

CFE Trading Privilege Holder Permit Program

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

Initially, the Exchange will make 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.

CFE issues two different types of TPH Permits. The first type of TPH Permit is the Order Entry Trading Permit that provides an order entry bandwidth allowance, up to three logins to the Cboe System and Trading Privilege Holder status. The second type of TPH Permit is the Quoting and Order Entry Trading Permit that provides a quoting and order entry bandwidth allowance, up to three logins to the Cboe System and Trading Privilege Holder status. If additional logins and/or bandwidth are required, Trading Privilege Holders must obtain one or more additional TPH Permits, as applicable.

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.

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.

The term of each TPH Permit that is issued and outstanding at the end of 2016 shall be automatically extended until December 31, 2017 unless the TPH Permit holder notifies the Exchange in a form and manner and within the time period prescribed by the Exchange that the TPH Permit holder would like to have the TPH permit expire on December 31, 2016. All TPH Permits issued and outstanding during 2017 shall expire on December 31, 2017. The Exchange may determine to extend the term of TPH Permits or allow TPH Permits to expire. The Exchange 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.

* * * * *