

Regulatory Circular RG14-170

Date: December 1, 2014

To: Trading Permit Holders
From: Finance and Administration
RE: Changes to Fees Schedule

This circular explains updates to the Fees Schedule for Chicago Board Options Exchange, Inc. ("CBOE" or the "Exchange"), subject to SEC review. These changes will be effective December 1, 2014.

Quoting Bandwidth

The quoting bandwidth allowance for all CBOE Market Maker Trading Permits, and for all Quoting and Order Entry Bandwidth Packets, is increased from a maximum of 32,400,000 quotes over the course of a trading day to a maximum of 35,640,000 quotes over the course of a trading day (an increase of 10%). Please see CBOE Regulatory Circular RG14-166 (<http://www.cboe.com/publish/RegCir/RG14-166.pdf>) (for details). There is no change in Market-Maker Trading Permit Fees as a result of this increase.

Underlying Symbol List A and Clarifying Language for "Multiply-Listed" (or "Multi Listed") and "Single-Listed" Options Classes in the Fees Schedule

The Exchange is clarifying its use of the terms "multiply-listed" (or "multi listed") and "single-listed" options classes and in conjunction with these clarifying changes, the Fees Schedule will use the term "Underlying Symbol List A" to refer to a specific set of proprietary products (currently, OEX, XEO, SPX (including SPXW), SPXpm, SRO, VIX, VXST, Volatility Indexes and binary options). The Exchange has added Underlying Symbol List A as Footnote 34 to the Fees Schedule.

The Exchange is making the following changes to the Fees Schedule to integrate Underlying Symbol List A and the clarifying language into the Liquidity Provider Sliding Scale, CBOE Proprietary Products Sliding Scale, Volume Incentive Plan, Footnote 12 (relating to Clearing Trading Permit Holder Proprietary Transaction Fees), Footnote 25 (which governs Floor Broker Trading Permits) and Footnotes 29 and 30 (relating to the Order Router Subsidy and Complex Order Router Subsidy).

- **Liquidity Provider Sliding Scale:** Currently volume thresholds are based on total National Market-Maker volume of any option classes with traded volume on CBOE during the calendar month. Effective December 1, 2014, volume thresholds will be based on the total National Market-Maker volume in all underlying symbols excluding those in Underlying Symbol List A and mini options. The list of products for which the Liquidity Provider Sliding Scale does not apply has been replaced with the term "Underlying Symbol List A."
- **CBOE Proprietary Products Sliding Scale:** The Exchange is replacing the list of proprietary products set forth in the notes section with the term "Underlying Symbol List A." The term "multiply-listed" has been replaced with "all underlying symbols excluding Underlying Symbol List A."
- **Volume Incentive Plan ("VIP"):** Currently the Exchange credits each Trading Permit Holder ("TPH") the per contract amount set forth in the VIP table resulting from each public customer order transmitted by that TPH which is executed electronically on the Exchange in all "multiply-listed option classes", with certain exclusions, provided the TPH meets certain volume thresholds in "multiply-listed options classes." The Exchange is replacing the term "multiply-listed options classes" (and the certain exclusions) with the phrase "all underlying symbols excluding Underlying Symbol List A, RUT, DJX, XSP, XSPAM, credit default options, credit default basket options and mini-options."

- **Footnote 12:** The term “multiply-listed FLEX options classes” is replaced with “FLEX options in all underlying symbols excluding Underlying Symbol List A, credit default options and credit default basket options.”
- **Footnote 25:** The term “multiply-listed options classes” is replaced with “all underlying symbols excluding Underlying Symbol List A, DJX, XSP, XSPAM, credit default options, credit default basket options and mini-options.”
- **Footnotes 29 and 30:** The Exchange is removing the reference to “single-listed options traded on CBOE” and instead references the options classes “included in Underlying Symbol List A, DJX, XSP or XSPAM.”

Trade Processing Services Fee

The Exchange is eliminating the Trade Processing Services fee for unmatched trades. In addition, the Exchange is clarifying the Fees Schedule by explicitly stating that “for billing purposes, the Trade Processing Services Fee will be rounded to the nearest \$0.01 using standard rounding rules on a monthly basis.”

CBOE Fees Schedule

<http://www.cboe.com/publish/feeschedule/CBOEFeeSchedule.pdf>

Additional Information

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