

TO: Membership Regulatory Circular 95-25

FROM: Office of the Chairman

DATE: March 13, 1995

RE: Exchange Policy Statement on Harassment

As you are probably aware, discrimination based on race, color, sex, religion, national origin, ancestry, citizenship, age, disability, military status or sexual orientation is a violation of employment discrimination laws. Harassment based on sex or for other reasons may also be a violation of employment discrimination. The CBOE is committed to maintaining a trading floor environment free from sexual harassment and other forms of harassment and will not tolerate sexual harassment or other forms of harassment on its premises. Additionally, sexual and other forms of harassment may be a violation of CBOE's Constitution and Rules, including but not limited to Rules 6.20 (b) "Admission to and Conduct on the Trading Floor" and 4.1 "Just and Equitable Principles of Trade". Members are responsible for conducting themselves in accordance with the CBOE's Constitution and Rules and may also be responsible for the conduct of their employees and ensuring that they do not engage in sexual or other forms of harassment at the Exchange.

Below is a question and answer series which specifically address the issues of sexual harassment.

Q: WHAT CONSTITUTES SEXUAL HARASSMENT?

A: Sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature that is unwelcome to the recipient all may constitute sexual harassment. Sexual harassment may also include, explicitly or implicitly, implying that such favors are expected as part of the job or that rejection might affect employment decisions concerning the individual, or include situations where submission to or rejection of the advance may have the effect of unreasonably interfering with job performance or creating a hostile, intimidating or offensive work environment.

Q: WHAT ARE SPECIFIC EXAMPLES OF SEXUAL HARASSMENT?

A: In addition to what was just mentioned, sexual harassment also includes distributing or displaying materials of a sexually explicit nature, unwelcome and deliberate touching or physical intimidation, as well as unwelcome sexual statements, teasing or jokes of a sexual nature.

Q: WHAT STEPS SHOULD BE TAKEN IF SOMEONE BELIEVES HE/SHE IS BEING HARASSED?

A: In the future Members and non-CBOE floor personnel who believe they may have been harassed or discriminated against on the trading floor should contact:

- 1. A Floor Official or*
- 2. CBOE Department of Market Regulation*

CBOE Employees who believe they may have been harassed or discriminated against may contact their immediate supervisor, division or department head, or human resources.

Q: WHAT HAPPENS IF A COMPLAINT IS FILED?

A: The matter will be reviewed by the Exchange and appropriate action will be taken. A written complaint will be investigated by the Exchange. If the Business Conduct Committee determines that Exchange Rules 6.20 (b) and/or 4.1 have been violated appropriate action will be taken. Such actions could include fines, censure or other appropriate action.