

**C2 Options Exchange, Incorporated
Rules**

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**CHAPTER 17
Discipline**

The rules contained in CBOE Chapter XVII, as such rules may be in effect from time to time, shall apply to C2 and are hereby incorporated into this Chapter. C2 Participants shall comply with CBOE Chapter XVII as if such rules were part of the C2 Rules. Unless the context dictates otherwise, the following terms, or any variations of these terms, from CBOE Chapter XVII shall have the following meanings for purposes of this Chapter: “Exchange” and “CBOE” shall mean C2; “Trading Permit Holder” (i.e., CBOE Trading Permit Holder) shall mean “Permit Holder”; “Trading Permit Holders” shall mean “Permit Holders”; and “Clearing Trading Permit Holder” shall mean “Clearing Participant.”

Notwithstanding the above paragraph, with respect to its applicability to C2 only, CBOE Rule 17.50(g)(14) will be replaced in its entirety with the following:

(14) Failure to Meet C2 Quoting Obligations

A fine shall be imposed upon a Market-Maker or Preferred Market-Maker (as applicable) in accordance with the fine schedule set forth below for failure to meet its continuous quoting obligations (Rule 8.5(a)(1) and Rule 8.13(d)).

Number of Offenses in Any Rolling Twenty-Four Month Period

Fine Amount

1st Offense

\$2,000 to \$4,000

2nd Offense

\$4,000 to \$5,000

Subsequent Offenses

\$5,000 or Referral to Business
Conduct Committee

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