New language
[deleted language]

BOX Exchange
Fee Schedule

Section I. Participant Fees

A. Initiation Fee - $2,500 (one-time fee)

B. Participant Fee\(^1\) - $1,500 per month

C. Electronic Market Maker Trading Permit Fees

<table>
<thead>
<tr>
<th>Monthly BOX Market Maker Trading Permit Fee</th>
<th>Per Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4,000</td>
<td>Up to and including 10 Classes</td>
</tr>
<tr>
<td>$6,000</td>
<td>Up to and including 40 Classes</td>
</tr>
<tr>
<td>$8,000</td>
<td>Up to and including 100 Classes</td>
</tr>
<tr>
<td>$10,000</td>
<td>Over 100 Classes</td>
</tr>
</tbody>
</table>

For the calculation of the monthly electronic Market Maker Trading Permit fees, the number of classes is defined as the greatest number of classes the Market Maker was appointed to quote in on any given day within the calendar month.

[C]D. Trading Floor Participant Fees:

Trading Floor Participant Fees will apply in addition to the Participant Fees outlined in Section VIII (A) and (B) above.

a. Floor Market Maker - $5,500 per month, per podium
   
   • Entitles the firm to one podium and an unlimited amount of registered trading permits\(^{[1]}\) on the BOX Trading Floor.

b. Floor Broker - $5,000 per month
   
   • Entitles the firm to booth space and an unlimited amount of registered trading permits\(^{[2]}\) on the BOX Trading Floor.
- If the firm executes a trade on 50% or more of trading days in a given month, the firm will receive a $5,000 Trading Floor Credit.
- Desk Fee - $350 per desk per month\(^{[3]}\)

**c. Other Registered On-Floor Persons\(^{[4]}\)**

All other registered on-floor persons employed by or associated with a Floor Market Maker or Floor Broker will be charged the following fees. These fees are not imposed on registered trading permit holders.

- Badge Fee - $100 per month
- Desk Fee - $350 per month\(^{[5]}\)

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**Section II. through Section VIII.**

**No Change.**

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\(^{1}\) Electronic Market Makers will not be charged this Participant Fee and will only be charged the fees detailed in Section I.C.

\(^{[2]}\) Registered trading permits are given to Market Maker employees registered and approved by the Exchange to transact on the BOX Trading Floor. Each podium will be limited to one registered trading permit holder actively trading at any given time.

\(^{[3]}\) Registered trading permits are given to Floor Broker employees registered and approved by the Exchange to transact on the BOX Trading Floor. Each desk will be limited to one registered trading permit holder actively trading at any given time.

\(^{[4]}\) A Floor Broker must have at least one desk, but may combine multiple desks into a single booth space.

\(^{[5]}\) “Other Registered On-Floor Persons” include all persons registered to be on the Trading Floor except Floor Market Makers and Floor Brokers.

\(^{[6]}\) Only one “Other Registered On-Floor Persons” is allowed at a desk at any one time.
This fee is paid directly to FINRA for each initial Form U4 filed for the registration of a representative or principal.

This fee is paid directly to FINRA for the additional processing of each initial or amended Form U4, Form U5 or Form BD that includes the initial reporting, amendment, or certification of one or more disclosure events or proceedings.

The fees for the Securities Industry Essentials Exam, and for the Series 57 exam are paid directly to FINRA.

The Continuing Education Fee will be assessed to each individual who is required to complete the Regulatory Element of the Continuing Education Requirements pursuant to Exchange Rule 2040 and is paid directly to FINRA.

The Maintaining Qualifications Program Fee will be assessed to each individual electing to participate in the continuing education program under FINRA Rule 1240(c) each year that such individual is participating in the program. The Maintaining Qualifications Program fee is paid directly to FINRA.

The Options Regulatory Fee (ORF) will be assessed to each BOX Options Participant for all options transactions cleared or ultimately cleared by the BOX Options Participant that are cleared by The Options Clearing Corporation (OCC) in the customer range regardless of the exchange on which the transaction occurs. The ORF is not assessed on outbound linkage trades. The ORF is collected by OCC on behalf of BOX from either (1) a Participant that was the ultimate clearing firm for the transaction or (2) a non-Participant that was the ultimate clearing firm where a Participant was the executing clearing firm for the transaction. The Exchange uses reports from OCC to determine the identity of the executing clearing firm and ultimate clearing firm. The Exchange may only increase or decrease the ORF semi-annually and any such fee change will be effective on the first business day of February or August. The Exchange will notify BOX Options Participants via Informational Circular of any change in the amount of the fee at least 30 calendar days prior to the effective date of the change.

A “cross connect” occurs when the affected third-party system is located at the same datacenter where BOX systems are located, and the third-party connects to BOX through the datacenter.

The FIX Port is an interface with BOX systems that enables the Port user (typically an Exchange Participant or a Market Maker) to submit regular and complex orders to BOX.

SAIL Market Making Ports are connections to BOX systems that enable Market Makers to continuously quote on BOX, while SAIL Order Entry Ports allow Market Makers and other Participants to submit order flow to BOX.

The Drop Copy Port is a real-time feed containing trade execution, trade correction, trade cancellation and trade allocation for regular and complex orders on BOX.

Orders initiated electronically, as opposed to orders initiated and presented on the Trading Floor in open outcry. For all volume threshold calculations within this fee schedule, a Participant’s electronic and manual volume will be considered.

Transactions executed through Price Improvement Period (“PIP”) and the Complex Order Price Improvement Period (“COPIP”) auction mechanisms. All COPIP transactions will be charged per contract per leg.

A PIP Order or COPIP Order is a Customer Order (an agency order for the account of either a customer or a broker-dealer) designated for the PIP or COPIP, respectively.

An Improvement Order is a response to a PIP or COPIP auction.

Options contracts overlying the Standard and Poor’s Depositary Receipts Trust (“SPY”).

A Primary Improvement Order is the matching contra order submitted to the PIP or COPIP on the opposite side of the PIP or COPIP order.

A Non-Public Customer is defined within the Exchange Fee Schedule as a Professional Customer, Broker Dealer or Market Maker.

SPY transactions executed through the PIP and COPIP auction mechanisms will be included in the volume thresholds for the Primary Improvement Order tiered execution fee (Section IV.B.1.) and the BOX Volume Rebate (Section IV.B.2). However, the fees and rebates set forth in the tiers of these sections will not apply to PIP and COPIP SPY executions.
For the PIP, an Unrelated Order is a non-Improvement Order entered into the BOX market during a PIP. For the COPIP, an Unrelated Order is a non-Improvement Order entered on BOX during a COPIP or BOX Book Interest during a COPIP.

Transactions executed through the Solicitation Auction mechanism and Facilitation Auction mechanism.

An Agency Order is a block-size order that an Order Flow Provider seeks to facilitate as agent through the Facilitation Auction or Solicitation Auction mechanism.

Facilitation and Solicitation Orders are the matching contra orders submitted on the opposite side of the Agency Order.

A “short stock interest strategy” is defined as a transaction done to achieve a short stock interest arbitrage involving the purchase, sale, and exercise of in-the-money options of the same class. A “long stock interest strategy” is defined as a transaction done to achieve long stock involving the purchase, sale, and exercise of in-the-money options of the same class. A “merger strategy” is defined as transactions done to achieve a merger arbitrage involving the purchase, sale and exercise of options of the same class and expiration date, each executed prior to the date on which shareholders of record are required to elect their respective form of consideration, i.e., cash or stock. A “reversal strategy” is established by combining a short security position with a short put and a long call position that shares the same strike and expiration. A “conversion strategy” is established by combining a long position in the underlying security with a long put and a short call position that shares the same strike and expiration. A “jelly roll strategy” is created by entering into two separate positions simultaneously. One position involves buying a put and selling a call with the same strike price and expiration. The second position involves selling a put and buying a call, with the same strike price, but with a different expiration from the first position. A “box spread strategy” is a strategy that synthesizes long and short stock positions to create a profit. Specifically, a long call and short put at one strike is combined with a short call and long put at a different strike to create synthetic long and synthetic short stock positions, respectively.

The fees for each type of Strategy QOO Order manual transaction will also apply to this cap. See Section V.D (Strategy QOO Order Fee Cap and Rebate).

A QCC transaction is comprised of an originating order (Agency Order) to buy or sell at least 1,000 contracts or 10,000 mini-option contracts, coupled with a contra-side order or orders totaling an equal number of contracts.

Orders initiated and presented on the Trading Floor in open outcry, as opposed to initiated electronically. Manual transactions consist of Qualified Open Outcry (“QOO”) Orders. All fees, rebates and applicable caps will apply to both sides of the paired QOO Order.

A “Broker Dealer facilitating a Public Customer” applies to any Manual transaction executed using the open outcry process involving a Broker Dealer that has a Public Customer of that same Broker Dealer on the contra side of the transaction, or where the Broker Dealer and the Public Customer both clear through the same clearing firm and the Broker Dealer clears in the customer range.

See supra note 29. The fees for electronic Strategy Order Facilitation and Solicitation transaction will also apply to this cap. See Section IV.C.2.

A “dividend strategy” is defined as a transaction done to achieve a dividend arbitrage involving the purchase, sale and exercise of in-the-money options of the same class, executed the first business day prior to the date on which the underlying stock goes ex-dividend.

BOX’s auction mechanisms include the Price Improvement Period (“PIP”), Complex Order Price Improvement Period (“COPIP”), Facilitation Auction and Solicitation Auction.