

Rule 14

Liability of Directors and Exchange **[Surveillance Agreements]**

Liability of Directors **[Regulatory Cooperation]**

Rule 14.1. Any provision of the Bylaws or the Rules of the Exchange that provides or purports to provide that the members of the Board of Directors shall not be liable to the Exchange or its OTP Holders and OTP Firms for monetary damages for breach of fiduciary duty as a Manager shall not be applied in any instance in which such liability arises directly or indirectly as a result of a violation of federal securities laws. [The Exchange may enter into agreements with domestic and foreign self-regulatory organizations providing for the exchange of information and other forms of mutual assistance for market surveillance, investigative, enforcement and other regulatory purposes.]

Liability of Exchange

Rule 14.2. (a) Except as otherwise expressly provided in these rules, neither the Exchange nor its Directors, officers, committee members, employees or agents shall be liable to the OTP Holders and OTP Firms of the Exchange or to persons associated therewith for any loss, expense, damages or claims that arise out of the use or enjoyment of the facilities or services afforded by the Exchange, any interruption in or failure or unavailability of any such facilities or services, or any action taken or omitted to be taken in respect to the business of the Exchange except to the extent such loss, expense, damages or claims are attributable to the willful misconduct, gross negligence, bad faith or fraudulent or criminal acts of the Exchange or its officers, employees or agents acting within the scope of their authority. The limitation of liability set forth in this paragraph shall not apply to violations of federal securities laws.

Without limiting the generality of the foregoing and subject to the same exception, the Exchange shall have no liability to any person for any loss, expense, damages or claims that result from any error, omission or delay in calculating or disseminating any current or closing index value, or any reports of transactions in or quotations for securities traded on the Exchange.

The Exchange makes no warranty, express or implied, as to results to be obtained by any person or entity from the use of any data transmitted or disseminated by or on behalf of the Exchange or any reporting authority designated by the Exchange, including but not limited to reports of transactions in or quotations for securities traded on the Exchange or underlying securities, or reports index values or related data, and the Exchange makes no express or implied warranties of merchantability or fitness for a particular purpose or use with respect to any such data. The foregoing limitations of liability and disclaimers shall be in addition to, and not in limitation of, any other provisions of the Bylaws and Rules.

(b) Whenever custody of an unexecuted order is transmitted by an OTP Holder or OTP Firm to or through the Exchange's order routing systems, electronic book or automatic executions systems or to any other automated facility of the Exchange, excluding the Options Linkage system, whereby the Exchange assumes responsibility for the transmission or execution of the order, provided that the Exchange has acknowledged receipt of such order, the Exchange's liability for the negligent acts or omissions of its employees or for the failure of its systems or facilities shall not exceed the limits provided in this paragraph, (b), and no assets of the Exchange shall be applied or shall be subject to such liability in excess of the following limits:

(1) As to any one or more claims made by a single OTP Holder or OTP Firm growing out of the use or employment of the facilities afforded by the Exchange on a single trading day, the Exchange shall not be liable in excess of the larger of \$100,000, or the amount of any recovery obtained by the Exchange under any applicable insurance maintained by the Exchange;

(2) As to the aggregate of all claims made by all OTP Holders and OTP Firms growing out of the use or employment of the facilities afforded by the Exchange on a single trading day, the Exchange shall not be liable in excess of the larger of \$250,000 or the amount of the recovery obtained by the Exchange under any applicable insurance maintained by the Exchange;

(3) As to the aggregate of all claims made by all OTP Holders and OTP Firms growing out of the use or enjoyment of the facilities afforded by the Exchange during a single calendar month, the Exchange shall not be liable in excess of the larger of \$500,000, or the amount of the recovery obtained by the Exchange under any applicable insurance maintained by the Exchange.

(c) If all of the claims arising out of the use or enjoyment of the facilities afforded by the Exchange cannot be fully satisfied because in the aggregate they exceed the applicable maximum amount of liability provided for in paragraph (b) above, then such maximum amount shall be allocated among all such claims arising on a single trading day or during a single calendar month, as applicable, written notice of which has been given to the Exchange no later than the opening of trading on the next business day following the day on which the use or enjoyment of Exchange facilities giving rise to the claim occurred, based on the proportion that each such claim bears to the sum of all such claims.

Legal Proceedings Against Exchange Directors, Officers, Employees or Agents

Rule 14.3. No OTP Holder, OTP Firm, or any other Associated Person shall institute a lawsuit or other legal proceeding against any Directors, officer, employee, agent or other official of the Exchange or any subsidiary of the Exchange, for actions taken or omitted to be taken in connection with the official business of the Exchange or any subsidiary, except to the extent such actions or omissions constitute violations of federal securities laws for which a private right of action exists and except with respect to the Directors of the Exchange, to the extent inconsistent

with the Bylaws of the Exchange. This Rule shall not apply to appeals of disciplinary actions or other actions by the Exchange as provided for in the Rules.

Exchange's Costs of Defending Legal Proceedings

Rule 14.4. Any OTP Holder, OTP Firm, or any other associated person who fails to prevail in a lawsuit or other legal proceeding instituted by such person against the Exchange or any of its Directors, officers, committee members, employees or agents, and related to the business of the Exchange, shall pay to the Exchange all reasonable expenses, including attorneys' fees, incurred by the Exchange in the defense of such proceeding, but only in the event that such expenses exceed Fifty Thousand Dollars (\$50,000.00). This provision shall not apply to disciplinary actions by the Exchange, to administrative appeals of Exchange actions or in any specific instance where the Board of Directors has granted a waiver of this Rule.

Liability for Options Intermarket Linkage

Rule 14.5(a). The Exchange operates the Options Intermarket Linkage ("Linkage") for its OTP Holders or associated persons therewith pursuant to Rules 6.92-6.96. It shall be the responsibility of each OTP Holder or associated person therewith to verify the accuracy of transactions sent and received through the Linkage. The Linkage, as used to send orders and other information to or from the Exchange, is a facility or service afforded by the Exchange for purposes of Rule 14.2

(b) The Options Clearing Corporation, its affiliates, officers, directors, shareholders, agents and employees (collectively "OCC"), shall not be liable to OTP Holders or associated persons therewith for any loss, damage, claim or expense arising out of the use, non-use, or inability to use the Linkage, including without limitation the content of orders, trades, or other business facilitated through the Linkage, the truth or accuracy of the content of messages or other information transmitted through the Linkage, the delays in transmission of orders, trades, or otherwise.