

CFE Trading Privilege Holder (TPH) Permit Program

Any Person that desires to become a Trading Privilege Holder is required to obtain a Trading Privilege Holder permit ("TPH Permit").

The Exchange has made available 2,500 TPH Permits. The Exchange may subsequently make available additional TPH Permits if the initial supply of 2,500 TPH Permits is exhausted.

TPH Permits may be obtained by any Person that is a trading permit holder of Cboe Options with Cboe Options trading privileges and any other Person that satisfies the requirements set forth in Rule 304(a).

Each Person desiring to obtain a TPH Permit must submit an application to the Exchange in a form and manner prescribed by the Exchange pursuant to Rule 305 and become approved by the Exchange as a Trading Privilege Holder. Each Trading Privilege Holder may permit one or more individuals to act as its Authorized Traders pursuant to Rule 303.

Any organization that desires to become a Clearing Member of the Exchange is required to become a Trading Privilege Holder and to obtain a TPH Permit. Additionally, in order to be an Exchange Clearing Member, an organization is required to be a member of the Clearing Corporation that is authorized under the rules of the Clearing Corporation to clear trades in Contracts traded on the Exchange.

Each TPH Permit provides a Trading Privilege Holder with Trading Privilege Holder status and entitles a Trading Privilege Holder to Trading Privileges on the Exchange. Trading Privilege Holders may obtain TPH Permits from the Exchange in a form and manner prescribed by the Exchange.

A Pool Manager may obtain a single TPH Permit for the Pool Manager and all of the Pools approved under Rule 305A for which it acts as Pool Manager. If there is more than one Pool Manager for a Pool or Pools, the Pool Managers for the Pool(s) may obtain a single Trading Permit for the Pool Managers and all of the Pools approved under Rule 305A for which they act as Pool Manager. Pool Managers and Pools must have a separate EFID or EFIDs for trading on the Exchange involving each distinct combination of Pool Manager, Pool, and clearing number for that trading.

TPH Permit holders shall have all of the rights and obligations of Trading Privilege Holders under the Rules of the Exchange except to the extent otherwise provided under this Policy and the Rules of the Exchange.

Any recipient of a TPH Permit as permitted by Rule 302 is required to provide the Exchange with the appropriate application materials and to be approved as a Trading Privilege Holder pursuant to Rule 304 before the recipient will be permitted to act as a Trading Privilege Holder.

A TPH Permit is non-transferable, non-assignable and may not be sold or leased, except that a Trading Privilege Holder may, with the prior written consent of the Exchange, transfer a TPH Permit to a Trading Privilege Holder organization or organization approved to be a Trading Privilege Holder: (i) which is an Affiliate; or (ii) which continues substantially the same business without regard to the form of the transaction used to achieve such continuation, e.g., merger, sale of substantially all assets, reincorporation, reorganization or the like.

All Order Entry Trading Permits and Quoting and Order Entry Trading Permits issued for use prior to the migration of the CFE System to Bats technology shall expire upon the completion of the migration. Each Trading Privilege Holder that has one or more Order Entry Trading Permits and Quoting and Order Entry Trading Permits at the time of the migration shall be issued, in a form and manner prescribed by the Exchange, a single TPH permit for use following the migration. The term of each TPH permit that is issued for use following the migration and that is outstanding at the end of 2018 shall expire on December 31, 2018. The Exchange may determine to extend the term of trading permits or allow the trading permits to expire and may also replace the TPH Permit Program with a different permit program at any time.

All Exchange fees applicable to TPH Permit holders and all other Exchange fees will be as set forth in a separate Exchange fee schedule.

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