

**CBOE Holdings, Inc. and Subsidiaries**  
**Regulatory Independence Policy For Regulatory Group Personnel**

**Adopted October 28, 2015**

**Introduction**

This policy applies to all employees of the Regulatory Group.<sup>1</sup>

The Regulatory Group is responsible for performing the regulatory function for Chicago Board Options Exchange, Incorporated (“CBOE”), C2 Options Exchange, Incorporated (“C2”), and CFE Futures Exchange, LLC (“CFE”).<sup>2</sup> CBOE Holdings, Inc. is the parent of CBOE, C2 and CFE; and those entities, along with any other CBOE Holdings, Inc. subsidiaries, are referred to collectively in this policy as the “CBOE Companies.”

CBOE and C2 and the Financial Industry Regulatory Authority, Inc. (“FINRA”) are parties to an RSA pursuant to which FINRA performs certain regulatory services for CBOE and C2. CFE has entered into an RSA with the National Futures Association (“NFA”) pursuant to which the NFA performs certain regulatory services for CFE. This policy applies with respect to employees of a regulatory services provider providing regulatory services to CBOE, C2 or CFE in the same manner that it applies with respect to regulatory employees of a CBOE Company. Notwithstanding that a CBOE Company has entered into an RSA with a regulatory services provider, such as FINRA or NFA, to provide regulatory services, the CBOE Company retains ultimate legal responsibility for, and control of, its self-regulatory responsibilities.

**Purpose**

The purpose of this policy is to preserve the independence of the Regulatory Group as it performs regulatory functions for CBOE, C2, and CFE, and to avoid even the appearance that the performance of those regulatory functions and services is or can be affected by the business interests of a CBOE Company or the business interests of any trading permit or privilege holder of a CBOE Company.

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<sup>1</sup> For purposes of this policy, the Regulatory Group includes (i) all regulatory employees of any CBOE Company; (ii) any employee of any CBOE Company who is performing services for the Regulatory Group, including, when providing such services, CBOE’s General Counsel as well as systems and database personnel who are assigned to work on matters for the Regulatory Group, and (iii) employees of a regulatory services provider providing regulatory services for a CBOE Company pursuant to a Regulatory Services Agreement (“RSA”).

<sup>2</sup> CBOE and C2 are self-regulatory organizations under the Securities and Exchange Act of 1934 (“Act”), and each is required to enforce compliance by its trading permit holders and their associated persons with the provisions of the Act, the SEC’s rules and regulations, that exchange’s rules, and certain rules of the Federal Reserve Board and The Options Clearing Corporation. CFE is a designated contract market under the Commodity Exchange Act (“CEA”) and is required to enforce compliance by its trading privilege holders and their related parties with the CEA, the regulations of the Commodity Futures Trading Commission, CFE’s rules, certain rules of the Federal Reserve Board, certain rules of The Options Clearing Corporation and, to the extent applicable, the Act and rules and regulations promulgated pursuant to the Act.

## **The Independence of the Regulatory Group**

All regulatory decisions shall be made without regard to the actual or perceived business interests of the CBOE Companies or any of their trading permit or privilege holders.

Regulatory Group personnel shall act to preserve the independence of the Regulatory Group's regulatory functions and may not take any action that could, or reasonably might appear to represent an attempt to, interfere with the independent performance of the Regulatory Group's regulatory functions.

## **Communications Regarding Regulatory Matters**

All information concerning a regulatory matter (as that term is defined below) involving the Regulatory Group or another regulator shall be treated as confidential and may not be used for any purpose unrelated to the regulatory function of the Regulatory Group. In addition, except as provided below, as required by law, or as specifically authorized by the Chief Regulatory Officer or General Counsel of the applicable CBOE Company, Regulatory Group personnel shall not communicate about any regulatory matter with any person who is not a member of the Regulatory Group.

Regulatory matters include regulatory investigations, examinations, inquiries or complaints either from or about a regulated entity or person concerning existing or anticipated regulatory actions, investigative and surveillance activities of the Regulatory Group, and the planning and development of examination programs and surveillance procedures. Regulatory matters also include any regulatory investigation, examination, inquiry or complaint that is being investigated or brought by the SEC or by any other regulator. Regulatory matters do not include regulatory inquiries about a CBOE Company or its employees or representatives or activities related to potential legislation, rule-making or general regulatory policies that do not include specific facts about existing or anticipated regulatory investigations, examinations or actions.

As exceptions to the restriction on communications concerning regulatory matters, Regulatory Group personnel may discuss regulatory matters with:

- Personnel of a CBOE Company or committee in order to obtain information reasonably necessary to perform the Regulatory Group's regulatory activities;
- Personnel of a CBOE Company to the extent necessary to allow a CBOE Company to assess whether its operations, procedures or systems should be altered to address an issue arising out of a regulatory matter;
- Other regulators or governmental agencies;
- Regulated entities or persons, provided such communication is reasonably related to either a determination as to whether a regulatory violation has occurred, the resolution of a regulatory matter, or an effort to obtain regulatory compliance;

- Employees and directors of a CBOE Company, provided such communication is limited to conveying the final disposition of a regulatory matter;
- Members of the Regulatory Oversight and Compliance Committees of CBOE and C2, or the Regulatory Oversight Committee of CFE;
- Members of the CBOE Holdings, Inc. Audit Committee and Board in connection with their oversight of CBOE Holdings' risk assessment and risk management, including risks related to CBOE Holdings' compliance with laws, regulations, and its policies;<sup>3</sup>
- Members of the Business Conduct Committees of CBOE, C2 and CFE;
- Directors of a CBOE Company to the extent that the communication is (i) relevant to the Board's self-regulatory responsibilities, or (ii) related to an appeal from a regulatory decision that the director is involved in deciding;
- Employees of a CBOE Company to the extent relevant either to determining whether an application to become a trading permit or privilege holder should be approved or to a mandatory reporting obligation;
- CBOE lawyers or outside counsel retained to assist with that regulatory matter; or
- As otherwise approved by the Chief Regulatory Officer or General Counsel of the applicable CBOE Company.

In addition, Regulatory Group personnel may discuss issues concerning management, budgeting and financial planning issues of the Regulatory Group with directors and employees of the CBOE Companies, provided that those communications do not include specific facts about existing or anticipated regulatory investigations, examinations or actions.

### **Response to Improper Communications**

If a member of the Regulatory Group receives a communication that reasonably could be considered to be a request or a suggestion that business considerations should bear on the handling of a regulatory matter, that person shall immediately report the communication to the Chief Regulatory Officer and/or General Counsel of the applicable CBOE Company. The Chief Regulatory Officer and General Counsel shall then jointly determine how to ensure that the improper communication does not improperly affect the regulatory process.

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<sup>3</sup> The Chief Regulatory Officer of the applicable CBOE Company will have direct access to the Audit Committee Chairperson to discuss matters related to oversight of CBOE Holdings' risk assessment and risk management, including risks related to CBOE Holdings' compliance with laws, regulations, and its policies.

### **Violations of the Policy**

Any violation of this policy shall be subject to appropriate disciplinary action, which may include the termination of employment.