire size requested, all FLEX Traders present in the trading crowd other than the Submitting Trading Permit Holder will have an opportunity during the BBO Improvement Interval in which to match or improve, as applicable, the BBO. At the expiration of any such BBO Improvement Interval, the Submitting Trading Permit Holder must promptly accept or reject the BBO. The Submitting Trading Permit Holder will trade with eligible FLEX Quotes and FLEX Orders in accordance with the priority algorithm described in subparagraph (v) below.

(B) If the Submitting Trading Permit Holder indicates an intention to cross or act as principal with respect to any part of the FLEX trade, acceptance of the displayed BBO shall be automatically delayed until the expiration of the BBO Improvement Interval. Prior to the BBO Improvement Interval, the Submitting Trading Permit Holder must announce to the trading crowd the price at which the Trading Permit Holder expects to trade. In these circumstances, the Submitting Trading Permit Holder may participate with all other FLEX Traders present in the trading crowd in attempting to improve or match the BBO during the BBO Improvement Interval. At the expiration of the BBO Improvement Interval, the Submitting Trading Permit Holder must promptly accept or reject the BBO. The Submitting Trading Permit Holder will trade with eligible FLEX Quotes and FLEX Orders in accordance with the priority algorithm described in subparagraph (v) below.

(C) The Submitting Trading Permit Holder has no obligation to accept any FLEX bid or offer.

(D) Whenever, following the completion of the RFQ Response Period or BBO Improvement Interval, as applicable, the Submitting Trading Permit Holder rejects the BBO or the BBO size exceeds the FLEX transaction size indicated in the Request for Quotes, FLEX Traders present in the trading crowd may accept the unfilled balance of the BBO. Such acceptance must occur by public outcry promptly following the Submitting Trading Permit Holder's determination whether to accept or reject the BBO or at the expiration of any applicable BBO Improvement Interval.

(iv) Quote Rejection. Rejection of the BBO or failure promptly to accept the BBO pursuant to subparagraph (a)(2)(iii) above results in expiration of the BBO and the Request for Quotes.

(v) Open Outcry RFQ Priority.

(A) The highest bid (lowest offer) shall have priority. Allocation among multiple best bids (offers) at the same price shall be as follows:

(I) any crossing participation entitlement will participate in the execution pursuant to paragraph (d) below;

(II) any FLEX Quotes that are subject to a FLEX Appointed Market-Maker participation entitlement will participate in the execution pursuant to paragraph (d) below;

(III) all other FLEX Quotes submitted in response to an open outcry RFQ will have priority in the sequence in which they are made; to the extent two or more best bid (offer) FLEX Quotes are submitted in open outcry at the same time and same price, or the Submitting Trading Permit Holder cannot reasonably determine the sequence in which the open outcry bid (offer) FLEX Quotes were made, priority will be apportioned equally among those open outcry bids (offers); then

(IV) FLEX Orders resting in the electronic book will participate in the execution pursuant to paragraph (b) below.

(B) Notwithstanding subparagraph (A) above, bids (offers) submitted on behalf of the proprietary account of a Trading Permit Holder relying on the “G” exemption described in paragraph (d) below must yield priority to any bid (offer) at the same price that is represented in the electronic book and all other bids (offers) that have priority over the electronic book. In the event a Submitting Trading Permit Holder is asserting a crossing participation entitlement on behalf of a proprietary account of a Trading Permit Holder relying on the “G” exemption and a FLEX Appointed Market-Maker(s) is also asserting a participation entitlement, the Submitting Trading Permit Holder’s crossing percentage entitlement to the remaining balance of the original order, when combined with the FLEX Appointed Market-Maker(s) guaranteed participation, shall not exceed 40% of the original order. However, provided the “G” exemption requirements are satisfied, nothing prohibits a Submitting Trading Permit Holder or FLEX Appointed Market-Maker from trading more than their applicable entitlement if other FLEX Traders in the crowd do not chose to trade the remaining portion of the order.

(b) FLEX Electronic Book

(1) Availability of the Electronic Book: The Exchange may determine on a class-by-class basis to make an electronic book available in the System. If made available, FLEX Orders may be entered into the electronic book, as well as any remaining balance of RFQ Orders as provided in subparagraph (a)(1)(iii)(C) above.

(2) Entering a FLEX Order:

(i) To enter a FLEX Order, a Submitting Trading Permit Holder may submit to the System an order, utilizing for that purpose the forms, formats and procedures prescribed by the Exchange.

(ii) All FLEX Orders must be in compliance with Section 11(a)(1) of the Exchange Act and the rules promulgated thereunder, including the requirements described in paragraph (d) below. A FLEX Order submitted on behalf of the proprietary account of a Trading Permit Holder relying on the "G" exemption described in paragraph (d) may only be entered to "hit" the electronic book. To the extent such a FLEX Order is not executed in whole or in part as soon as it hits the electronic book, it must be immediately cancelled by the FLEX Trader.

(iii) All FLEX Orders are ranked and matched based on price. Allocation among multiple bids (offers) at the same price shall be as follows:

(A) all FLEX Orders for the account of a public customer and non-Trading Permit Holder broker-dealers will participate in the execution based on time priority;

(B) any FLEX Orders that are subject to a FLEX Appointed Market-Maker participation entitlement will participate in the execution pursuant to paragraph (d) below; then

(C) all other FLEX Orders will participate in the execution based on time priority.

(3) Crossing FLEX Orders:

(i) Principal Transactions: Submitting Trading Permit Holders may not execute as principal against FLEX Orders they represent as agent unless: (A) the agency FLEX Order is first subject to an RFQ and the agency FLEX Order (or any remaining balance not executed during the RFQ Reaction Period) is exposed on the System for at least the Crossing Exposure Period, or (B) the Submitting Trading Permit Holder has been bidding or offering for at least the Crossing Exposure Period prior to receiving an agency FLEX Order that is executable against such bid or offer.

(ii) Solicitation Orders: Submitting Trading Permit Holders may not execute solicited orders against FLEX Orders they represent as agent unless the agency FLEX Order is first subject to an RFQ and the agency FLEX Order (or any remaining balance not executed during the RFQ Reaction Period) is exposed on the System for at least the Crossing Exposure Period.

(iii) The duration of the Crossing Exposure Period referenced in subparagraphs (b)(3)(i) and (ii) above will be established by the Exchange on a class-by-class basis and shall not be less than three (3) seconds.

(c) Quote Acceptance:

Acceptance of any bid or offer creates a binding contract under Rule 6.48.

(d) Priority of Bids and Offers:

(1) Basic Priority Methodology: Priority will be as provided in subparagraphs (a)(1)(iii) above for electronic RFQs, (a)(2)(v) above for open outcry RFQs and (b)(2)(iii) for the electronic book.

(2) Additional Priority Overlays:

(i) The Exchange may establish from time to time a crossing participation entitlement subject to the following:

(A) In the case of FLEX Equity Options, where the Submitting Trading Permit Holder has matched or improved the BBO, the Submitting Trading Permit Holder will have priority to execute the contra-side of the trade, but only to the extent of the applicable crossing participation entitlement percentage. The Exchange may determine on a class-by-class basis whether to establish a crossing participation entitlement for facilitations and/or solicitations with respect to open outcry RFQs and the applicable entitlement percentage, which shall not exceed 40% of the trade.

(B) In the case of FLEX Index Options, where the Submitting Trading Permit Holder has matched or improved the BBO, the Submitting Trading Permit Holder will have priority to execute the contra-side of the trade, but only to the extent of the largest of (i) the applicable crossing participation entitlement percentage, (ii) a proportional share of the trade, (iii) $1 million Underlying Equivalent Value, or (iv) the remaining Underlying Equivalent Value on a closing transaction valued at less than $1 million. The Exchange may determine on a class-by-class basis whether to establish a crossing participation entitlement for facilitations and/or solicitations with respect to open outcry RFQs and the applicable crossing participation entitlement percentage in subparagraph (i), which shall not exceed 40% of the trade.

(C) A Submitting Trading Permit Holder that is utilizing the open outcry RFQ mechanics may not cross an order pursuant to subparagraphs (d)(2)(i)(A) or (B) above that he is holding with a solicited order from a FLEX Market-Maker that is then in the trading crowd, except in accordance with Rule 6.55.

(ii) The Exchange may establish from time to time a participation entitlement formula that is applicable to FLEX Appointed Market Makers on a class-by-class basis with respect to open outcry RFQs, electronic RFQs and/or electronic book transactions. Any such FLEX Appointed Market-Maker participation entitlement shall: (A) be divided equally by the number of FLEX Appointed Market-Makers quoting at the BBO or BBO clearing price, as applicable; (B) collectively be no more than: 50% of the amount remaining in the order when there is one other FLEX Market-Maker also quoting at the same price, 40% when there are two other FLEX Market-Makers also quoting at the same price; and 30% when there are three or more FLEX Market-Makers also quoting at the same price; and (C) when combined with any crossing participation entitlement, shall not exceed 40% of the original order.

(iii) Pronouncements regarding the applicable participation entitlements and applicable rates pursuant to subparagraphs (d)(2)(i) and (ii), if any, shall be announced to the Trading Permit Holders via Regulatory Circular.

(3) Notwithstanding subparagraphs (d)(1) through (2), Trade Conditions detailed in Rule 24A.1(x)may prevent a match from occurring.

(4) All transactions must be in compliance with Section 11(a)(1) of the Exchange Act and the rules promulgated thereunder. Section 11(a)(1) prohibits a Trading Permit Holder from effecting transactions on the Exchange for the Trading Permit Holder’s own account, the account of an associated person, or an account over which the Trading Permit Holder or its associated person exercises investment discretion (collectively referred to as “proprietary” orders), unless an exception applies.

(i) Market-Makers: Any such proprietary transaction entered by a dealer acting in the capacity of a market maker is exempt from Section 11(a)(1) pursuant to Section 11(a)(1)(A).

(ii) “G” Exemption: A transaction shall be permitted on behalf of the proprietary account of a Trading Permit Holder relying on Section 11(a)(1)(G) of the Exchange Act and Rule 11a1-1(T) thereunder (referred in this Rule as the “G” exemption), subject to the provisions set forth in subparagraphs (a)(2)(v)(B) and (b)(2)(ii) above. Such a Trading Permit Holder would also have to be in compliance with the requirements of paragraph (b) of the “G” exemption rule.

(iii) “Effect versus Execute” Exemption: A Trading Permit Holder relying on 11a2-2(T) under the Exchange Act (referred to in this Rule as the “effect versus execute” exemption) may use the System to submit a proprietary order originating from off the Exchange’s trading floor only when such proprietary order is submitted as a FLEX Order into the electronic book as described in paragraph (b), provided the Trading Permit Holder is in compliance with the requirements of Section (a)(2)(iv) of the “effect-versus- execute” exemption rule. Nothing in this subparagraph precludes a Trading Permit Holder from having a proprietary order executed by another Trading Permit Holder that is unaffiliated with the Trading Permit Holder initiating the proprietary order, provided the Trading Permit Holder also satisfies the other requirements of the “effect-versus- execute” exemption rule.

(iv) Nothing in this Rule precludes a Trading Permit Holder from relying on another exception to comply with the requirements of Section 11(a)(1)and the rules promulgated thereunder.

(e) Incremental Changes for Bids and Offers

Changes in decimal bids and offers for FLEX Options shall be determined by the Exchange on a class-by-class basis, but may not be smaller than $0.01. For premiums stated using a percentage-based methodology, changes in such bids and offers shall be determined by the Exchange on a class-by-class basis, but may not be smaller than 0.01%, and shall be rounded to the nearest minimum tick. Pronouncements regarding the applicable minimum increment shall be announced to the Trading Permit Holders via Regulatory Circular.

This rule supersedes Rules 6.5, 6.9(d) (in those situations where a Submitting Trading Permit Holder representing an eligible order determines to take advantage of the crossing participation entitlement provisions of this Rule), 6.41, 6.42 (paragraphs (1) through (3) and those provisions of paragraph (4) pertaining to complex orders in options on the S&P 500 Index or on the S&P100 Index that are not box/roll spreads), 6.44, 6.45, 6.53 (definitions of Opening Rotation order and Facilitation order), 6.74, (except that the Exchange may designate a class to be eligible for the tied hedge procedures set forth in Interpretation and Policy .10), 24.8 and 24.9.

. . . *Interpretations and Policies:*

.01 Complex Orders: There is no electronic complex order book for multi-legged, complex orders. To trade electronically, complex orders will only be eligible to trade with other complex orders through the electronic RFQ process described in paragraph (a)(1) of this Rule. For purposes of the electronic RFQ process, order allocation shall be the same as provided in paragraph (a)(1)(C). Only one electronic RFQ may be ongoing at any given time for a given complex order strategy and electronic RFQs may not queue or overlap in any manner. In the event there are bids (offers) in any of the individual component series legs represented in the electronic book when an electronic RFQ for a complex order strategy is submitted to the System, the electronic RFQ will not commence. An unrelated FLEX Order in any of the individual series legs may not be submitted to the electronic book or for electronic RFQ processing during the duration of an electronic RFQ. To the extent that a complex RFQ Order or responsive FLEX Quote is not executed, any remaining balance of the complex order or FLEX Quote will be automatically cancelled if not traded.

.02 Special Terms for FLEX Option Exercise Prices and Premiums: There is no electronic book for FLEX Options with exercise prices and premiums that are based on a methodology for fixing such a number or based on a percentage as provided in Rule 24A.4(b)(2) and (c)(2). To trade electronically under Rule 24A.5, such FLEX Option orders will only be eligible to trade through the electronic RFQ process described in paragraph (a)(1) of the Rule.

.03 Post-Trade Verification Procedures: The following post-trade verification procedures apply to electronic RFQ transactions in multi-legged, complex order strategies and to electronic RFQ transactions in FLEX Options with exercise prices and premiums that are based on a methodology for fixing such a number or based on a percentage. The party that initiated the transaction (i.e., the Submitting Trading Permit Holder) shall input complex order leg price, exercise price, and/or premium information into the System. Once the information is inputted by the Submitting Trading Permit Holder, the contra-party(ies) to the transaction shall then have a designated period of time to notify FLEX Officials of any inaccuracies in the content of a transaction and of the corrections to any inaccurate information, which designated period of time will be determined by the Exchange and will not be less than five minutes or more than thirty minutes from the time the Submitting Trading Permit Holder inputs the information into the System.]

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[Rule 24A.14. FLEX Official

(a) The Exchange may at any time designate an Exchange employee or independent contractor to act as a FLEX Official in one or more classes of FLEX Options. The FLEX Official shall perform the functions set forth in paragraph (b) of this Rule 24A.14. The Exchange may also designate other qualified employees or independent contractors to assist the FLEX Official as the need arises.

(i) The FLEX Official and any designated assistants may not be affiliated with any Trading Permit Holder that is approved to act as a Market-Maker, including a FLEX Market-Maker.

(ii) The FLEX Official and any designated assistants shall be compensated exclusively by the Exchange, which shall determine the amount and form of compensation. No Market-Maker, including a FLEX Market-Maker, shall directly or indirectly compensate or provide any other form of consideration to a FLEX Official or any designated assistants.

(b) A FLEX Official is responsible for (i) calling upon FLEX Market-Makers to make FLEX Quotes in specific classes of FLEX Options as provided in paragraph (d) of Rule 24A.9; and (ii) reviewing the conformity of open outcry FLEX Requests for Quotes, to the terms and specifications contained in Rule 24A.4. A FLEX Official may nullify a FLEX transaction if the transaction is determined by the FLEX Official to not conform to the terms and specifications contained in Rule 24A.4 or the priority principles set forth in Rule 24A.5. Trades subject to adjustment or nullification pursuant to Rule 6.25 shall be subject to the procedures set forth in Rule 6.25.]

Rule 24A.15. Inapplicability of [Split Price and] Accommodation Liquidation Rules

Rule[s 6.47 and] 6.54 do<u>es</u> not apply to FLEX transactions.

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EXHIBIT 5B

(additions are underlined; deletions are [bracketed])

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Rules of Cboe Exchange, Inc.

(effective as of October 7, 2019)

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Rule 1.1. Definitions

When used in these Rules, unless the context otherwise requires:

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FLEX Option

The term "FLEX Option" means a flexible exchange option. A FLEX Option on an equity security may be referred to as a "FLEX Equity Option," and a FLEX Option on an index may be referred to as a "FLEX Index Option."

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CHAPTER 3. TPH MEMBERSHIP, REGISTRATION, AND PARTICIPANTS

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SECTION C. TPH TRADING FUNCTIONS

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Rule 3.57. FLEX Trader

A "FLEX Trader" is a Trading Permit Holder the Exchange has approved to trade FLEX Options on the Exchange.

Rule 3.58. FLEX[lex] Market-Makers

(a) – (c) No change.

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CHAPTER 4. OPTIONS LISTING

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SECTION C. FLEX OPTIONS

Rule 4.20. FLEX Option Classes

The Exchange may authorize for trading a FLEX Option class on any equity security or index if it may authorize for trading a non-FLEX Option class on that equity security or index pursuant to Rules 4.3 and 4.10, respectively, even if the Exchange does not list that non-FLEX Option class for trading.

Rule 4.21. Series of FLEX Options

(a) *Permissible Series.* The Exchange may approve a FLEX Option series for trading in any FLEX Option class it may authorize for trading pursuant to Rule 4.20. FLEX Option series are not pre-established. A FLEX Option series is eligible for trading on the Exchange upon submission to the System of a FLEX Order for that series pursuant to Rules 5.72 through 5.74, subject to the following:

(1) The Exchange only permits trading in a put or call FLEX Option series that does not have the same exercise style, same expiration date, and same exercise price as a non-FLEX Option series on the same underlying security or index that is already available for trading. This includes permitting trading in a FLEX Option series before a series with identical terms is listed for trading as a non-FLEX Option series. If the Exchange lists for trading a non-FLEX Option series with identical terms as a FLEX Option series, the FLEX Option series will become fungible with the non-FLEX Option series pursuant to Rule 4.22. The System does not accept a FLEX Order for a put or call FLEX Option series if a non-FLEX Option series on the same underlying security or index with the same expiration date, exercise price, and exercise style is already listed for trading.

(2) A FLEX Order for a FLEX Option series may submitted on any trading day prior to the expiration date.

(3) The Exchange may halt trading in a FLEX Option class pursuant to Rule 5.20, and always halts trading in a FLEX Option class when trading in a non-FLEX Option class with the same underlying equity security or index is halted on the Exchange. The System does not accept a FLEX Order for a FLEX Option series while trading in a FLEX Option class is halted.

(b) *Terms.* When submitting a FLEX Order for a FLEX Option series to the System, the submitting FLEX Trader must include one of each of the following terms in the FLEX Order (all other terms of a FLEX Option series are the same as those that apply to non-FLEX Options), which terms constitute the FLEX Option series:

(1) underlying equity security or index, as applicable (the index multiplier for FLEX Index Options is 100);

(2) type of option (i.e., put or call), except an Asian-settled or Cliquet-settled FLEX Option series may only be a call;

(3) exercise style, which may be American-style or European-style, except an Asian-settled or Cliquet-settled FLEX Option series may only be European-style;

(4) expiration date, which may be any business day (specified to the day, month, and year) no more than 15 years from the date on which a FLEX Trader submits a FLEX Order to the System, except an Asian-settled or Cliquet-settled FLEX Option series, which must have an expiration date that is a business day but may only expire 350 to 371 days (which is approximately 50 to 53 calendar weeks) from the date on which a FLEX Trader submits a FLEX Order to the System;

(5) settlement type:

(A) *FLEX Equity Options*.

(i) FLEX Equity Options are settled with physical delivery of the underlying security.

(ii) FLEX Equity Options are subject to the exercise by exception provisions of OCC Rule 805.

(B) *FLEX Index Options*. FLEX Index Options are settled in U.S. dollars, and may be:

(i) a.m.-settled (with exercise settlement value determined by reference to the reported level of the index derived from the reported opening prices of the component securities);

(ii) p.m.-settled (with exercise settlement value determined by reference to the reported level of the index derived from the reported closing prices of the component securities), except for a FLEX Index Option that expires on any business day that falls on or within two business days of a third Friday-of-the-month expiration day for a non-FLEX Option (other than a QIX option) may only be a.m.-settled; however, for a pilot period ending the earlier of November 4, 2019 or the date on which the pilot program is approved on a permanent basis, a FLEX Index Option with an expiration date on the third-Friday of the month may be p.m.-settled;

(iii) for a FLEX Index Option on a broad-based index, Asian-settled, which has an exercise settlement value that is based on an arithmetic average of the specified closing prices of an underlying broad-based index taken on 12 predetermined monthly observation dates (including on the expiration date), which dates the FLEX Trader specifies. If a monthly observation date falls on a non-business day, the monthly observation occurs on the immediately preceding business day; or

(iv) for a FLEX Index Option on a broad-based index, Cliquet-settled, which has an exercise settlement value equal to the greater of $0 or the sum of capped monthly returns (*i.e.*, percent changes in the closing value of the underlying broad-based index from one month to the next month) applied over 12 predetermined monthly observation dates (including on the expiration date), which dates and monthly cap value (which must be in an increment no less than $0.05 and be no less than $0.05 and no greater than $25.95) the FLEX Trader specifies. If a monthly observation date falls on a non-business day, the monthly observation occurs on the immediately preceding business day; and

(6) exercise price (which the System rounds to the nearest minimum increment as set forth in Rule 5.4), which may be:

(A) for a FLEX Equity Option or FLEX Index Option that is not Cliquet-settled, (i) a fixed price expressed in terms of dollars and decimals or a specific index value, as applicable, or (ii) a percentage of the closing value of the underlying equity security or index, as applicable, on the trade date; or

(B) for a FLEX Index Option that is Cliquet-settled, the capped monthly return as set forth in subparagraph (5)(B)(iv) (which must be expressed in dollars and cents).

Rule 4.22. FLEX Fungibility

(a) If the Exchange lists for trading a non-FLEX Option series with identical terms as a FLEX Option series:

(1) all existing open positions established under the FLEX trading procedures are fully fungible with transactions in the identical non-FLEX Option series; and

(2) any further trading in the series would be as non-FLEX Options subject to non-FLEX trading procedures and Rules.

(b) Notwithstanding paragraph (a), if a non-FLEX Option American-style series is added intraday, for the balance of that trading day, a position established under the FLEX trading procedures may be closed using the FLEX trading procedures in Chapter 5, Section F against another closing only FLEX position. A FLEX Official announces to FLEX Traders when such a FLEX Option series is restricted to closing only transactions. No FLEX Orders may be submitted into an electronic auction or represented for open outcry trading pursuant to Rule 5.72 for a FLEX Option series with the same terms as the non-FLEX Option series, unless the FLEX Order is a closing order, and it is the day on which the non-FLEX Option series was added intraday; FLEX Traders may only submit responses that close out existing FLEX positions. A FLEX Official may nullify a transaction in such a restricted series that does not conform to these requirements pursuant to Rule 5.77.

(c) In the event the relevant expiration is a holiday pursuant to Rule 5.1(d), this Rule 4.22 applies to options with an expiration date that is the business day immediately preceding the holiday, except for Monday-expiring Weekly Expirations (Rule 4.10), in which case this Rule 4.22 applies to options with an expiration date that is the business day immediately following the holiday.

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CHAPTER 5. OPTIONS TRADING

SECTION A. GENERAL PROVISIONS

Rule 5.1. Trading Days and Hours

(a) No change.

(b) *Regular Trading Hours.*

(1) – (2) No change.

(3) *Other Options.* Except as otherwise set forth in the Rules or under unusual conditions as may be determined by the Exchange, Regular Trading Hours during which transactions in the following types of options may be made on the Exchange are as follows:

(A) *FLEX Options.* Regular Trading Hours for FLEX Options are the same as the Regular Trading Hours for the corresponding non-FLEX Options, except the Exchange may determine to narrow or otherwise restrict the trading hours for FLEX Options.

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Rule 5.3. Bids and Offers

(a) – (d) No change.

(e) *Other Options.* Notwithstanding paragraphs (a) through (c) above:

(1) – (2) No change.

(3) *FLEX Options*. Bids and offers for FLEX Options must be expressed in (A) U.S. dollars and decimals, if the exercise price for the FLEX Option series is a fixed price, or (B) a percentage, if the exercise price for the FLEX Option series is a

percentage of the closing value of the underlying equity security or index on the trade date, per unit of the underlying security or index, as applicable. The System rounds bids and offers to the nearest minimum increment.

(4) *Credit Options.* Bids and offers for Credit options must be expressed in terms of dollars per the contract multiplier unit. For example, a bid of "7" represents a bid of $7,000 for a Credit option with a specified contract multiplier of 1,000.

([4]5) *Government Security Options.* Bids and offers for Government Security options must be expressed in thirty-seconds of a point (one point being equal to one percent of the principal amount of the underlying security), unless the Exchange determines a different fraction of a point for all Government Securities options or a Government Security option of a particular series.

([5]6) *Interest Rate Options.* Bids and offers for Interest Rate options must be expressed in terms of dollars and decimals per unit of the measure. For example, a bid of 4.50 represents a bid of $4.50 per unit.

Rule 5.4. Minimum Increments for Bids and Offers

(a) – (b) No change.

(c) *Other Options.* Notwithstanding paragraph (a) and (b) above, the minimum increment for the following types of options is as follows:

(1) – (3) No change.

(4) *FLEX Options.* The Exchange determines the minimum increment for bids and offers on FLEX Options on a class-by-class basis, which may not be smaller than (A) $0.01, if the exercise price for the FLEX Option series is a fixed price, or (B) 0.01%, if the exercise price for the FLEX Option series is a percentage of the closing value of the underlying equity security or index on the trade date. The System rounds bids and offers to the nearest minimum increment.

(5) *Government Security Options.* The minimum increment for bids and offers on Government Security options is one thirty-second of a point (one point being equal to one percent of the principal amount of the underlying security), unless the Exchange determines another minimum increment for all Government Securities options or a Government Security option of a particular series.

([5]6) *Interest Rate Options.* There is no minimum increment for bids and offers on Interest Rate options.

* * * * *

Rule 5.7. Entry of Orders and Quotes

No change.

Interpretations and Policies

.01 – .02 No change.

.03 [FLEX Options, as described in Chapter 4, Section D of the Rules, are exempt from the requirements of this Rule. However, the Exchange will maintain as part of its audit trail quotation, order, and transaction information for FLEX Options in a form and manner that is substantially similar to the form and manner as the COATS data is maintained, and will make such information available to the SEC upon request.

.04] Any proprietary system approved by the Exchange on the Exchange's trading floor that receives orders will be considered an Exchange system for purposes of paragraph (f)(1) of this Rule. Any proprietary system approved by the Exchange shall have the functionality to comply with the requirements of COATS.

[.05].04 Each order transmitted by a Market-Maker while on the Exchange's trading floor, including any cancellation of or change to such order, must be systematized in accordance with the procedures described in paragraph (f) of this Rule, as applicable.

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SECTION F. FLEX TRADING

Rule 5.70. Availability of Orders

(a) Pursuant to Rule 5.6(a), the Exchange may make order types, Order Instructions, and Times-in-Force available on a class basis. The Exchange may make the following order types, Order Instructions, and Times-in-Force available for orders submitted in FLEX Options ("FLEX Orders"):

(1) *Order Types*: limit order.

(2) *Order Instructions*: All Sessions, Attributable, Direct to PAR, Electronic Only, Non-Attributable, Not Held, and RTH Only.

(3) *Times-in-Force*: Day.

(b) The Exchange may make complex orders, including security future-option orders and stock-option orders, available for FLEX trading. Complex FLEX Orders may have up to the maximum number of legs determined by the Exchange. Each leg of a complex FLEX Order:

(1) must be for a FLEX Option series authorized for FLEX trading with the same underlying equity security or index;

(2) must have the same exercise style (American or European); and

(3) for a FLEX Index Option, may have a different settlement type (a.m.-settled or p.m.-settled), except each leg must have the same settlement type if designated as Asian-settled or Cliquet-settled.

(c) A FLEX Trader may enter a FLEX Order into the System during the times set forth in Rule 5.7. A FLEX Trader must designate a FLEX Order entered prior to the opening of the applicable trading session or during a trading halt as Direct to PAR; the System rejects a FLEX Order designated as Electronic Only prior to the opening of the applicable trading session or during a trading halt.

Rule 5.71. Opening of FLEX Trading

(a) There is no opening trading rotation in FLEX Options.

(b) FLEX Traders may begin submitting FLEX Orders into an electronic FLEX Auction pursuant to Rule 5.72(c), a FLEX AIM pursuant to Rule 5.73, or a FLEX SAM pursuant to Rule 5.74, or initiate an open outcry FLEX Auction on the Exchange's trading floor pursuant to Rule 5.72(d):

(1) with respect to the RTH trading session, after the System's observation after 9:30 a.m. of the first disseminated (A) transaction on the primary market in the security underlying an equity option or (B) index value for the index underlying an index option; and

(2) with respect to the GTH trading session, after 3:00 a.m.

Rule 5.72. FLEX Trading

(a) *General.* Trading of FLEX Options is subject to all other Rules applicable to the trading of options on the Exchange, unless otherwise provided in this Chapter 5, Section F.

(b) *FLEX Orders.* A FLEX Option series is only eligible for trading if a FLEX Trader (the "Submitting FLEX Trader") (i) submits a FLEX Order for that series into an electronic FLEX Auction pursuant to paragraph (c) of this Rule, (ii) represents the FLEX Order in an open outcry FLEX Auction pursuant to paragraph (d) of this Rule, or (iii) submits the FLEX Order to a FLEX AIM or SAM Auction pursuant to Rule 5.73 or 5.74, respectively.

(1) *Simple FLEX Order.* A FLEX Order for a FLEX Option series submitted to the System must include all terms for a FLEX Option series set forth in Rule 4.21 (including that a non-FLEX Option series with identical terms is not listed for trading), size, side of the market, and a bid or offer price, subject to the order entry requirements set forth in Rule 5.7.

(2) *Complex FLEX Order.* A FLEX Order for a FLEX Option complex strategy submitted to the System must satisfy the criteria for a complex FLEX Order set forth in Rule 5.70(b) and include size, side of the market, a net debit or credit price, and a bid or offer price for each leg of the FLEX Order, which leg prices must add together to equal the net price. Additionally, each leg of the FLEX Option complex

strategy must include all terms for a FLEX Option series set forth in Rule 4.21 (including that a non-FLEX Option series with identical terms is not listed for trading), subject to the order entry requirements set forth in Rule 5.7.

(c) *Electronic FLEX Auctions.* A Submitting FLEX Trader may electronically submit a FLEX Order (simple or complex) into an electronic FLEX Auction for execution pursuant to this paragraph (c).

(1) *Eligibility Requirements.* The Submitting FLEX Trader may initiate a FLEX Auction if all of the following conditions are met:

(A) *Class.* The FLEX Order is in a class of options the Exchange is authorized to list for trading on the Exchange.

(B) *Size.* There is no minimum size for FLEX Orders.

(C) *Terms.* A simple or complex FLEX Order must comply with paragraph (b) above.

(D) *Price.* The bid or offer price, or the net debit or credit price, as applicable, of the FLEX Order is the "auction price."

(E) *Time.* The Submitting FLEX Trader may only submit a FLEX Order for electronic execution in a FLEX Auction after FLEX trading has opened pursuant to Rule 5.71.

(F) *Exposure Interval.* The Submitting FLEX Trader designates the length of the "exposure interval," which must be between three seconds and five minutes. The designated time may not go beyond the market close.

The System rejects or cancels a FLEX Order that does not meet the conditions in this subparagraph (c)(1).

(2) *FLEX Auction Process.* Upon receipt of a FLEX Order that meets the conditions in subparagraph (c)(1), the FLEX Auction process commences.

(A) *FLEX Auction Notification Message.* The System initiates a FLEX Auction by sending a FLEX Auction notification message to FLEX Traders detailing the FLEX Option series or complex strategy (as applicable), side, size, Auction ID, Capacity, time at which the exposure interval will conclude, and Attribution (if the FLEX Order is designated as Attributable). FLEX Auction notification messages are not disseminated to OPRA.

(B) *Concurrent FLEX Auctions.* One or more FLEX Auctions in the same FLEX Option series or complex strategy (as applicable) may occur at the same time. To the extent there is more than one FLEX Auction in a FLEX Option series or complex strategy (as applicable) underway at the same time, the FLEX Auctions conclude sequentially based on the times at which each

FLEX Auction's exposure interval concludes. At the time each FLEX Auction concludes, the System allocates the FLEX Order pursuant to subparagraph (c)(3) below and takes into account all FLEX responses submitted during the exposure interval.

(C) *Cancellation.* The Submitting FLEX Trader may cancel a FLEX Auction prior to the end of the exposure interval.

(D) *FLEX Responses.* Any FLEX Trader (including the Submitting FLEX Trader) may submit responses to a FLEX Auction that are properly marked specifying the FLEX Option series or complex strategy (as applicable), bid or offer price or net price (respectively), size, side of the market, and the Auction ID for the FLEX Auction to which the User is submitting the response. A FLEX response may only participate in the FLEX Auction with the Auction ID specified in the response.

(i) A FLEX Trader may submit multiple FLEX responses at the same or multiple prices to a FLEX Auction. For purposes of a FLEX Auction, the System aggregates all of a FLEX Trader's FLEX responses for the same EFID at the same price.

(ii) The System caps the size of a FLEX response, or the aggregate size of a FLEX Trader's FLEX responses for the same EFID at the same price, at the size of the FLEX Order (*i.e.*, the System ignores the size in excess of the size of the FLEX Order when processing the FLEX Auction).

(iii) FLEX responses must be on the opposite side of the market as the FLEX Order. The System rejects a FLEX response on the same side of the market as the FLEX Order.

(iv) FLEX responses are not visible to FLEX Traders or disseminated to OPRA.

(v) A FLEX Trader may modify or cancel its FLEX responses during the exposure interval.

(3) *Conclusion of the FLEX Auction.* The FLEX Auction concludes at the end of the exposure interval, unless the Exchange halts trading in the affected series or the Submitting FLEX Trader cancels the FLEX Auction, in which case the FLEX Auction concludes without execution. At the conclusion of the FLEX Auction:

(A) *Allocation.* The System executes the FLEX Order against the FLEX responses at the best price(s), to the price at which the balance of the FLEX Order or the FLEX responses can be fully executed (the "final auction price").

(i) If there are multiple FLEX responses at the same price level, then the contracts in those FLEX responses are allocated proportionally according to size (in a pro-rata fashion).

(ii) The executable quantity is allocated to the nearest whole number, with fractions 1/2 or greater rounded up and fractions less than 1/2 rounded down.

(iii) If the executable quantity cannot be evenly allocated, contracts will be distributed using this pro-rata priority methodology until there are no contracts remaining.

(B) *Unexecuted FLEX Order.* The System cancels an unexecuted FLEX Order (or unexecuted portion).

(C) *Unexecuted FLEX Responses.* The System cancels any unexecuted FLEX responses (or unexecuted portions).

(d) *Open Outcry FLEX Auction.* A Submitting FLEX Trader may represent and execute a FLEX Order that complies with paragraph (b) above on the Exchange's trading floor in the same manner as a Trading Permit Holder may represent and execute an order for a non-FLEX Option (which includes systemization of the FLEX Order pursuant to Rule 5.7(f) and routing the FLEX Order to PAR pursuant to Rule 5.82) on the Exchange's trading floor pursuant to Chapter 5, Section G, except:

(1) ICMPs that are FLEX Traders have a reasonable amount of time (which amount of time must be between three seconds and five minutes) from the time a FLEX Trader requests a quote in a FLEX Option series or represents a FLEX Order (including announcing a crossing transaction pursuant to Rule 5.87) to respond with bids and offers.

(2) FLEX Orders are allocated only to responses from the trading crowd pursuant to Rule 5.85(a)(2)(C).

(3) Rule 5.85(b) through (e) are inapplicable to FLEX Options.

(e) *Section 11(a)(1) of the Exchange Act.* All executions of FLEX Orders must comply with Section 11(a)(1) of the Exchange Act, which prohibits a TPH from effecting transactions on the Exchange for the TPH's own account, the account of an associated person, or an account with respect to which the TPH or its associated person exercises investment discretion (collectively referred to as "proprietary" orders), unless an exception applies.

(1) A TPH relying on the exemption in Section 11(a)(1)(G) of the Exchange Act and Rule 11a-1(T) ("the 'G' exemption") thereunder may submit a proprietary order to the Exchange for execution in open outcry if it yields priority to any bid (offer) at the same price that is represented by all other bids (offers) that have priority over the TPH's order pursuant to this Rule 5.72.

(2) A TPH may not submit an electronic FLEX Order pursuant to paragraph (b) above, Rule 5.73, or Rule 5.74 to effect any proprietary order transactions by relying on the "G" exemption.

Rule 5.75. FLEX Official

(a) *Designation.* A "FLEX Official" is an Exchange employee or independent contractor designated to act in that capacity in one more or FLEX Option classes and perform the functions set forth in paragraph (b). The Exchange may at any time designate an Exchange employee or independent contractor to act as a FLEX Official in one or more FLEX Options.

(1) The Exchange may also designate other Exchange employees or independent contractors to assist a FLEX Official if the need arises.

(2) A FLEX Official and any designated assistant may not be affiliated with any Market-Maker (including a FLEX Market-Maker).

(3) A FLEX Official and any designated assistant may only be compensated by the Exchange (which determines the form and amount of compensation). No Market-Maker (including a FLEX Market-Maker) may directly or indirectly compensate or provide any other form of consideration to a FLEX Official or any designated assistant.

(b) *Responsibilities.* A FLEX Official has the following responsibilities:

(1) call upon a FLEX Market-Maker with an appointment in a FLEX Option class to respond to open outcry FLEX Auctions in that FLEX Option class when no other ICMPs respond, if in the opinion of the FLEX Official a response from the Market-Market is in the interests of a fair, orderly, and competitive market;

(2) review the conformity of open outcry FLEX Auctions with the terms of Rules 4.21, 4.22, 5.3(e)(3), 5.4(c)(4), and 5.72(b) and (d); and

(3) nullify a FLEX Option transaction if the FLEX Official determines the transaction did not conform to the terms of Rules 4.21, 4.22, 5.3, or 5.4 or the priority principles set forth in Rule 5.72(b) and (d). Trades may be adjusted or nullified pursuant to Rule 6.5.

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