

ETF Contract Specification

Description	Exchange traded fund options are standardized put and call options on underlying exchange traded funds (ETFs). ETFs are securities representing ownership in portfolios of stocks or bonds designed to generally correspond to the price and yield performance of individual indexes.
Trading Unit	The minimum trade size is one option contract. Each contract represents 100 shares of the underlying ETF. (Corporate actions, such as rights offerings, stock dividends, and mergers, can result in adjusted contracts representing something other than 100 shares of stock.)
Expiration Cycle	Two consecutive near term expiration months plus two successive months from the January, February or March cycle.
Expiration	The Saturday following the third Friday of the expiration month.
Last Trading Day	The last business day prior to expiration (normally a Friday).
Exercising Options	American style. Options may be exercised on any business day prior to expiration.
Delivery Method if Exercised	Exercise notices properly tendered on any business day will result in delivery of the underlying ETF on the third business day following exercise.
Exercise Price Intervals	Exercise (strike) prices are set at \$1.00 intervals bracketing the current value of the underlying ETF up to \$200. Above \$200, exercise (strike) prices are set at \$5.00 intervals bracketing the current value of the underlying ETF
Option Premium Quotations	Stated in dollars and cents. Minimum price variant \$0.05 (nickel) for series trading under \$3.00 and \$0.10 (dime) for series trading \$3.00 and above. Beginning on or about 01/26/07, some option classes will have different MPVs. For more information, view NYSE Arca Options participation in the Penny Pilot Program .
Settlement of Exercise	Three business days following exercise.
Minimum Customer Margin for Uncovered Writers	100% of the market value of the option plus 20% of the value of the underlying security less any out-of-the-money amount, subject to a minimum of 100% of the market value of the option plus 10% of the value of the underlying security.
Trading Hours	Trading hours for ETF options varies by product. For information on a specific ETF option trading hours, contact your broker.
Trading System	Specialist/Registered Options Trader.