Important C2 Options Exchange Integration Update Reminder

Overview

Cboe C2 Options Exchange (“C2”) is pleased to announce integration remains on track for a May 14, 2018 migration to Bats technology, subject to regulatory review. All milestones have been achieved on target, all weekend and weekday tests have been successful, and as the new platform go-live date quickly approaches, the Cboe team continues to work hard to ensure C2 customer readiness.

IMPORTANT: Only C2 Trading Permit Holders (“TPHs”) and Service Bureaus (also known as Independent Software Vendors or “ISVs”) that have completed their certification for the new trading platform will be eligible to access the new C2 system.

Also note that good-‘til-canceled (“GTC”) orders existing on the legacy C2 platform at the close on Friday, May 11th will be cancelled at after the close at 4:45PM ET and will need to be resubmitted on the new C2 system.

Additionally, as we approach the new platform go-live date, in the sections that follow we wish to highlight important updates related to:

- Weekend Test Opportunities and Script
- OCC Testing Opportunities
- Customer Support Contacts
- Logical Production Port Billing
- Elimination of Firm58 for Billing
- Platform Notifications
- Platform Contingency/Fallback Plans
- Technical Reference Document

Weekend Test Opportunities and Script

Two production weekend test opportunities remain as follows:
Saturday, April 14, 2018
Saturday, May 12, 2018 (final readiness test)

All symbols supported on the current production trading platform will be made available for test trading during each weekend test and the following market transition states will be supported:

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>7:30 AM CT</td>
<td>C2 Options production environment available for connection.</td>
</tr>
<tr>
<td>7:30 AM CT</td>
<td>Pre-open queuing session begins.</td>
</tr>
<tr>
<td>8:30 AM CT</td>
<td>Regular market trading session opens.</td>
</tr>
<tr>
<td>11:00 AM CT</td>
<td>Regular market trading session closes.</td>
</tr>
</tbody>
</table>

TPHs and ISVs that have certified to the new C2 trading platform will be allowed to connect, submit orders, and receive market data for the duration of the test. The trade date for all transactions on all exchange messaging (e.g. order acknowledgements, execution reports, drop, and market data) during this test will be the actual date (i.e. 04/14/2018 or 05/12/2018).

In order to test any other transitions including persistence of GTCs, please plan to participate in testing in the production environment during a normal weekday before May 14th using test symbols.

The Cboe Trade Desk (913.815.7001) and NOC (913.815.7005) will be available for support for the duration of all weekend test opportunities as well as during normal business hours.

**OCC Testing Opportunities**

OCC will be participating with C2 during the test of the new **C2 production trading platform** on Saturday, April 14, 2018. Customers will not be able to obtain any real-time clearing records on Saturday from the OCC, but if they wish to obtain DDS records for April 14th activity they may submit a testing request with OCC (see link below). The test trades will be executed in OCC’s **EXT5** external test environment and DDS test records will have a business date of Monday, April 16.

Additionally, please be advised that the **C2 certification trading platform** will be submitting real-time clearing data to the OCC’s **EXT3** external test environment Monday through Friday until Friday, May 11. Firms interested in accessing test clearing records based on C2 certification environment test activity during this time may also submit an OCC testing request.

OCC external testing requests are initiated by completing an online form with the OCC.

- The form is available on the OCC Website ([www.theocc.com](http://www.theocc.com)) from the ‘Clearing & Services / Certification Testing Services’ menus or directly from the following link: [http://www.theocc.com/clearing/certification-testing/default.jsp](http://www.theocc.com/clearing/certification-testing/default.jsp)

**OCC supports a minimum 1-week lead time for all testing requests in order to confirm system and resource availability as well as to complete any pre-test verifications.** Submitted
testing requests will be responded to within 2-business days of receipt. The Technical Certification and Documentation Services group will then initiate the process of confirming the scope, timeline, and needed inputs/outputs for the test, including test connectivity.

**Customer Support Contacts**

The Cboe Trade Desk ([tradedesk@cboe.com](mailto:tradedesk@cboe.com) – 913.815.7001) and Cboe Network Operations Center ([noc@cboe.com](mailto:noc@cboe.com) - 913.815.7005) will continue to be the primary points of contact for the new C2 trading platform.

The Cboe Operations Support Center ([helpdesk@cboe.com](mailto:helpdesk@cboe.com) – 866.728.2263) will continue to be the primary point of contact for the legacy Cboe Options Exchange trading platform.

**Logical Production Port Billing**

As previously announced, logical order entry and DROP sessions were created for each participant in the new production environment based on logical connections in use on the legacy platform in February 2018.

Subject to regulatory review, C2 logical port fees for the full month of May will be assessed for logical ports existing on the new trading platform at any time from May 14, 2018 through the end of the month. Logins in use prior to May 14, 2018 on the legacy C2 system will not be billed during the May billing cycle. **Fees will be assessed for all Order Entry and Drop logical ports automatically created for users on the new trading platform in February 2018 unless they are removed upon request prior to May 14, 2018. In addition, fees for other ports such as Purge, Spin Server and GRP will be pro-rated beginning May 14th, 2018 as these ports can only be used within the new system.**

Please reference the “Logical Ports” tool in the [Customer Web Portal](mailto:Customer Web Portal) or contact the Cboe Trade Desk for the current list of ports configured for your firm.

**Physical Port Billing for C2**

TPHs that continue to leverage legacy C2 platform physical connections (i.e. that are not directly connected to the latency equalized network) will be billed the current C2 physical port fees for May.

**Sunset of Legacy C2 Physical Connection Access**

Cboe will sunset legacy C2 platform physical connection access to the new C2 platform on June 30th. Therefore, before June 30th, firms will be required to connect to the latency equalized network through a new physical connection or an existing physical connection currently used to access Cboe Equities Exchanges as well as the BZX Options and EDGX Options Exchanges. During the transition month of June, firms will not be charged for legacy C2 platform physical
connections. Cboe suggests TPHs using the legacy C2 connectivity work with the Cboe NOC on a migration plan to obtain connection(s) directly into the Cboe latency equalized network infrastructure.

**Latency Equalized Physical Connection Access to the New C2 Platform**
For those using latency equalized access to the new C2 platform upon migration, fees will be the standard physical port fees applied for physical ports having access to the Cboe Equities Exchanges as well as the BZX Options and EDGX Options Exchanges. If a firm already has an existing latency equalized physical connection, they may use that connection to access C2 as well as other Cboe Exchanges.

**Elimination of Firm58 for Billing**
Effective upon platform migration, TPHs will be required to migrate from the current C2 Firm58 billing portal to use the Cboe Customer Web Portal for accessing invoices. Invoices will be made available in the same format that they are for BZX Options and EDGX Options today.

**Platform Notifications**
C2 Trade Desk notices are available at [http://markets.cboe.com/us/options/notices/](http://markets.cboe.com/us/options/notices/) and customers can also request an email subscription to the available distribution lists via tradedesk@cboe.com. Currently, the following categories of Options notifications available for subscription include:

- System Status
- Fee Schedule
- Trade Desk Updates (e.g. feature/function updates)
- Schedule Updates *(holiday schedules and key test date updates)*
- Delistings
- Product Update *(new contracts and variance future product updates)*
- Restrictions*^*
- Reasonability Notices*
- Bid/Ask Differential Updates*
- Trader E-News *(weekly Cboe bulletin covering updates across all Cboe operated platforms)*

*Applicable to Cboe Options Exchange only.

^Email distribution equivalent to “Product Updates” distribution list.

**Platform Contingency/Fallback Plans**
In the unlikely event a systemic issue with the new C2 system necessitates a fallback to the legacy C2 system on the business day of the migration, please be aware of the following:
1. Cboe will keep customers apprised of the current status and plans via Options System Status Updates. These updates will be posted on the notices page referenced in the previous section and will also be distributed via email to customers subscribed to the System Status distribution list.

2. Cboe intends to first attempt to address issues encountered on the new system before considering the option to fallback to the legacy system.

3. Customers would not be able to connect to legacy platform order entry or market data connections until such time as would be announced via a System Status Update.

4. Cboe would provide a time at which customers could reconnect to the legacy system, a time at which orders would be accepted for queuing, and a time which trading would begin.

5. TPHs using FIX would need to reset their FIX inbound and outbound sequence number to 1/1.

6. Customers taking market data would be required to connect to the multicast groups associated with the legacy platform.

7. Technical support for the legacy platform would be available via helpdesk@cboe.com.

8. Customer settings and configurations on the legacy system would be the same as they were when the system shut down on Friday, May 11th. They will not be transitioned from the new system to the old system.

9. Any open orders on the new platform would be cancelled (including GTC) and would have to be resubmitted to the legacy system.

10. Market data statistics for the day posted to the public web site may not immediately be complete. Automated reporting regarding trading statistics and real time market data for the day would only disseminate data related to the active platform.

11. Cboe would not reactivate the new C2 platform until the start of a new week which would be announced via a Trade Desk Update.

**Technical Reference Documents**

Details regarding C2 functionality have been noted within the following technical specifications, FAQs and the Platform Change Matrix.

- C2 Technical Integration FAQ
- C2 Platform Change Matrix
- US Options FIX Specification
- US Options BOE Specification
- US Options Risk Management Specification
- US Options Clearing Editor Specification
- US Options Web Portal Port Controls Specification
- US Options Single Leg Opening Process
- US Options Complex Book Process
- Secure Web API
More Information

Please contact the Cboe Trade Desk, Cboe NOC, or your Business Development contact for support or with any questions. Additionally, you may refer to the C2 integration website for more details at http://www.Cboe.com/BatsIntegration/c2.

We appreciate your continued support and will work hard every day to keep earning your business by powering your potential to stay ahead of an evolving market. As always, we are committed to our customers and to making markets better as your partner in trading.

Cboe Trade Desk
913.815.7001
tradedesk@cboe.com

Cboe NOC
913.815.7005
noc@cboe.com

Published: 03/29/2018