Launched in 1993, FLEXible Exchange® Options (FLEX Options) are powerful, customizable portfolio management tools that allow users to specify key contract terms, including exercise prices, exercise styles, and expiration dates, on major stock indexes (SPX®, XSP™, RUT™, DJX™, MXE™, and MXEF™) as well as individual equities.

**Customize Contract Terms**
Set key terms, including exercise price and style as well as expiration dates

**Reduce Counter-Party Risk**
Trades cleared by Options Clearing Corporation significantly reduces counter-party risk

**Transparency and Operational Ease**
Price discovery in competitive auction markets; execute orders via FIX/API interfaces or Cboe Silexx™

**Capital Efficiency**
 Availability of cross-margining allows for greater capital efficiency

### Now Available—FLEX Micro Options

On June 27, 2022 Cboe introduced FLEX Micro options on the S&P 500, Russell 2000, Dow Jones Industrial Average, MSCI Emerging Markets, and MSCI EAFE indices. With a contract multiplier of 1, rather than the conventional 100, FLEX Micro options provide more precision to hedge a portfolio based on notional value, which may equal a fraction of a standard contract.

For more information about FLEX Micros, including technical details and trading hours, see Cboe Trade Desk Notice.

<table>
<thead>
<tr>
<th>Description</th>
<th>Index FLEX</th>
<th>Index FLEX Micro</th>
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| **Options Available for FLEX Trading** | • S&P 500 (standard SPX and mini XSP)  
  • Russell 2000 (RUT) 
  • MSCI EAFE (MXEA) 
  • MSCI Emerging Markets (MXEF) 
  • DJIA (DJX)  |  |  | • S&P 500 (standard SPX and mini XSP)  
  • Russell 2000 (RUT) 
  • MSCI EAFE (MXEA) 
  • MSCI Emerging Markets (MXEF) 
  • DJIA (DJX)  |
| **Contract Multiplier**               | $100       | $1               |
| **Approximate Notional Size**        | $440,000   | $440             |
| **Expiration Date**                  | Up to 15 years | |
| **Option Type**                      | Put or Call | |
| **Exercise Style**                   | American or European | |
FLEX Options Use Cases

Cboe offers dozens of benchmark indexes designed to show the hypothetical performance of strategies that use FLEX options. Following are two examples from our Target Outcome Index Series that use S&P 500 Index FLEX options.

Cboe S&P 500 Buffer Protect Index Balanced Series (SPRO℠)
SPRO is a balanced composite index comprising the 12 monthly indexes in the Cboe S&P 500 Buffer Protect Index Series. SPRO is designed to track the returns of a hypothetical investment that, over a period of approximately one year, seeks to “buffer protect” against the first 10% of losses due to a decline in the S&P 500 Index while providing participation up to a capped level. Since inception, SPRO has had significantly lower volatility than the S&P 500 as demonstrated by standard deviation.

Cboe S&P 500 Enhanced Growth Index Balanced Series (SPEN℠)
SPEN is a balanced composite index comprising the 12 monthly indexes in the Cboe S&P 500 Enhanced Growth Index Series. SPEN is designed to track the returns of a hypothetical investment that, over a period of approximately one year, seeks to provide 2x enhanced returns on the appreciation of the S&P 500 Index up to a capped level while providing one-to-one exposure to any losses. Since inception, SPEN outperformed both large cap domestic and international equities.
FLEX Options vs. OTC

Trading FLEX Options via Cboe Silexx OEMS

Silexx is Cboe’s proprietary front-end offering for trading FLEX options on Cboe Options Exchange. Silexx FLEX option functionality includes:

- All Cboe Exchange functionality
- Direct market access for electronic execution
- Routing directly to a floor brokers for open-outcry execution
- Spreadsheet import for efficiency
- Risk controls defined and managed by firm-designated risk administrator
Key Product Specifications

<table>
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<th>Index Flex</th>
<th>Equity Flex</th>
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</thead>
</table>
| Options Available for FLEX Trading | • S&P 500 (standard SPX and mini XSP)  
• Russell 2000 (RUT)  
• MSCI EAFE (MXEA)  
• MSCI Emerging Markets (MXEF)  
• DJIA (DJI)                                                                 | FLEX trading available for all Cboe-listed equity options                   |
| Expiration Date       | Up to 15 years from the trade date                                           | Up to 15 years from the trade date                                           |
| Option Type           | Put or Call                                                                  | Put or Call                                                                  |
| Exercise Style        | American or European                                                        | American or European                                                        |
| Strike Price          | Index value, percent of index value or other methods                         | A dollar amount, percent of stock price or other methods                     |
| Premium               | Percentage of the level of the underlying index or specific dollar amount per contract or contingent on specified factors in other related markets | A dollar amount or percentage of the stock                                   |
| Trading Hours         | Regular Trading Hours: 8:30 a.m. to 3:15 p.m. Chicago Time  
* Curb Trading Hours: 3:15 p.m. – 4:00 p.m. Chicago Time  
* Only available for SPX and SPX Weeklys (SPXW)                      | Equity FLEX trading hours are 8:30 a.m. – 3:00 p.m. Chicago time. For trading hours on FLEX options on ETPs, please refer to the ETP contract specifications link: http://www.cboe.com/micro/options-on-etps-specs.aspx |
| Position Limits       | Please refer to Cboe Rule 8.35 for complete information regarding Index FLEX position limits | Please refer to Cboe Rule 8.35 for complete information regarding Equity FLEX position limits |
| Exercise Settlement   | All Index FLEX options are either AM or PM settled, subject to certain conditions described in the rules. Please refer to Cboe Rule 4.21 for complete information regarding settlement types | All Equity FLEX options are PM settled                                       |
| Settlement Type       | All Index FLEX options are either AM or PM settled, subject to certain conditions described in the rules. Please refer to Cboe Rules 24A.4 and 24B.4 for complete information regarding settlement types | All Equity Flex options are PM settled                                       |

**Options**

Options involve risk and are not suitable for all investors. Prior to buying or selling an option, a person must receive a copy of Characteristics and Risks of Standardized Options. Copies are available from your broker or from The Options Clearing Corporation at www.theocc.com. The information in this document is provided solely for general education and information purposes. Trading FLEX options may not be suitable for all options-qualified investors; the strategies discussed in this publication should only be considered by investors with extensive prior options trading experience. MSCI, and the MSCI index names are service marks of MSCI Inc. (“MSCI”) or its affiliates and have been licensed for use by Cboe Exchange, Inc. Cboe®, FLEX®, Flexible Exchange®, SPX® and OEX® are registered trademarks. S&P®, S&P 100® and S&P 500® are registered trademarks of Standard & Poor’s Financial Services, LLC and have been licensed for use by Cboe. DJIA is a registered trademark of Dow Jones Trademark Holdings, LLC and has been licensed to S&P Dow Jones Indices, LLC and sublicensed for use for certain purposes by Cboe. The products have not been passed on by the Corporations as to their legality or suitability. The products are not issued, endorsed, sold or promoted by the Corporations. THE CORPORATIONS MAKE NO WARRANTIES AND BEAR NO LIABILITY WITH RESPECT TO THE PRODUCT(S). Russell 2000® is a registered trademark of Russell Investments, used under license. Copyright © 2022 Cboe. All rights reserved.