

CBOE Regulatory Circular RG16-050 C2 Regulatory Circular RG16-013

Date: March 11, 2016

To: Trading Permit Holders

From: Regulatory Division, Legal Division, and Compliance Department

RE: Exchange Policy Statement on Sexual and Other Forms of Harassment

Chicago Board Options Exchange, Incorporated ("CBOE") and C2 Options Exchange, Incorporated ("C2") (collectively the "Exchanges") issues this Circular as a reminder of the Exchanges' commitment to provide a workplace that fosters respect and that promotes positive and productive relationships among Trading Permit Holders ("TPHs"), associated persons and employees of TPH organizations, Exchange employees, and visitors to the Exchanges. Consistent with this objective, the Exchanges' policy prohibits all persons at the Exchanges, including, but not limited to TPHs, associated persons and employees of TPH organizations from discriminating against or harassing any TPH, associated person or employee of any TPH organization, Exchange employee, or visitor to the Exchanges on the basis of race, color, sex, religion, national origin, ancestry, citizenship, age, disability, marital status, military status, sexual orientation, gender expression and/or identity or other basis prohibited by law. **The Exchanges are committed to maintaining an environment free from sexual and other forms of harassment and will not tolerate sexual or other forms of harassment on their premises.**

Additionally, sexual and other forms of harassment, as described below, may violate the Exchanges' Rules, including but not limited to CBOE Rule 6.20(b) (Conduct on the Exchange), CBOE and C2 Rules 4.1 (Just and Equitable Principles of Trade). TPHs are responsible for conducting themselves in accordance with the Exchanges' Rules and may also be responsible for the conduct of associated persons and their employees and ensuring that they do not engage in sexual or other forms of harassment or discrimination at the Exchanges.

The following question and answer summary specifically addresses important aspects of harassment. Please read them carefully.

Q: *What Constitutes Sexual Harassment?*

A: Sexual advances, requests for sexual favors, or other verbal, written, or physical conduct of a sexual nature may constitute sexual harassment. Sexual harassment may also include, explicitly or implicitly, implying that such favors are expected as part of the job or that rejection might affect employment or other decisions concerning the individual and include situations where submission to or rejection of the advance may have the effect of unreasonably interfering with job performance or creating a hostile, intimidating or offensive work environment.

Q: *What Are Specific Examples of Sexual Harassment?*

A: Sexual harassment may include distributing or displaying materials (for example, digitally, electronically or through printed copy) of a sexually explicit nature, touching or physical intimidation, as well as sexual statements, teasing or jokes of a sexual nature. The following are examples of conduct that may constitute sexual harassment and which is expressly prohibited by the Exchange:

- Displaying material of a sexual nature or with sexual overtones (e.g., scantily clad or naked women or men) on the trading floor or elevator or CBOE's premises in any form including, but not limited to, digital, electronic or printed copy medium such as images contained in a personal electronic device;
- Requests or demands for sexual favors, accompanied by an implied or overt promise of preferential treatment;
- Unnecessary touching of an individual, for example, patting, pinching, hugging, or repeatedly brushing against another individual's body;
- Graphic, verbal commentary about an individual's body, sexual prowess, and/or sexual deficiencies;
- Repeated sexual jokes, propositions, or unwanted flirtations or advances.

Q: *What Constitutes Workplace Harassment?*

A: Physical or verbal conduct that denigrates or shows hostility or aversion toward an individual because of race, color, religion, sex, national origin, age, ancestry, disability, military or veteran status, citizenship, marital status, sexual orientation, gender expression and/or identity or any other legally protected status.

Q: *What Are Specific Examples of Workplace Harassment?*

A: Harassment includes but is not limited to: epithets, slurs, negative stereotyping, threatening or hostile acts, sexual acts, written or graphic material that denigrates or shows hostility toward an individual or group and that is disseminated on walls, bulletin boards, computers, or elsewhere on CBOE's premises, or circulated on CBOE's premises, or at any other CBOE sponsored event or social occasion. For example, distribution of faxes, photocopies, emails or other digital, electronic or printed copy images or materials that make fun of, or show hostility towards, a person or group because of race, color, religion, sex, national origin, age, ancestry, disability, military or veteran status, citizenship, marital status, sexual orientation or gender expression and/or identity may constitute harassment and will not be tolerated.

Q: *What Steps Should Be Taken If Someone Believes He or She is Being Harassed?*

A: Individuals who believe they may have been harassed or discriminated against at the Exchanges are strongly encouraged to contact Greg Hoogasian, Chief Regulatory Officer at (312) 786-7844, Stephanie Marrin, Deputy Chief Regulatory Officer at (312) 786-7283, or Jennifer Lamie, Chief Regulatory Advisor at (312) 786-7576. Anonymous complaints to the Regulatory Division may be made by completing the CBOE Trading Permit Comment Form on www.CBOE.com, which can be accessed through the following link <http://www.cboe.com/aboutcboe/legal/forms/tphcomment.aspx>.

Q: *What Happens If a Complaint Is Filed?*

A: The matter will be investigated by the Exchanges and appropriate action will be taken. Confidentiality will be maintained in an investigation to the extent reasonably possible. Retaliation against any person who makes a good faith complaint or cooperates in an investigation is prohibited. In the event the complaint or retaliatory conduct involves a TPH, an associated person, or an employee of a TPH organization, the matter may be referred to the Business Conduct Committee, which will determine whether Exchange Rules 6.20(b) and/or 4.1 have been violated and appropriate action will be taken. Such actions may include suspensions, fines, censure, or other appropriate action.

Additional Information:

For additional information regarding the Exchanges' Policy on Sexual and Other Forms of Harassment, please contact Alexandra Albright, Chief Compliance Officer at (312) 786-8325 or albright@cboe.com, Joanne Moffic-Silver, General Counsel & Corporate Secretary at (312) 786-7462 or mofficj@cboe.com, or Jennifer Lamie, Chief Regulatory Advisor at (312) 786-7576 or lamie@cboe.com.