CFLEX® 2.0 on CBOE*direct*®

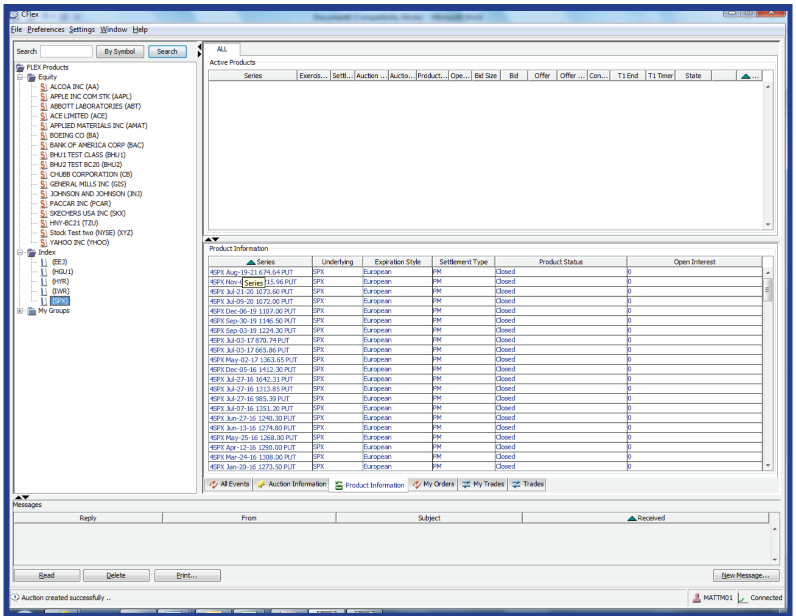
CBOE's new low-cost, internet-based FLEX® system. CFLEX® retains the existing advantages of exchange-traded FLEX options while providing a substantial improvement in operational efficiency. Connectivity to the system has been designed to be attractive and user friendly - a signed user agreement and internet accessible workstation are all that is required.

FEATURES

- Automated Process for Crossing (AIM)
- CBOE*direct* APIs (FIX and CMi)
- Simple, internet-based GUI with new order risk controls
- Modified Price-Time Matching Algorithm
- Anonymous Trading
- Live Order Books
- Secondary auction market available to close or offset the position

WHY CFLEX?

- Clearing guaranteed by the Options Clearing Corporation (OCC)
- Price discovery of competitive auction market
- Transparency of price and terms
- Administrative ease
- Reliable and Secure
- Daily valuation from an independent party (OCC)

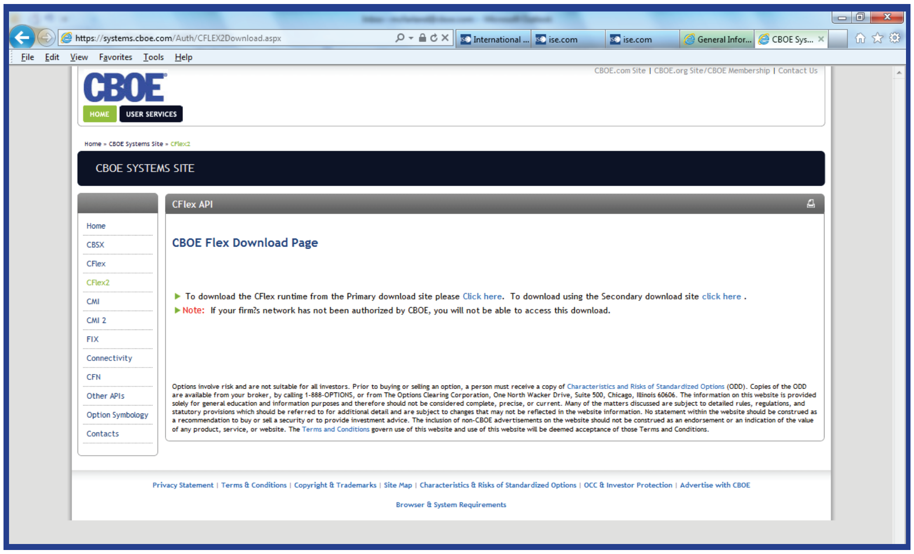


Secure • Reliable • Low-Cost • User-Friendly • Efficient

GETTING STARTED

To obtain a login and download the CFLEX GUI, first register on the CBOE system site:

https://systems.cboe.com/default.aspx

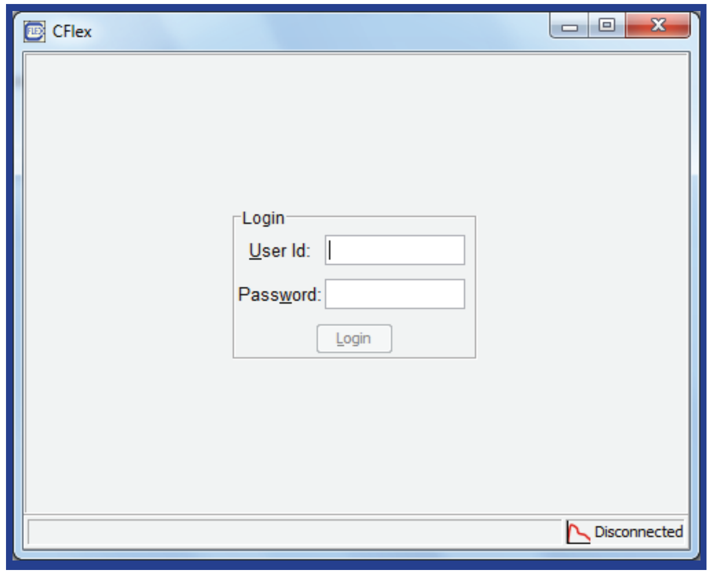


www.cboe.com/CFLEX

CBOE®

LOGIN

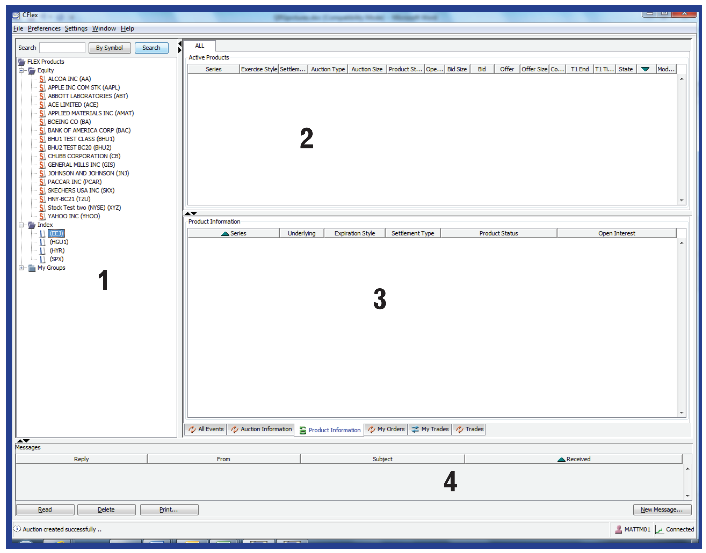
Once you have created a valid account and chosen a version of CFLEX, the next step will be to successfully log into the application. This will require inputting your newly created **Username** and **Password**. Contact CBOE CFLEX Help Desk to obtain a Username and Password : **flex@cboe.com** or **(312) 460-1941.**



MAIN SCREEN

After a successful login, the main screen appears. All trading activity occurs on this screen. The main screen is divided into 4 sections:

1) Select Option Class
2) Active RFQ/Order Book
3) Blotter
4) Messages

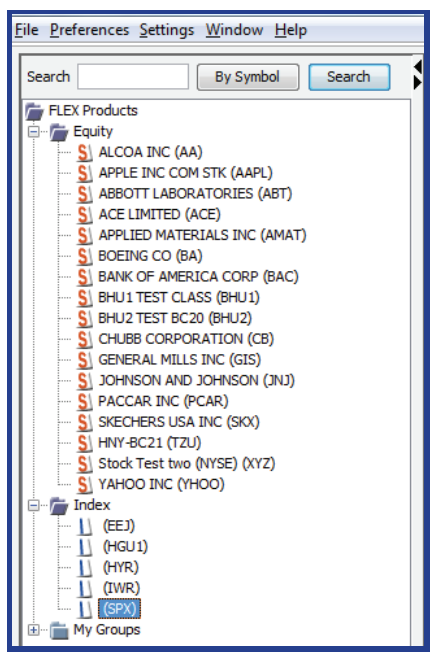


SELECT OPTION CLASS SECTION

There are two ways to access the products available for FLEX trading on CFLEX.

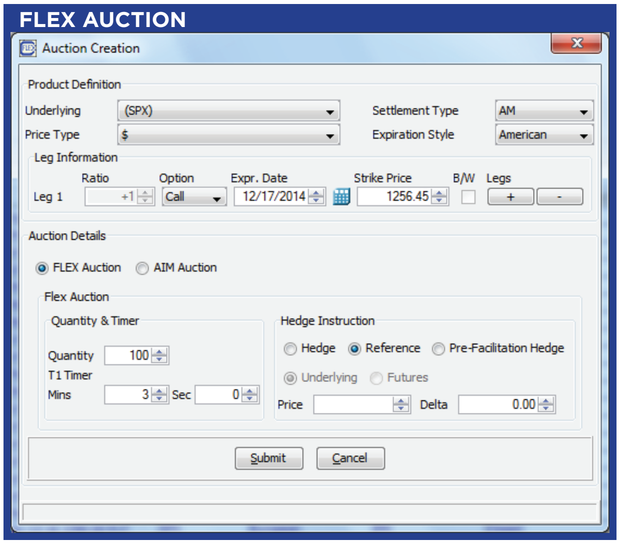
Search Field – Type in the stock name or option symbol and the product you selected will appear as part of a drop down menu.

Example: Enter AMAT in the text box. Applied Materials Inc. (AMAT) appears in a drop down menu. Hit the **enter** key to select the class.



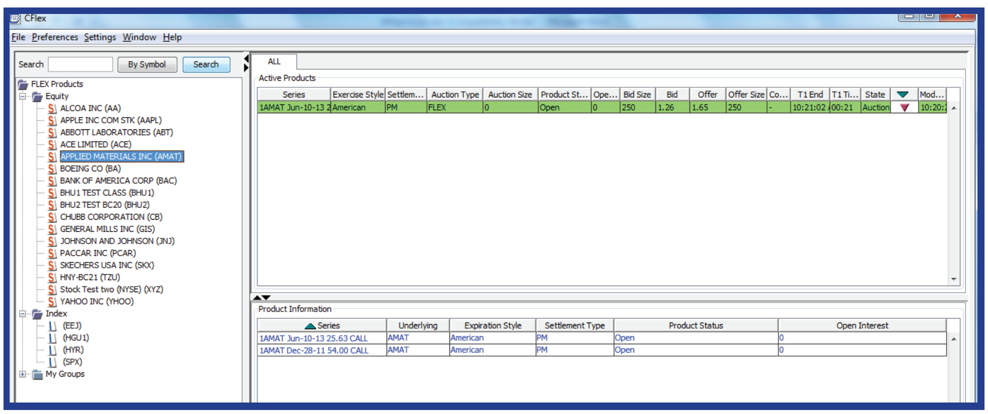
INITIATE AUCTION

Start a FLEX Auction or an AIM Auction by right-clicking on the class that you wish to trade.

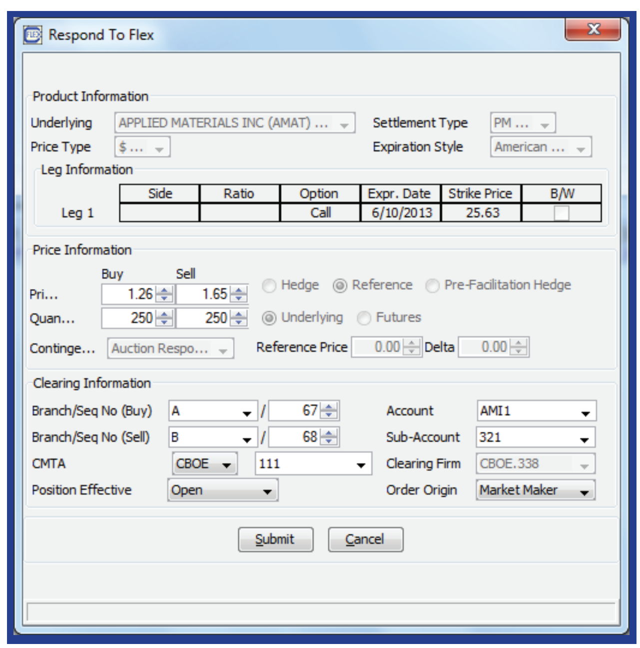


RESPOND TO AUCTION

Once an auction is initiated, users will see it highlighted in green in the Active Products window indicating that responses can be submitted. Responders will have a certain amount of time to respond with their market quotes then the Initiator has the privilege of "first choice" before the RFQ is completed.

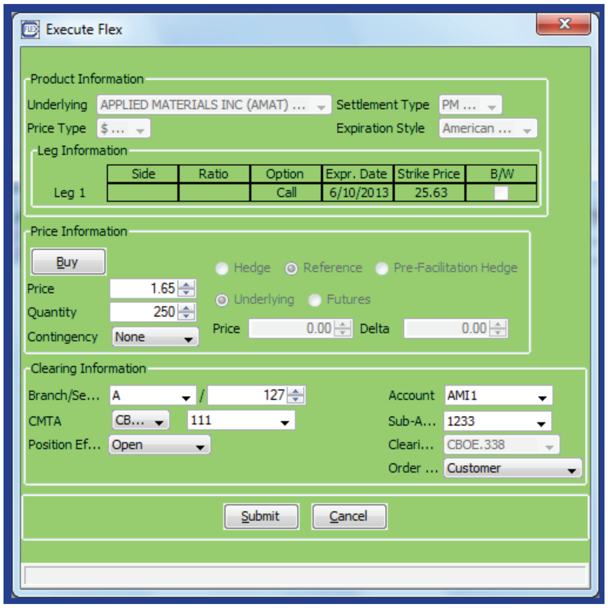


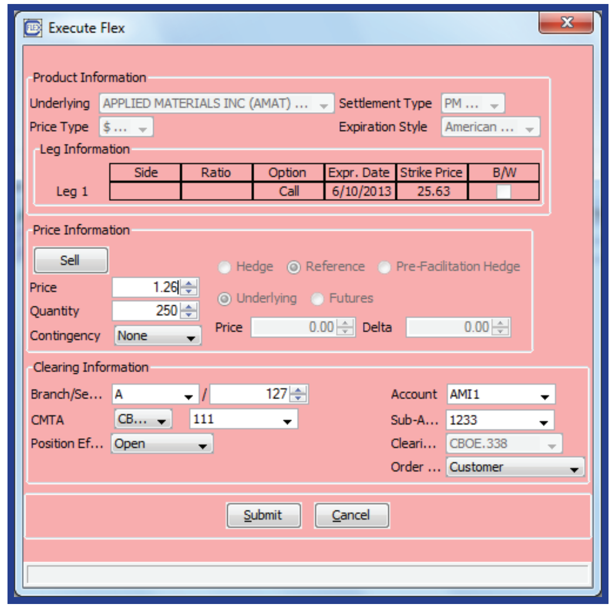
To respond to an auction, **double-click** on the bid/offer or **right-click** and choose Respond to auction from the menu and a response form will appear with the series information entered on the form. The user would complete the *Price Information* portion of the form and edit any *Clearing Information* if needed. The clearing information portion of the form will default to the information stored in the user's profile.



EXECUTE FLEX

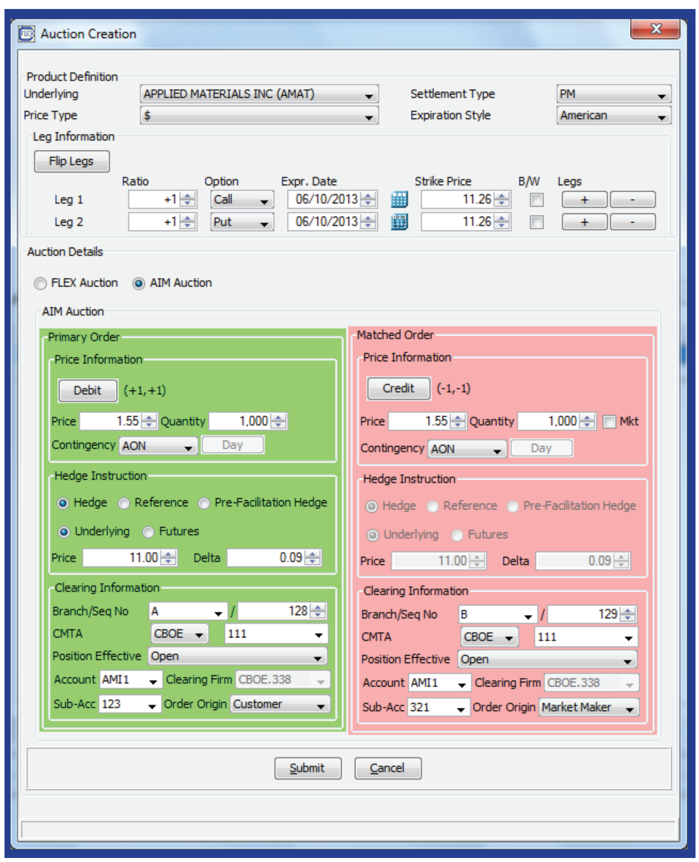
Once markets have been submitted and the initial stage of the auction is complete, the initiator can execute the FLEX auction. Double-click on the bid to create a sell response or double-click on the offer to create a buy response.





AIM AUCTION

The AIM FLEX Auction is new to CFLEX 2.0 on CBOE*direct* and allows for automated crossing of paired orders.



CBOE FLEX® OPTIONS

PRODUCT SPECIFICATIONS

OVERVIEW

FLEX Options (FLexible EXchange® Options) are customizable options contracts traded at the Chicago Board Options Exchange and cleared by The Options Clearing Corporation. FLEX Options provide the ability to customize key contract terms including strike prices, exercise styles and expiration dates with the transparency, administrative ease and clearing guarantees of standard listed options.

	INDEX FLEX					EQUITY FLEX
	Please note: The Exchange may approve and open for trading any FLEX options series on any index that is eligible for Non-FLEX options trading in accordance with the Exchange's listing criteria, even if there are no Non-FLEX options on such index listed on the Exchange. These include, but are not limited to, the following:					Please note: The Exchange may approve and open for trading any FLEX options series on any equity, ETF or ETN that is eligible for Non-FLEX options trading in accordance with the Exchange's listing criteria, even if there are no Non-FLEX options on such security listed on the Exchange.
CONTRACT	S&P 500®	S&P 100®	DJIA®	RUSSELL 2000®	NASDAQ 100®	More than 2,800 equities, ETFs and ETNs are eligible for Equity FLEX trading
SYMBOLS	SPX℠	OEX®	DJX	RUT	NDX℠	Visit www.cboe.com for a current list of symbols
TICKER EXERCISE SETTLEMENT VALUE	OPEN (SET) CLOSE (SPX)	OPEN (OET) CLOSE (OEX)	OPEN (DJS) CLOSE (DJX)	OPEN (RLS) CLOSE (RUT)	OPEN (NDS) CLOSE (NDX)	
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	8:30 a.m. to 3:15 p.m. Chicago Time					8:30 a.m. to 3:00 p.m. Chicago Time
POSITION LIMITS	Please refer to CBOE Rules 24A.7 and 24B.7 for complete information regarding Index FLEX position limits					Please refer to CBOE Rules 24A.7 and 24B.7 for complete information regarding Equity FLEX position limits
EXERCISE SETTLEMENT	All Index Flex options are cash-settled (U.S. $)					Exercises result in delivery of stock
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

CONTACT
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