

CBOE DIGITAL SPOT MARKET RULEBOOK

Updated as of April 15, 2024

Introduction and Notice:

Trading of a spot commodity contract on the Cboe Digital Spot Market is facilitated by Cboe Digital Exchange, LLC (“Cboe Digital Exchange” or “Exchange”) and Cboe Clear Digital, LLC (“Cboe Clear Digital” or “Clearinghouse”), together as the trade name of “Cboe Digital”, and governed by the Rules set forth in this Rulebook. Cboe Digital Exchange and Cboe Clear Digital are separate legal entities and vertically integrated to offer the Cboe Digital Spot Market. Cboe Clear Digital provides clearing, settlement, risk management and central counterparty services for spot Digital Asset trading. Cboe Digital Exchange supports Cboe Clear Digital by providing a central order book and matching engine, which matches trades entered on the platform. Cboe Digital Exchange does not hold, control, transfer or exchange any fiat currency or Digital Assets on behalf of Spot Members or Participants.

DISCLAIMER: CBOE DIGITAL SPOT MARKETS ARE NOT REGISTERED WITH, OR DESIGNATED, RECOGNIZED, LICENSED OR APPROVED BY THE COMMODITY FUTURES TRADING COMMISSION

CHAPTER 1: GENERAL

RULE 101. General Provisions(a) General Provision. Cboe Digital has adopted these Rules, and from time to time adopts amendments and supplements to these Rules, to promote a free and open market on the Cboe Digital- Spot Market and to maintain appropriate business conduct. While changes to the Cboe Digital Exchange Rulebook and the Cboe Clear Digital Rulebook are generally handled by self-certification to the CFTC and concurrent notification to market participants, CFTC self-certification or other Governmental Agency rule filing process is not required for the changes to the Cboe Digital Spot Market Rulebook. Participants will be notified of changes to these Rules prior to implementation, unless changes are pursuant to Rule 206.

(a) Applicability.

(1) The Rules contained in Chapters 4-5 herein are the Rules promulgated by the Exchange and applicable to the trading of Contracts, including the terms and conditions of such contracts, the settlement thereof, the handling of orders, and the conduct of accounts and other matters relating to trading on the Cboe Digital Spot Market.

(2) The Rules contained in Chapters 6-8 herein are the Rules promulgated by Cboe Clear Digital and applicable to the funding and clearing of Contracts, including Spot Market membership and account opening and funding, settlement, delivery and default.

(3) The Rules contained in Chapters 1-3 herein are promulgated jointly by the Exchange and the Clearinghouse (i.e., Cboe Digital), except to the extent that specific Rules relating to the Exchange or the Clearinghouse govern or unless the context otherwise requires.

(b) Jurisdiction.

(1) Spot Members and Participants, as well as their employees, agents, contractors, and affiliates, are deemed to know, consent to, and be bound by all Cboe Digital Spot Market

Rules, and all terms and conditions contained in all agreements executed or otherwise consented to by a Spot Member or a Participant.

(2) Following termination of membership or participation, for any reason, former Spot Market Members and Participants shall be subject to the continuing jurisdiction of Cboe Digital including, without limitation, the application of rules related to any conduct that occurred while a Spot Member or Participant for a period of five (5) years.

(d) The Cboe Digital Exchange Market Regulation Department (“Market Regulation Department”) is responsible for the market surveillance and trade practice surveillance program including investigation of violations of the Cboe Digital Spot Market Rules. Cboe Clear Digital has contracted with Cboe Digital Exchange to provide certain regulatory services to Cboe Clear Digital pursuant to a Regulatory Services Agreement. In accordance that Agreement, Cboe Digital Exchange may perform certain surveillance, investigative, and regulatory functions on behalf of Cboe Clear Digital. The Market Regulation Department has the authority to inspect the books and records of all parties subject to the jurisdiction of Cboe Digital Exchange and Cboe Clear Digital, and has the authority to require any such party to appear before them and produce books and records and answer questions regarding alleged violations of Spot Market Rules, at the time, place and in the manner so designated.

RULE 102. Definitions

When used in this Rulebook the following terms shall have the respective meanings as follows:

“Affiliate” of, or a Person “Affiliated” with another Person means a Person who, directly or indirectly, Controls, is Controlled by, or is under common Control with, such other Person.

“Account” means an Account of a Spot Member used in conjunction with the trading, funding, clearing and settlement of Contracts.

“Appeal Panel” means a panel comprised of a chair and two individuals appointed by the Board to consider appeals under Chapter 5.

“Applicable Law” means, any statute, law, regulation, rule or ordinance of any governmental or self-regulatory authority including applicable federal and state regulations and the rules or regulations of any relevant Self-Regulatory Organization.

“Approved Depository Institution” means a bank, trust company or other depository that has been approved by Cboe Clear Digital as an acceptable location for depositing Clearing Member funds or Collateral, as applicable.

“Authorized Representative” means any natural person who is employed and authorized by a Spot Member to represent the Spot Member in Exchange or Clearinghouse matters, as applicable, pursuant to Rule 309.

“Authorized Trader” means any natural person who is either a Spot Member or who is authorized by a Spot Member to access the Cboe Digital Spot Market on behalf of a Spot Member.

“Block Trade” means a privately negotiated futures or options transaction in a Contract that meets (i) certain quantity thresholds and (ii) is permitted to be executed off the centralized market pursuant to these Rules.

“Exchange Board” means the Board of Directors of Cboe Digital Exchange, which manages the Exchange and is constituted from time to time in accordance with the Exchange Operating Agreement.

“Clearinghouse Board” means the Board of Directors of Cboe Clear Digital, which manages the Clearinghouse and is constituted from time to time in accordance with the Clearinghouse Operating Agreement.

“Boards” means the Exchange Board and the Clearinghouse Board collectively.

“Business Day” means, any day the Cboe Digital Spot Market is open for business in any Contract, or any day on which the Clearinghouse is open for clearing, as the context may require.

“Cboe Clear Digital” or “Clearinghouse” means Cboe Clear Digital, LLC, a Delaware limited liability company, or any successor. Cboe Clear Digital is a licensed money services business (“MSB”) registered with the Financial Crimes Enforcement Network and is licensed as a money transmitter or holds other required licensure in states in which such licensure is required in order for Cboe Clear Digital to engage in activities related to the Cboe Digital Spot Market.

“Cboe Digital Exchange” or “Exchange” means Cboe Digital Exchange, LLC, a Delaware limited liability company, or any successor. Cboe Digital Exchange operates a Digital Asset trading platform and a proprietary trade matching engine that matches Orders in Digital Assets.

“Cboe Digital” means the Clearinghouse and the Exchange collectively.

“CDIH” means Cboe Digital Intermediate Holdings, LLC, a Delaware limited liability company, or any successor.

“Cboe Digital Spot Market Rules” or “Spot Market Rules” or “Rules” or “Rulebook” means all rules adopted, all Notices to Participants published by the Exchange or Clearinghouse, and the terms of any agreements, terms of use, interpretations, orders, resolutions, advisories, statements of policy, decisions, manuals and directives of Cboe Digital Exchange or the Clearinghouse, and all amendments thereto.

“Cboe Digital Spot Market” or “Spot Market” means the Digital Asset spot market operated by Cboe Digital.

“Cboe Digital Clearing System” means all of the electronic systems provided by Cboe Digital to settle and clear transactions executed on the Cboe Digital Trading Platform and communicate Clearing Member instructions to Cboe Clear Digital and Cboe Clear Digital’s messages to Clearing Members.

“Cboe Digital Systems” mean the entirety of systems provided by Cboe Digital, which include the Cboe Digital Trading System, the Cboe Digital Trading Platform, the Cboe Digital System API,

the Cboe Digital Clearing System, and, without limitation, the Cboe Digital website, Member Portal and any services offered by Cboe Digital.

“Cboe Digital Trading Platform” means the electronic central limit order book provided by the Exchange for the processing of order messages and matching of Orders.

“Cboe Digital Trading System” means the Cboe Digital Exchange electronic trade execution system that is used for trading Contracts, including any licensed software that is a part thereof from time to time, and any successor electronic trading system thereto.

“Cboe Digital Workstation” means any computer connected directly to the Cboe Digital Trading System, including by means of an Exchange defined protocol, for the purpose of trading Contracts.

“CFTC Regulations” means the rules and regulations promulgated by the U.S. Commodity Futures Trading Commission , as amended.

“President” means the individual appointed by the Board as the Cboe Digital’s President.

“Chief Regulatory Officer” means the individual appointed by the Board as the Exchange’s chief regulatory officer.

“Spot Clearing Member” or “Clearing Member” or “Direct Member” means a Spot Member that is authorized by the Clearinghouse under Chapter 3 to clear trades in any or all Contracts on the Clearinghouse. “Clearing Member” collectively refers to all Authorized Traders of a Clearing Member authorized to utilize Cboe Digital Spot Market.

“Spot Member Agreement” means the agreement for spot membership, including access to trading and clearing services, as applicable, between Cboe Clear Digital and Cboe Digital Exchange, and a Spot Member.

“Collateral” means U.S. dollars and other assets, including Digital Assets, that are approved by Cboe Clear Digital to be accepted for deposit into Accounts.

“Committee” means a committee established by the Exchange Board or the Clearinghouse Board, or otherwise, pursuant to the Rules.

“Commodity Exchange Act” or “CEA” means the Commodity Exchange Act, as amended from time to time.

“Contract” means any Digital Asset contract, agreement, or transaction that has been approved for trading on the Cboe Digital Spot Market or through the Cboe Digital Trading System, and approved for clearing by the Clearinghouse, pursuant to the Rules.

“Contract Specifications” means, with respect to any Contract, the rules or other trading protocols containing specifications for such Contract, as adopted, amended, supplemented or otherwise modified from time to time by Cboe Digital.

“Control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of securities, by contract, or otherwise. The terms “controlling” or “controlled” shall have meanings correlative to the foregoing.

“Customer” means any Person for whom a Spot Member or Participant carries an account (other than such Spot Member or Participant or any Affiliates of such Spot Member or Participant) or from whom a Spot Member or Participant solicits or accepts an Order or for whom a Spot Member or Participant clears trades in Contracts.

“Customer Account” means the account of a Customer.

“Default” shall have the meaning set forth in Rule 702 (a).

“Digital Asset” means a type of digital unit or asset that is used as a medium of exchange, including any other digital unit of account that is used as a form of a currency (i.e., transferred from one party to another as a medium of exchange), or form of digitally stored value; and may be manifested through units, tokens, or coins, among other things; and may be distributed by way of digital “smart contracts,” among other structures. Examples of Digital Assets include Bitcoin and Ether.

“Spot Member” means a person or entity who accesses the services of Cboe Digital to transmit Orders for Contracts through the Cboe Digital Trading System and, if authorized, clear trades in any or all Contracts on the Clearinghouse. “Spot Member” collectively refers to all Authorized Traders of a Spot Member authorized to utilize the Cboe Digital Spot Market.

“Director” means any member of the Boards.

“Disciplinary Panel” means the panel appointed by the Board at the recommendation of the Chief Regulatory Officer to act in an adjudicative role and fulfill various adjudicative responsibilities and duties described in Chapter 5.

“Eligible Contract Participant” has the meaning set forth in Section 1a(18) of the CEA, as amended, and CFTC rules promulgated thereunder.

“Spot Market Activity” means business for which a Clearing Member, Spot Member, Participant or other Person, is subject to the Cboe Digital Spot Market Rules, which is purportedly conducted subject to the Cboe Digital Spot Market Rules, or which should have been conducted subject to the Cboe Digital Spot Market Rules.

“Cboe Digital Official” means any Director or Officer of, or individual employed directly by, the Exchange or the Clearinghouse, or any individual rendering similar services to the Exchange or Clearinghouse under an administrative or similar agreement.

“Exchange Proceeding” has the meaning attributed to such term in Rule 205(a).

“Founding Owner” means a Participant that has made an equity investment in CDIH.

“Fully Collateralized or Fully Funded” means an Account that requires Cboe Clear Digital to hold, at all times, funds in the form of the required payment sufficient to cover the maximum possible loss that a party or counterparty could incur upon liquidation or expiration of a Contract.

“Government Agency” means any governmental entity (including the United States, a State, or a foreign government).

“Independent Software Vendor” or “ISV” means any Person that offers services that provide access to the Cboe Digital Trading System. In order to provide access to the Cboe Digital Trading System the ISV must enter into a Third-Party Connectivity Agreement with the Exchange and be approved by the Exchange.

“Interested Person” has the meaning attributed to such term in Rule 205(a).

“Insolvent” and “Insolvency” means the Clearing Member has become the subject of a bankruptcy petition, receivership proceeding, or an equivalent proceeding.

“Liquidity Provider” means a Spot Member that has entered into a Liquidity Provider Agreement, which provides the Spot Member with certain incentives as a liquidity provider.

“Market Regulation Department” means all Exchange Officials and/or agents of the Exchange that assist the Exchange and/or the Clearinghouse, pursuant to a regulatory services agreement, in the implementation, surveillance and enforcement of the Rules and other Obligations.

“Material Relationship” means a relationship that reasonably could affect the independent judgment or decision-making of a Director or other individual, as the context may require. A Director, or other individual as applicable, shall be considered to have a Material Relationship with the Exchange or the Clearinghouse if any of the following circumstances exist or have existed within the past year:

- (1) Such Director or individual is an Officer or an employee of the Exchange, or an officer or an employee of an Affiliate of the Exchange;
- (2) Such Director or individual is a Spot Member or Owner of the Exchange;
- (3) Such Director or individual is a director, an officer, or an employee of a Spot Member or Owner of the Exchange;
- (4) Such Director or individual is an officer of another entity, which entity has a compensation committee (or similar body) on which any Officer of the Exchange serves;
- (5) Such Director or individual, or an entity with which the Director or individual is a partner, an officer, an employee, or a director, receives more than \$100,000 in combined annual payments for legal, accounting, or consulting services from the Exchange or its Affiliate, any member of the Exchange, or any Affiliate of such member. Compensation for services as a Director of the Exchange or as a director of an Affiliate thereof does not count toward the \$100,000 payment limit, nor does deferred compensation for services rendered prior to becoming a Director, so long as such compensation is in no way contingent, conditioned, or revocable; or,
- (6) Notwithstanding paragraph (5) above, in the case of a public director that is a member of the Regulatory Oversight Committee, such public director accepts, directly or indirectly,

any consulting, advisory, or other compensatory fee from the Exchange or its Affiliate or any member of the Exchange or the member's Affiliate, other than deferred compensation for services rendered prior to becoming a member of the Regulatory Oversight Committee, provided that such compensation is in no way contingent, conditioned, or revocable. This paragraph (6) does not apply to compensation received in the public director's capacity as a member of the Regulatory Oversight Committee.

- (7) Any of the relationships set forth in paragraph (1) through (6) apply to the "immediate family" of such director or individual, i.e., spouse, domestic partner, parents, children, and siblings, in each case, whether by blood, marriage, or adoption, or any person residing in the home of the director or that of his or her "immediate family."

"Notice to Participants" means a communication sent by or on behalf of the Exchange or the Clearinghouse to all Participants as described in Rule 307.

"Obligation" means, as the context requires: each Rule, order or procedure issued by the Exchange or the Clearinghouse, including Notice to Participants, and other requirement implemented by the Exchange or the Clearinghouse under the Rules, including each term of a Contract; any contractual obligations between a Spot Member or Participant, and the Exchange or the Clearinghouse, including the Participant Documentation; and all financial obligations of a Clearing Member, however arising, whether absolute or contingent, direct or indirect, due or to become due, arising under these Rules or such Clearing Member's agreements with Cboe Clear Digital.

"Officer" means an officer of the Exchange appointed by the Exchange Board or an officer of the Clearinghouse appointed by the Clearinghouse Board, as the context requires.

"Operating Agreement of Cboe Digital Exchange" or "Exchange Operating Agreement" means the Limited Liability Company Agreement of Cboe Digital Exchange LLC, as amended or otherwise modified from time to time.

"Operating Agreement of Cboe Clear Digital" or "Clearinghouse Operating Agreement" means the Limited Liability Company Agreement of Cboe Clear Digital LLC, as amended or otherwise modified from time to time.

"Order" means either a bid or an offer for a Contract. The following Order types are available on the Cboe Digital Trading System and may be amended from time to time:

- (a) Limit means a simple order executed when a specific price is met.
- (b) Stop Limit means an order that is similar to Stop Loss order with a difference that it activates a Limit order when market rate condition of the stop price is met.
- (c) Market Order means an order to buy or sell a stated amount at the current best price.

"Order Qualifiers" means the following order duration qualifiers supported by the Cboe Digital Trading System. An Order eligible to be entered into the Cboe Digital Trading System that does not contain a duration qualifier will be cancelled if not filled during the trading day in which it was received or, if it was received between trading days, during the next trading day. An Order may specify one of the following duration qualifiers:

- (a) “Good Till Cancel” (GTC) means an Order that will remain in the market until executed or manually cancelled.
- (b) “Immediate or Cancel” (IOC) means an Order that will either be immediately executed or cancelled.
- (c) “Good Till Date” (GTD) means an Order that will remain in the market until the end of the trading session on a specified date.
- (d) “Fill or Kill” (FOK) means an Order in which the full quantity of the Order will either be immediately executed or canceled.

“Participant” means any Person initiating, executing, or clearing a transaction on or subject to the Rules of the Cboe Digital Spot Market directly or through an intermediary, and any Person for whose benefit such a transaction has been initiated, executed, or cleared, and any Person that charges a commission or fee in connection with a transaction on or subject to the Rules of the Cboe Digital Spot Market. A Participant expressly consents to the jurisdiction of Cboe Digital Exchange and Cboe Clear Digital and agrees to be bound by and comply with the Cboe Digital Spot Market Rules in relation to such transactions, including, but not limited to, rules requiring cooperation and participation in investigatory and disciplinary processes.

“Participant Documentation” means the applicable forms and agreements (together with any applicable schedules, exhibits or appendices thereto required by the Exchange or Clearinghouse) in form and substance acceptable to the Exchange and the Clearinghouse, that are required to be executed and delivered to the Exchange and Clearinghouse before a Person may access the Cboe Digital Trading System.

“Person” means any natural person, sole proprietorship, association, partnership, limited liability company, joint venture, trust, corporation or other type of entity or organization.

“Public Director” means an individual found, by action of the applicable Board, to have no Material Relationship with the Exchange or the Clearinghouse, as applicable. The applicable Board must make such finding upon the nomination or appointment of the Director and as often as necessary in light of all circumstances relevant to such Director, but in no case less than annually.

“Public Individual” means an individual that is determined by the Board or Chief Regulatory Officer, as applicable, to have no Material Relationship with the Exchange or the Clearinghouse, as the context requires.

“Regulatory Oversight Committee” means the committee of the Board constituted in accordance with Rule 204.

“Related Party” means, with respect to any Spot Member: any partner, director, officer, branch manager, employee or agent of such Spot Member (or any Person occupying a similar status or performing similar functions); any Person directly or indirectly Controlling, Controlled by, or under common Control with, such Spot Member; or any Authorized Trader of such Spot Member.

“Removal Event” means (a) the termination of the Spot Member Agreement; (b) a materially false or misleading representation or warranty made by the Clearing Member to Cboe Clear Digital under or in connection with any agreement between Cboe Clear Digital and the Clearing Member; (c) the breach by the Clearing Member of the Rules or any of the terms or provisions of any

agreement between Cboe Clear Digital and the Clearing Member which is not remedied promptly after notice from Cboe Clear Digital; (d) a material violation of the Rules, or (e) a Default by a Clearing Member.

“State Regulation” means, with respect to states in which Cboe Clear Digital is licensed to operate as a money transmitter or otherwise permitted to engage in a virtual currency business, any regulation related thereto.

“Trading Hours” means, for any Business Day, the hours that trading in any Contract may regularly be conducted. Trading Hours shall include any regular and other trading hours in a relevant Contract’s specifications under the Rules and published on the Cboe Digital website. Except to the extent expressly permitted by the Rules, no Spot Member (including its Authorized Traders) shall engage in any transaction in any Contract before or after such hours.

“Transfer Trade” has the meaning set forth in Rule 610.

“UCC” means the Uniform Commercial Code as in effect in the State of Illinois.

RULE 103. Interpretation

The following rules of construction shall apply to the Cboe Digital Spot Market Rules:

- (i) the headings are for convenience only and do not affect the construction of the Cboe Digital Spot Market Rules;
- (ii) all references to time are to local time in Chicago, Illinois except where expressly provided otherwise;
- (iii) words denoting a singular number include the plural number where the context permits and vice versa;
- (iv) where the context permits or requires, any pronoun shall include the corresponding masculine, feminine and gender-neutral forms;
- (v) references to statutory provisions include those provisions as amended, and any rules or regulations promulgated thereunder; and
- (vi) all uses of the word “including” should be construed to mean “including, but not limited to”.

RULE 104. Conflicts.

In the event of a conflict between any Rules of general application and the Rules relating to particular types of transactions, the transaction-specific Rules will prevail.

RULE 105. Force Majeure.

Notwithstanding any other provision of these Rules, Cboe Digital Exchange and Cboe Clear Digital shall not be obligated to perform its respective obligations under these Rules or any agreement with a Spot Member relating to Contracts, or to compensate any Person for losses occasioned by any delay or failure of performance, to the extent such delay or failure is the result of acts of God, lightning, earthquake, fire, epidemic, landslide, drought, storm, explosion, flood, nuclear radiation, act of a public enemy, terrorist activity, act of state or blockade, insurrection,

riot or civil disturbance, strike or labor disturbance, power or communications failure, performance or operation (or non-performance or non-operation) of any digital asset or Ancillary DL in a manner adverse to Cboe Digital or more than one Spot Member attributable directly or indirectly to the design of the digital asset or Ancillary DL (as determined by Cboe Digital) or any other cause beyond Cboe Digital's reasonable control (whether or not similar to any of the foregoing). If Cboe Clear Digital or Cboe Digital Exchange shall, as a result of any of the above-described events, fail to perform any of their respective obligations, such failure shall be excused for a period equal to the period of delay caused by such event. In such an event, Cboe Clear Digital shall give written notice thereof to the Exchange (and vice versa) or such Spot Member, as the case may be, as soon as it is reasonably practicable and attempt diligently to remove such condition.

RULE 106. Information-Sharing Agreements

(a) Cboe Clear Digital and Cboe Digital Exchange may enter into information-sharing agreements or other arrangements or procedures to coordinate surveillance with each other and with other markets or clearing organizations on which Contracts or financial instruments related to Contracts trade or are cleared. As part of any information sharing agreements or other arrangements or procedures adopted pursuant to this Rule, Cboe Clear Digital and/or Cboe Digital Exchange may, among other things:

- (i) provide market surveillance reports to other markets and clearing organizations;
- (ii) share information and documents concerning current and former Spot Members with other markets and clearing organizations;
- (iii) share information and documents concerning ongoing and completed investigations with other markets and clearing organizations; and/or
- (iv) require its Spot Members to provide information and documents to Cboe Clear Digital or Cboe Digital Exchange at the request of other markets or clearing organizations with which Cboe Clear Digital or Cboe Digital Exchange has an information-sharing agreement or other arrangements or procedures.

(b) Cboe Clear Digital may enter into an information-sharing arrangement with any Person or body (including, without limitation, any Government Authority or any Self-Regulatory Organization) if Cboe Clear Digital (i) believes that such Person or body exercises a legal or regulatory function under any law or regulation, or a function comprising or associated with the enforcement of a legal or regulatory function, or (ii) considers such arrangement to be in furtherance of Cboe Clear Digital's purpose or duties under applicable law. Cboe Clear Digital may disclose to any Person or body information concerning or associated with a Clearing Member or other Person that Cboe Clear Digital believes is necessary and appropriate in exercising a legal or regulatory function (including, without limitation, information concerning any aspect of the business of Cboe Clear Digital) whether or not a formal arrangement governing the disclosure exists or a request for information was made.

RULE 107. Forms; Facsimile Signatures.

(a) Cboe Digital shall prescribe the form, method and time of delivery of any application, list, notice or other document required pursuant to these Rules or the policies or practices of Cboe Digital.

(a) A Spot Member's Authorized Representative may execute any document to be delivered to Cboe Clear Digital or Cboe Digital Exchange pursuant to these Rules or any policy or practice of Cboe Clear Digital or Cboe Digital Exchange by means of a mechanically or electronically

reproduced facsimile signature if it otherwise satisfies any requirements of Cboe Clear Digital or Cboe Digital Exchange for use of such facsimile signatures.

RULE 108. Governing Law; Legal Proceedings.

(a) These Rules, the Spot Member Agreement and all rights and obligations under the foregoing (including the creation of security interests in margin and guaranty fund deposits), shall be governed by and construed in accordance with the internal laws of the State of Illinois, without giving effect to the conflict of law provisions thereof.

RULE 109. Dispute Resolution

(a) Mandatory Arbitration of Disputes Among Spot Members .

(1) It is contrary to the objectives and policy of Cboe Digital for Spot Members to litigate Exchange- or Clearinghouse-related disputes. Spot Members must arbitrate all disputes that relate to or arise out of any transaction on or subject to the Cboe Digital Spot Market Rules and based upon facts and circumstances that occurred at a time when the parties were Spot Members through the American Arbitration Association (“AAA”) in accordance with its Commercial Arbitration Rules. In the event of a conflict between the Rulebook and the AAA’s Commercial Arbitration Rules, the terms of the Rulebook shall control.

(2) Notwithstanding the foregoing, this Rule does not require an employee of a Spot Member to submit to arbitration any claim that includes allegations of a violation of federal, state or local employment discrimination, sexual harassment, wage payment or benefits laws.

(b) Permissive Arbitrations. The following may be submitted for arbitration through the American Arbitration Association and, in the event such a claim is submitted against a Spot Member, that Spot Member is required to arbitrate the dispute under these Rules, unless otherwise provided:

(1) claims of a Customer that is not a Spot Member against a Spot Member that relate to or arise out of any transaction on or subject to the Cboe Digital Spot Market Rules;

(2) claims against a Trading Privilege Holder pursuant to Rule 425

(3) claims of a Customer that is not a Spot Member against a Spot Clearing Member responsible for the performance of a Contract on or subject to the Cboe Digital Spot Market Rules and/or against a Spot Member in connection with such a transaction; and

(4) at the discretion of the Chief Regulatory Officer, any claim involving the interests of the Exchange, the Clearinghouse, Spot Members, their business relations or spot Digital Asset trading in general not otherwise arbitrable under these rules, provided the parties have consented to such arbitration.

(c) Any dispute between the Exchange or the Clearinghouse and a Spot Member or an affiliate of a Spot Member arising from or in connection with the Cboe Digital Spot Market Rules must be brought to arbitration through the American Arbitration Association (“AAA”) arbitration program within two (2) years from the occurrence of the event giving rise to the dispute. This Rule shall in no way create a cause of action nor authorize an action that would otherwise be prohibited by the Cboe Digital Spot Market Rules.

(d) Any dispute between the Clearinghouse or the Exchange and a Spot Member or an affiliate of a Spot Member arising from or in connection with the Cboe Digital Spot Market Rules will be settled by arbitration administered through the AAA arbitration program. Each party to the dispute

will bear its own costs and expenses in connection with any arbitration hereunder, as well as an equal share of the administrative fees and the fees of the arbitrator; provided, however, that the arbitrator will be entitled to include in any award a full reimbursement for the prevailing party's costs and expenses, such, party's share of the administrative fees and the fees of the arbitrator, or any combination of any or all of the above. In the event that this Rule 109(d) is held to be unenforceable in connection with any dispute, (i) exclusive jurisdiction for any such dispute will reside in any state or federal court sitting in the Chicago, Illinois, (ii) the Clearinghouse or the Exchange and the Spot Member or Spot Member affiliate involved in the dispute will be presumed to have submitted to the personal jurisdiction of any such court, and (iii) an action to enforce any judgment or decision of such court may be brought in the same court or in any other court with jurisdiction or venue. Finally, all Spot Members and Spot Member affiliates unconditionally and irrevocably waive any and all right to trial by jury in connection with any such dispute.

(e) Waiver of Any Objection to Jurisdiction. Any Person who is not a Spot Member who submits a claim or grievance to arbitration or any Person who appeals any arbitration decision, or who takes any steps therein, shall be conclusively presumed to have voluntarily recognized and agreed to the jurisdiction of the American Arbitration Association to hear and determine the claim or appeal.

(f) Referral to the American Arbitration Association. In the event that a complaint is received by the Exchange or Clearinghouse from a Customer, it shall be referred to the Market Regulation Department, which shall inform the Customer of the AAA's arbitration program.

(g) Cboe Digital is adopting the AAA Commercial Arbitration Rules as set forth in this Rule109. Any violation of the AAA Commercial Arbitration Rules shall be a violation of this Rule109.

RULE 110. Maintenance of Books and Records by Cboe Digital

(a) Cboe Digital shall keep, or cause to be kept, complete and accurate books and records of accounts of the Exchange and Clearinghouse, as applicable, including, without limitation, all books and records required to be maintained pursuant to Applicable Law.

(b) Cboe Digital shall retain all such books and records for at least five (5) years, or such longer period as may be required under Applicable Law, and shall make such books and records readily accessible for inspection by the CFTC, the United States Department of Justice or such other Governmental Authority or regulatory authority, as required under Applicable Law.

CHAPTER 2: GOVERNANCE

RULE 201. Boards

(a) The Clearinghouse Board shall have control and management of the affairs and business of Cboe Clear Digital and shall have the powers and duties set forth in the Clearinghouse Operating Agreement.

(b) The Exchange Board shall have control and management of the affairs and business of Cboe Digital Exchange and shall have the powers and duties set forth in the Exchange Operating Agreement.

RULE 202. Officers

(a) The Exchange Board and Clearinghouse Board shall appoint Officers of Cboe Digital Exchange and Cboe Clear Digital, respectively, as each may deem necessary or appropriate from time to time, and delegate to such Officers, subject to its oversight, the power and authority to manage the business and affairs of Cboe Digital Exchange and Cboe Clear Digital, respectively, and to establish and enforce rules and procedures for the conduct of business by Cboe Digital Exchange and Cboe Clear Digital, respectively. Any Officer may also be a director, officer, partner or employee of Cboe Digital Exchange or Cboe Clear Digital, or any Cboe Digital affiliates.

(b) At all times, Cboe Clear Digital shall have a Chief Risk Officer, Chief Compliance Officer, and a designated senior officer of the company (whether CEO, President, COO, or other).

RULE 203. Eligibility of Officers and Board Members

Officers and Board Members of Cboe Digital Exchange and Cboe Clear Digital must meet eligibility requirements and fitness standards as set forth by Cboe Digital Exchange and Cboe Clear Digital, respectively, in the Cboe Digital Exchange, LLC Rulebook, the Cboe Clear Digital, LLC Rulebook, the Exchange Operating Agreement, the Clearinghouse Operating Agreement, other applicable policies, or pursuant to regulatory guidance as may be adopted by the Exchange or Clearinghouse, or Applicable Law.

RULE 204 Committees

(a) The Regulatory Oversight Committee is a permanent Committee of the Exchange Board and oversees the Exchange's regulatory program on behalf of the Board.

(b) The Boards may respectively establish additional Committee(s) as they may from time to time deem necessary or advisable and appoint Board members or other individuals to serve on such Committees and delegate powers to one or more Committees.

RULE 205 Conflicts of Interest and Misuse of Material Non-Public Information

(a) No Director, Officer, Disciplinary Panel member or other Person authorized to exercise the Exchange's authority or the Clearinghouse's authority concerning any inquiry, investigation, disciplinary proceeding or any appeal from a disciplinary proceeding, summary suspension, other summary actions, "disciplinary committee" or "oversight panel" (both as defined in CFTC Regulation § 1.69) (any such action, an "Exchange Proceeding" and, collectively, "Exchange Proceedings"), significant action, or Emergency action taken pursuant to Rule 206 (each such Exchange Proceeding or Emergency action, a "Self-Regulatory Action") will knowingly participate in such body's deliberations or voting in any matter involving a Self-Regulatory Action where such member has a "material conflict of interest" (each, an "Interested Person"), except as described in Rule 205(d). For purposes of this Rule 205(a), the term "significant action" means (1) any action or Rule change that addresses a specific Emergency or (1) any change in Collateral requirements that is designed to respond to extraordinary market conditions or that otherwise is likely to have a substantial effect on prices in any Contract.

(b) For purposes of Rule 205(a), a “material conflict of interest” means a Director, Officer, Disciplinary Panel Member or other Person:

- (1) being named as a respondent or potential respondent in the Self-Regulatory Action;
- (2) being an employer, employee, fellow employee or an Affiliate of a respondent or potential respondent in the Self-Regulatory Action;
- (3) having any significant, ongoing business relationship with a respondent or potential respondent in the Self-Regulatory Action, excluding relationships limited to executing Contracts opposite each other or to clearing Contracts through the same Clearing Member;
- (4) having a family relationship with a respondent or potential respondent in a Self-Regulatory Action (including the individual’s spouse, domestic partner, cohabitor, former spouse, parent, step-parent, child, step-child, sibling, step-brother, step-sister, grandparent, grandchild, uncle, aunt, nephew, niece, father-in-law, mother-in-law, brother-in-law or sister-in-law);
- (5) having a direct and substantial financial interest in the result of the deliberations or vote based upon either exchange or non-exchange positions (as referenced in Section § 1.69 of the CFTC Regulations), other than a direct or indirect equity or other interest in CDIH, that could reasonably be expected to be affected by the action, as determined pursuant to Rule 205(c)(2) below. A direct and substantial financial interest includes positions in Contracts in accounts of, controlled by, or affiliated with the Interested Person or in any other types of direct and substantial financial positions of the Interested Person that are reasonably expected to be affected by the deliberations or vote; and/or
- (6) any other circumstance that gives rise to a conflict between the Director’s, Officer’s, Disciplinary Panel Member’s or Other Person’s exercise of authority concerning any Self-Regulatory Action and his or her personal interests.

For any matter involving the relationships listed in Rule 205(b), such determination will be based upon a review of the following information:

- i. information provided by such member pursuant to Rule 205(c)(1); and
- ii. any other source of information that is held by and reasonably available to the Exchange or the Clearinghouse.

(c) Disclosure, Procedure, and Determination

(1) Prior to consideration of any Self-Regulatory Action, each member of the deliberating body who chooses to participate in any deliberations or vote will disclose to the Chief Regulatory Officer whether such member has one of the relationships listed in Rule 205(b) above.

(2) In addition to the information set forth in Rule 205(c)(1) above, for any matter involving the relationship set forth in Rule 205(b)(5), each member of the deliberating body who chooses to participate in any deliberations or vote will disclose to the Chief Regulatory Officer position information (including information regarding positions held by such member, positions held by individuals of such member’s family and positions held by a firm with which such member is affiliated) that is known to such member with respect to any particular month or months that

are under consideration, and any other positions which the deliberating body reasonably expects could be affected by the significant action, as follows:

- i. gross positions held at Cboe Digital in such member's personal accounts or "controlled accounts," as defined in Commission Regulation § 1.3;
- ii. gross positions held at Cboe Digital in proprietary accounts, as defined in Commission Regulation § 1.17(b)(3), at such member's affiliated firm;
- iii. gross positions held at Cboe Digital in accounts in which such member is a principal, as defined in Commission Regulation § 3.1(a);
- iv. net positions held at Cboe Digital in Customer accounts, as defined in Commission Regulation § 1.17(b)(2), at such member's affiliated firm; and
- v. any other types of positions, whether maintained at Cboe Digital or elsewhere, held in such member's personal accounts or the proprietary accounts of such member's affiliated firm, that Cboe Digital reasonably expects could be affected by the significant action.

(3) The Chief Regulatory Officer will determine whether any member of the relevant deliberating body who chooses to participate in any deliberations or vote in a Self-Regulatory Action is subject to a conflicts restriction under this Rule 205(a).

(4) In addition to the review of the information set forth in Rule 205(c)(3) above, for any matter involving the relationship set forth in Rule 205(b)(5), such determination will be based upon a review of the following information:

- vi. the most recent large trader reports and clearing records available to Cboe Digital;
- vii. information provided pursuant to Rule 205(c)(2); and,
- viii. any other source of information that is held by and reasonably available to Cboe Digital taking into consideration the exigency of the significant action being contemplated.

(d) Any Interested Person who would be required otherwise to abstain from deliberations and voting pursuant to Rule 205(a) as a result of having a direct and substantial financial interest in the result of the deliberations and vote may participate in deliberations, prior to a vote on the matter, if the deliberating body, after considering the factors specified below, determines that such participation would be consistent with the public interest; provided however, that before reaching any such determination, the deliberating body will fully consider the position information specified in Rule 213(c)(2) above which is the basis of such member's substantial financial interest in the Self-Regulatory Action that is being contemplated. In making its determination, the deliberating body will consider:

- (1) whether such member's participation in the deliberations is necessary to achieve a quorum; and;
- (2) whether such member has unique or special expertise, knowledge or experience in the matter being considered.

(e) The minutes of any meeting to which the conflicts determination procedures set forth in this Rule 205 apply will reflect the following information:

- (1) the names of all members of the relevant deliberating body who attended such meeting in person or who otherwise participated in such meeting
- (2) the name of any member of the relevant deliberating body who voluntarily recused himself or herself or was required to abstain from deliberations or voting on a matter and the reason for the recusal or abstention, if stated;
- (3) information on the position information that was reviewed for each member of the relevant deliberating body; and
- (4) any determination made in accordance with Rule 205(d) above.

(f) If a determination is made that all Directors are Interested Persons with respect to a matter subject to a vote by the Board, the Chief Executive Officer will appoint a panel of individuals who are not Interested Persons with respect to such matter, which will have the same authority and powers over such matter that the Board would have if the Directors were not Interested Persons with respect to such matter.

(g) No Director, Officer or member of any committee or panel established by the Board shall use or disclose for any purpose other than the performance of his or her official duties and responsibilities as a Director, Officer or committee or panel member any material, non-public information obtained as a result of the individual's duties and responsibilities as a Director, Officer or committee or panel member. No Director, Officer or committee or panel member shall, directly or indirectly, disclose or use at any time, either during his or her association with Cboe Digital or thereafter, any confidential information of which the Board member or committee or panel member becomes aware. Each Director, Officer or committee or panel member in possession of confidential information shall take all appropriate steps to safeguard the information and to protect it against disclosure, misuse, espionage, loss and theft.

(h) Notwithstanding Rule 205(g), a Director, Officer or committee or panel member may disclose confidential information if required by law or a court order to be revealed to the United States Department of Justice or the CFTC.

(i) For the purposes of Rule 205(g), the terms "material information" and "nonpublic information" shall each have the meaning set forth in CFTC Regulation § 1.59(a).

RULE 206. Emergency Actions

(a) The President, or his designee, is authorized to determine whether an emergency exists and whether emergency action is warranted. The following events and/or conditions may constitute emergencies:

- (1) Any actual, attempted, or threatened market manipulation;
- (2) Any actual, attempted, or threatened corner, squeeze, congestion, or undue concentration of positions in a Contract;
- (3) Any action taken or considered by the United States or any foreign government or any state or local government body, any other contract market, board of trade, or any other exchange or trade association (foreign or domestic), which may have an impact on trading

on Cboe Digital Spot Market; on the clearing of Contracts through Cboe Clear Digital; or the settlement, legality or enforceability of any Contract;

(4) The actual or threatened bankruptcy or insolvency of any Spot Member or the imposition of any injunction or other restraint by any government agency, self-regulatory organization, court or arbitrator upon a Spot Member which may affect the ability of that Spot Member to perform on its contracts;

(5) Any circumstance in which it appears that a Spot Member or Participant or any other Person or entity has failed to perform contracts or is in such financial or operational condition or is conducting business in such a manner that such Person or entity cannot be permitted to continue in business without jeopardizing the safety of Spot Members or Cboe Digital Spot Market;

(6) Any circumstance that may have a severe, adverse effect upon the functions and facilities of Cboe Digital, including, but not limited to, acts of God, pandemics, fire or other natural disasters, bomb threats, acts of terrorism or war, severely inclement weather, or failure or malfunction of all or a portion of the systems of Cboe Digital, or other system breakdowns or interruptions such as power, computer, communication or transportation systems or the Internet;

(7) The Insolvency of any Clearing Member or the imposition of any injunction or other restraint by any Government Agency, court or arbitrator upon a Clearing Member which may affect the ability of a Clearing Member to satisfy its Obligations;

(8) Any circumstance in which it appears to the Board that a Clearing Member:

1) Has failed to perform on a Contract;

2) Is Insolvent;

3) Is otherwise in Default;

4) Is in such financial or operational condition or is conducting business such that the Clearing Member cannot be permitted to continue in business without jeopardizing the safety of funds of Cboe Clear Digital, Clearing Members or the funds of Customers; or

(9) Any other circumstance which may have a severe, adverse effect upon the functioning of Cboe Digital Spot Market.

(b) In the event that the President determines, in good faith and in consultation with Cboe Digital executive officers, that an emergency exists, he may take any of the following emergency actions or any other action that may be appropriate to respond to the emergency:

(1) Suspend, curtail or terminate trading in any or all Contracts;

(2) Restrict, suspend or terminate a party's access to the Cboe Digital Spot Markets;

(3) Modify the trading days or hours of operation of the Exchange or the Clearinghouse;

(4) Modify conditions of delivery;

(5) Suspending or curtailing clearing or limiting clearing to liquidation only (in whole or in part);

(6) Extending or shortening the expiration date and/or the last settlement date for Contracts;

(7) Providing alternative settlement mechanisms;

(8) Ordering the liquidation of Contracts, the fixing of a Settlement Price, or the reduction of positions;

- (9) Temporarily modifying or suspending any provision of the Rules;
- (10) Changing the amount of money to be paid in connection with a Contract, whether previously or thereafter delivered; and/or
- (11) Requiring Clearing Members to meet special Collateral requirements;
- (12) Order any other action or undertaking to address or relieve the emergency;

CHAPTER 3: MEMBERSHIP AND PARTICIPATION

RULE 301. Cboe Digital Services

(a) Custodial Services. Cboe Digital provides custodial services on behalf of Spot Members' Accounts to the limited extent necessary to allow Spot Members to transact on Cboe Digital, and in connection with Spot Member transactions, and to participate in applicable Cboe Digital offerings. Cboe Digital does not have or maintain any equitable or beneficial interest in the Digital Assets or funds in Spot Members' Accounts and does not employ the Digital Assets or funds in Spot Members' Accounts for Cboe Digital's own use or purposes.

(b) Segregated Accounts. For clearing purposes, Spot Member assets are stored with Cboe Clear Digital in an omnibus account. Spot Member assets are fully segregated from Cboe Digital assets and Spot Members each receive a designated deposit address, but do not have their own private wallets. Spot Members may withdraw their crypto to a private wallet.

RULE 302. General Eligibility Requirements of Spot Members

- (a) Cboe Digital imposes eligibility requirements for all Spot Members, and may modify these requirements in order to maintain an orderly trading of the Cboe Digital Spot Market and the clearing process, and mitigate risk to Cboe Digital and other Spot Members.
- (b) All Spot Members and prospective Spot Members who wish to enter into a Spot Member Agreement will be subject to Anti-Money Laundering policies and procedures, designed to achieve and monitor compliance with the requirements of the Bank Secrecy Act and the regulations promulgated thereunder, or otherwise, by the Department of the Treasury or other federal agencies and bureaus.
- (c) All Spot Members are subject to the Rules.
- (d) All Spot Members must adhere to Applicable Law and supervises persons associated with the Spot Member as to assure compliance therewith.

RULE 303. Spot Member Criteria and Qualifications

(a) In order to be admitted as Spot Members to trade on the Cboe Digital Spot Markets, an applicant must be in good standing with any Applicable Law that may apply to the applicant, and must satisfy the eligibility requirements identified in paragraphs (c), (d), (e) and (f) below.

(b) Cboe Clear Digital reviews and approves all Spot Member applications and Accounts, and has the right to determine or modify any and all applicable eligibility requirements.

(c) Each applicant for qualification as a Spot Member must satisfy the following requirements at the time of application, and at all times as a Spot Member:

(i) Applicant must not be subject to any economic or trade sanctions programs administered by OFAC or other relevant U.S. or non-U.S. authority and must not be listed on OFAC's List of Specially-Designated Nationals and Blocked Persons;

(ii) Applicant must enter into a Spot Member Agreement with Cboe Digital, pursuant to which it shall agree, among other things, to: (1) abide by all Applicable Law and the Rules and to cooperate in their enforcement; (2) be responsible, even after it has withdrawn as a Spot Member, for any violations of Applicable Law and the Rules committed by it while it was a Spot Member; and (3) continue to meet all requirements applicable to Spot Members, including any financial requirements provided by these Rules;

(iii) Applicant shall have received all necessary approvals and consents from all applicable regulatory authorities and Government Agencies to permit it to conduct its business as a Spot Member;

(iv) Applicant must have one or more Accounts that has been approved by Cboe Clear Digital;

(vi) Applicant must not be prohibited from using the services of the Exchange or the Clearinghouse for any reason whatsoever;

(vii) Applicant, if approved, must continuously satisfy any minimum commercial, integrity, financial, credit, operational capability and competence standards, as may be established by Cboe Clear Digital from time to time;

(x) If the applicant is applying as a Spot Clearing Member, applicant must have the ability to make and take delivery of any Contract in which it trades;

(xiv) Applicant must identify an Authorized Representative to be contacted in the event of any issues related to its activity on Cboe Digital Spot Market;

(d) The Cboe Clear Digital may establish additional eligibility requirements for all Participants Spot Members or specific Spot Members, in the event that the Exchange Cboe Clear Digital deems it in the best interest of the Cboe Digital, the Spot Market, or other Participants.

(e) Cboe Clear Digital will deny, condition, or terminate any Spot Member's eligibility, or take any other actions deemed appropriate if, in the sole discretion of Cboe Clear Digital:

(1) The Spot Member is unable to satisfactorily demonstrate its compliance with additional eligibility requirements established in accordance with paragraph (d) above;

(2) The Spot Member is unable to satisfactorily demonstrate its compliance with applicable Spot Member Classification Requirements identified in paragraph (f) below;

(3) The Spot Member is unable to satisfactorily demonstrate its capacity to adhere to all applicable Rules and Applicable Law;

(4) The Spot Member would bring Cboe Digital into disrepute; or

(5) The Spot Member is acting in a manner detrimental to the welfare of the Spot Market, Cboe Digital, or other Participants.

(f) Spot Member Classification Requirements. Applicants that are admitted as Spot Members must demonstrate compliance with any applicable Spot Member Classification requirements, including:

(1) Spot Members that act as trading principle on behalf of customers must be registered in any required capacity in accordance with Applicable Law, including but not limited to any applicable money transmitter licensing requirements.

(A) Any Spot Member that acts a trading principle on behalf of an undisclosed customer account must maintain an anti-money laundering (“AML”) program, including certain Customer Identification Program and other customer due diligence procedures as required under the Bank Secrecy Act and its implementing regulations and any laws, rules and regulations pertaining to financial recordkeeping and reporting with respect to anti-money laundering or counter terrorist financing in all jurisdictions in it conducts business.

(2) Spot Members that are not Spot Clearing Members must have all trades and activity related to the Contracts guaranteed by, in a manner and form acceptable to Cboe Clear Digital in its sole discretion, a Spot Clearing Member.

(3) A Spot Member that is a Professional Trading Firm must:

(A) certify that it has substantial trading and exchange connectivity management experience; and

(B) provide evidence of such experience to the Exchange upon reasonable notice.

(4) A Spot Member that is a Market Maker must:

(A) be a Professional Trading Firm; and

(B) meet certain market making metrics as may be determined by Cboe Digital.

RULE 304. Application and Approval of Spot Member Status.

(a) Applicants for Spot Member status shall submit an application in the form prescribed by Cboe Clear Digital and submit all applicable Participant Documentation, including an executed Spot Member Agreement.

(b) Cboe Clear Digital may review the books and records of any applicant or Spot Member and take such other action as it may deem appropriate to investigate an applicant’s or a Spot Member’s qualifications.

(c) Cboe Clear Digital shall have the sole discretion to determine whether any applicant, or any existing Spot Member, meets its membership qualifications. Neither Cboe Clear Digital nor Cboe Digital Exchange shall have liability to any applicant or Spot Member who is denied or loses Spot Member status.

(d) The Clearinghouse shall report any material changes to standards and requirements for spot member eligibility and participation or any material membership issues to the Clearinghouse Board, or any Committee so delegated. The Board, or any Committee so delegated, may have final authority to grant or deny an application to become a Clearing Member.

(e) If the Clearinghouse decides to admit an applicant as a Clearing Member, Cboe Clear Digital shall promptly give the applicant written notice thereof. The applicant shall thereafter become a Spot Member at such time as the applicant has filed with Cboe Clear Digital such agreements and documents, and performed such undertakings as Cboe Clear Digital may require; provided, however, that if such applicant has not complied with the foregoing provisions within 30 days after the applicant was given written notice of approval of its application, the application shall be deemed to have been withdrawn.

(f) If, in accordance with this Rule 304, Cboe Clear Digital denies an application to become a Spot Member, Cboe Clear Digital shall give the applicant notice of its decision and such decision shall be the final action of Cboe Clear Digital.

(g) By virtue of obtaining spot membership, a Spot Member shall not obtain any equity or other interest in Cboe Clear Digital, including voting rights or rights to receive any dividends or other distributions, whether arising from a dissolution, merger, consolidation involving Cboe Clear Digital or otherwise..

(h) The Clearinghouse Board, or any Committee so delegated, may, in its sole discretion, grant exemptions or guidance to the requirements set forth in this Rule 304XXX for Spot Members. Additionally, the Board, or any Committee so delegated, may require applicants meet additional requirements, provide additional information for evaluation, or refuse to admit any Person as a Spot Member if, at its sole and absolute discretion, it determines that admission of such Person would undermine the financial integrity or reputation of the Clearinghouse.

RULE 305. Membership Audit by Cboe Clear Digital

Cboe Clear Digital may request information from a Spot Member at any time to confirm the Spot Member's compliance with the applicable membership criteria and requirements.

RULE 306. Fees.

(a) Cboe Digital shall have the authority to set the amounts and times of payment for any dues, assessments or fees (including but not limited to: any fees or charges associated with any transactions executed on the Cboe Digital System for your Account; any fees, costs or expenses incurred by Cboe Digital in connection with your Account, including, but not limited to, non-sufficient funds charges or charges imposed by Cboe Digital's settlement bank) to be paid by Spot Members.

(b) Cboe Digital shall have the right to invoice clients and accept payment via check, wire, or money transfer, or to offset any fees, charges or other amounts (other than fines or penalties) due to Cboe Digital.

(b) Each Spot Member agrees to pay such dues, assessments, and fees as are published by

Cboe Digital in a Notice to Participants, on the Cboe Digital website or as otherwise agreed between the Exchange or the Clearinghouse, and a Spot Member. Each Spot Member agrees to pay such dues, assessments, and fees when due.

(c) If a Spot Member fails to pay when due any such dues, assessments or fees levied on such Spot Member, and such payment obligation remains unsatisfied for thirty days after its due date, the Clearinghouse may suspend, revoke, limit, condition, restrict or qualify the Spot Member's membership and/or ability to otherwise access the Cboe Digital Systems as it deems necessary or appropriate.

RULE 307. Notices to Participants

(a) Cboe Digital shall publish a notice with respect to each amendment, modification, clarification, or interpretation of, the Spot Market Rules or of any action to implement any Spot Market Rules on the Cboe Digital website or via an electronic mail distribution to enable each Spot Member and Participant, as applicable, to become aware of and familiar with, and to implement any necessary preparatory measures to be taken by it with respect to, such addition or modification, prior to the effective date thereof (each a "Notice to Participants"); provided however that any failure by Cboe Digital to publish an Notice to Participants shall not affect the effectiveness of the amendment, modification, clarification or interpretation of the Spot Market Rules. Notices to Participants may be issued by the Exchange or by the Clearinghouse as the context requires.

(b) Any Notice to Participants shall also be deemed to have been made to all Authorized Traders, Authorized Representatives, and Related Parties.

RULE 308. Duties and Responsibilities of Spot Members.

(a) Any Person initiating, executing, or clearing a transaction in Contracts on the Cboe Digital Spot Market, and any Person for whose benefit such a transaction has been initiated, executed or cleared, expressly consents to the jurisdiction of the Cboe Clear Digital and Cboe Digital Exchange and agrees to be bound by and comply with the Rules in relation to such transactions and Contracts, including, but not limited to, rules requiring cooperation and participation in investigatory and disciplinary processes. Each Spot Member shall:

- (i) Comply with and act in a manner consistent with, and cause its Authorized Representatives, Authorized Traders, or Related Parties to comply with an act in a manner consistent with, the Rules;
- (ii) Use the Cboe Digital Trading System in a responsible manner and not for any improper purpose;
- (iii) Use the Cboe Digital Trading System only to conduct activity on Cboe Digital Spot Market;
- (iv) If a Spot Clearing Member, guarantee and assume responsibility for all Contracts submitted by it or for which it authorizes another Person to submit in its name for clearing;
- (v) Keep the passwords assigned by Cboe Digital confidential;

- (vi) Promptly review and, if necessary, respond to all communications sent by Cboe Digital;
- (vii) Be responsible for violations of the Rules committed by it, its Authorized Representative, Authorized Traders, or Related Parties;
- (viii) Be responsible for promptly informing Cboe Clear Digital of any material changes to the information provided to Cboe Clear Digital by the Spot Member pursuant to Rule 303;
- (ix) Not knowingly mislead or conceal any material fact or matter in any dealings or filings with Cboe Digital or in response to any proceeding;
- (x) Cooperate with Cboe Digital and any Government Agency in any inquiry, investigation, audit, examination or proceeding;
- (xi) Observe high standards of integrity, commercial honor, fair dealing, and just and equitable principles of trade in relation to any aspect of its business connected with or concerning Cboe Digital.

RULE 309. Authorized Representative.

(a) Each Spot Member shall designate one or more Authorized Representatives to sign all instruments, correct errors, represent the Spot Member before Cboe Digital and its committees, receive notices on behalf of the Spot Member, perform such other duties as may be required under the Rules and transact all business in connection with the operations of Cboe Digital. Such designations are not final. They will be reviewed by Cboe Clear Digital and accepted or declined. Each Spot Member must provide Cboe Clear Digital with current contact and other requested information for each of its Authorized Representatives.

(b) The Authorized Representative shall be empowered by the Spot Member to act on its behalf and Cboe Digital shall be entitled to rely on the actions of the Authorized Representative as binding on the Spot Member.

(c) Each Spot Member must provide Cboe Digital with current contact and other requested information for each of its Authorized Representatives so that Cboe Digital is able to immediately contact the Authorized Representatives. (d) An Authorized Representative remains subject to the Rules and the jurisdiction of Cboe Clear Digital for acts done and omissions made while registered as such, and a proceeding relating to an individual whose designation as an Authorized Representative has been terminated or suspended shall occur as if the Authorized Representative were still registered as such.

RULE 310. Adequate Assurances

If Cboe Digital has reason to believe that a Spot Member may fail to comply with any of the Rules, it may require the Spot Member to provide it, within such time frame, in such detail, and in such manner as Cboe Digital shall determine, with adequate assurances that the Spot Member shall not violate any of the Rules.

RULE 311. Required of Spot Members.

(a) Each Spot Member shall immediately notify the Cboe Clear Digital upon becoming aware of any of the following events:

- (1) any material change to the contact information provided to Cboe Digital;
- (2) any damage to, or failure or inadequacy of, the systems, facilities or equipment of the Spot Member to effect transactions pursuant to the Rules or to timely perform the Spot Member's financial obligations under or in connection with Contracts;
- (3) any refusal of admission to, or withdrawal by the Spot Member of any application for membership in, any self-regulatory organization, designated contract market or derivatives clearing organization;
- (4) any expulsion, suspension or fine in excess of \$5,000 (whether through an adverse determination, voluntary settlement or otherwise) imposed on the Spot Member by any self-regulatory organization;
- (5) any denial or withdrawal of any application for any registration or license by or from any Governmental Agency, and any revocation, suspension or conditioning of any registration or license granted by any Governmental Agency;
- (6) the commencement of any judicial or administrative proceeding against the Spot Member or the imposition of any fine, cease and desist order, denial of trading privileges, censure or other sanction or remedy (whether through an adverse determination, voluntary settlement or otherwise) imposed by any Governmental Agency;
- (7) any indictment or conviction of, or any confession of guilt or plea of guilty or nolo contendere by any of the Spot Member's principals or senior officers for any felony or misdemeanor involving, arising from, or related to, the purchase or sale of any commodity, Futures contract, Option, security, securities futures product or other financial instrument, or involving or arising from fraud or moral turpitude; and
- (8) the Spot Member becoming the subject of a petition for bankruptcy;
- (9) the appointment of a receiver, trustee or administrator for the Spot Member;
- (10) the presentment of a petition, or the passing of a resolution, for the winding-up of the Spot Member;
- (11) the commencement of proceedings for the dissolution of the Spot Member; or
- (12) the occurrence of an event of insolvency with respect to the Spot Member.

(b) Upon the receipt of a notice of the type set forth in paragraph (a) above, Cboe Clear Digital shall review whether the Spot Member meets the continuing eligibility requirements.

RULE 312. General Recordkeeping and Reporting Requirements for Spot Members.

Each Spot Member shall prepare, maintain and keep current those books and records required by these Rules, and any Applicable Laws and applicable State Regulations. Such books and records shall be open to inspection and promptly provided to Cboe Clear Digital or a Government Agency upon request.

CHAPTER 4: TRADING PRACTICE AND BUSINESS CONDUCT

RULE 401. Trading System.

(a) The Cboe Digital Trading System Central Limit Order Book ("CLOB") uses a Price/Time algorithm (also known as the First In, First Out or FIFO method). Under the Price/Time algorithm,

orders will be matched with the earliest bid or offer to arrive in the Cboe Digital Trading System at the best price. If there are multiple bids and offers that have the same price, the earliest to arrive in the Cboe Digital Trading System will be the bid or offer to which the order is matched. If the order exceeds the quantity of the bid or offer, the Spot Member will be filled at the next, best bid or offer for their order.

(b) The Cboe Digital Trading System Request for Stream (“RFS”) allows Spot Members to request quote streams for a desired asset and quantity, and execute orders from bids or offers listed in the streaming quote. Orders executed utilizing RFS are cleared and settled as a block trade, subject to Rule 424.

RULE 402. Information Regarding Orders

(a) The Exchange will make information regarding Orders (including prices bid or offered), trades completed on the Exchange, and any other matters it may deem appropriate (collectively, “Market Data”) available at such times and in such manner (whether through the Cboe Digital Trading System, a ticker, financial information services or otherwise) as it may consider necessary or appropriate from time to time. The Exchange may require Spot Members, financial information vendors, ISVs, extranet service providers, and other Persons that receive Market Data from the Exchange or an Exchange Affiliate to execute one or more market data, connectivity or similar agreements with the Exchange or Exchange Affiliate in a form and manner prescribed by the Exchange or Exchange Affiliate.

(b) Subject to a Participant’s rights in its own data and information as between the Exchange and such Participant and except as otherwise permitted by the Exchange Rules or other agreement with the Exchange, Participants shall not sell, distribute, re-transmit, transfer, license or otherwise provide Market Data to any third party.

RULE 403. Business Days and Trading Hours

Except as provided in Rule 206 with respect to Emergencies, Cboe Digital shall determine and publish a Notice to Participants listing the [Business Days and Holidays and the Trading Hours](#) for each Contract.

RULE 404. Acts Detrimental; Acts Inconsistent with Just and Equitable Principles of Trade; Abusive Practices

It shall be a violation to engage in any act detrimental to the Exchange or Clearinghouse, in conduct inconsistent with just and equitable principles of trade or in abusive practices, including without limitation, fraudulent, noncompetitive, dishonorable, dishonest or unfair actions.

RULE 405. Fraudulent Acts Prohibited

No Spot Member (or any of its Authorized Traders, Authorized Representatives, or Related Parties) shall engage or attempt to engage in any fraudulent act or engage or attempt to engage

in any scheme to defraud, deceive or trick, in connection with or related to any trade on or other activity related to the Exchange or the Clearinghouse. Prohibited activity encompassed by this Rule in relation to any Contract may occur either directly through activity in the market for that Contract, or indirectly through other activity in the market.

RULE 406. Fictitious Transactions Prohibited

No Spot Member (or any of its Authorized Traders or Related Parties) shall create fictitious transactions or execute any Order for a fictitious transaction with knowledge of its nature.

RULE 407. Money Pass Prohibited

No Spot Member, Related Party or Participant shall prearrange the execution of transactions on the Exchange for the purpose of passing money between accounts. All transactions executed on the Exchange must be made in good faith for the purpose of executing bona fide transactions, and prearranged trades intended to effectuate a transfer of funds from one account to another are prohibited

RULE 408. Market Manipulation Prohibited

No Spot Member, Authorized Trader Related Party or Participant shall:

- (a) attempt to manipulate or manipulate the price of any Contract, either directly by engaging in activity in the market for that Contract, or indirectly by engaging in activity in the market;
- (b) purchase or sell, or offer to purchase or sell, any Contract, regardless of the exchange on or market in which the underlying is transacted, for the purpose of creating a condition in which prices of the Contract do not or will not reflect fair market values; or
- (c) intentionally or recklessly use or employ, or attempt to use or employ, any manipulative device, scheme or artifice to defraud, relating to any Contract either directly by engaging in activity in the market for that Contract, or indirectly.

RULE 409. Disruptive Trading Practices Prohibited

(a) All Orders entered in the Cboe Digital Trading System must be entered for the purpose of executing bona fide transactions, and all non-actionable messages must be entered in good faith for legitimate purposes. No Spot Member, Authorized Trader, Related Party, or Participant shall engage in any trading, practice, or conduct that: (1) violates bids or offers; (2) demonstrates intentional or reckless disregard for the orderly execution of transactions; (3) is, or is of the character commonly known as, "spoofing" (bidding or offering with the intent to cancel the bid or offer before execution); (4) constitutes any other disruptive trading practice as defined under the CEA, CFTC Regulations, including Section 4c(a)(5) of the CEA, or other state or federal law of the United States.

(b) No Person shall enter or cause to be entered an Order with the intent, at the time of entry, to cancel the Order before execution or to modify the Order to avoid execution.

(c) No Person shall enter or cause to be entered an Order with the intent, at the time of entry, to cancel the Order before execution or to modify the Order to avoid execution.

(d) No Person shall enter or cause to be entered an actionable or non-actionable message(s) with intent to mislead other market participants.

(e) No Person shall enter or cause to be entered an actionable or non-actionable message(s) with intent to overload or delay the systems of the Exchange or other market participants.

(f) No Person shall intentionally or recklessly submit or cause to be submitted an actionable or non-actionable message(s) that has the potential to disrupt the systems of the Exchange or other market participants.

(g) No Person shall enter or cause to be entered an actionable or non-actionable message(s) with intent to disrupt, or with reckless disregard for the adverse impact on, the orderly conduct of trading or the fair execution of transactions.

The provisions of this Rule apply to all market states, including the pre-opening period, the closing period, and all trading sessions.

RULE 410. Prohibition of Misstatements

It shall be an offense to make any misstatement or omission of a material fact to Cboe Digital, any Cboe Digital Official, the Board or any committee thereof, a Disciplinary panel, or any director, officer or employee of Cboe Digital.

RULE 411. Sales Practice Rules

Without limiting the generality of Rule 412, each Spot Member (including its Related Parties) shall comply with any and all sales practice rules (including those relating to bunched orders, opening and approval of accounts, suitability, use of discretion, supervision of accounts, risk disclosure document delivery, communications, monthly statements and confirmations, registration, qualification and continuing education, customer complaints, prohibition against guarantees and profit sharing and money laundering) from time to time promulgated by the NFA which rules are hereby incorporated by reference into this Rule 411.

RULE 412. Adherence to Law

No Spot Member (or any of its Authorized Traders or Related Parties) shall engage in conduct that is a violation of Applicable Law or the Cboe Digital Spot Rules.

RULE 413. Supervision

(a) Each Spot Member shall be responsible for establishing, maintaining and administering reasonable supervisory procedures to ensure that its Related Parties, automated trading systems and Customers comply with Applicable Law, and the Cboe Digital Spot Market Rules. Each Spot

Member shall be responsible for supervising its Related Parties and automated trading systems and may be held accountable for the actions of its Related Parties and automated trading systems.

(b) Each Participant shall supervise that Participant's activities and automated trading systems to ensure that they comply with Applicable Law and the Spot Market Rulebook, in each case to the extent those provisions are applicable to Participants.

RULE 414. Front-Running

No Spot Member, Related Party or Participant shall take a position in a Contract based upon non-public information regarding an impending transaction by another Person in the same or a related Contract, unless expressly permitted by the Cboe Digital Spot Market Rules.

RULE 415. Misuse of the Cboe Digital Trading System

Misuse of the Cboe Digital Trading System is strictly prohibited. It shall be deemed an act detrimental to Cboe Digital to permit unauthorized use of the Cboe Digital Trading System, to assist any Person in obtaining unauthorized access to the Cboe Digital Trading System, to trade on the Cboe Digital Trading System without an agreement and an established account with a Clearing Member, to alter the equipment associated with the Cboe Digital Trading System (except with the Exchange's consent), to interfere with the operation of the Cboe Digital Trading System, to intercept or interfere with information provided thereby, or in any way to use the Cboe Digital Trading System in a manner contrary to the Cboe Digital Spot Market Rules.

RULE 416. Errors and Omissions in Handling Orders

- (a) A Spot Member who inadvertently, through error or omission, fails to execute an Order for a Customer at the time it should have been executed may, upon discovery of such error or omission, execute such Order at the best obtainable price. Such Order shall be competitively executed and should be executed in the next available trading session for the applicable listed Contract, but in any event must be executed no later than the close of the next trading day and shall be reported to the Customer at the price at which it was actually executed. If such price is to the advantage of the Customer, the Customer shall receive the benefit thereof; if not, the Customer shall receive such monetary adjustment as will afford the Customer the equivalent of the price at which such Order should and could have been executed.
- (b) Any Clearing Member receiving such a report and adjustment with respect to an Order of a Customer shall report to such Customer the execution at the price reported to such Clearing Member and make the same monetary adjustment for the account of such Customer. Full details of all transactions consummated hereunder shall be promptly provided to Cboe Digital upon request.
- (c) This Rule shall not be construed to contravene any instructions received from a Customer respecting any Order prior to its execution, but shall be construed to permit execution of Orders under the conditions prescribed without prior instructions from the Customer.

RULE 417. Liquidity Provider Programs

- (a) The Exchange may from time to time establish programs that provide Spot Members with financial incentives for meeting trading volume or liquidity thresholds as may be established by the Exchange.
- (b) All Spot Members are eligible to become Liquidity Providers, provided a Spot Member meets the Liquidity Provider obligations.

RULE 418. Withholding Orders Prohibited

No Spot Member, Related Party or Participant shall withhold or withdraw from the market any Order, or any part of an Order, placed by any Customer unless expressly authorized to do so by such Customer.

RULE 419. Priority of Customers' Orders

- (a) No Spot Member, Related Party or Participant shall buy (sell) a Contract for its a personal or proprietary account or for an account in which it has a proprietary interest when such Spot Member, Related Party or Participant has in hand an Orders to buy (sell) the same Contract for any other Person at the same price or at the market price.
- (b) No Spot Member, Related Party or Participant shall execute a discretionary Order for any Contract, including, without limitation, an Order allowing discretion as to time and price, for an immediate family member or for a personal or proprietary account of any other Spot Member, Related Party or Participant, when such Spot Member, Related Party or Participant is in possession of any Customer Order for the same Contract open as to time and price.
- (c) An Authorized Trader entering Orders into the Cboe Digital Trading System must enter all Customer Orders that the Cboe Digital Trading System is capable of accepting before entering an Order for a personal or proprietary account of such Authorized Trader or the related Spot Member, an account in which such Authorized Trader or Spot Member has a proprietary interest or an Order for a discretionary account, including an Order allowing such Authorized Trader or Spot Member discretion as to time and price, for an immediate family member or for a personal or proprietary account of any other Spot Member or Related Party.
- (d) For purposes of this Rule 419, no Spot Member or Participant that consists of more than one individual, shall be deemed to buy (sell) a Contract or execute a discretionary Order if (i) such Spot Member or Participant has in place appropriate "firewall" or separation of function procedures and (ii) the individual buying (selling) the Contract or executing the discretionary Order in question has no direct knowledge of the Order to buy or sell the same Contract for any other Person at the same price or at the market price or of the Customer Order for the same Contract, as the case may be. Nothing in this Rule 419 shall limit the ability of an "eligible account manager" to bunch Orders in accordance with CFTC Regulation § 1.35(b)(5).

RULE 420. Handling of Customer Orders

(a) General Prohibition - No Spot Member, Related Party or Participant in possession of a Customer Order shall knowingly take, directly or indirectly, the opposite side of such Order for its own account, an account in which it has a direct or indirect financial interest, or an account over which it has discretionary trading authority.

(b) Exceptions - The foregoing restriction shall not apply to the following:

(1) Transactions executed pursuant to Rule 424;

(2) Spot Member, Related Party or Participant may knowingly trade against a Customer Order for its own account, an account in which it has a direct or indirect financial interest, an account over which it has discretionary trading authority, or a Proprietary Account of its employer, only if:

(A) the Customer Order has been entered immediately upon receipt and has first been exposed on the Cboe Digital Trading System for a minimum of 5 seconds in the case of Futures Orders or for a minimum of 15 seconds in the case of Options Orders; and

(B) the Customer has previously consented in writing to waive the application of Rule 420, and such consent has not been revoked.

RULE 421. Disclosing Orders Prohibited

Except in accordance with any policies or procedures for pre-execution discussions from time to time adopted by the Exchange, no Spot Member, Related Party or Participant shall disclose to any Person any Order placed by any other Person except to the Exchange or the Clearinghouse. No Spot Member, Related Party or Participant shall solicit or induce another Person to disclose Order information. No Spot Member, Related Party or Participant shall take action or direct another to take action based on non-public Order information, however acquired. The mere statement of opinions or indications of the price at which a market may open or resume trading does not constitute a violation of this rule.

RULE 422. Prearranged, Pre-Negotiated and Noncompetitive Trades Prohibited

(a) Except as set forth in Rule 424 or as in accordance with subparagraph (b) below, no Spot Member, Related Party or Participant enter any Order into the Cboe Digital Trading System which has been prearranged or pre-negotiate any purchase or sale or noncompetitively execute any transaction.

(b) Pre-Execution Communications Regarding the Cboe Digital Trading System Trades. Parties may engage in pre-execution communications with regard to transactions executed on the Cboe Digital Trading System where one party (the first party) wishes to be assured that a contra party (the second party) will take the opposite side of the Order subject to the following restrictions:

(1) A party may not engage in pre-execution communications with other market participants on behalf of another party unless the party for whose benefit the trade is being made has previously consented to permit such communications.

(2) Parties to pre-execution communications shall not:

i. disclose to a nonparty the details of such communications; or

- ii. enter an Order to take advantage of information conveyed during such communications except in accordance with this rule.

RULE423. Recordkeeping

(a) Participants must keep full and complete records, whether electronic or otherwise, and all pertinent data and written material, of all transactions relating to Contracts. Written and electronic records must be retained for a minimum of seven years in permanent form. Oral communications between Participants and their customers must be recorded and must be retained for a minimum of one year past the date on which the oral communication occurred. All records required to be retained shall at all times be open to inspection by the Market Regulation Department or Exchange staff.

(b) A Participant shall not be in violation of Rule 415 if the Participant's pre-programmed algorithms access the Cboe Digital Trading System tied to the same user login, so long as the Participant is able to provide an appropriate audit trail upon request of the Exchange that identifies for each order the submitting algorithm, system, or human intervenor (when human intervention is necessary).

RULE 424. Block Trading

(a) The Exchange shall designate the Contracts in which block trades shall be permitted, the minimum quantity thresholds for such transactions, and all other rules pertaining to Block Trading of Contracts.

(b) Block Trade Specifications

(1) A block trade must be for a quantity that is at or in excess of the applicable minimum size, as specified in the Block Trading Specification Table in subparagraph (h). Orders may not be aggregated in order to achieve the minimum transaction size.

(2) Multi-legged block trades may be executed as block trades, provided that each of the Contract legs of the resultant block trade meets the prescribed Minimum Block Size for that Contract.

(c) Block Trade Prices. The price at which a block trade is executed must be fair and reasonable in light of:

- (1) the size of the block trade;
- (2) the prices and sizes of other transactions in the same contract at the relevant time;
- (3) the prices and sizes of transactions in other relevant markets, including without limitation the related underlying cash or futures markets, at the relevant time; and
- (4) the circumstances of the markets or the Participants to the block trade.

(d) Additional Provisions and Requirements.

- (1) Each party to a block trade must be a Spot Member.
- (2) Block trades shall not set off conditional orders (e.g., Stop Orders and MIT Orders) or otherwise affect orders in the regular market.
- (3) Block Trades may only be executed during Cboe Digital Spot Market trading hours.

(e) One of the Participants or the broker of one of the Participants to the block trade must ensure

that each block trade is reported to the Exchange within the time limit set forth below:

- (1) All block trades must be executed and reported to the Exchange on the same trade date; and
- (2) All block trades must be reported within fifteen (15) minutes of the transaction or prior to the end of the trade date, whichever is sooner.

(f) Reporting Requirements. A block trade reported to the Exchange must include the information related to the block trade specified by the Exchange, including identification of parties to the block trade; product details, trade quantity, price, time, and account number(s) or Clearing Firm(s), as applicable.

(g) Finality at Clearing. Block trades are not considered final or binding until they have been accepted by the Clearinghouse.

(h) Products designated for Block Trades can be seen on the Cboe Digital website at <https://www.cboedigital.com/product/digital-assets/>.

RULE 425 Trade Cancellations and Price Adjustments

(a) Cboe Digital Exchange has authority to adjust trade prices or cancel (bust) trades when such action is necessary to mitigate market disrupting events caused by the improper or erroneous use of the Cboe Digital Trading System or by system defects. Notwithstanding any other provisions of Rule 206, the Exchange may adjust trade prices or bust any trade if the Exchange determines that allowing the trade to stand as executed may have a material, adverse effect on the integrity of the market. All decisions of the Exchange shall be final.

(b) Review of Trades

(1) The Exchange may determine to review a trade based on its independent analysis of market activity or upon request for review by a Spot Member. A request for review must be made within 15 minutes of the execution of the trade.

(2) The Exchange shall determine whether or not a trade will be subject to review. In the absence of a timely request for review, during volatile market conditions, upon the release of significant news, or in any other circumstance in which the Exchange deems it to be appropriate, the Exchange may determine, in its sole discretion, that a trade shall not be subject to review.

(c) Price Adjustments and Cancellations

(1) In reviewing a trade, the Exchange will first determine whether the trade price is within the No Bust Range for spot transactions described in Rule 425(h).

(2) In applying the No Bust Range, the Exchange shall determine the fair value market price for that contract at the time the trade under review occurred ("Price"). The Exchange may consider any relevant information, including, but not limited to, the last trade price in the contract or a better bid or offer price on the Cboe Digital Trading System, a more

recent price for a different maturity date, the price of the same or related contract established in another venue or another market, or the market conditions at the time of the trade.

(d) Trade Price Inside the No Bust Range. If the Exchange determines that the price of the trade is inside the No Bust Range, the Exchange will not bust the trade.

(e) Trade Price Outside the No Bust Range. If the Exchange determines that a trade price is outside the No Bust Range for a Contract, the trade price shall be adjusted to a price that equals the fair value market price for that contract at the time the trade under review occurred, plus or minus the No Bust Range. In the event there are multiple parties, prices and/or contracts involved in the transactions at issue, the Exchange has the authority, but not the obligation, to bust rather than price adjust such transactions. The Exchange will issue an alert regarding its decision.

(f) Busted trade prices and any prices that have been adjusted shall be cancelled in the Exchange's official record of time and sales. Trades that are price adjusted shall be inserted in the time and sales record at the adjusted trade price.

(g) Alternative Resolution by Agreement of Parties.

(1) With the approval of the Exchange, parties to a trade that is price adjusted may instead mutually agree to cancel the trade.

(2) With the approval of the Exchange, parties to a trade that is busted may instead mutually agree to price adjust the trade to a price consistent with the adjustment provisions of this Rule.

(3) With the approval of the Exchange, parties to a trade that is cancelled or price adjusted may mutually agree to a cash adjustment provided that such adjustments are reported to the Exchange and the parties maintain a record of the adjustment.

(4) An executed trade may not be reversed via transfer except where such trade is determined by Exchange to be outside of the No Bust Range but not reported timely, subject to agreement of the parties and approval of the Exchange. Any such transfer must occur at the original trade price and quantity; however, the parties may mutually agree to a cash adjustment.

(h) Liability for Losses Resulting from Price Adjustments or Cancellations

(1) A party entering an order that results in a price adjustment or trade bust shall be responsible for demonstrated claims of realized losses incurred by persons whose trade prices were adjusted or busted provided, however, that a claimant shall not be entitled to compensation for losses incurred as a result of the claimant's failure to take reasonable actions to mitigate the loss.

(2) A claim for a loss pursuant to this section must be submitted to the Exchange in a manner acceptable to the Exchange within one business day of the event giving rise to the claim. The Exchange will reject any claim that is not filed in a timely manner and such decisions shall be final. Eligible claims shall be forwarded by the Exchange to the party responsible for the order(s) that resulted in a trade bust or a price adjustment. Such party

shall, within ten business days of receipt of the claim, admit or deny responsibility in whole or in part. Failure to respond to the claim within ten business days shall be considered a denial of liability.

(3) To the extent that liability is admitted, payment shall be made within ten business days. Unless otherwise agreed upon in writing by the parties, failure to make the payment within ten business days shall be considered a denial of liability for purposes of this rule. A copy of any such written agreement must be provided to the Exchange.

(4) To the extent that liability is denied, the party making the claim may submit the claim for arbitration pursuant to Rule 109. Such claims must be submitted to the Exchange within ten business days of the date the party was issued notification that liability was denied.

(i) Schedule of Administrative Fees. When Exchange busts or price adjusts a trade, the party responsible for entering the order into the Cboe Digital Trading System that gave rise to the trade bust or price adjustment shall pay an administrative fee to the Exchange in the amount of \$500 for each such occurrence.

(j) No Bust Ranges:

Product	No Bust Range (from Price determined by Exchange under Spot Rule 425(d)(ii)(2))
BTC	1%
ETH	1%
LTC	1%
BTH	1%

RULE 426. Spot Contract Specifications

(a) Spot Contract Specifications. Spot contract specifications are published on the Cboe Digital website at <https://www.cboedigital.com/product/digital-assets/>. The Exchange shall publish notice pursuant to Rule 307 with respect to any updates to the spot contract specifications.

(b) Settlement Methodology.

(1) Unless otherwise determined by Cboe Digital, trades in the Spot Contracts settle each Business Day at 10:00 am CT. Participants are required to satisfy any outstanding obligations within a two-hour settlement window beginning at 10:00 am CT. Ad-hoc settlement cycles may be added based on market conditions.

(2) The Exchange will publish a closing price to be used for the purpose of calculating liquidating values for Participant accounts.

RULE 427. Limitation of Exchange Liability

(a) EXCEPT AS PROVIDED BELOW, CBOE DIGITAL EXCHANGE, LLC, INCLUDING THE CBOE DIGITAL SPOT MARKETS (THE "EXCHANGE"), ITS RESPECTIVE SUBSIDIARIES AND AFFILIATES, ITS AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONSULTANTS, LICENSORS, MEMBERS, AND PARTICIPANTS (THE "EXCHANGE PARTIES") SHALL NOT BE LIABLE TO ANY PERSON FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES (INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF USE, AND DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES), ARISING FROM:

(1) ANY FAILURE, MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION, TERMINATION, OR ANY OTHER CAUSE, IN CONNECTION WITH THE PERFORMANCE, OPERATION, MAINTENANCE, USE OF OR INABILITY TO USE ALL OR ANY PART OF ANY OF THE SYSTEMS AND SERVICES OF THE EXCHANGE OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS AND SERVICES, INCLUDING WITHOUT LIMITATION ELECTRONIC ORDER ENTRY/DELIVERY, TRADING THROUGH ANY ELECTRONIC MEANS, ELECTRONIC COMMUNICATION OF MARKET DATA OR INFORMATION, PRICE REPORTING SYSTEMS AND ANY AND ALL TERMINALS, COMMUNICATIONS NETWORKS, CENTRAL COMPUTERS, SOFTWARE, HARDWARE, FIRMWARE AND PRINTERS RELATING THERETO; OR

(2) ANY FAILURE OR MALFUNCTION, FAULT IN DELIVERY, DELAY, OMISSION, SUSPENSION, INACCURACY, INTERRUPTION OR TERMINATION, OR ANY OTHER CAUSE, OF ANY SYSTEM OR SERVICE OF THE EXCHANGE OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, CAUSED BY ANY THIRD PARTIES INCLUDING, BUT NOT LIMITED TO, INDEPENDENT SOFTWARE VENDORS AND NETWORK PROVIDERS; OR

(3) ANY ERRORS OR INACCURACIES IN INFORMATION PROVIDED BY THE EXCHANGE OR ANY EXCHANGE SYSTEMS, SERVICES OR FACILITIES; OR

(4) ANY UNAUTHORIZED ACCESS TO OR UNAUTHORIZED USE OF ANY EXCHANGE SYSTEMS, SERVICES OR FACILITIES BY ANY PERSON.

(b) THE FOREGOING LIMITATION OF LIABILITY SHALL APPLY WHETHER A CLAIM ARISES IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, CONTRIBUTION OR OTHERWISE AND WHETHER THE CLAIM IS BROUGHT DIRECTLY OR AS A THIRD PARTY CLAIM. A PARTY WHO HAS BEEN FINALLY ADJUDICATED TO HAVE ENGAGED IN WILLFUL OR WANTON MISCONDUCT MAY NOT AVAIL ITSELF OF THE PROTECTIONS IN THIS RULE.

(c) THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS (INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR USE) PROVIDED BY THE EXCHANGE PARTIES, RELATING TO ANY SYSTEMS OR SERVICES OF THE EXCHANGE OR SERVICES,

EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES.

(d) ANY DISPUTE ARISING OUT OF THE USE OF SYSTEMS OR SERVICES OF THE EXCHANGE PARTIES OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES OF THE EXCHANGE PARTIES SHALL BE ARBITRATED PURSUANT TO THESE SPOT RULES. ANY ARBITRATION SHALL BE BROUGHT WITHIN THE PERIOD PRESCRIBED BY THE SPOT RULES. ANY OTHER ACTIONS, SUITS OR PROCEEDINGS AGAINST ANY OF THE ABOVE MUST BE BROUGHT WITHIN TWO YEARS FROM THE TIME THAT A CAUSE OF ACTION HAS ACCRUED. THIS PARAGRAPH D SHALL IN NO WAY BE CONSTRUED TO LIMIT A PARTY'S OBLIGATION TO ARBITRATE ITS CLAIM OR TO CREATE A CAUSE OF ACTION AND SHALL NOT AUTHORIZE AN ACTION THAT WOULD OTHERWISE BE PROHIBITED BY SPOT RULES. IF FOR ANY REASON, A COURT OF COMPETENT JURISDICTION FINDS THAT SUCH DISPUTE IS NOT ARBITRABLE, SUCH DISPUTE MAY ONLY BE LITIGATED IN THE COUNTY OF COOK IN THE STATE OF ILLINOIS AND WILL BE GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS WITHOUT REGARD TO ANY PROVISIONS OF ILLINOIS LAW THAT WOULD APPLY THE SUBSTANTIVE LAW OF A DIFFERENT JURISDICTION, UNLESS OTHERWISE REQUIRED BY STATE LAW, .

(e) THE EXCHANGE ASSUMES RESPONSIBILITY FOR DIRECT, OUT-OF-POCKET LOSSES DIRECTLY CAUSED BY THE GROSS NEGLIGENCE OF EXCHANGE STAFF. IF SUCH LIABILITY IS ACCEPTED, THE TOTAL AGGREGATE OBLIGATIONS FOR THE EXCHANGE PARTIES SHALL NOT EXCEED \$200,000 FOR ALL LOSSES SUFFERED FROM ALL CAUSES PER INSTANCE, ALLOCATED AMONG THE PARTIES AFFECTED. ANY DISPUTED CLAIM MADE UNDER THIS RULE MUST BE ARBITRATED PURSUANT TO THE SPOT RULES.

CHAPTER 5: CBOE DIGITAL EXCHANGE DISCIPLINARY RULES

RULE 501. General

(a) All Participants shall be subject to Cboe Digital's jurisdiction. All Participants are subject to this Chapter 5 if they, or with respect to a Participant, any other Person using any of its User IDs, are alleged to have violated, to have aided and abetted a violation, to be violating, or to be about to violate, any Rule of the Exchange or any provision of Applicable Law for which the Exchange possesses disciplinary jurisdiction.

(b) The Exchange, through the Market Regulation Department and the Disciplinary Panel, will conduct inquiries, investigations, disciplinary proceedings and appeals from disciplinary proceedings, summary impositions of fines, summary suspensions or other summary actions in accordance with this Chapter 5.

(c) No Exchange Official, Director, or Officer will interfere with or attempt to influence the process or resolution of any inquiry, investigation, disciplinary proceeding, appeal from a disciplinary proceeding, summary imposition of fines, summary suspension or other summary action (collectively "Disciplinary Action"), except to the extent provided under the Spot Market Rules with respect to a proceeding in which the Director is a member of the relevant Appeal Panel.

(d) Any Participant may be represented by counsel during any Disciplinary Action pursuant to this Chapter 5.

(e) Participant Liability – Individual and Joint Liability/Controlling Person Liability

(1) The Exchange may hold a Participant liable for, and impose sanctions against such Participant, for such Participant's own acts and omissions that constitute a violation as well as for the acts and omissions of each (A) Authorized Trader or Authorized Broker authorized by such Participant, (B) other Supervised Person of such Participant, (C) other Person using a User ID of such Participant or (D) other agent or representative of such Participant, in each case, that constitute a violation as if such violation were that of the Participant.

(2) The Exchange may hold an Authorized Trader or Authorized Broker liable for, and impose sanctions against such Authorized Trader or Authorized Broker, for such Authorized Trader's or Authorized Broker's own acts and omissions that constitute a violation as well as or for the acts and omissions of any other agent or representative of such Authorized Trader or Authorized Broker that constitute a violation as if such violation were that of the Authorized Trader or Authorized Broker.

(f) Ex Parte Communications.

(1) A Person subject to a disciplinary proceeding or an appeal from a disciplinary proceeding (and any counsel or representative of such Person) and the Market Regulation Department (and any counsel or representative of the Market Regulation Department) shall not knowingly make or cause to be made an *ex parte* communication relevant to the merits of a disciplinary proceeding or an appeal from a disciplinary proceeding to any member of the Disciplinary Panel or the Appeal Panel hearing such proceeding.

(2) Members of a Disciplinary Panel or Appeal Panel shall not knowingly make or cause to be made an *ex parte* communication relevant to the merits of a disciplinary proceeding or an appeal from a disciplinary proceeding to any Person subject to such proceeding (and any counsel or representative of such Person) and the Market Regulation Department (and any counsel or representative of the Market Regulation Department).

(3) Any Person who receives, makes or learns of any communication that is prohibited by this rule shall promptly give notice of such communication and any response thereto to the Market Regulation Department and all parties to the proceeding to which the communication relates.

(4) A Person shall not be deemed to have violated this rule if the Person refuses an attempted communication concerning the merits of a proceeding as soon as it becomes apparent the communication concerns the merits.

RULE 502. Inquiries and Investigation

(a) The Market Regulation Department will investigate any matter within the Exchange's jurisdiction of which it becomes aware. The Market Regulation Department will commence an investigation upon the receipt of a request from Commission staff or upon the discovery or receipt of information by the Exchange that, in the judgment of the Market Regulation Department indicates a possible basis for finding that a violation has occurred or will occur. The Market Regulation Department will determine the nature and scope of its inquiries and investigations in

its sole discretion and will function independently of any commercial interests of the Exchange.

(b) The Market Regulation Department has the authority to:

- (1) initiate and conduct inquiries and investigations;
- (2) prepare investigative reports and make recommendations concerning initiating disciplinary proceedings;
- (3) prosecute alleged violations within the Exchange's disciplinary jurisdiction; and,
- (4) represent the Exchange on appeal from any disciplinary proceeding, summary imposition of fines, summary suspension or other summary action.

(c) Each Participant:

- (1) is obligated to appear and testify and respond in writing to interrogatories within the time period required by the Market Regulation Department in connection with: any Cboe Digital Spot Market Rule; any inquiry or investigation; or any preparation and presentation during a Disciplinary Action;
- (2) is obligated to produce books, records, papers, documents or other tangible evidence in its, his or her possession, custody or control within the time period required by the Market Regulation Department in connection with: any Cboe Digital Spot Market Rule; any inquiry or investigation; or any preparation and presentation during a Disciplinary Action; and
- (3) may not impede or delay any Disciplinary Action.

RULE 503. Reports of Investigations

(a) The Market Regulation Department will maintain a log of all investigations and their disposition. The Market Regulation Department will prepare a written report of each investigation, regardless of whether the evidence gathered during any inquiry or investigation forms a reasonable basis to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur or whether the evidence gathered results in closing the matter without further action or through summary action.

(b) Any written report of investigation ("Investigative Report") will include the reasons for initiating the investigation (including a summary of the complaint, if any), all relevant facts and evidence gathered, Market Regulation Department staff's analysis and conclusions, the Participant's disciplinary history at the Exchange, and the recommendation of the Market Regulation Department. For each potential respondent, the Market Regulation Department will recommend either:

- (1) closing the investigation without further action;
- (2) settlement;
- (3) summary action;
- (4) the preparation and service of a notice of charges for instituting a disciplinary proceeding; or,
- (5) resolving the investigation through an informal disposition, including the issuance of a warning letter. An informal disposition (including the issuance of a warning letter) will not constitute a finding of a violation or a sanction, however, the investigative report must include a copy of any warning letter and no more than one warning letter for the same potential violation may be issued to the same Participant during a rolling 12-month

period.

(c) The Investigative Report will be provided to the Chief Regulatory Officer for a determination as to whether the Investigative Report is complete. The Chief Regulatory Officer will then provide the completed Investigative Report to the Review Panel of the Disciplinary Panel.

RULE 504. Opportunity to Respond

- (a) After completing its investigation report, the Market Regulation Department may, upon approval of the Chief Regulatory Officer, notify each potential respondent that the Market Regulation Department has recommended formal disciplinary charges against the potential respondent.
- (b) The Market Regulation Department may allow a potential respondent to propose a settlement of the matter or to submit a written statement explaining why a disciplinary proceeding should not be instituted or one or more of the potential charges should not be brought. The potential respondent shall submit such written statement within the time limit established by the Market Regulation Department.

RULE 505. Review of Investigative Reports

- (a) Review of Investigative Reports by the Chief Regulatory Officer
 - (1) Within 30 days of the receipt of a completed Investigative Report, the Chief Regulatory Officer will review the completed Investigation Report to determine whether a reasonable basis exists to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur.
 - (2) If the Chief Regulatory Officer determines that additional investigation or evidence is needed to decide whether a reasonable basis exists to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur, the Chief Regulatory Officer will direct the Market Regulation Department to conduct further investigation.
 - (3) Upon receiving the completed Investigative Report or after receiving additional information upon the completion of an investigation, the Chief Regulatory Officer will determine for each potential respondent whether to authorize:
 - i. the informal disposition of the investigation (by issuing a warning letter or otherwise) because disciplinary proceedings are unwarranted; or
 - ii. the closing of the investigation without any action because no reasonable basis exists to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur; or,
 - iii. the commencement of disciplinary proceedings because a reasonable basis exists to believe that a violation within the Exchange's jurisdiction has occurred or is about to occur.
- (b) Review of Investigative Reports by the Review Panel of the Disciplinary Panel.
 - (1) After receiving a completed Investigation Report pursuant to Rule 503, a Review Panel must promptly review the report and, within 30 days of such receipt, must take one of the following actions:
 - i. If the Review Panel determines that additional investigation or evidence is

needed, it must promptly direct the Market Regulation Department to conduct further investigation.

- ii. If the Review Panel determines that no reasonable basis exists for finding a violation or that prosecution is otherwise unwarranted, it may direct that no further action be taken. Such determination must be in writing, and must include a written statement setting forth the facts and analysis supporting the decision.
 - iii. If the Review Panel determines that a reasonable basis exists for finding a violation and adjudication is warranted, it must direct that the person or entity alleged to have committed the violation be served with a notice of charges and proceed in accordance with the rules of Chapter 5.
- (2) A failure of the Disciplinary Panel to act within the time prescribed in Rule 505(b) shall not prevent the Chief Regulatory Officer from acting pursuant to Rule 505(a). The Chief Regulatory Officer shall inform the Regulatory Oversight Committee of any such failure of the Disciplinary Panel to act.
 - (3) Any conflict between the actions of the Chief Regulatory Officer pursuant to Rule 705(a) and the Disciplinary Panel pursuant to Rule 505(b) shall be resolved by the Regulatory Oversight Committee.

RULE 506. Notice of Charges

- (a) If the Chief Regulatory Officer or Review Panel authorizes disciplinary proceedings pursuant to Rule 505(a)(3)(iii) or 703(b)(1)(iii), the Market Regulation Department will prepare, and serve in accordance with Rule 508, a notice of charges.
- (b) A notice of charges will:
 - (1) state the acts, practices or conduct that the respondent is alleged to have engaged in;
 - (2) state the Cboe Digital Rule or provision of Applicable Law alleged to have been violated or about to be violated;
 - (3) state the proposed sanctions;
 - (4) advise the respondent of its right to a hearing;
 - (5) advise the respondent that he has the right to be represented by legal counsel or any other representative of its choosing in all succeeding stages of the disciplinary process
 - (6) state the period of time within which the respondent can request a hearing on the notice of charges, which will not be less than 20 days after service of the notice of charges;
 - (7) advise the respondent that any failure to request a hearing within the period stated, except for good cause, will be deemed to constitute a waiver of the right to a hearing; and
 - (8) advise the respondent that any allegation in the notice of charges that is not expressly denied will be deemed to be admitted

RULE 507. Answer to Notice of Charges

- (a) If the respondent determines to answer a notice of charges, the respondent must file answers within 20 days after being served with such notice, or within such other time period determined by the Chief Regulatory Officer.

- (b) To answer a notice of charges, the respondent must in writing:
- (1) specify the allegations that the respondent denies or admits;
 - (2) specify the allegations that the respondent does not have sufficient information to either deny or admit;
 - (3) specify any specific facts that contradict the notice of charges;
 - (4) specify any affirmative defenses to the notice of charges; and
 - (5) sign and serve the answer on the Chief Regulatory Officer.
- (c) Any failure by the respondent to timely serve an answer to a notice of charges will be deemed to be an admission to the allegations in such notice. Any failure by the respondent to answer one or more allegations in a notice of charges will be deemed to be an admission of that allegation or those allegations. Any allegation in a notice of charges that the respondent fails to expressly deny will be deemed to be admitted. A general denial by the respondent, without more, will not satisfy the requirements of paragraph (b) above.

RULE 508. Service of Notice of Charges

- (a) Any notice of charges or other documents to be served pursuant to this Chapter 5 may be served upon the respondent and service shall be deemed complete either personally or by leaving the same at his or her place of business; by deposit in the United States mail, postage prepaid, via registered or certified mail addressed to the respondent at the address as it appears on the books and records of the Exchange.
- (b) Any notice of charges or other documents contemplated to be served pursuant to this Chapter 5 may be served upon the respondent and service shall be deemed complete via electronic mail to the electronic mail address as it appears on the books and records of the Exchange.

RULE 509. Settlements

- (a) A respondent or potential respondent may at any time propose in writing an offer of settlement related to anticipated or instituted disciplinary proceedings.
- (b) Any offer of settlement should contain proposed findings and sanctions and be signed by the respondent or potential respondent and submitted to the Market Regulation Department.
- (c) A respondent or potential respondent may offer to settle disciplinary proceedings without admitting or denying the findings contained in the order of the disciplinary proceedings but must accept the jurisdiction of the Exchange over it and over the subject matter of the proceedings and consent to the entry of the findings and sanctions imposed.
- (d) If a respondent or potential respondent submits an offer of settlement in accordance with paragraph (a) above, the Market Regulation Department will forward the offer to the Chief Regulatory Officer with a recommendation on whether to accept or reject the offer. Any preliminary determination by the Chief Regulatory Officer to accept the offer shall be submitted for review by the Disciplinary Panel. If the Disciplinary Panel agrees,

then the Chief Regulatory Officer shall conditionally accept an offer of settlement, and that the settlement will become final upon the expiration of 20 days after an order of the disciplinary proceedings consistent with the terms of the offer of settlement is served on the respondent.

- (e) If an offer of settlement is accepted by the Disciplinary Panel, the panel accepting the offer must issue a written decision specifying the rule violations it has reason to believe were committed, including the basis or reasons for the panel's conclusions, and any sanction to be imposed, which must include full customer restitution where customer harm is demonstrated. If an offer of settlement is accepted without the agreement of the Market Regulation Department or Chief Regulatory Officer, the decision must adequately support the Hearing Panel's acceptance of the settlement. If applicable, the decision must also include a statement that the respondent has accepted the sanctions imposed without either admitting or denying the rule violations.
- (f) If an offer of settlement is accepted and the related order of disciplinary proceedings becomes final, the respondent's submission of the offer will be deemed to constitute a waiver of the right to notice, opportunity for a hearing and review and appeal under the Cboe Digital Spot Market Rules.
- (g) If the offer of settlement of a respondent or potential respondent is not accepted by agreement between the Chief Regulatory Officer and the Disciplinary Panel, fails to become final or is withdrawn by the respondent or potential respondent, the matter will proceed as if the offer had not been made and the offer and all documents relating to it will not become part of the record. Neither a respondent or potential respondent nor the Market Regulation Department may use an unaccepted offer of settlement as an admission or in any other manner at a hearing of, or appeal from, disciplinary proceedings.

RULE 510. Disciplinary Panel

- (a) The Disciplinary Panel shall function as a Review Panel and Hearing Panel.
 - (1) The Review Panel shall review completed Investigative Reports in order to determine whether a reasonable basis exists for finding a violation of the Exchange's rules and for authorizing the issuance of notices of charges against persons.
 - (2) The Hearing Panel shall conduct hearings in connection with any disciplinary proceedings (except for summary impositions of fines pursuant to Rule 517, to make findings, render decisions, and impose sanctions pursuant to this Chapter 5.
- (b) The Board shall appoint individuals at the recommendation of the Chief Regulatory Officer to serve for a term of one-year, subject to reappointment by the Board, as potential participants on the Disciplinary Panels. The Chief Regulatory Officer shall recommend at least three individuals that will satisfy the conditions of a Public Individuals and at least three individuals who represent the diversity of market participants' interests. The term of an individual that has been selected as a member of a Disciplinary Panel will not expire until the related proceedings are completed. Exchange staff are prohibited from serving on a Disciplinary Panel.
- (c) The chair of any Review Panel or Hearing Panel shall be a Public Individual.

- (d) The Chief Regulatory Officer shall select a separate Review Panel and Hearing Panel prior to the commencement of each investigative or disciplinary matter by randomly selecting at least one Public Individual and the remaining individuals from the industry participant pools so that any group or class of industry participants is precluded from dominating or exercising disproportionate influence on the Disciplinary Panel being formed.
- (e) If an individual selected is an Interested Person or if a member of the Disciplinary Panel later becomes an Interested Person, a replacement for such individual shall be randomly selected by the Chief Regulatory Officer. Individuals are prohibited from participating as a member of a Disciplinary Panel if such individual participated on a prior Disciplinary Panel proceeding in the same matter.
- (f) Within 10 days of being notified of the appointment of the Disciplinary Panel, a respondent may seek to disqualify any individual named to the Disciplinary Panel for the reasons identified in Rule 205 or for any other reasonable grounds, including that such individual has a financial interest in the matter or that such individual participated on a prior Disciplinary Panel or Appeal Panel proceeding in the same matter, by serving written notice on the Chief Regulatory Officer. By not timely filing a request for disqualification, the respondent will be deemed to have waived any objection to the composition of a Disciplinary Panel. The General Counsel of the Exchange will decide the merits of any request for disqualification within his or her sole discretion. Any such decision will be final and not subject to appeal.
- (g) No person shall serve on a Disciplinary Panel unless that person has agreed in writing that he or she will not publish, divulge, or make known in any manner, any facts or information regarding the business of any person or any other information which may come to his attention in his official capacity as a member of the Disciplinary Panel, except when reporting to the Board or to a committee concerned with such information or to the Market Regulation Department, when requested by the CFTC or other governmental agency or when compelled to testify in any judicial or administrative proceeding.
- (h) All information, records, materials and documents provided to the Disciplinary Panel and all deliberations, testimony, information, records, materials and documents related thereto shall be treated as non-public and confidential and shall not be disclosed, except as necessary to further an Exchange investigation or as required by law.

RULE 511. Convening Hearings of Disciplinary Proceedings

- (a) A hearing will be conducted privately and confidentially. Notwithstanding the confidentiality of hearings, the Hearing Panel may appoint an expert to attend any hearing and assist in deliberations if such expert agrees to be subject to an appropriate confidentiality agreement.
- (b) After reasonable notice to each respondent, the Hearing Panel will promptly convene a hearing to conduct the disciplinary proceedings with respect to such respondent. Parties to a disciplinary proceeding include each respondent and the Market Regulation Department.
- (c) The chair of the Hearing Panel may continue, adjourn or otherwise conduct the hearing, as he or she may deem appropriate. The chair of the Hearing Panel will determine all

procedural and evidentiary matters, including the admissibility and relevance of any evidence proffered. In determining procedural and evidentiary matters, the chair of the Hearing Panel will not be bound by any evidentiary or procedural rules or law. Once admitted during the hearing, the Hearing Panel may consider, and attach the weight it believes appropriate to, evidence or other materials. The General Counsel of the Exchange, or its designee, will provide guidance to the chair of the Hearing Panel on the conduct of the hearing.

- (d) Except for procedural and evidentiary matters decided by the chair of the Hearing Panel pursuant to paragraph (c) above and Rule 512, unless each respondent otherwise consents, the entire Hearing Panel must be present during the entire hearing and any related deliberations.

RULE 512. Respondent Review of Evidence

- (a) Prior to the commencement of a hearing, each respondent will be given the opportunity to review all books, records, documents, papers, transcripts of testimony and other tangible evidence in the possession or under the control of the Exchange that the Market Regulation Department will use to support the allegations and proposed sanctions in the notice of charges or which the chair of the Hearing Panel deems relevant to the disciplinary proceedings. Notwithstanding the foregoing, no respondent will have the right to review, and the Exchange will have no obligation to disclose, any information protected by attorney-client privilege.
- (b) If any books, records, documents, papers, transcripts of testimony, or other tangible evidence contain information that could adversely affect the competitive position of the Person providing the information or if such information might compromise other investigations being conducted by the Market Regulation Department, the Market Regulation Department may redact, edit or code such information before furnishing it to the respondent.
- (c) Notwithstanding anything in paragraph (b) above to the contrary, the Market Regulation Department:
 - (1) will not redact, edit or code competitive or investigative information contained in documents in a manner that would impair the respondent's ability to defend against the allegations or proposed sanctions in the notices of charges, and
 - (2) will provide the respondent with access to the information and portions of the documents that the Market Regulation Department intends to rely on to support the allegations or proposed sanctions in the notice of charges.
- (d) For purposes of this Rule, information that could adversely affect competitive positions include positions in Contracts currently held, trading strategies employed in establishing or liquidating positions, the identity of any Participant or Authorized Trader and the personal finances of the Person providing the information.

RULE 513. Conducting Hearings of Disciplinary Proceedings

- (a) At a hearing conducted in connection with any disciplinary proceedings, the Market Regulation Department will present its case supporting the allegations and proposed sanctions in the notice of charges to the Hearing Panel. If a respondent has timely filed an answer to the notice of charges in accordance with Rule 507, the respondent is

entitled to attend and participate in the hearing.

- (b) At a hearing conducted in connection with any disciplinary proceedings, the Hearing Panel or the Market Regulation Department and each respondent may:
 - (1) present evidence and facts determined relevant and admissible by the chair of the Hearing Panel;
 - (2) call and examine witnesses; and
 - (3) cross-examine witnesses called by other parties.
- (c) If the respondent fails to file an answer, has filed a general denial, or if any or all of the allegations in the notice of charges are not expressly denied in the respondent's answer, the chair of the Hearing Panel may limit evidence concerning any allegations not expressly denied in determining the sanctions to impose. If a respondent fails to file an answer but appears at the hearing, the respondent may not participate in the hearing (by calling or cross-examining witnesses, testifying in defense, presenting evidence concerning the notice of charges, or otherwise) unless the Hearing Panel determines that the respondent had a compelling reason for failing to timely file an answer. If the Hearing Panel determines that the respondent had a compelling reason for failing to timely file an answer, the Hearing Panel will adjourn the hearing and direct the respondent to promptly file a written answer in accordance with Rule 507.
- (d) Any Person entitled, or required or called upon, to attend a hearing before a Hearing Panel pursuant to paragraph (b)(2) above will be given reasonable notice, confirmed in writing, specifying the date, time and place of the hearing, and the caption of the disciplinary proceedings. All Participants (that are individuals), Authorized Traders and other Supervised Persons that are called as witnesses are required to appear at the hearing and, where applicable, produce evidence. The Exchange will make reasonable efforts to secure the presence of all other Persons called as witnesses whose testimony would be relevant.
- (e) If during any disciplinary proceedings the Hearing Panel determines that a reasonable basis exists to believe that the respondent violated or is about to violate a Rule of the Exchange or a provision of Applicable Law other than the violations alleged in the notice of charges, the Hearing Panel may consider those apparent violations after providing the respondent with an opportunity to answer the additional allegations in accordance with Rule 507. In connection with considering apparent violations pursuant to this paragraph (e), the Hearing Panel may request that the Market Regulation Department provide the Hearing Panel with any additional information related to the violations at issue.
- (f) The Hearing Panel may summarily impose sanctions on any Participant, Authorized Trader or other Supervised Person that impedes or delays the progress of a hearing.
- (g) The Exchange will arrange for any hearing conducted in connection with disciplinary proceedings to be recorded verbatim, or substantially verbatim, in a manner capable of accurate transcription. If the respondent requests a copy of all or portions of the recording of a hearing, the chair of the Hearing Panel may within his or her sole discretion require the respondent to pay the costs for transcribing the recording of the hearing.
- (h) No interlocutory appeals of rulings of any Hearing Panel or chair of the Hearing Panel

are permitted.

RULE 514. Decision of Hearing Panel

- (a) As promptly as reasonable following a hearing, the Hearing Panel will issue a written order rendering its decision based on the weight of the evidence contained in the record of the disciplinary proceedings. A decision by a majority of the Hearing Panel will constitute the decision of the Hearing Panel.
- (b) The Exchange will serve a copy of the order of the disciplinary proceedings on the respondent and the Market Regulation Department. The order will include:
 - (1) the notice of charges or summary of the allegations;
 - (2) the answer, if any, or a summary of the answer;
 - (3) a brief summary of the evidence introduced at the hearing or, where appropriate, incorporation by reference of the Investigation Report;
 - (4) findings of fact and conclusions concerning each allegation, including a complete explanation of the evidentiary and other basis for such findings and conclusions with respect to each allegation;
 - (5) each specific Rule of the Exchange and provision of Applicable Law that the respondent is found to have violated
 - (6) the imposition of sanctions, if any, including the basis for such sanctions and the effective date of each sanction; and,
 - (7) notice of the respondent's right to appeal pursuant to Rule 516.
- (c) Unless a timely notice of appeal is filed pursuant to Rule 516, the order of the disciplinary proceedings will become final upon the expiration of 20 days after the order is served on the respondent and provided to the Market Regulation Department.

RULE 515. Sanctions

- (a) After notice and opportunity for hearing in accordance with the Cboe Digital Spot Market Rules, the Exchange will impose sanctions if any Participant, Authorized Trader, other Supervised Person or other Person using any of the Participant's User IDs is found to have violated or to have attempted to violate a Rule of the Exchange or provision of Applicable Law for which the Exchange possesses disciplinary jurisdiction. All sanctions must take into account the respondent's disciplinary history. In the event of demonstrated customer harm, any sanction must also include full customer restitution.

The Exchange may impose one or more of the following sanctions or remedies:

- (1) censure;
- (2) limitation on ability to access the Cboe Digital Trading System, and/or other activities, functions or operations;
- (3) suspension Membership and/or ability to otherwise access the Cboe Digital Trading System;
- (4) fine (subject to paragraph (b) below);
- (5) restitution or disgorgement;
- (6) termination of Membership and/or ability to otherwise access the Cboe Digital Trading System; or

- (7) any other sanction or remedy deemed to be appropriate.
- (b) The Exchange may impose a fine of up to \$1,000,000 for each violation of a Rule of the Exchange or a provision of Applicable Law. If a fine or other amount is not paid within 30 days of the date that it becomes payable, then interest will accrue on the sum from the date that it became payable at the quoted prime rate plus three percent. The Exchange has sole discretion to select the bank on whose quotations to base the prime rate. Participant will be responsible for paying any fine or other amount imposed on, but not paid by, any of its Authorized Traders or Supervised Persons.

RULE 516. Appeal from Hearing Panel Decision, Summary Impositions of Fines and Other Summary Actions

- (a) A respondent found by the Hearing Panel to have violated (or, in the case of a Spot Member whose Authorized Trader, Supervised Person or other Person using its User ID was found to have violated) a Cboe Digital Spot Market Rule or a provision of Applicable Law or who is subject to any summary fine imposed pursuant to Rule 517 or any summary action imposed pursuant to Rule 518 may appeal the decision within 20 days of receiving the order of the disciplinary proceedings or the notice of summary action, as the case may be, by filing a notice of appeal with the Chief Regulatory Officer. While an appeal is pending, the effect of the order of disciplinary proceedings or the summary action (including any sanctions, remedies or costs imposed thereby) shall be suspended, except as provided in Rule 501(f) with respect to any denial or limit on membership or ability to otherwise access the Cboe Digital Trading System.
- (b) The notice of appeal must state in writing the grounds for appeal, including the findings of fact, conclusions or sanctions to which the respondent objects. A respondent may appeal the order of disciplinary proceedings or any summary decision on the grounds that:
 - (1) the order or decision was arbitrary, capricious, an abuse of discretion, or not in accordance with the Spot Market Rules;
 - (2) the order or decision exceeded the authority or jurisdiction of the Hearing Panel, the Chief Regulatory Officer or the Exchange;
 - (3) the order or decision failed to observe required procedures;
 - (4) the order or decision was unsupported by the facts or evidence; or
 - (5) the imposed sanctions, remedies or costs are inappropriate or unsupported by the record.
- (c) Upon receipt of a notice of appeal, the Chief Regulatory Officer will forward copies to the non-appealing party to the disciplinary proceeding or summary action. On or before the 20th day after filing a notice of appeal, the appellant must file with the Chief Regulatory Officer and serve on the Market Regulation Department a brief supporting the notice of appeal and documents supporting the brief. On or before the 20th day after the date on which the appellant serves a supporting brief, the appellee must file and serve its brief in opposition with the Market Regulation Department. On or before the 10th day after the date on which the appellee serves its brief in opposition, the appellant must file and serve a brief in reply with the Market Regulation Department.
- (d) In connection with any appeal, the Market Regulation Department will furnish to the Chief Regulatory Officer and to the respondent/appellant a transcript of the hearing, any exhibits introduced at the hearing, the notice of appeal and briefs filed to support and

oppose the appeal.

- (e) Within 30 days after the last submission filed pursuant to paragraph (c) above, the Board will appoint an Appeal Panel to consider and determine the appeal. The Board shall appoint individuals at the recommendation of the Chief Regulatory Officer to serve on the Appeal Panel for a term of one year, subject to reappointment by the Board, as potential participants on Appeal Panels. The Chief Regulatory Officer's recommendation shall include Public Individuals. The term of an individual that has been selected as a member of an Appeal Panel will not expire until the related proceedings are completed. Individuals are prohibited from participating as a member of an Appeal Panel if such individual participated on a prior Disciplinary Panel or Appeal Panel proceeding in the same matter. Exchange staff are prohibited from serving on an Appeal Panel.
- (f) The chair of the Appeal Panel shall be a Public Individual, meaning an individual that satisfies the conditions of a Public Director.
- (g) Within 10 days of being notified of the appointment of the Appeal Panel, an appellant may seek to disqualify any individual named to the Appeal Panel for the reasons identified in Rule 205 or for any other reasonable grounds, including, but not limited that such individual participated on a prior Disciplinary Panel or Appeal Panel proceeding in the same matter, by serving written notice on the Chief Regulatory Officer. By not timely filing a request for disqualification, the appellant will be deemed to have waived any objection to the composition of an Appeal Panel. The General Counsel of the Exchange will decide the merits of any request for disqualification within his or her sole discretion.
- (h) The Appeal Panel will hold a hearing to allow parties to present oral arguments. Any hearing will be conducted privately and confidentially. Notwithstanding the confidentiality of hearings, the Appeal Panel may appoint an expert to attend any hearing and assist in the deliberations if such individuals agree to be subject to appropriate confidentiality agreements. In determining procedural and evidentiary matters, the Appeal Panel will not be bound by evidentiary or procedural rules or law.
- (i) The Appeal Panel will only consider on appeal the record before the Hearing Panel or, in the case of a summary action, the record considered by the Chief Regulatory Officer, the notice of appeal, the briefs filed in support and opposition of the appeal, and any oral arguments of the parties. The Appeal Panel may only consider new evidence when the Appeals Panel determines that good cause exists as to why the evidence was not introduced during the disciplinary proceeding or when imposing the summary action.
- (j) After completing its review, the Appeal Panel may affirm, modify or reverse any order of the disciplinary proceedings or summary action under appeal, in whole or in part, including increasing, decreasing or eliminating any sanction or remedy imposed, imposing any other sanction or remedy authorized by the Spot Market Rules, remanding the matter to the same or a different Hearing Panel for further disciplinary proceedings, or ordering a new hearing.
- (k) As promptly as reasonably possible following its review, the Appeal Panel will issue a written decision based on the weight of the evidence before the Appeal Panel. The decision of the Appeal Panel will include a statement of findings of fact and conclusions for each finding, sanction, remedy and cost reviewed on appeal, including each specific Rule of the Exchange and provision of Applicable Law that the respondent is found to have violated, if any, and the imposition of sanctions, remedies and costs, if any, and the

effective date of each sanction, remedy or cost.

- (l) The Appeal Panel's written order will be the final action of the Exchange and will not be subject to appeal within the Exchange.

RULE 517. Summary Imposition of Fines

(a) The Chief Regulatory Officer may summarily impose a fine against a Participant (on behalf of itself or any of its Authorized Traders, other Supervised Persons or other Persons using any of its User IDs) or Authorized Trader for failing:

- (1) to make timely payments of fees, cost, charges or fines to the Exchange or the Clearinghouse;
- (2) to make timely and accurate submissions to the Exchange of notices, reports or other information required by the Spot Market Rules; and
- (3) to keep any books and records required by the Spot Market Rules.

(b) The Market Regulation Department, acting on behalf of the Chief Regulatory Officer, will give notice of any fine imposed pursuant to this Rule 517 to each Participant or Authorized Trader subject thereto. The notice will specify:

- (4) the violations of the Spot Market Rules for which the fine is being imposed;
- (5) the date of the violation for which the fine is being imposed; and,
- (6) the amount of the fine.

Within 20 days of serving the notice of fine, the Spot Member or Authorized Trader, as the case may be, must either pay or cause the payment of the fine or file notice of an appeal pursuant to Rule 516. Unless timely notice of appeal is filed pursuant to Rule 516, the fine will become final upon the expiration of 20 days after the notice of fine is served on the Participant or Authorized Trader, as the case may be.

(c) The Exchange will set the amount of any fines imposed pursuant to this Rule, with the maximum fine for each violation not to exceed \$5,000. Summary imposition of fines pursuant to this Rule will not preclude the Exchange from bringing any other action against the Participant (or any of its Authorized Traders or other Supervised Persons) or Authorized Trader, as the case may be.

RULE 518. Summary Suspensions and Other Summary Actions

(a) Notwithstanding anything in the Cboe Digital Spot Market Rules to the contrary, the Chief Regulatory Officer may, after consultation with the Regulatory Oversight Committee, if practicable, summarily suspend, revoke, limit, condition, restrict or qualify a Participant's membership and/or ability to otherwise access the Cboe Digital Trading System, and may take other summary action against any Participant or any of its Authorized Traders or Supervised Persons in accordance with the Cboe Digital Spot Market Rules; provided, however, that the Chief Regulatory Officer must reasonably believe that the business, conduct or activities of the Participant or any of its Authorized Traders or Supervised Person in question is not in the best interests of the Exchange or the marketplace, including based on any of the following:

- (1) statutory disqualification from registration as provided in CEA Section 8a(2) or (3);
- (2) nonpayment of fees, costs, charges, fines or arbitration awards; or

(3) the reasonable belief that immediate action is necessary to protect the public or the best interests of the Exchange.

(b) Whenever practicable, the Exchange shall provide prior written notice to the party against whom any action in accordance with paragraph (a) shall be taken. If prior notice is not practicable, the Exchange will give notice at the earliest possible opportunity to the respondent against whom the action is brought.

(c) Unless timely notice of appeal is filed pursuant to Rule 516, the summary action will become final upon the expiration of 20 days after the notice of action is served on the respondent.

(d) At the request of the Exchange, a respondent against whom a summary action is brought pursuant to this Rule 518 must provide books and records over which the respondent has access or control and must furnish information to, or appear or testify before, the Exchange in connection with the enforcement of any Rule of the Exchange.

(e) A respondent whose membership and/or ability to otherwise access the Cboe Digital Trading System are suspended, revoked, limited, conditioned, restricted or qualified pursuant to this Rule may apply for reinstatement by filing with the Market Regulation Department a written request stating the applicant's reasons for seeking reinstatement. The Exchange will not consider a respondent's request for reinstatement if the respondent (i) owes any fines, fees, charges or costs to the Exchange, (ii) continues to fail to appear at disciplinary proceedings without good cause or (iii) continues to impede the progress of disciplinary proceedings.

(f) Within a reasonable period after the filing of a request for reinstatement, the Appeals Panel will conduct a hearing to consider the request. At the hearing for reinstatement, the respondent will present its, his or her case supporting the reinstatement and the Market Regulation Department, acting on behalf of the Chief Regulatory Officer may, in its discretion, present its case opposing or supporting the reinstatement and each may present evidence and facts and call, examine and cross-examine witnesses. At the hearing for reinstatement, the Exchange may require any Participant, Authorized Trader or other Supervised Person to appear as witnesses and produce evidence if the Appeals Panel determines that the evidence is relevant.

(g) As promptly as reasonably possible after a reinstatement hearing, the Appeals Panel will issue an order reinstating, denying the reinstatement, or placing conditions on the reinstatement of the membership and/or ability to otherwise access the Cboe Digital Trading System of the respondent. The order will include a brief summary of the evidence introduced at the reinstatement hearing; and, if applicable, findings of fact and conclusions not contained in the notice of summary action issued pursuant to Rule 518(b) above. The Appeals Panel's order may not be appealed.

RULE 519. Rights and Responsibilities after Suspension or Termination

(a) When a Participant's or Authorized Trader's membership and/or ability to access the Cboe Digital Trading System is suspended for a period of 12 months or less, none of its rights (including the right to hold oneself out to the public as a Participant or Authorized Trader, enter Orders into the Cboe Digital Trading System and receive Participant rates for fees, costs, and charges and deposit margin at Participant levels) will apply during the period of the suspension, except for the right of the Participant or Authorized Trader in question to assert claims against others as provided in the Cboe Digital Spot Market Rules. Any such suspension will not affect the rights of creditors under the Cboe Digital Spot Market Rules or relieve the Participant or Authorized Trader in question of its, his

or her obligations under the Cboe Digital Spot Market Rules to perform any Contracts entered into before the suspension, or for any Cboe Digital fees, costs, or charges incurred during the suspension. The Exchange may discipline a suspended Participant or Authorized Trader under this Chapter 5 for any violation of a Rule or provision of Applicable Law committed by the Spot Member before, during or after the suspension.

- (b) When a Participant's or Authorized Trader's membership and/or ability to access the Cboe Digital Trading System are terminated, all of its related rights will terminate, except for the right of the Participant or Authorized Trader in question to assert claims against others, as provided in the Cboe Digital Spot Market Rules. Any such termination will not affect the rights of creditors under the Cboe Digital Spot Market Rules. A terminated Participant or Authorized Trader may only seek to be reinstated by applying for membership pursuant to Rule 303.
- (c) The Exchange will not consider the application of a terminated Participant or Authorized Trader if such Participant or Authorized Trader, as the case may be, continues to fail to appear at disciplinary proceedings without good cause or continues to impede the progress of disciplinary proceedings.
- (d) A suspended or terminated Participant or Authorized Trader remains subject to the Cboe Digital Spot Market Rules and the jurisdiction of the Exchange for acts and omissions prior to the suspension or termination, and must cooperate in any inquiry, investigation, disciplinary proceeding, appeal of disciplinary proceedings, summary suspension or other summary action as if the suspended or terminated Participant or Authorized Trader still had membership or ability to otherwise access the Cboe Digital Trading System.
- (e) In the event of the suspension or revocation of a Participant's membership and/or ability to otherwise access the Cboe Digital Trading System, the Exchange shall seek to facilitate the transfer of any Customer Accounts held by such Participant to other Participants with membership and/or ability to otherwise access the Cboe Digital Trading System.

RULE 520. Notice to the Respondent and the Public

The Exchange will provide written notice of disciplinary proceedings to the parties consistent with applicable CFTC Regulations. Whenever the Exchange suspends, expels, fines or otherwise disciplines, or denies any Person access to the Exchange, the Exchange will make the public disclosures required by CFTC Regulations.

RULE 521 Sanctions.

If the Market Regulation Department finds that a party, including a Participant, has violated a Spot Rule, the Market Regulation Department may take one or more of the following actions:

- (a) Order the party to cease and desist from the conduct found to be in violation of these Rules;
- (b) Restrict, suspend or terminate the party's access to Cboe Digital Exchange Spot Markets;
- (c) Impose a fine upon the party not to exceed \$1,000,000 per violation, in accordance with Rule 515(b);
- (d) Order a party to disgorge any monetary benefit resulting from a violation of the Spot Rules

whether by that party or another party. For purposes of this provision benefit includes, without limitation, profit, whether realized or unrealized, and avoided losses;

- (e) Prescribe limitations on transactions of the party as may be appropriate;
- (f) Order a party to make restitution to the account of anyone damaged by the conduct;
- (g) Order a party or its legal counsel or other representative to pay out of pocket expenses incurred by the Market Regulation Department in connection with the matter if such party or counsel engaged in vexatious, frivolous or bad faith conduct during the course of an investigation or enforcement proceeding; and/or
- (h) Order such action as is necessary to prevent a threat to the contract or violation of these Rules.

RULE 522. Summary Imposition of Fines

(a) The Chief Regulatory Officer may summarily impose a fine against a Participant or any employees, agents, contractors, and affiliates for:

- (1) Failing to make timely payments of fees, cost, charges or fines to the Exchange or the Clearinghouse;
- (2) Failing to make timely and accurate submissions to the Exchange of notices, reports or other information required by the Spot Rules or Cboe Digital Spot Market Rules; and
- (3) Failing to keep any books and records required by the Cboe Digital Spot Market Rules.

(b) The Market Regulation Department, acting on behalf of the Chief Regulatory Officer, will give notice of any fine imposed pursuant to this Rule to each Participant thereto. The notice will specify:

- (1) the violations of the Cboe Digital Spot Market Rules for which the fine is being imposed;
- (2) the date of the violation for which the fine is being imposed; and,
- (3) the amount of the fine.

(c) Within 20 days of serving the notice of fine, the Participant must either pay or cause the payment of the fine or file notice of an appeal pursuant to **Rule 516**. Unless timely notice of appeal is filed pursuant to **Rule 516**, the fine will become final upon the expiration of 20 days after the notice of fine is served on the Participant.

(d) The Exchange will set the amount of any fines imposed pursuant to this Rule, with the maximum fine for each violation not to exceed \$10,000. Summary imposition of fines pursuant to this Rule will not preclude the Exchange from bringing any other action against the Participant, or any of its employees, agents, contractors, and affiliates, as the case may be.

CHAPTER 6: CLEARING, SETTLEMENT AND DELIVERY

RULE 601. Segregated Accounts.

All funds deposited by a Clearing Member with Cboe Clear Digital on behalf of the Clearing Member's own account shall be held in a segregated account, including in accordance with any Applicable Law. Such Clearing Member funds shall be segregated from all other funds held by Cboe Clear Digital and treated as belonging to Clearing Members.

RULE 602. Access to Cboe Clear Digital.

A Participant entering orders by electronic access must access Cboe Clear Digital through the systems owned or sponsored by a Clearing Member that has signed a third-party connectivity agreement with Cboe Digital Exchange to provide a direct network connection between itself (or its agent) and Cboe Digital's systems.

RULE 603. Digital Asset Collateral.

(a) With respect to any Collateral, including, but not limited to, fiat, Bitcoin and Ether, which is or may be credited to any Clearing Member's Account, the following terms and conditions shall apply:

- (i) For purposes of creating a "security entitlement" as such term is defined in Section 8-102(a)(17) of the UCC, the Clearinghouse and the Clearing Member agree that: (1) the digital asset Collateral shall be treated as a "financial asset" as such term is defined in Section 8-102(a)(9) of the UCC; and (2) each Clearing Member shall be treated as an "entitlement holder" as such term is defined in Section 8-102(a)(7) of the UCC.
 - (ii) Any digital asset Collateral which a Clearing Member desires be credited to such Clearing Member's Member Property Account shall be transferred to a digital asset wallet designated by the Clearinghouse and upon such transfer the Clearinghouse shall indicate by book entry that such digital asset Collateral, less applicable transfer costs and fees, has been credited to such Member Property Account.
 - (iii) A Clearing Member may be subject to other terms and conditions specific to Collateral, as set forth in the Member Agreement and/or related contracts and addendums. Cboe Digital has the right to demand additional information relating to Collateral as set forth in the Spot Member Rulebook or other documentation executed by the Spot Member.
- (c) The Clearinghouse shall have only such duties and obligations with respect to each Account as are set forth in Article 8 of the UCC or otherwise mandated by Applicable Law. Each Clearing Member and each Customer acknowledges and agrees that the Clearinghouse is not a fiduciary for any Clearing Member or Customer.
- (d) The State of Illinois is the "securities intermediary's jurisdiction" within the meaning of Section 8-110(e) of the UCC for all purposes of the UCC.

RULE 604. Submission of Trades.

- (a) Upon matching of a trade effected on or submitted through the Cboe Digital Trading System, the Exchange shall promptly submit to Cboe Clear Digital a trade report generated by the electronic trading system of the Exchange. The report shall show for each trade (i) the identity of each Clearing Member, (ii) whether bought or sold, (iii) quantity, (iv) the price, and (v) such other information as may be required by Cboe Clear Digital.
- (b) If Cboe Clear Digital determines that any trade report submitted pursuant to this Rule 604 contains a material error, does not conform to the Contract specifications contained in the Exchange rulebook, or is otherwise not eligible for clearing by Cboe Clear Digital, Cboe Clear Digital may reject such trade and notify the Exchange of such rejection, setting forth

the basis of such objection. Cboe Clear Digital shall provide notice of such rejection to the applicable Spot Member(s).

RULE 605. Clearance and Substitution.

- (c) The submission of a Contract to Cboe Clear Digital by or on behalf of the buying and selling Clearing Members shall constitute a request, by such Clearing Members, for the clearing of such Contract by Cboe Clear Digital. Upon the acceptance thereof by Cboe Clear Digital, which ordinarily shall be deemed to occur upon the receipt of matched trade data from the Exchange:
 - (i) the Contract shall be novated and Cboe Clear Digital shall be substituted as, and assume the position of, seller to the Clearing Member buying such Contract and buyer from the Clearing Member selling such Contract. Upon such substitution, such buying and selling Clearing Members shall be released from their obligations to each other, and Cboe Clear Digital shall be deemed to have succeeded to all the rights, and to have assumed all the Obligations, of the Clearing Members that were party to such Contract, in each case as provided in the Rules; or
- (d)
- (e) Notwithstanding the provisions of paragraph (a), a trade shall not be accepted for clearing, and Cboe Clear Digital shall not be substituted for a given Contract, unless the required Collateral for such Contract is made available to Cboe Clear Digital, by or for both Clearing Members, pursuant to Rule 606.

RULE 606. Collateral.

(a) Unless otherwise determined or agreed upon by Cboe Clear Digital, each Clearing Member shall deposit the amount of Collateral required to fully Collateralize an Order , including the amount of any associated fees, prior to submission of such an Order to the Exchange. Collateral transfers made by a Clearing Member to the Clearinghouse or by the Clearinghouse to a Clearing Member are irrevocable and unconditional when effected. The Clearing Member shall be responsible for all fees associated with deposits, withdrawals or transfers of Collateral to or from the Clearinghouse.

(b) Subject to the terms and conditions of the Clearinghouse, Clearing Members may deposit any form of Collateral which has been approved by the Clearinghouse and communicated to Clearing Members.

(c) Collateral must be and remain unencumbered. Except as otherwise provided herein, each Clearing Member posting Collateral hereby grants to the Clearinghouse a first priority security interest in and unencumbered lien against any Contracts, positions and other funds, property and any other Collateral deposited with the Clearinghouse by the Clearing Member. Clearing Members shall execute any documents required by Cboe Clear Digital to create, perfect and enforce such lien. Each Clearing Member hereby agrees that with respect to any funds or Collateral which is or may be credited to the Clearing Member's Account, the Clearinghouse shall have control pursuant to Section 9-106(a) and 8-106(e) of the UCC and a perfected security interest pursuant to Section 9-314(a) of the UCC.

(d) Cboe Clear Digital may assign, pledge, repledge or otherwise create a lien on or security interest in, and enter into repurchase agreements involving, Contracts, positions and other funds, property and any other Collateral deposited with the Clearinghouse by the Clearing Member, as permitted by Applicable Law, held in or for such Clearing Member's Accounts to secure the repayment of funds that may be borrowed by Cboe Clear Digital.

(e) The Clearinghouse may hold Collateral on behalf of a Clearing Member in a separate, segregated deposit account at an Approved Depository Institution. Cboe Clear Digital will credit to the Clearing Member the Collateral that such Clearing Member deposits. Collateral shall be held by the Clearinghouse until a Clearing Member submits a withdrawal notification, unless otherwise stipulated by these Rules, the Participant Documentation or Member Agreement. Cboe Clear Digital will not be responsible for any diminution in value of Collateral that a Clearing Member deposits with the Clearinghouse. , Any fluctuation in markets is the risk of each Clearing Member.

(f) If a Clearing Member is in Default, Cboe Clear Digital may foreclose on and sell any of the Collateral deposited by such Clearing Member in its Account(s) without notice.

RULE 607. Offset, Settlement, and Delivery.

(a) Where, as the result of novation of a Contract or if the Contract has been extinguished and replaced under Rule 605, a Clearing Member has bought and sold a Contract or otherwise deemed economically equivalent by the Clearinghouse, the purchase and sale will be offset by Cboe Clear Digital through the timely submission of instructions by the Clearing Member containing such information as Cboe Clear Digital may require in accordance with its procedures. A Clearing Member shall be required to pay the loss or entitled to collect the profit, as the case may be, upon such offsetting transactions, and shall have no further rights or be under any further obligation with respect thereto. For purposes of this Rule 607, and unless otherwise determined or agreed upon by Cboe Clear Digital, the first Contracts made shall be deemed the first Contracts offset.

(b) Upon settlement, the time and frequency of which will be determined by Cboe Clear Digital:

(1) Clearing Members must satisfy any outstanding obligations resulting from their trading activity subject to the settlement; and

(2) Cboe Clear Digital shall make available funds in Clearing Member's Accounts in accordance with the settlement. Withdrawals will be processed only after a Clearing Member has satisfied any and all outstanding obligations.

(3) All disbursements and funds transferred in accordance with a settlement are established on the Clearinghouse's books and records.

RULE 608. Approved Depository Institutions.

A bank, trust company or other depository that meets such financial and other requirements of Cboe Clear Digital may be designated by Cboe Clear Digital as an Approved Depository Institution.

RULE 609. Statement of Trades and Contracts.

Each Business Day, Cboe Clear Digital will provide to a Clearing Member a statement that includes but is not limited to trades, funding activity, and Account balances, in accordance with Applicable Law..

RULE 610. Transfer Trades.

(a) Cboe Clear Digital may transfer, in part or in whole a Customer's Account balance from one Clearing Member of the Clearinghouse to another Clearing Member of the Clearinghouse subject to the following conditions:

- (1) The Customer has instructed the carrying Clearing Member to make the transfer;
- (2) Any parties to the transfer are not currently in Default; and
- (3) The receiving Clearing Member has consented to such transfer.

(b) Cboe Clear Digital in its sole discretion may determine whether to approve a transfer.

RULE 611. Settlement Prices

The Settlement Price determined for each Contract is used for the purpose of providing Spot Members with statements.

CHAPTER 7: OBLIGATIONS OF CBOE CLEAR DIGITAL

RULE 701. Limitation of Clearinghouse Liability.

(a) THE LIABILITY OF CBOE CLEAR DIGITAL RELATING TO OR ARISING OUT OF CONTRACTS SHALL BE LIMITED TO LOSSES RESULTING FROM THE NOVATION OF THE CONTRACTS IN ACCORDANCE WITH THE RULES. SUBJECT TO THE FOREGOING, NEITHER THE CLEARINGHOUSE, NOR ANY AFFILIATE OF THE CLEARINGHOUSE, NOR ANY OF THEIR RESPECTIVE MANAGERS, OFFICERS, DIRECTORS, EMPLOYEES, EQUITY HOLDERS, AGENTS, CONSULTANTS OR SERVICE PROVIDERS (INCLUDING, WITHOUT LIMITATION, ANY REGULATORY SERVICES PROVIDER), NOR ANY MEMBER OF ANY COMMITTEE OR OTHER GOVERNING BODY OF ANY AFFILIATE OF THE CLEARINGHOUSE (EACH OF THE FOREGOING, AS APPLICABLE, THE "DISCLAIMING PARTY" AND, COLLECTIVELY, "DISCLAIMING PARTIES") SHALL BE RESPONSIBLE FOR ANY ACTION TAKEN, OR ANY DELAY OR FAILURE TO TAKE ANY ACTION, HEREUNDER OR OTHERWISE TO FULFILL A DISCLAIMING PARTY'S OBLIGATIONS TO CLEARING MEMBERS, OTHER THAN FOR LOSSES CAUSED DIRECTLY BY A DISCLAIMING PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AND SHALL NOT BE LIABLE FOR ANY OTHER OBLIGATIONS, INCLUDING BUT NOT LIMITED TO OBLIGATIONS OF A CLEARING MEMBER, OBLIGATIONS OF A CLEARING MEMBER TO A CUSTOMER OR OTHER NON-CLEARING MEMBER OR OBLIGATIONS OF A CLEARING MEMBER TO ANOTHER

CLEARING MEMBER THAT IS ACTING FOR IT AS BROKER; NOR SHALL A DISCLAIMING PARTY BECOME LIABLE TO MAKE DELIVERIES TO OR ACCEPT DELIVERIES FROM CLEARING MEMBERS OR CUSTOMERS. UNDER NO CIRCUMSTANCES WILL A DISCLAIMING PARTY BE LIABLE FOR (1) THE ACTS, DELAYS, OMISSIONS, BANKRUPTCY, OR INSOLVENCY, OF ANY THIRD PARTY, INCLUDING, WITHOUT LIMITATION, ANY DEPOSITORY, CUSTODIAN, SUBCUSTODIAN, CLEARING OR SETTLEMENT SYSTEM UNLESS THE DISCLAIMING PARTY WAS GROSSLY NEGLIGENT OR ENGAGED IN WILLFUL MISCONDUCT OR (2) THE PERFORMANCE OR OPERATION (OR NON-PERFORMANCE OR NON-OPERATION) OF ANY DIGITAL ASSET OR RELATED DISTRIBUTED LEDGER ("ANCILLARY DL") ATTRIBUTABLE DIRECTLY OR INDIRECTLY TO THE DESIGN OF THE DIGITAL ASSET OR ANCILLARY DL. UNDER NO CIRCUMSTANCES WILL A DISCLAIMING PARTY BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE OR EXEMPLARY LOSS OR DAMAGE (INCLUDING, BUT NOT LIMITED TO, LOSS OF BUSINESS, LOSS OF PROFITS, TRADING LOSSES, LOSS OF OPPORTUNITY AND LOSS OF USE) HOWSOEVER SUFFERED OR INCURRED, REGARDLESS OF WHETHER THE DISCLAIMING PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR WHETHER SUCH DAMAGES OTHERWISE COULD HAVE BEEN FORESEEN OR PREVENTED. THE FOREGOING LIMITATIONS OF LIABILITY SHALL APPLY REGARDLESS OF WHETHER A CLAIM IS BASED ON BREACH OF CONTRACT, TORT, INCLUDING, WITHOUT LIMITATION, NEGLIGENCE (OTHER THAN GROSS NEGLIGENCE), STRICT LIABILITY, NEGLIGENT MISREPRESENTATION, RESTITUTION, BREACH OF STATUTORY DUTY, BREACH OF WARRANTY OR OTHERWISE, AND WHETHER THE CLAIM IS BROUGHT DIRECTLY OR AS A THIRD-PARTY CLAIM.

(b) THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS PROVIDED BY THE CLEARINGHOUSE OR ANY OTHER DISCLAIMING PARTY RELATING TO ANY SYSTEMS OR SERVICES OF THE CLEARINGHOUSE OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES, AND THE CLEARINGHOUSE HEREBY SPECIFICALLY DISCLAIMS, OVERRIDES AND EXCLUDES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL IMPLIED WARRANTIES OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE AND ALL OTHER WARRANTIES, CONDITIONS, OTHER CONTRACTUAL TERMS, REPRESENTATIONS, INDEMNITIES AND GUARANTEES WITH RESPECT TO THE SERVICES, WHETHER EXPRESS, IMPLIED OR STATUTORY, ARISING BY LAW, CUSTOM, PRIOR ORAL OR WRITTEN STATEMENTS BY THE CLEARINGHOUSE OR ANY OTHER DISCLAIMING PARTY OR OTHERWISE (INCLUDING BUT NOT LIMITED TO, AS TO TITLE, SATISFACTORY QUALITY, ACCURACY, COMPLETENESS, UNINTERRUPTED USE, NON-INFRINGEMENT, TIMELINESS, TRUTHFULNESS, SEQUENCE AND ANY IMPLIED WARRANTIES, CONDITIONS AND OTHER CONTRACTUAL TERMS ARISING FROM TRANSACTION USAGE, COURSE OF DEALING OR COURSE OF PERFORMANCE) RELATING TO ANY SYSTEMS OR SERVICES OF THE CLEARINGHOUSE OR SERVICES, EQUIPMENT OR FACILITIES USED TO SUPPORT SUCH SYSTEMS OR SERVICES.

(c) CBOE CLEAR DIGITAL MAY ACCEPT AND RELY UPON ANY INFORMATION OR INSTRUCTION GIVEN TO CBOE CLEAR DIGITAL BY A CLEARING MEMBER OR ITS OFFICERS OR AUTHORIZED REPRESENTATIVES, WHICH REASONABLY IS UNDERSTOOD BY CBOE CLEAR DIGITAL TO HAVE BEEN DELIVERED TO CBOE CLEAR DIGITAL BY THE CLEARING MEMBER AND SUCH CLEARING MEMBER SHALL INDEMNIFY THE DISCLAIMING PARTIES AND CLEARING MEMBERS AGAINST ANY LOSS, LIABILITY OR EXPENSE AS A RESULT OF ANY ACT DONE IN RELIANCE UPON THE AUTHENTICITY OF ANY INFORMATION OR INSTRUCTION RECEIVED BY CBOE CLEAR DIGITAL, THE INACCURACY OF THE INFORMATION CONTAINED THEREIN OR EFFECTING TRANSACTIONS IN RELIANCE UPON SUCH INFORMATION OR INSTRUCTION.

(d) A CLEARING MEMBER SHALL REIMBURSE CBOE CLEAR DIGITAL FOR ALL FEES, EXPENSES, CHARGES AND COSTS ASSESSED BY A DEPOSITORY AGAINST CBOE CLEAR DIGITAL WITH RESPECT TO MARGIN MAINTAINED IN SUCH CLEARING MEMBER'S ACCOUNT, AND CBOE CLEAR DIGITAL SHALL NOT HAVE ANY OBLIGATION OR RESPONSIBILITY TO PRESERVE, PROTECT, COLLECT OR REALIZE UPON, AND EXCEPT AS PROVIDED IN RULE 606, CBOE CLEAR DIGITAL SHALL NOT BE LIABLE FOR, ANY LOSS OR DIMINUTION IN VALUE OR DEPRECIATION IN MARGIN DEPOSITED BY CLEARING MEMBERS. CLEARING MEMBERS THAT DEPOSIT MARGIN WITH AN APPROVED DEPOSITORY INSTITUTION PURSUANT TO THE RULES SHALL HOLD CBOE CLEAR DIGITAL HARMLESS FROM ALL LIABILITY, LOSSES AND DAMAGES WHICH MAY RESULT FROM OR ARISE WITH RESPECT TO THE CARE AND SALE OF SUCH MARGIN.

(e) ANY OBLIGATION OF CBOE CLEAR DIGITAL TO A CLEARING MEMBER ARISING FROM A CONTRACT OR FROM ANY PROVISION OF THE RULES SHALL BE SUBJECT TO ALL THE TERMS OF THE RULES, INCLUDING THE SETOFF AND OTHER RIGHTS SET FORTH HEREIN.

(f) EXCEPT IN ANY CASE WHERE A DISCLAIMING PARTY HAS BEEN FINALLY ADJUDICATED TO HAVE ENGAGED IN FRAUD OR WILLFUL OR WANTON MISCONDUCT, IN NO EVENT SHALL THE DISCLAIMING PARTIES' TOTAL COMBINED AGGREGATE LIABILITY FOR ALL CLAIMS, OTHER THAN THOSE ARISING UNDER RULE 701(F), EXCEED \$100,000 FOR ALL LOSSES SUFFERED FROM ALL CAUSES ON A SINGLE CALENDAR DAY; \$200,000 FOR ALL LOSSES SUFFERED FROM ALL CAUSES IN A SINGLE CALENDAR MONTH; AND \$1,000,000 FOR ALL LOSSES SUFFERED FROM ALL CAUSES IN A SINGLE CALENDAR YEAR. IF THE NUMBER OF ALLOWED CLAIMS ARISING OUT OF ANY FAILURES OR MALFUNCTIONS ON A SINGLE DAY, SINGLE MONTH OR SINGLE YEAR CANNOT BE FULLY SATISFIED BECAUSE OF THE ABOVE DOLLAR LIMITATIONS, ALL SUCH CLAIMS SHALL BE LIMITED TO A PRO RATA SHARE OF THE MAXIMUM AMOUNT FOR THE RESPECTIVE PERIOD.

(g) THE RIGHTS OF CBOE CLEAR DIGITAL SET FORTH HEREIN SHALL BE IN ADDITION TO OTHER RIGHTS THAT CBOE CLEAR DIGITAL MAY HAVE UNDER APPLICABLE LAW AND GOVERNMENTAL REGULATIONS, OTHER PROVISIONS OF THE RULES, ADDITIONAL AGREEMENTS WITH THE CLEARING MEMBER OR ANY OTHER SOURCE.

RULE 702. Clearing Member Default.

(a) A Clearing Member that fails to satisfy its Obligations upon settlement pursuant to Rule 607 will be considered to be in Default.

(b) If a Clearing Member is in Default, Collateral held with respect to such Clearing Member's Accounts may be applied by Cboe Clear Digital to discharge the Obligations of such Clearing Member to Cboe Clear Digital (including any costs and expenses associated with the liquidation, transfer or management of Contracts held in or for the Accounts of such Clearing Member, and any fees, assessments or fines imposed by Cboe Clear Digital on such Clearing Member), and Cboe Clear Digital may cause all Contracts of such Clearing Member to be closed or offset, transferred to any other Clearing Member, or otherwise resolved as provided in these Rules and in accordance with Cboe Clear Digital policies and procedures.

(c) If the Collateral held with respect to such Clearing Member's Accounts are insufficient to satisfy the defaulting Clearing Member's Obligations to Cboe Clear Digital after giving effect to the application of such amounts pursuant to paragraph (b), such defaulting Clearing Member shall continue to be liable therefor.

(d) In closing, offsetting, transferring or otherwise resolving the Contracts of a Clearing Member as provided herein, Cboe Clear Digital shall have the right to take any action the Clearinghouse deems proper or in the best interest of the Clearinghouse or its Clearing Members.

(e) For purposes of this Rule, each Default by a Clearing Member will be considered a separate Default.

(f) A Clearing Member shall take no action, including but not limited to attempting to obtain a court order, that would interfere with the ability of Cboe Clear Digital to exercise its rights under the Rules and its agreements with such Clearing Member.

RULE 703. Confidentiality.

(a) All information received by Cboe Clear Digital concerning Accounts on Cboe Clear Digital or any other clearing organization for a Clearing Member or deliveries made by or to a Clearing Member, and any other information provided by a Clearing Member to Cboe Clear Digital, including, without limitation, financial statements filed with Cboe Clear Digital by a Clearing Member, shall be held in confidence by Cboe Clear Digital and shall not be made known to any other Person except as follows:

- (1) With the consent of the Clearing Member;
- (2) To a Government Agency or the regulatory authority of any foreign jurisdiction, if Cboe Clear Digital is requested or legally required to do so by such Government Agency;
- (3) Pursuant to legal process;
- (4) To an exchange (including, without limitation, any contract market, swap execution facility or other trading facility) of which such Clearing Member is a member, provided that information that is furnished to an exchange shall relate solely to contracts traded on that exchange;
- (5) To a self-regulatory organization of which such Clearing Member is a member;
- (6) To any Person providing services to Cboe Clear Digital, subject to appropriate confidentiality requirements;
- (7) To the Board, any Committee, Cboe Clear Digital or the Exchange's Officers, employees, attorneys and auditors, and to agents and independent contractors that have been engaged by Cboe Clear Digital or the Exchange who require such information in connection with the discharge of their duties to Cboe Clear Digital; and
- (8) As otherwise permitted under the Rules.

RULE 704. Contracts

Cboe Clear Digital may approve as eligible for clearing Contracts to the extent permissible under Applicable Law. Any new contract that Cboe Clear Digital has approved as eligible for clearing shall be posted on Cboe Clear Digital's website.

CHAPTER 8: CBOE CLEAR DIGITAL SUSPENSION; DISCIPLINARY PROCEEDINGS

RULE 801. Suspension.

(a) General. The Board, Risk Management Committee, or any Exchange Committee may summarily suspend any Clearing Member (i) if the Clearing Member is in Default, (ii) upon the discovery of a materially false or misleading representation or warranty made by the Clearing Member to Cboe Clear Digital under or in connection with any agreement between Cboe Clear Digital and the Clearing Member, (iii) if a breach by the Clearing Member of the Rules or any of the terms or provisions of any agreement between Cboe Clear Digital and the Clearing Member is not remedied promptly after notice from Cboe Clear Digital, (iv) in the event of a material violation of the Rules, or (v) if the Board determines that suspension is necessary for the protection of Cboe Clear Digital, other Clearing Members, or the general public (whether or not such Clearing Member continues to meet the required minimum financial requirements pursuant to the Rules).

(b) Notice of Suspension to Clearing Members. Upon the suspension of an FCM Clearing Member, based on Rule 801(a), Cboe Clear Digital shall as soon as possible notify all Clearing Members of the suspension. Such notice shall state to the extent practicable in general terms how pending transactions, open positions and other pending matters will be affected and what steps are to be taken in connection therewith.

(c) Pending Transactions. Notwithstanding any other provision of the Rules, Cboe Clear Digital shall have no obligation to accept any transaction of a suspended Clearing Member that was effected after the time at which the Clearing Member was suspended. In the event a transaction of a suspended Clearing Member is rejected by Cboe Clear Digital, Cboe Clear Digital shall provide notice of such rejection to the other party thereto and such transaction shall be closed by the other party thereto in accordance with the Cboe Digital Spot Market Rules.

(d) Open Positions. Cboe Clear Digital shall have the right to cause open positions in Contracts in any of the accounts of a suspended Clearing Member:

(1) To be closed in such manner as deemed practicable by Cboe Clear Digital, in its sole discretion;

(2) To be transferred to the account of one or more other Clearing Members;

(3) To be offset against each other and, to the extent of any remaining imbalance, against the Contracts of other Clearing Members; or

(4) To be settled at the Settlement Price for such Contracts, or at such other price or prices as Cboe Clear Digital may deem fair and reasonable under the circumstances, in which event Cboe Clear Digital may cause Contracts in the accounts of other Clearing Members to be settled at such price or prices; or

(5) Take any other action with respect to open positions it deems in the best interest of the Clearinghouse or Clearing Members.

(6) In connection with any action undertaken by Cboe Clear Digital pursuant to subparagraphs (i) through (v) above, Cboe Clear Digital shall have the right to apply the Margin of the applicable Clearing Member and any other assets of such Clearing Member held by, pledged to or otherwise available to Cboe Clear Digital, including any guarantee issued pursuant to these Rules, to discharge the Obligations of such Clearing Member to

Cboe Clear Digital (including any costs and expenses associated with the liquidation, transfer or management of Contracts held in or for the accounts of such Clearing Member, and any fees, assessments or fines imposed by Cboe Clear Digital on such Clearing Member).

(e) Cboe Clear Digital may delegate to specified Officers or agents of Cboe Clear Digital the authority to determine, within such guidelines, if any, as Cboe Clear Digital shall prescribe, the nature and timing of transactions of the type described in subparagraph (d). If Cboe Clear Digital shall determine, taking into account the size and nature of a suspended Clearing Member's positions, market conditions prevailing at the time, the potential market effects of liquidating transactions that might be directed by Cboe Clear Digital, and such other circumstances as Cboe Clear Digital deems relevant, that the closing out of some or all of the suspended Clearing Member's positions would not be in the best interests of Cboe Clear Digital, other Clearing Members, or the general public, such positions need not be closed out.

(f) Protective Action. If Cboe Clear Digital (i) is unable, for any reason, to close out in a prompt and orderly manner any positions or to convert to cash any Margin deposits of a suspended Clearing Member, or (ii) elects pursuant to paragraph (d) of this Rule not to close out any such positions, Cboe Clear Digital may authorize the execution of hedging transactions from time to time for the account of Cboe Clear Digital, solely for the purpose of reducing the risk to Cboe Clear Digital resulting from the continued maintenance of such positions or the continued holding of such Margin deposits. Cboe Clear Digital may delegate to specified Officers or agents of Cboe Clear Digital the authority to determine, within such guidelines, if any, as Cboe Clear Digital shall prescribe, the nature and timing of such hedging transactions.

(g) Reimbursement of Costs and Expenses. Any costs or expenses, including losses, sustained by Cboe Clear Digital in connection with transactions effected for its account pursuant to this Rule shall be charged to the suspended Clearing Member, and any gains realized on such transactions shall be credited to such Clearing Member; provided, however, that costs, expenses, and gains allocable to the hedging of positions in a Customer Account shall be charged or credited, as the case may be, to the Customer Account, and only the excess, if any, of such costs and expenses over the funds available in that account shall be charged to the Clearing Member. Reasonable allocations of costs, expenses, and gains among accounts made by Cboe Clear Digital for the purpose of implementing the proviso to the preceding sentence shall be binding on the Clearing Member and any persons claiming through the Clearing Member and their respective successors and assigns.

RULE 802. Right of Appeal.

(a) A Clearing Member suspended pursuant to Rule 801 shall be entitled, upon request within five Business Days after the date of its suspension, to a written statement of the grounds for its suspension and shall have the right to appeal its suspension in accordance with the following procedure:

(1) A suspended Clearing Member may appeal its suspension by filing a written notice of appeal with Cboe Clear Digital within five Business Days after the date of its receipt of a written statement of the grounds for its suspension.

(2) Appeals shall be considered and decided by the Appeal Panel. Appeals shall be heard as promptly as possible, and in no event more than five Business Days after the filing of the notice of appeal. The appellant shall be notified of the time, place and date of the hearing not less than three Business Days in advance of such date. At the hearing, the appellant shall be afforded an opportunity to be heard and to present evidence on its own behalf, and may, if it so desires, be represented by counsel. As promptly as possible after

the hearing, the Appeal Panel shall, by the vote of a majority of its members, affirm or reverse the suspension or modify the terms thereof. The appellant shall be notified in writing of the Appeal Panel's decision; and if the decision shall have been to affirm or modify the suspension, the appellant shall be given a written statement of the grounds therefor.

(3) Any decision by the Appeal Panel to affirm or modify a suspension shall be reviewable by the Board on its own motion or on written demand by the appellant filed with Cboe Clear Digital within three Business Days after receipt of notice of the Appeal Panel's decision. The Board may afford the appellant a further opportunity to be heard or to present evidence. The appellant shall be notified in writing of the decision of the Board; and if the decision shall have been to affirm or modify the suspension, the appellant shall be given a written statement of the grounds therefor.

(4) The filing of an appeal pursuant to this Rule shall not impair the validity or stay the effect of the suspension appealed from. The reversal or modification of a suspension shall not invalidate any acts of Cboe Clear Digital taken pursuant to such suspension prior to such reversal or modification, and the rights of any person which may arise out of any such acts shall not be affected by such reversal or modification.

(5) A record shall be kept of any hearing held pursuant hereto. The cost of the transcript may, in the discretion of the body holding the hearing, be charged in whole or in part to the suspended Clearing Member in the event that the suspension is finally affirmed.

RULE 803. Sanctions from Disciplinary Proceedings.

Cboe Clear Digital may censure, suspend, expel or limit the activities, functions or operations of, and/or impose a fine on (each a "sanction"), a Clearing Member for (i) a violation of Applicable Law, the Spot Member Rulebook or its agreements with Cboe Clear Digital or the Exchange, (ii) any neglect or refusal by such Clearing Member to comply with any applicable order or direction of Cboe Clear Digital or the Exchange, (iii) any error, delay or other conduct that materially and adversely affects the operations of Cboe Clear Digital or Cboe Digital Exchange, (iv) a violation of the rules of the Exchange, or (v) a failure to provide adequate personnel or facilities, where applicable, for its transactions with Cboe Clear Digital.

RULE 804. Procedures for Disciplinary Proceedings.

- Before any sanction is imposed pursuant to Rule 803, the Clearinghouse shall refer any suspected violation of Chapter 6 to Market Regulation. Any inquiry, investigation or disciplinary action resulting from a suspected violation will be subject to the disciplinary process under Chapter 5 of the Rules.

RULE 805. Restriction on or Termination of Clearing Privileges.

(a) If a Removal Event or Rule 801 Suspension occurs with respect to a Clearing Member, or Cboe Clear Digital determines that the financial or operational condition of a Clearing Member or one of its affiliates is such that to allow the Clearing Member to continue its operation as a Clearing Member could adversely affect Cboe Clear Digital or cleared markets (whether or not such Clearing Member continues to meet required minimum financial requirements, if applicable), Cboe Clear Digital may take one or more of the following actions:

(1) Allow such Clearing Member to submit Orders in Contracts and Contracts for clearing solely for its proprietary Account(s);

- (2) Limit or restrict the type of Contracts in which such Clearing Member may participate in any of its Accounts with Cboe Clear Digital;
- (3) Limit or restrict the number of Orders in Contracts that are permitted to be maintained by such Clearing Member in any of its Accounts with Cboe Clear Digital;
- (4) Decline to accept new trades or positions in Contracts for the Accounts of the Clearing Member;
- (5) Allow such Clearing Member to submit Orders for liquidation only;
- (6) Prohibit such Clearing Member from withdrawing from Clearing Member's Account(s);
- (8) Cause Digital Assets in Clearing Member's Account(s) to be settled in cash or liquidated;
- (9) Impose such additional capital, Collateral, or other requirements as Cboe Clear Digital shall deem appropriate for the protection of Cboe Clear Digital and its Clearing Members;
- (10) Terminate the Clearing Member's membership in Cboe Clear Digital; or
- (11) Take any other actions it deems proper or in the best interest of the Clearinghouse or its Clearing Members.

(b) Cboe Clear Digital has no obligation to clear trades made on the Exchange or any other trading facility where such Clearing Member does not have membership or is not approved for the clearing privileges by the relevant facility.

(c) A Person once qualified as a Clearing Member may voluntarily withdraw from Clearing Member status and terminate its clearing privileges upon the approval of Cboe Clear Digital, which approval shall be granted not later than 30 days following (i) the liquidation or, with the approval of Cboe Clear Digital, transfer to another Clearing Member of all open positions in the Clearing Member's Accounts at Cboe Clear Digital, and (ii) the satisfaction of all Obligations of the withdrawing Clearing Member; provided, however that such Person shall remain subject to, and responsible for any violation of, the Rules, interpretations and policies of Cboe Clear Digital committed by such Person while a Clearing Member, notwithstanding any termination of clearing privileges and Clearing Member status.

(d) When a Clearing Member voluntarily withdraws from membership or its membership is terminated, all Obligations of the Clearing Member to Cboe Clear Digital, of whatever nature or kind, shall be accelerated and become due and payable upon the effective date of such withdrawal or termination. The Clearing Member's funds, Collateral and other deposits will not be released until Cboe Clear Digital determines that all such Clearing Member's Obligations have been settled and all sums owing to Cboe Clear Digital have been paid.

(e) Any disputes which arise while a Clearing Member which relate to or arise out of any transaction with Cboe Clear Digital or status of a Clearing Member in Cboe Clear Digital shall be resolved in accordance with the Rules.

RULE 806. Just and Equitable Principles of Trade; Acts Detrimental to the Clearinghouse.

(a) Cboe Clear Digital shall have the authority to take any actions it deems in the best interest of the Clearinghouse or the Clearing Members.

(b) Cboe Clear Digital shall have the power to suspend or revoke clearing privileges or authorize the assessment of fines or charges against Clearing Members for engaging in conduct inconsistent with just and equitable principles of trade.

(c) Cboe Clear Digital shall have the power to suspend or revoke clearing privileges or authorize the assessment of fines or charges against Clearing Members for engaging in acts detrimental to the interest or welfare of Cboe Clear Digital.