



Cboe Global Markets  
Global Data Audit Policy

## **1. Introduction**

1.1 This Global Data Audit Policy (the “Audit Policy”) sets out the objectives and procedures of data audits conducted by Cboe or one of its affiliates or any third party acting on behalf of Cboe. This Audit Policy supplements the audit provisions in the Cboe Global Markets Global Data Agreement (with its Data Policies, the “Data Agreement”). In the event of any conflict between the terms of this Audit Policy and the terms of the Data Agreement, the terms of the Data Agreement shall control.

1.2 All capitalized terms used herein and not defined below shall have the respective meanings set forth in the Data Agreement. In this Audit Policy (i) the term “Auditee” means a party subject to audit either directly or indirectly under the Data Agreement, and (ii) the term “Data” has the same meaning as “Data” as defined in the Data Agreement.

1.3 This Audit Policy may be amended from time to time in accordance with the provisions of the Data Agreement.

## **2. Audit Purpose**

2.1 The purpose of this Audit Policy is to provide guidance on how a data audit will be conducted. Cboe audits are used to verify compliance with obligations under the Data Agreement and Regulatory Requirements, including adherence to data usage and reporting policies. Such compliance will be determined by examining whether sufficient practices and controls are in place to distribute, use, and report usage of the Data in accordance with the Data Agreement. The goal is to identify potential sources of errors as well as to cure potential errors, identify any under reported or non-reported usage of the Data, ensure the Auditee is collecting and paying the appropriate fees due to Cboe in accordance with the Data Agreement, and collaborate with the Auditee to find solutions to reduce future errors.

## **3. Audit Scope**

3.1 Auditees include Data Recipients, Data Clients, Data Vendors, Data Users, External Data Distributors (Redistributors), Service Providers, and Service Facilitators of Data.

3.2 Review of reported items will include Professional Users/Subscribers, Non-Professional Users/Subscribers, quotation service, hosted solutions, non-display devices/usage, data feeds, and TV displays.

3.3 The scope of an audit covers all Data received, used, or distributed by any means.

3.4. An audit will review, by way of demonstrations, all systems and applications using and/or distributing Data, as well as the processes and systems used to control release of and/or provision of access to the Data.

3.5. An audit will cover a 3-year period preceding the date of the audit (or, if it is shorter, the period of time since the last audit of Auditee), including looking at records after the Data Agreement has been terminated. Any findings that result in additional fees will be charged up to the current date.

3.6 In no event will Cboe or its appointed agent audit Auditee more than once in any 12-month period,  
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unless necessary due to a reasonable suspicion of non-compliance with any material provision of the Data Agreement.

3.7 The costs of an audit shall be borne by Cboe unless such audit reveals an underpayment by Auditee of 10% or more or a material breach of the rights or licenses granted to Auditee or its affiliated Data Recipient under the Data Agreement. In such case, Auditee shall reimburse Cboe for its costs and expenses in conducting such audit, to the extent that such costs and expenses are commensurate with industry standards.

3.8 The Auditee’s liability shall be limited to unpaid fees, together with interest, for underreporting, underpayment or other financial noncompliance that has occurred during the audit period, plus any costs and expenses as set forth above, provided such underreporting, underpaying, or other financial non-compliance is a result of a good faith error by Auditee.

### 4. Audit Process Overview

4.1 The process to complete an audit generally consists of the following steps. The timeline from start to finish may vary depending on the complexity of the processes involved to report Data usage as well as the various Data products used by the Auditee.



- a) **Audit Notification:** Cboe will provide reasonable advance notice to Auditee of Cboe’s intention to conduct a data audit, including sending an official Audit Notice via email.
- b) **Audit Meeting:** The parties may meet to clarify and answer any questions regarding the requested information described within the official Audit Notice. Cboe will request the Auditee provide an overview of its processes and systems used for receiving, processing, entitling, and reporting usage of the Data.
- c) **Audit Analysis:** Once all requested information has been provided by the Auditee, the auditor will analyze and reconcile the audit data against what has historically been reported to Cboe, with the purpose of verifying that Auditee’s recordkeeping and reporting is in accordance with the Data Agreement.
- d) **Audit Visit:** Cboe may conduct the audit either as an on-site audit during normal business hours or, in whole or in part, as a remote audit. While on Auditee’s premises, Cboe or its appointed designee shall comply with Auditee’s written reasonable confidentiality and security policies and procedures to the extent made known by Auditee to Cboe or its appointed designee. The auditor will examine selected applications and systems used by the Auditee. Further examinations or discussions will take place at this time to address any discrepancies found during the Audit Analysis and reconciliation.
- e) **Audit Report:** A preliminary audit report will be presented to the Auditee after the Audit Analysis, reconciliation, and Audit Visit is completed. This preliminary audit report will include audit findings, Auditee deliverables, and recommendations. The auditor will work with the Auditee to resolve any discrepancies or concerns with the report. The Auditee will be given two weeks from issuance of the preliminary audit report to review the report and provide any feedback to Cboe.
- f) **Exit Meeting:** The auditor and Auditee will have a final call to discuss the preliminary audit findings and recommendations.
- g) **Closing the Audit:** The audit is officially closed once the Auditee has given written feedback that

it agrees with the audit findings and has been invoiced for outstanding fees, if applicable.

## **5. Audit Planning**

5.1 Auditees will be contacted by a data auditor and informed of Cboe's intention to conduct an audit. Cboe will then provide the Auditee with a written Audit Notice via email that describes the specific audit scope, timeframe, audit process, and documentation required to perform the audit.

5.2 Both the auditor and the Auditee should co-operate in planning the audit to ensure that:

a) the time period, timing, Data product(s), scope, and location(s) subject to audit are identified;

b) all records necessary for the audit are identified and made available for inspection, including (where applicable):

1. List of all current data vendors that provide the Data, broken down by data feed or terminal and real-time or delayed Data.
2. Audit trail reports from entitlement systems for the entire audit period.
3. Complete list of any Non-Professional Subscribers for the entire audit period with details including First Name, Last Name, Zip Code, Mailing Address, Phone Number, Employer (if available), Title, Contact Type, and entitled Cboe Data product (additional information may be requested as the audit progresses).
4. List of all current data feed customers and monthly count of data feed customers that were reported for the entire audit period.
5. List of all current hosted solutions and monthly count of hosted solutions that were reported for the entire audit period.
6. A technical overview of the Auditee's data infrastructure.

c) adequate resources and time are allocated for the audit;

d) the auditor has sufficient access to relevant staff of the Auditee and any necessary data;

e) audit inquiries and pre-audit information requests are promptly addressed by both parties;  
and

f) procedures for closing the audit are communicated.

## **6. Failure to Comply/Respond to Audit Request**

6.1 Once an audit date is established, the Auditee will be given 4 weeks to produce the information requested in the official Audit Notices. In order to ensure a continued focus on the audit once the audit has commenced, Cboe expects that the Auditee will respond to any audit questions within 2 to 4 weeks depending on the complexity of the request. Failure to respond to these requests in a timely manner may constitute a breach of the Data Agreement.

## **7. Audit Visit (On–Site or Remote)**

7.1 During the audit, Cboe will have sufficient access to relevant Auditee personnel who can provide information and answer questions about the following items:

- a) The Auditee’s background, specifically in relation to data;
- b) How the Auditee uses the Data;
- c) All applications that use the Data (internally and externally);
- d) The system(s) from which users or firms are supplied with the Data;
- e) The system(s) utilized to report users supplied with the Data;
- f) A data flow diagram outlining how the Auditee’s systems process and permission access to the Data, including detailed specifications for all Non-Display Usage installations; and
- g) An explanation of the Auditee’s entitlement system showing the permission process for each of the systems supported by the Data.

7.2 If an audit is conducted on-site, Cboe will aim to resolve all audit queries while on-site or on a conference call. Cboe may switch an on-site audit to a remote audit at any time. If an audit is conducted remotely, depending on the information received, Cboe may determine to switch to an on-site audit at any time without the need to issue a new Audit Notice.

## **8. Audit Report and Findings**

8.1 Once the audit review cycle has been completed, a preliminary audit report will be prepared and presented to the Auditee for review and acceptance. The report will include the following:

- a) Overview of the Auditee and how it uses the Data;
- b) Review of technical controls and reporting processes;
- c) Reconciliation of the audit findings and summary of any monies due; and
- d) Action items and follow up – If applicable, the auditor will list action items (required or recommended) for the Auditee.

8.2 The Auditee will be given two weeks to review the audit report and provide the auditors with any responses requested and any comments on the findings.

8.3 Cboe will work with the Auditee in good faith to resolve any outstanding audit issues.

## **9. Exit Meeting**

9.1 The auditor and Auditee will meet by phone to discuss the preliminary audit report and the following items:

- a) Preliminary findings and current issues outstanding;
- b) Audit recommendations;
- c) Feedback on audit findings and recommendations; and
- d) Establishment of an approach and time frame for resolving outstanding issues.

The auditor will set a deadline for the resolution of any outstanding issues. Should the Auditee not comply with this deadline without valid reason(s), the final audit report will be prepared on the basis of the information and documents available at the time of the deadline.

## **10. Closing the Audit**

10.1 After any outstanding issues identified at the exit meeting have been resolved in a timely fashion, the auditor will prepare a draft final audit report for review by the Auditee. The following will occur:

- a) The Auditee will be asked to provide written feedback on the draft final audit report within two weeks of the issue date. If no feedback is provided within this deadline, Cboe will consider the results of the audit as set forth in the draft final audit report to be undisputed facts and used as the basis for the audit settlement.
- b) If the audit reveals an underpayment of fees, Cboe shall issue an invoice to the Auditee for the outstanding fees. Such invoice will be due and payable within 30 days of the invoice date.
- c) If responses to audit requests are prolonged after numerous attempts, the Auditee waives all rights to address the findings and will be invoiced, to the best of Cboe's abilities, with the current audit information at hand.
- d) A final audit report will be issued.

## **11. Confidentiality**

11.1 All information collected during an audit will be treated as confidential by Cboe, and any third-party auditors working on behalf of Cboe, in accordance with the confidentiality provisions in the Data Agreement.