Regulatory Circular RG11-112

To: Trading Permit Holders
From: Finance and Administration
Date: September 30, 2011
Re: Customer Large Trade Discount

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The Exchange has a customer large trade discount program in the form of a cap on regular customer ("C" origin code) transaction fees for SPX options, other index options and ETF, ETN and HOLDRs options. Regular customer transaction fees are only charged up to the following quantity of contracts per order:

- SPX—charge only the first 10,000 contracts
- Other index options—charge only the first 5,000 contracts
- ETF, ETN and HOLDRs options—charge only the first 3,000 contracts

For complex orders, the total contracts of an order (all legs) are counted for purposes of calculating the fee cap. Note that only transaction fees are subject to this cap and that applicable floor broker fees are not capped.

CBOE is clarifying that to qualify for the discount, the entire order quantity must be tied to a single order-ID either within the CBOE*direct* system or in a Floor Broker Workstation (FBW) or PULSe Workstation or in the front end system used to transmit the order (provided the Exchange is granted access to effectively audit such front end system). This means the order must be entered in its entirety on at least one system so that the Exchange can clearly identify the total size of the order. For an order entered via FBW, PULSe or another front end system, to take advantage of the cap, a customer large trade discount request must be submitted to the Exchange within three business days of the transaction and must identify all necessary information, including the order-ID and related trade details. If an order is entered into CBOE*direct,* a customer large trade discount request is not required.

The complete CBOE Fees Schedule is posted at:
http://www.cboe.com/publish/feeschedule/CBOEFeeSchedule.pdf

Transaction fee questions may be directed to Don Patton at (312) 786-7026 or patton@cboe.com, or John Mavindidze at (312) 786-7689 or mavindidze@cboe.com.