

Cboe Options Exchange

Sponsored User Program Materials

Application Process

Filing Requirements

Prior to submitting a Sponsored User Agreement, the Sponsoring Trading Permit Holder must be a Trading Permit Holder in good standing of the Cboe Options Exchange (the “Exchange”).

Checklist

The Sponsoring Trading Permit Holder and the Sponsored User must complete and submit all applicable materials noted in the checklist below to Membership Services at MembershipServices@cboe.com.

Note: All materials provided to the Exchange will be reviewed by its Membership Services and Regulatory Division for completeness and adequacy. If you have questions on completing the materials, you may direct them to the Membership Services Department (MSD) (MembershipServices@cboe.com or 913-815-7002) concerning the Sponsored User Agreement and Letter of Authorization or to the Regulatory Services Division (312-786-7069) concerning the Sponsoring Trading Permit Holder’s Written Supervisory Procedures and Sponsored User’s List of Authorized Traders.

Process

- Following submission of the materials noted in the checklist below and relevant fees, the materials will be reviewed for completeness and adequacy.
- Once it has been determined that the materials noted in the checklist below are complete and adequate, MSD will inform the Sponsoring Trading Permit Holder and the Sponsored User of the Exchange’s acceptance of the Sponsored User registration status.
- The Sponsoring Trading Permit Holder and the Sponsored User will need to consult with the Cboe Trade Desk (tradedesk@cboe.com or 913-815-7001) to coordinate connectivity between the Sponsored User and the Exchange.

Documentation Checklist

- ☐ Signed Cboe Options Sponsored User Agreement (Attachment A-1)
- ☐ Sponsoring Trading Permit Holder’s Written Supervisory Procedures Related to the Sponsored User Program
- ☐ Sponsoring Trading Permit Holder’s Written Supervisory Procedures related to SEC Rule 15c3-5 (the “Market Access Rule”) that will be used in relation to the Sponsored User Program
- ☐ Sponsored User’s List of Authorized Traders (Attachment B)
- ☐ IRS Form W-9 or W-8
- ☐ Registration Fee -\$2,500

Cboe Options Sponsored User Agreement

Attachment A-1

This Sponsored User Agreement (“Agreement”) is to be entered into and maintained by Sponsoring Trading Permit Holder and Sponsored User with the Exchange, each as identified below, in order for Sponsored User to obtain and maintain authorized electronic access to the facilities and products in Cboe Options Rule 3.60 (see Cboe Options Rule 3.60 for definitions and requirements).

Sponsoring Trading Permit Holder acknowledges and agrees that:

(A) all orders entered by Sponsored User, any person acting on behalf of Sponsored User (e.g., employees or agents of Sponsored User), or any person acting in the name of Sponsored User (e.g., customers of Sponsored User) and any executions occurring as a result of such orders are binding in all respects on Sponsoring Trading Permit Holder;

(B) Sponsoring Trading Permit Holder is responsible for any and all actions taken by Sponsored User and any person acting on behalf of or in the name of Sponsored User;

(C) Sponsoring Trading Permit Holder will be bound by and comply with Cboe Exchange, Inc.’s Certificate of Incorporation, Bylaws, Rules, Circulars and procedures, as well as any other equivalent documents (the “Cboe Options Rules”); and

(D) Sponsoring Trading Permit Holder must maintain an up-to-date list of persons who could obtain access to the Exchange on behalf of Sponsored User (i.e., Authorized Traders) and provide that list to the Exchange upon request. In addition, Sponsoring Trading Permit Holder must have reasonable procedures to ensure that Sponsored User and all of Sponsored Users’ Authorized Traders: (i) maintain the physical security of the Exchange, which includes, but is not limited to, the equipment for accessing the facilities of the Exchange, to prevent the unauthorized use or access to the Exchange, including the unauthorized entry of information into the Exchange, or the information and data made available therein; and (ii) otherwise comply with the Cboe Options Rules. If the Exchange determines that Sponsored User or an Authorized Trader has caused Sponsoring Trading Permit Holder to violate the Cboe Options Rules, the Exchange may direct Sponsoring Trading Permit Holder to suspend or withdraw Sponsored User’s status as a Sponsored User or the person’s status as an Authorized Trader and, if so directed, Sponsoring Trading Permit Holder must suspend or withdraw such status.

Sponsored User agrees:

(A) to be bound by and comply with the Cboe Options Rules as if Sponsored User were a Cboe Options Trading Permit Holder;

(B) to maintain, keep current and provide to Sponsoring Trading Permit Holder a list of persons who have been granted access to the Exchange on behalf of Sponsored User (“Authorized Traders”);

(C) to familiarize its Authorized Traders with all of Sponsored User’s obligations under Rule 3.60 and assure that they receive appropriate training prior to any use of or access to the Exchange;

(D) to not permit anyone other than Authorized Traders to use or obtain access to the Exchange;

(E) to take reasonable security precautions to prevent unauthorized use or access to the Exchange, including unauthorized entry of information into the Exchange, or the information and data made available

by the Exchange and to be responsible for any and all orders, trades and other messages and instructions entered, transmitted or received under identifiers, passwords and security codes of Sponsored User and any person acting on behalf of or in the name of Sponsored User, and for the trading and other consequences thereof;

(F) to establish adequate procedures and controls to permit it to effectively monitor use of and access to the Exchange by any person acting on behalf of or in the name of Sponsored User for compliance with the terms of these sponsorship provisions;

(G) to pay when due all amounts, if any, payable to Sponsoring Trading Permit Holder, the Exchange or any other third parties that arise from Sponsored User's use of or access to the Exchange, including, but not limited to, applicable Exchange and regulatory fees; and

(H) that the Sponsoring Trading Permit Holder/Sponsored User relationship in no way conveys any "Trading Permit Holder," "TPH organization" or "associated person" status, interests or rights upon Sponsored User under Cboe Options Rules. Without limiting the generality of the forgoing, Sponsored User status is non-transferable and Sponsored User has no interest in the assets or property of the Exchange, and has no right to share in any distribution of the Exchange or to vote on any matters submitted to Trading Permit Holdership for vote. In addition, Sponsored User is not considered a "member" or "associated person of a member" for purposes of the Exchange Act, or the rules and regulations thereunder, and is not subject to the disciplinary jurisdiction of the Exchange.

Sponsoring Trading Permit Holder and Sponsored User must enter into and maintain this Sponsored User Agreement with the Exchange and agree to be bound by any Sponsored User Agreement Schedules issued by the Exchange. Sponsoring Trading Permit Holder and Sponsored User must also enter into and maintain a customer agreement(s) establishing a proper relationship(s) and account(s) through which Sponsored User will be permitted to trade on the Exchange.

To the extent any provision of this Agreement conflicts with any change in applicable law, the regulations of the Securities and Exchange Commission, or Cboe Options Rules, such law, regulation, or Cboe Options Rule shall supersede that provision.

ACKNOWLEDGED AND AGREED TO BY SPONSORING TRADING PERMIT HOLDER:		
Sponsoring Trading Permit Holder's Name:		
CRD No.:	OCC No. (if applicable):	Date:
Signature of Authorized Officer, Partner, Managing Member:		
Printed Name:	Title:	
Phone:	Email:	

ACKNOWLEDGED AND AGREED TO BY SPONSORING USER:	
Sponsored User's Name:	
CRD No. (if applicable):	Date:
Corporate Form:	State of Organization:
Signature of Authorized Officer, Partner, Managing Member:	
Printed Name:	Title:
Phone:	Email:
Business Address:	

ACCOUNT ADMINISTRATORS	
A Sponsored User must designate an Account Administrator who will be authorized to grant permission and user access within the Cboe Customer Web Portal. More than one Account Administrator may be designated and there is not a maximum number of Account Administrators allowed per Sponsored User. Account Administrators will be able to grant access to tools within the Customer Web Portal including, but not limited to, historical market data subscriptions; logical port request, modify or delete form; physical connection request form and invoices and billing files.	
Name:	Title:
Email:	Phone:

Name:	Title:
Email:	Phone:

CLEARING
List the Executing Firm ID/OCC # that the Sponsored User is permitted to use: _____/_____

CONNECTIVITY
Which connectivity option will the Sponsored User use? (check one)
<input type="checkbox"/> Cross Connect <input type="checkbox"/> Extranet:_____ <input type="checkbox"/> VPN (certification only)
What type of connections is the Sponsored User requesting? <input type="checkbox"/> Certification <input type="checkbox"/> Production

**Cboe Options Exchange
Sponsored User
Letter of Authorization**

To be completed, if applicable, by Sponsoring Trading Permit Holder's clearing firm (see Cboe Options Rule 3.60 for definitions and requirements).

To the extent Sponsoring Trading Permit Holder is not a clearing firm, Sponsoring Trading Permit Holder's clearing firm, which must be a Cboe Options TPH organization, hereby accepts responsibility for the clearance of Sponsored User's transactions.

ACKNOWLEDGED AND AGREED TO BY SPONSORING TRADING PERMIT HOLDER'S CLEARING FIRM:		
Clearing Firm's Name:		
CRD No.:	OCC No. (if applicable):	Date:
Signature of Authorized Officer, Partner, Managing Member:		
Printed Name:	Title:	
Phone:	Email:	

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ACKNOWLEDGED BY CBOE OPTIONS:	
By (Signature):	
Printed Name:	
Title:	Date:

Attachment B

Sponsored User's List of Authorized Traders

Rule 3.60(b)(1)(B)(iv) provides that a Sponsored User agree that it will maintain, keep current and provide to the Sponsoring Trading Permit Holder a list of Authorized Traders. Rule 3.60(b)(2) also provides in relevant part that a Sponsoring Trading Permit Holder must maintain an up-to-date list of the Sponsored User's Authorized Traders and must provide that list to the Exchange upon request.

Provide the names of the Sponsored User's initial Authorized Traders in the area below (a typed attachment with the same information will also suffice). Updates to this form must be provided to the Exchange whenever the Sponsored User adds or removes an Authorized Trader.

Sponsored User Name: _____

Sponsoring Trading Permit Holder Name: _____

AUTHORIZED TRADER:	
Printed Name:	
Business Address:	
Email:	Phone:

AUTHORIZED TRADER:	
Printed Name:	
Business Address:	
Email:	Phone:

AUTHORIZED TRADER:	
Printed Name:	
Business Address:	
Email:	Phone:

AUTHORIZED TRADER:	
Printed Name:	
Business Address:	
Email:	Phone:

AUTHORIZED TRADER:	
Printed Name:	
Business Address:	
Email:	Phone:

AUTHORIZED TRADER:	
Printed Name:	
Business Address:	
Email:	Phone:

☐ Additional Authorized Traders are submitted in a separate document attached hereto.

Signature of Sponsoring Trading Permit Holder Representative: _____

Date: _____

ATTACHMENT C

Rule 3.60, Sponsored Users

(a) General. This Rule governs electronic access for the entry and execution of orders by Sponsored Users with authorized access to the facilities and products specified below (referred to herein as the “Exchange System(s)”) and the applicable requirements that Sponsored Users and Sponsoring Trading Permit Holders are required to satisfy in order to engage in a Sponsoring Trading Permit Holder/Sponsored User relationship. For purposes of this Rule, a “Sponsored User” is a person or entity that has entered into a sponsorship arrangement with a Sponsoring Trading Permit Holder for purposes of receiving electronic access to the Exchange System(s).

(b) Sponsored User. A Sponsored User may obtain and maintain authorized electronic access to the Exchange System(s), only if such access is authorized in advance by one or more Sponsoring Trading Permit Holders as follows:

(1) A Sponsored User must enter into a sponsorship arrangement with a “Sponsoring Trading Permit Holder,” which is defined as a TPH organization that agrees to sponsor the Sponsored User’s access to the Exchange System(s). The sponsorship arrangement consists of three separate components:

(A) The Sponsored User must enter into and maintain a customer agreement(s) with its Sponsoring Trading Permit Holder(s), establishing a proper relationship(s) and account(s) through which the Sponsored User will be permitted to trade on the Exchange System(s).

(B) For a Sponsored User to obtain and maintain authorized access to the Exchange System(s), the Sponsored User and its Sponsoring Trading Permit Holder must enter into a written agreement that incorporates the following sponsorship provisions:

(i) The Sponsored User and its Sponsoring Trading Permit Holder must have entered into and maintained a Sponsored User Agreement with the Exchange.

(ii) The Sponsoring Trading Permit Holder acknowledges and agrees that:

(a) all orders entered by its Sponsored User, any person acting on behalf of such Sponsored User (e.g., employees or agents of the Sponsored User), or any person acting in the name of such Sponsored User (e.g., customers of the Sponsored User) and any executions occurring as a result of such orders are binding in all respects on the Sponsoring Trading Permit Holder; and

(b) the Sponsoring Trading Permit Holder is responsible for any and all actions taken by such Sponsored User and any person acting on behalf of or in the name of such Sponsored User.

(iii) The Sponsoring Trading Permit Holder agrees that it will be bound by and comply with the Exchange’s Certificate of Incorporation, Bylaws, Rules and procedures, as well as any other equivalent documents pertaining to the Exchange System(s) (the “Exchange Rules”), and the Sponsored User agrees that it will be bound by and comply with the Exchange Rules as if the Sponsored User were a Trading Permit Holder.

(iv) The Sponsored User agrees that it will maintain, keep current and provide to the Sponsoring Trading Permit Holder a list of persons who have been granted access to the Exchange System(s) on behalf of the Sponsored User (“Authorized Traders”).

(v) The Sponsored User agrees that it will familiarize its Authorized Traders with all of the Sponsored User’s obligations under this Rule and will assure that they receive appropriate training prior to any use of or access to the Exchange System(s).

(vi) The Sponsored User agrees that it will not permit anyone other than Authorized Traders to use or obtain access to the Exchange System(s).

(vii) The Sponsored User agrees that it will take reasonable security precautions to prevent unauthorized use of or access to the Exchange System(s), including unauthorized entry of information into the Exchange System(s), or the information and data made available by the Exchange. The Sponsored User understands and agrees that it is responsible for any and all orders, trades and other messages and instructions entered, transmitted or received under identifiers, passwords and security codes of the Sponsored User and any person acting on behalf of or in the name of such Sponsored User, and for the trading and other consequences thereof.

(viii) The Sponsored User acknowledges its responsibility for establishing adequate procedures and controls that permit it to effectively monitor use of and access to the Exchange System(s) by any person acting on behalf of or in the name of the Sponsored User for compliance with the terms of these sponsorship provisions.

(ix) The Sponsored User agrees that it will pay when due all amounts, if any, payable to the Sponsoring Trading Permit Holder, the Exchange or any other third parties that arise from the Sponsored User's use of or access to the Exchange System(s). Such amounts include, but are not limited to, applicable Exchange and regulatory fees.

(C) The Sponsored User and Sponsoring Trading Permit Holder must provide the Exchange with a Sponsored User Agreement acknowledging and agreeing to the requirements of this Rule, including an acknowledgement by the Sponsoring Trading Permit Holder of its responsibility for the orders, executions and actions of its Sponsored User. To the extent the Sponsoring Trading Permit Holder is not a clearing firm, the Sponsoring Trading Permit Holder's clearing firm, which must be a TPH organization, must provide the Exchange with a Letter of Authorization, which specifically accepts responsibility for the clearance of the Sponsored User's transactions. Upon approval by the Clearing Corporation, if applicable, and filing with the Exchange, an existing Letter of Authorization may be amended to include the Sponsoring Trading Permit Holder/Sponsored User relationship. Sponsored User Agreements and Letters of Authorization filed with the Exchange will remain in effect until a written notice of revocation has been filed with the TPH Department. If such a written notice of revocation has not been filed with the TPH Department at least one hour prior to the opening of trading on the particular business day, such revocation shall not become effective until the close of trading on such day. A revocation shall in no way relieve the Sponsoring Trading Permit Holder or, if applicable, the Sponsoring Trading Permit Holder's clearing firm of responsibility for transactions guaranteed prior to the effective date of the revocation.

(2) Each Sponsoring Trading Permit Holder must maintain an up-to-date list of persons who may obtain access to the Exchange System(s) on behalf of its Sponsored Users (i.e., Authorized Traders) and must provide that list to the Exchange upon request. In addition, each Sponsoring Trading Permit Holder must have reasonable procedures to ensure that Sponsored User and all of its Sponsored Users' Authorized Traders: (i) maintain the physical security of the Exchange and the System, which includes, but is not limited to, the equipment for accessing the facilities of the Exchange and the Exchanges System(s), to prevent the unauthorized use or access to the Exchange or the Exchange System(s), including the unauthorized entry of information into the Exchange or the Exchange System(s), or the information and data made available therein; and (ii) otherwise comply with the Exchange Rules. If the Exchange determines that a Sponsored User or an Authorized Trader has caused a Sponsoring Trading Permit Holder to violate the Exchange Rules, the Exchange may direct the Sponsoring Trading Permit Holder to suspend or withdraw the Sponsored User's status as a Sponsored User or the person's status as an Authorized Trader and, if so directed, the Sponsoring Trading Permit Holder must suspend or withdraw such status.

(c) A Sponsoring Trading Permit Holder must ensure that a Sponsored User satisfies the requirements set forth in Rule 3.5(a) and only directly accesses the System from an approved jurisdiction as set forth in Rule 5.5(a).

Interpretations and Policies

.01 Sponsored Users shall be permitted for the following Exchange Systems: Cboe Options. For FLEX, the number of Sponsored Users shall be unlimited. Except for FLEX, the number of Sponsored Users having electronic access to Cboe Options shall be limited to a total of 15 persons/entities ("Sponsored User Slots"). Sponsored User applications for the Cboe Options Sponsored User Slots shall be submitted to the Exchange's TPH Department in a manner acceptable to the Exchange and will be processed in the order they are received on a time-stamped basis. For applications received via facsimile or email the time-stamp shall be the time the email/facsimile is received by the TPH Department. If there are more Sponsored User applications than Sponsored User Slots, the Exchange will maintain a waitlist and use a First In, First Out ("FIFO") method for filling the 15 Sponsored User Slots. In the event a Sponsored User application is determined by the TPH Department to be incomplete, the application will not be considered to have been submitted under the FIFO method until a completed application is submitted.