

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 26 SECURITIES AND EXCHANGE COMMISSION File No.* SR - 2017 - * 009
 WASHINGTON, D.C. 20549
 Form 19b-4 Amendment No. (req. for Amendments *)

Filing by C2 Options Exchange, Incorporated
 Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			Rule		
Pilot	Extension of Time Period for Commission Action *	Date Expires *	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) *	Section 806(e)(2) *
<input type="checkbox"/>	<input type="checkbox"/>
	Section 3C(b)(2) *
	<input type="checkbox"/>

Exhibit 2 Sent As Paper Document	Exhibit 3 Sent As Paper Document
<input type="checkbox"/>	<input type="checkbox"/>

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposal to amend C2 Bylaws and Certificate of Incorporation

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Last Name *

Title *

E-mail *

Telephone * Fax

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date Attorney

By

(Name *)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Digitally Sign and Lock Form

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information *

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

Add Remove View

Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

Item 1. Text of the Proposed Rule Change

(a) C2 Options Exchange, Incorporated (the “Exchange” or “C2”) proposes to amend its Bylaws and make conforming changes to the C2 Certificate of Incorporation.

The text of the proposed rule change is provided in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

Item 2. Procedures of the Self-Regulatory Organization

(a) The Exchange’s President (or designee) pursuant to delegated authority approved the proposed rule change on February 17, 2017. C2’s Board of Directors approved the amendments to the C2 Bylaws and Certificate of Incorporation set forth in this proposed rule change at its meeting on February 16, 2017. In addition, CBOE Holdings, Inc. (“CBOE Holdings”), C2’s sole stockholder, approved the changes to the Certificate of Incorporation on February 16, 2017.

(b) Please refer questions and comments on the proposed rule change to Joanne Moffic-Silver, (312) 786-7462, or Corinne Klott, (312) 786-7793, C2 Options Exchange, Incorporated, 400 South LaSalle, Chicago, Illinois 60605.

Item 3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

The Exchange proposes to amend its Bylaws and make corresponding changes to its Certificate of Incorporation. Specifically the Exchange proposes to amend its Board size range and eliminate its Compensation Committee.

First, the Exchange proposes to amend its Bylaws relating to Board size range. Currently, Section 3.1 of the Bylaws provide that the Board shall consist of not less than

12 and not more than 16 directors. The Exchange proposes to change the Board size range such that the Board shall consist of no less than 5 directors. The Exchange believes the proposed change will provide greater flexibility by permitting the Board to increase or decrease the size of the board without the need to further amend the Bylaws.¹ The Exchange notes that any changes in the number of directors will continue to be in all cases subject to the compositional requirements of the board set forth in the Bylaws, including its provision relating to the fair representation of members.² The Exchange also notes that the Bylaws of other Exchanges have similar board size provisions.³ The Exchange also proposes to make conforming changes to its Certificate of Incorporation. Specifically, C2 proposes to amend subparagraph (b) of Article Fifth to also provide that the Board of Directors shall consist of not less than 5 directors, and eliminate the current referenced range of 12 to 16 directors.

Next, the Exchange proposes to eliminate the Exchange-level Compensation Committee. The Exchange seeks to eliminate the Compensation Committee because it believes that the Compensation Committee's functions are duplicative of the functions of the Compensation Committee of its parent company, CBOE Holdings.⁴ Specifically, under its charter, the CBOE Holdings Compensation Committee has authority to assist the CBOE Holdings Board of Directors in carrying out its overall responsibilities relating

¹ The Board notes that it does not at this time anticipate changing the current Board size outside of the original range of 12-16 directors.

² See Section 3.2 of the C2 Bylaws.

³ See e.g., Fourth Amended and Restated Bylaws of BZX Exchange, Inc., Article III, Board of Directors, Section 2(a), which provides that the Board of Directors shall consist of four (4) or more Directors, the number of which would be determined by resolution of the Board.

⁴ The Exchange notes that the current composition of the C2 and CBOE Holdings Compensation Committees are the same.

to executive compensation and also, among other things, (i) recommending the compensation of the Company's Chief Executive Officer and certain other executive officers and (ii) approving and administering all cash and equity-based incentive compensation plans of the Company that affect employees of the Company and its subsidiaries. Similarly, under its charter, the C2 Compensation Committee has authority to assist the C2 Board and the Parent Compensation Committee in carrying out its overall responsibilities relating to executive compensation as well as (i) recommending the compensation of certain executive officers designated by the Board whose compensation has not been, and is not expected to be, determined by the compensation committee of the Parent Board or another Board committee⁵ and (ii) assist the Parent Compensation Committee in the administration of cash and equity-based incentive compensation plans of the Company that affects employees of the Company and its subsidiaries. As such, other than to the extent that the C2 Compensation Committee recommends the compensation of executive officers whose compensation is not already determined by the CBOE Holdings Compensation Committee, its activities are duplicative of the activities of the CBOE Holdings Compensation Committee. The Exchange notes that currently, each of the executive officers whose compensation would be determined by the C2 Compensation Committee is also an executive officer of CBOE Holdings, and as such, the CBOE Holdings Compensation Committee already performs these functions for such

⁵ The Exchange notes that pursuant to its Charter, the C2 Regulatory Oversight and Compliance Committee (ROCC) of the C2 Board recommends to the Board compensation for the Chief Regulatory Officer and any Deputy Chief Regulatory Officers. The Exchange notes that the proposed change will not affect this process. The Exchange also notes that currently not all executive officers of C2 are required to have their compensation determined by the Compensation Committee.

officers. To the extent that compensation need be determined by any C2 officer who is not also a CBOE Holdings officer in the future, the C2 Board or senior management will perform such action without the use of a compensation committee, as provided for in Section 5.11 of the Bylaws. Thus, the responsibilities of the C2 Compensation Committee are fully duplicated by the responsibilities of the CBOE Holdings Compensation Committee. Accordingly, C2 is proposing to delete Section 4.3 of the C2 Bylaws which provides for the C2 Compensation Committee and to delete a reference to the C2 Compensation Committee in Section 4.1(a) of the C2 Bylaws (which lists the required C2 Board committees). C2 also proposes to eliminate the reference to the C2 Compensation Committee in Section 5.11 of the C2 Bylaws (which provides that officers are entitled to salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board unless otherwise delegated to the Compensation Committee of the Board or to members of senior management). C2 believes that its proposal to eliminate its Compensation Committee is substantially similar to prior actions taken by other securities exchanges with parent company compensation committees to eliminate their exchange-level compensation committees.⁶

(b) Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.⁷

⁶ See e.g., Securities Exchange Act Release No. 60276 (July 9, 2009), 74 FR 34840 (July 17, 2009) (SR-NASDAQ-2009-042). See also Securities Exchange Act Release No. 62304 (June 16, 2010), 75 FR 36136 (June 24, 2010) (SR-NYSEArca-2010-31).

⁷ 15 U.S.C. 78f(b).

Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁸ requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁹ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the proposed rule change to amend the Board size range in the Bylaws and Certificate of Incorporation provides the Board with flexibility. Additionally, the Exchange is not proposing to amend any of the compositional requirements currently set forth in the Bylaws. The Exchange therefore believes that the proposed changes will provide greater flexibility to the Exchange in populating a Board of Directors that includes directors with relevant and diverse expertise, while continuing to ensure that the Board is of adequate size and the existing compositional requirements of the Exchange are met, including the provision relating to the fair representation of members.

The Exchange believes eliminating the Exchange-level Compensation Committee allows the Exchange to eliminate a board committee whose responsibilities overlap with, and are adequately handled by, the corresponding committee of the Exchange's ultimate

⁸ 15 U.S.C. 78f(b)(5).

⁹ Id.

parent. This will allow directors of the Exchange to focus their attention on matters falling directly within the purview of the Exchange's board, including its orderly discharge of regulatory duties to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

Item 4. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change relates to the corporate governance of C2 and not the operations of the Exchange. This is not a competitive filing and, therefore, imposes no burden on competition.

Item 5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

Item 6. Extension of Time Period for Commission Action

C2 does not consent to an extension of the time period for Securities and Exchange Commission (the "Commission") action on the proposed rule change specified in Section 19(b)(2) of the Act.¹⁰

¹⁰ 15 U.S.C. 78s(b)(2).

Item 7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

Not applicable.

Item 8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change to amend the Board size range to 5 or more directors is substantively similar to relevant Bylaw provisions of other exchanges, including the Fourth Amended and Restated Bylaws of BZX Exchange, Inc., which provides that the Board of Directors shall consist of four (4) or more Directors. The Exchange notes that due to size requirements of its exchange-level Nominating and Governance Committee, it instead is proposing a board range of 5 or more directors, instead of 4 or more, to ensure compositional requirements could be met.

The proposed rule change to eliminate the exchange-level Compensation Committee is also consistent with past actions by other exchanges. Particularly, neither NASDAQ nor NYSE Arca have exchange-level Compensation Committees for similar reasons as the Exchange is proposing.¹¹

Item 9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

Item 10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

Item 11. Exhibits

Exhibit 1. Completed Notice of Proposed Rule Change for publication in the Federal Register.

¹¹ See supra note 6.

- Exhibit 5. Text of the Proposed Rule Change.
- A. Text of the Proposed Amendments to the C2 Bylaws.
 - B. Text of the Proposed Amendments to the C2 Certificate of Incorporation.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- ; File No. SR-C2-2017-009]

[Insert date]

Self-Regulatory Organizations; C2 Options Exchange, Incorporated; Notice of Filing of a Proposed Rule Change to amend the C2 Bylaws and Certificate of Incorporation

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on [insert date], C2 Options Exchange, Incorporated (the “Exchange” or “C2”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend its Bylaws and Certificate of Incorporation. The text of the proposed rule change is available on the Exchange’s website (<http://www.c2exchange.com/Legal/>), at the Exchange’s Office of the Secretary, and at the Commission’s Public Reference Room.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its Bylaws and make corresponding changes to its Certificate of Incorporation. Specifically the Exchange proposes to amend its Board size range and eliminate its Compensation Committee.

First, the Exchange proposes to amend its Bylaws relating to Board size range. Currently, Section 3.1 of the Bylaws provide that the Board shall consist of not less than 12 and not more than 16 directors. The Exchange proposes to change the Board size range such that the Board shall consist of no less than 5 directors. The Exchange believes the proposed change will provide greater flexibility by permitting the Board to increase or decrease the size of the board without the need to further amend the Bylaws.³ The Exchange notes that any changes in the number of directors will continue to be in all cases subject to the compositional requirements of the board set forth in the Bylaws, including its provision relating to the fair representation of members.⁴ The Exchange also notes that the Bylaws of other Exchanges have similar board size provisions.⁵ The Exchange also proposes to make conforming changes to its Certificate of Incorporation. Specifically, C2 proposes to amend subparagraph (b) of Article Fifth to also provide that

³ The Board notes that it does not at this time anticipate changing the current Board size outside of the original range of 12-16 directors.

⁴ See Section 3.2 of the C2 Bylaws.

⁵ See e.g., Fourth Amended and Restated Bylaws of BZX Exchange, Inc., Article III, Board of Directors, Section 2(a), which provides that the Board of Directors shall consist of four (4) or more Directors, the number of which would be determined by resolution of the Board.

the Board of Directors shall consist of not less than 5 directors, and eliminate the current referenced range of 12 to 16 directors.

Next, the Exchange proposes to eliminate the Exchange-level Compensation Committee. The Exchange seeks to eliminate the Compensation Committee because it believes that the Compensation Committee's functions are duplicative of the functions of the Compensation Committee of its parent company, CBOE Holdings.⁶ Specifically, under its charter, the CBOE Holdings Compensation Committee has authority to assist the CBOE Holdings Board of Directors in carrying out its overall responsibilities relating to executive compensation and also, among other things, (i) recommending the compensation of the Company's Chief Executive Officer and certain other executive officers and (ii) approving and administering all cash and equity-based incentive compensation plans of the Company that affect employees of the Company and its subsidiaries. Similarly, under its charter, the C2 Compensation Committee has authority to assist the C2 Board and the Parent Compensation Committee in carrying out its overall responsibilities relating to executive compensation as well as (i) recommending the compensation of certain executive officers designated by the Board whose compensation has not been, and is not expected to be, determined by the compensation committee of the Parent Board or another Board committee⁷ and (ii) assist the Parent Compensation

⁶ The Exchange notes that the current composition of the C2 and CBOE Holdings Compensation Committees are the same.

⁷ The Exchange notes that pursuant to its Charter, the C2 Regulatory Oversight and Compliance Committee (ROCC) of the C2 Board recommends to the Board compensation for the Chief Regulatory Officer and any Deputy Chief Regulatory Officers. The Exchange notes that the proposed change will not affect this process. The Exchange also notes that currently not all executive officers of C2 are required to have their compensation determined by the Compensation Committee.

Committee in the administration of cash and equity-based incentive compensation plans of the Company that affects employees of the Company and its subsidiaries. As such, other than to the extent that the C2 Compensation Committee recommends the compensation of executive officers whose compensation is not already determined by the CBOE Holdings Compensation Committee, its activities are duplicative of the activities of the CBOE Holdings Compensation Committee. The Exchange notes that currently, each of the executive officers whose compensation would be determined by the C2 Compensation Committee is also an executive officer of CBOE Holdings, and as such, the CBOE Holdings Compensation Committee already performs these functions for such officers. To the extent that compensation need be determined by any C2 officer who is not also a CBOE Holdings officer in the future, the C2 Board or senior management will perform such action without the use of a compensation committee, as provided for in Section 5.11 of the Bylaws. Thus, the responsibilities of the C2 Compensation Committee are fully duplicated by the responsibilities of the CBOE Holdings Compensation Committee. Accordingly, C2 is proposing to delete Section 4.3 of the C2 Bylaws which provides for the C2 Compensation Committee and to delete a reference to the C2 Compensation Committee in Section 4.1(a) of the C2 Bylaws (which lists the required C2 Board committees). C2 also proposes to eliminate the reference to the C2 Compensation Committee in Section 5.11 of the C2 Bylaws (which provides that officers are entitled to salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board unless otherwise delegated to the Compensation Committee of the Board or to members of senior management). C2 believes that its proposal to eliminate its Compensation Committee is substantially similar to prior actions taken by

other securities exchanges with parent company compensation committees to eliminate their exchange-level compensation committees.⁸

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.⁹ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁰ requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹¹ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the proposed rule change to amend the Board size range in the Bylaws and Certificate of Incorporation provides the Board with flexibility. Additionally, the Exchange is not proposing to amend any of the compositional requirements currently set forth in the Bylaws. The Exchange therefore believes that the

⁸ See e.g., Securities Exchange Act Release No. 60276 (July 9, 2009), 74 FR 34840 (July 17, 2009) (SR-NASDAQ-2009-042). See also Securities Exchange Act Release No. 62304 (June 16, 2010), 75 FR 36136 (June 24, 2010) (SR-NYSEArca-2010-31).

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ Id.

proposed changes will provide greater flexibility to the Exchange in populating a Board of Directors that includes directors with relevant and diverse expertise, while continuing to ensure that the Board is of adequate size and the existing compositional requirements of the Exchange are met, including the provision relating to the fair representation of members.

The Exchange believes eliminating the Exchange-level Compensation Committee allows the Exchange to eliminate a board committee whose responsibilities overlap with, and are adequately handled by, the corresponding committee of the Exchange's ultimate parent. This will allow directors of the Exchange to focus their attention on matters falling directly within the purview of the Exchange's board, including its orderly discharge of regulatory duties to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change relates to the corporate governance of C2 and not the operations of the Exchange. This is not a competitive filing and, therefore, imposes no burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

- A. by order approve or disapprove such proposed rule change, or
- B. institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-C2-2017-009 on the subject line.

Paper comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-C2-2017-009. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, D.C. 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-C2-2017-009 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

Secretary

¹² 17 CFR 200.30-3(a)(12).

{Additions are underlined; deletions are bracketed}

**[SEVENTH] EIGHTH AMENDED AND RESTATED
BYLAWS OF
C2 OPTIONS EXCHANGE, INCORPORATED**

* * * * *

ARTICLE III Board of Directors

Section 3.1. Number, Election and Term of Office of Directors.

The Board shall consist of not less than [12] 5 [and not more than 16] directors. The Board shall determine from time to time pursuant to resolution adopted by the Board the total number of directors, the number of Non-Industry Directors and Industry Directors (if any), and the number of Representative Directors that are Non-Industry Directors and Industry Directors (if any). In no event shall the number of Non-Industry Directors constitute less than the number of Industry Directors (excluding the Chief Executive Officer from the calculation of Industry Directors for such purpose). In addition, at all times at least 20% of directors serving on the Board shall be Representative Directors nominated (or otherwise selected through the petition process) as provided for in Section 3.2 by the Representative Director Nominating Body.

* * * * *

ARTICLE IV Committees

Section 4.1. Designation of Committees.

(a) Committees of the Board. The committees of the Board shall consist of an Executive Committee, [a Compensation Committee,] a Regulatory Oversight and Compliance Committee, a Nominating and Governance Committee and such other standing and special committees as may be approved by the Board. Except as may be otherwise provided in these Bylaws or as may be otherwise provided for from time to time by resolution of the Board, the Board may, at any time, with or without cause, remove any member of any such committees of the Board.

* * * * *

[Section 4.3. The Compensation Committee.

The Compensation Committee shall consist of at least three directors, all of whom must be Non-Industry Directors and all of whom shall be recommended by the Nominating and Governance Committee for approval by the Board. The exact number of Compensation Committee members shall be determined from time to time by the Board. Members of the Compensation Committee shall not be subject to removal except by the Board. The Chairman of the Compensation Committee shall be recommended by the Nominating and Governance Committee for approval by the Board. The Compensation Committee shall have such duties and may exercise such authority

as may be prescribed by resolution of the Board and the Compensation Committee Charter as adopted by resolution of the Board.]

Section 4.[4]3. The Nominating and Governance Committee.

The Nominating and Governance Committee shall consist of at least five directors and shall at all times have a majority of directors that are Non-Industry Directors. All members of the committee shall be recommended by the Nominating and Governance Committee for approval by the Board. The exact number of Nominating and Governance Committee members shall be determined from time to time by the Board. Members of the Nominating and Governance Committee shall not be subject to removal except by the Board. The Chairman of the Nominating and Governance Committee shall be recommended by the Nominating and Governance Committee for approval by the Board. Subject to Section 3.2 and Section 3.5 of these Bylaws, the Nominating and Governance Committee shall have the authority to nominate individuals for election as directors of the Corporation. The Nominating and Governance Committee shall have such other duties and may exercise such other authority as may be prescribed by resolution of the Board and the Nominating and Governance Committee Charter as adopted by resolution of the Board. If the Nominating and Governance Committee has two or more Industry Directors, there shall be an Industry-Director Subcommittee consisting of all of the Industry Directors then serving on the Nominating and Governance Committee, which shall act as the Representative Director Nominating Body if and to the extent required by these Bylaws.

Section 4.[5]4. The Regulatory Oversight and Compliance Committee.

The Regulatory Oversight and Compliance Committee shall consist of at least three directors, all of whom shall be Non-Industry Directors and all of whom shall be recommended by the Non-Industry Directors on the Nominating and Governance Committee for approval by the Board. The exact number of Regulatory Oversight and Compliance Committee members shall be determined from time to time by the Board. Members of the Regulatory Oversight and Compliance Committee shall not be subject to removal except by the Board. The Chairman of the Regulatory Oversight and Compliance Committee shall be recommended by the Non-Industry Directors of the Nominating and Governance Committee for approval by the Board. The Regulatory Oversight and Compliance Committee shall have such duties and may exercise such authority as may be prescribed by resolution of the Board, these Bylaws or the Rules of the Exchange.

Section 4.[6]5. Other.

All other committees shall have such duties and may exercise such authority as may be prescribed for them by the Certificate of Incorporation, these Bylaws or the Rules or by resolution of the Board.

Section 4.[7]6. Conduct of Proceedings.

Unless otherwise provided in the Certificate of Incorporation, these Bylaws, the Rules, the charter of the committee or by the Board of Directors by resolution, each committee may determine the manner in which committee proceedings shall be conducted. In the absence of any such established procedures, each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article 3 of these Bylaws. Committees shall keep minutes of their

meetings and periodically report their proceedings to the Board and appropriate committees of the Board to the extent requested by the Board or Board committee.

* * * * *

Section 5.11. Salaries.

Officers of the Corporation shall be entitled to such salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board unless otherwise delegated to [the Compensation] a Committee of the Board or to members of senior management. No officer shall be prevented from receiving such salary by reason of the fact that the officer is also a director of the Corporation.

* * * * *

{Additions are underlined; deletions are bracketed}
[THIRD] FOURTH AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
of
C2 OPTIONS EXCHANGE, INCORPORATED

C2 Options Exchange, Incorporated, a corporation organized under the laws of the State of Delaware (the “Corporation”), hereby certifies as follows:

1. The name of the Corporation is C2 Options Exchange, Incorporated. The Corporation was incorporated on July 21, 2009.
2. This [Third] Fourth Amended and Restated Certificate of Incorporation has been duly adopted in accordance with Section 242 and Section 245 of the General Corporation Law of the State of Delaware (the “GCL”) and by the written consent of its sole stockholder in accordance with Section 228 of the GCL. This [Third] Fourth Amended and Restated Certificate of Incorporation restates, integrates and further amends the provisions of the [Second] Third Amended and Restated Certificate of Incorporation of the Corporation.
3. The text of the [Third] Fourth Amended and Restated Certificate of Incorporation as amended and restated shall read in full as follows:

FIRST: The name of the corporation is C2 Options Exchange, Incorporated

SECOND: The address of the registered office of the Corporation in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, Delaware 19801-1297. The name of the Corporation’s registered agent at such address shall be The Corporation Trust Company.

THIRD: The nature of the business or purposes to be conducted or promoted by the Corporation is:

(a) To conduct and carry on the function of an “exchange” within the meaning of that term in the Securities Exchange Act of 1934, as amended (the “Act”);

(b) To provide a securities market place with high standards of honor and integrity among its Trading Permit Holders and other persons holding rights to access the Corporation’s facilities and to promote and maintain just and equitable principles of trade and business. The term “Trading Permit Holders” shall have the meaning given to that term in Section 1.1 of the Corporation’s Bylaws, as the same may be amended from time to time (the “Corporation’s Bylaws”); and

(c) To engage in any other lawful act or activity for which corporations may be organized under the GCL.

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is one thousand (1,000) shares of common stock having a par value of \$0.01 per share (the “Common Stock”). CBOE Holdings, Inc. (“CBOE Holdings”) will be the sole owner of the Common Stock. Any sale, transfer or assignment by CBOE Holdings of any shares of Common Stock will be subject to prior approval by the Securities and Exchange Commission (the “Commission”) pursuant to the rule filing procedure under Section 19 of the Act.

FIFTH: (a) The governing body of the Corporation shall be its Board of Directors. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

(b) The Board of Directors of the Corporation shall consist of not less than [12 and not more than 16] 5 directors, the exact number to be fixed in accordance with the Corporation's Bylaws.

(c) Only persons who are nominated by the Nominating and Governance Committee shall be eligible for election as directors. The Nominating and Governance Committee shall be bound to accept and nominate (a) the individual(s) recommended by the Representative Director Nominating Body (as defined in the Corporation's Bylaws) for nomination as Representative Director (as defined in the Corporation's Bylaws), provided that the individuals so nominated by the Representative Director Nominating Body are not opposed by a petition candidate or (b) the individual(s) who receive the most votes pursuant to a petition election as set forth in Section 3.2 of the Corporation's Bylaws; provided, however, that any individual(s) recommended by the Representative Director Nominating Body and any individual(s) who are petition candidates pursuant to clause (b) of the preceding sentence shall satisfy the compositional requirements determined by the Board of Directors from time to time pursuant to a resolution adopted by the Board in accordance with Section 3.1 of the Corporation's Bylaws, designating the number of Representative Directors that are Non-Industry Directors and Industry Directors (if any), as such terms are defined in the Corporation's Bylaws; and provided further, that the Board of Directors and/or Nominating and Governance Committee, as applicable, shall make such determinations as to whether a director candidate satisfies applicable qualifications for election as a director pursuant to and in accordance with Section 3.1 of the Corporation's Bylaws.

(d) In discharging his or her responsibilities as a member of the Board of Directors, and to the fullest extent permitted by law, each director shall take into consideration the effect that his or her actions would have on the ability of the Corporation to carry out the Corporation's responsibilities under the Act and on the ability of the Corporation: to engage in conduct that fosters and does not interfere with the Corporation's ability to prevent fraudulent and manipulative acts and practices; to promote just and equitable principles of trade; to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities; to remove impediments to and perfect the mechanisms of a free and open market and a national market system; and, in general, to protect investors and the public interest. In discharging his or her responsibilities as a member of the Board of Directors or as an officer or employee of the Corporation, each such director, officer or employee shall comply with the federal securities laws and the rules and regulations thereunder and shall cooperate with the Commission, and the Corporation pursuant to its regulatory authority.

SIXTH: (a) The Corporation shall, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, indemnify and hold harmless any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he or she is or was a director, officer or member of a committee of the Corporation, or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director or officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or non-profit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees), judgment, fines and amounts paid in settlement

actually and reasonably incurred by such Covered Person in connection with a proceeding. Notwithstanding the preceding sentence, except as otherwise provided in Section (c) of this Article Sixth, the Corporation shall be required to indemnify a Covered Person in connection with a proceeding (or part thereof) commenced by such Covered Person only if the commencement of such proceeding (or part thereof) by the Covered Person was authorized in the specific case by the Board of Directors of the Corporation.

(b) Expenses (including attorneys' fees) incurred by a Covered Person in defending a proceeding, including appeals, shall, to the extent not prohibited by law, be paid by the Corporation in advance of the final disposition of such proceeding; provided, however, that the Corporation shall not be required to advance any expenses to a person against whom the Corporation directly brings an action, suit or proceeding alleging that such person (1) committed an act or omission not in good faith or (2) committed an act of intentional misconduct or a knowing violation of law. Additionally, an advancement of expenses incurred by a Covered Person shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such Covered Person, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal or otherwise in accordance with Delaware law that such Covered Person is not entitled to be indemnified for such expenses under this Article Sixth.

(c) If a claim for indemnification (following the final disposition of such action, suit or proceeding) or advancement of expenses under this Article Sixth is not paid in full within thirty days after a written claim therefor by the Covered Person has been received by the Corporation, the Covered Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim to the fullest extent permitted by law. In any action the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

(d) The provisions of this Article Sixth shall be deemed to be a contract between the Corporation and each Covered Person who serves in any such capacity at any time while this Article Sixth is in effect, and any repeal or modification of any applicable law or of this Article Sixth shall not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought or threatened based in whole or in part upon any such state of facts.

(e) Persons not expressly covered by the foregoing provisions of this Article Sixth, such as those (x) who are or were employees or agents of the Corporation, or are or were serving at the request of the Corporation as employees or agents of another corporation, partnership, joint venture, trust or other enterprise, or (y) who are or were directors, officers, employees or agents of a constituent corporation absorbed in a consolidation or merger in which the Corporation was the resulting or surviving corporation, or who are or were serving at the request of such constituent corporation as directors, officers, employees or agents of another corporation, partnership, joint venture, trust or other enterprise, may be indemnified or advanced expenses to the extent authorized at any time or from time to time by the Board of Directors.

(f) The rights conferred on any Covered Person by this Article Sixth shall not be deemed exclusive of any other rights to which such Covered Person may be entitled by law or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

(g) The Corporation's obligation, if any, to indemnify or to advance expenses to any Covered Person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such Covered Person may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit entity.

(h) Any repeal or modification of the foregoing provisions of this Article Sixth shall not adversely affect any right or protection hereunder of any Covered Person in respect of any act or omission occurring prior to the time of such repeal or modification.

(i) The Corporation may purchase and maintain insurance, at its expense, to protect itself and any director, manager, officer, trustee, employee or agent of the Corporation or another corporation, or of a partnership, limited liability company, joint venture, trust or other enterprise against any expense, liability or loss (as such terms are used in this Article Sixth), whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the GCL.

SEVENTH: The Corporation reserves the right to amend this Certificate of Incorporation, and to change or repeal any provision of this Certificate of Incorporation, in the manner prescribed at the time by statute, and all rights conferred upon stockholders by this Certificate of Incorporation are granted subject to this reservation. Before any amendment to, or repeal of, any provision of this Certificate of Incorporation shall be effective, those changes shall be submitted to the Board of Directors of the Corporation and if such amendment or repeal must be filed with or filed with and approved by the Commission, then the proposed changes to this Certificate of Incorporation shall not become effective until filed with or filed with and approved by the Commission, as the case may be.

EIGHTH: A director of the Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the GCL as the same exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

NINTH: Unless and except to the extent that the Corporation's Bylaws shall so require, the election of directors of the Corporation need not be by written ballot.

TENTH: In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors of the Corporation is expressly authorized to make, alter and repeal the Corporation's Bylaws.

ELEVENTH: To the fullest extent permitted by law, all confidential information pertaining to the self-regulatory function of the Corporation (including but not limited to disciplinary matters, trading data, trading practices and audit information) contained in the books and records of the Corporation shall: (i) not be made available to any persons other than to those officers, directors, employees and agents of the Corporation that have a reasonable need to know the contents thereof; (ii) be retained in confidence by the Corporation and the officers, directors, employees and agents of the Corporation; and (iii) not be used for any commercial purposes. Nothing in this Article Eleventh shall be interpreted as to limit or impede the rights of the Commission to access and

examine such confidential information pursuant to the federal securities laws and the rules and regulations thereunder, or to limit or impede the ability of any officers, directors, employees or agents of the Corporation to disclose such confidential information to the Commission.

IN WITNESS WHEREOF, C2 Options Exchange, Incorporated has caused this certificate to be signed as of this [12th day of February, 2013] _____.

C2 OPTIONS EXCHANGE, INCORPORATED

By: _____

Name: Edward T. Tilly

Its: [President and] Chief [Operating] Executive Officer