

Regulatory Circular RG13-021

Date: January 31, 2013

To: Trading Permit Holders
From: Finance and Administration
RE: February 2013 Fee Changes

This circular explains February 2013 changes to the Fees Schedule for Chicago Board Options Exchange, Inc. (the "Exchange" or "CBOE").

Subject to rule filings with the Securities and Exchange Commission, the changes summarized below will be effective February 1, 2013.

Volume Incentive Program (VIP)

The Exchange will be introducing three changes to the VIP.

First, the additional VIP credit of \$0.10/contract, which was in addition to the regular VIP credits, at every tier (including the \$0.00/contract level), on each leg, for customer complex orders in multiply-listed options, when executed electronically against a non-public customer origin, including in the Complex Order Book (COB), Complex Order Auction (COA) and Automated Improvement Mechanism (AIM) is **eliminated**.

Second, VIP credits will now be paid at the qualifying tier rate back to contract one. VIP participants will receive the same rate for all of their qualifying contracts, based on their qualifying tier.

Third, CBOE will be lowering the effective volume thresholds at which the third and fourth VIP tiers begin, and changing the credit rates in the second, third and fourth tiers, while eliminating the fifth tier.

Effective February 1, 2013, the Volume Incentive Program Table is as follows:

Volume Incentive Program Table

Tiers	Percentage Thresholds of National Customer Multiply-Listed Monthly Volume	Rate
First	0.00% - 0.75%	\$0.00
Second	Above 0.750% - 2.00%	\$0.10
Third	Above 2.00% - 2.75%	\$0.11
Fourth	Above 2.750%	\$0.14

Example A: Trading Permit Holder A transmits and executes electronically 5,000,000 customer, multiply-listed options contracts in February 2013. In February 2013, 250,000,000 national customer multiply-listed options contracts were executed. Trading Permit Holder A's 5,000,000 contracts represent 2% of the total national customer multiply-listed options volume. Trading Permit Holder A receives a credit of \$500,000, or \$0.10 per contract on 5,000,000 contracts.

Complex Order Surcharge

Currently, the Exchange has a \$0.10/contract surcharge on complex orders. This is currently assessed in addition to regular transaction fees for the electronic execution of each leg of a complex order in multiply-listed options that executes against a customer complex order. Effective February 1, 2013, this \$0.10 surcharge is **eliminated**.

Customer Transaction Fees on ETFs, ETNs and HOLDRs Options

Currently the Exchange waives transaction fees for (1) all customer orders executed in open outcry or AIM, and (2) customer electronic executions if 99 contracts or less in ETFs, ETNs and HOLDRs options. Effective February 1, 2013, the Exchange will increase the waiver threshold for customer electronic executions to 249 or less contracts from 99 contracts or less in ETFs, ETNs and HOLDRs options. The Exchange will charge any leg of a complex order in ETFs, ETNs and HOLDRs that exceeds 249 contracts, even if the leg is only partially executed below the 249 contract threshold.

There is no change in the Exchange's aggregation methodology: multiple orders from the same executing firm for itself or for a CMTA or correspondent firm in the same series on the same side of the market that are received by the Exchange within 500 milliseconds will be aggregated for purposes of determining quantity.

Customer Transaction Fees on Mini-SPX (XSP) Index Options

The Exchange is **eliminating** the \$0.18/contract customer transaction fee for XSP index options.

Marketing Fees

CBOE currently waives the marketing fee for simple orders executed electronically in SPY and QQQ. Effective February 1, 2013, the Exchange will assess the \$0.25/contract marketing fee in SPY and QQQ options on all qualifying contracts, whether simple or complex orders.

CBOE Command Connectivity Charges

The Exchange is eliminating the distinction between Sponsored Users and non-Sponsored Users with respect to connectivity charges. Currently Sponsored Users are charged twice the regular fees for such connections. Going forward, connectivity charges will apply to Trading Permit Holders ("TPHs") and non-TPHs.

As a result of this elimination, the Connectivity Charges Table is as follows:

Description	Fee	Frequency
Network Access Port (1 Gbps)	\$500	Monthly
Network Access Port (10 Gbps)	\$3,000	Monthly
Network Access Port (Disaster Recovery)	\$250	Monthly
CMI Login ID	\$500	Monthly
FIX Login ID	\$500	Monthly

CBOE Fees Schedule

<http://www.cboe.com/publish/feeschedule/CBOEFeeSchedule.pdf>

Additional Information:

Please direct VIP questions to Eric Frait at (312) 786-7747 or frait@cboe.com. Other questions may be directed to Don Patton at (312) 786-7026 or patton@cboe.com, Colleen Laughlin at (312) 786-8390 or laughlin@cboe.com, or John Mavindidze at (312) 786-7689 or mavindidze@cboe.com.