



TO: BOX Options Participants
FROM: BOX Market Operations Center
SUBJECT: Fee Structure for FLEX Open Outcry (“FOO”) Transactions on the BOX Trading Floor
DATE: December 14, 2023

Pending regulatory approval, BOX Options Market LLC (“BOX”) anticipates introducing FLEX Open Outcry (“FOO”) Orders to the BOX Trading Floor in December 2023. As such, BOX will establish the following fee structure for FOO Orders presented on the BOX Trading Floor:

Transaction Fees

BOX will assess the following FOO Order Fees:

Account Type	Penny Interval Classes	Non-Penny Interval Classes
Public Customer	\$0.00	\$0.00
Professional Customer	\$0.10	\$0.10
Broker Dealer	\$0.25	\$0.25
Broker Dealer Facilitating a Public Customer	\$0.00	\$0.00
Market Maker	\$0.35	\$0.35

FOO Order Rebate

Floor Brokers will receive a \$0.075 per contract rebate for all Broker Dealer and Market Maker FOO Orders presented on the Trading Floor and \$0.05 per contract rebate for all Professional Customer FOO Orders presented on the Trading Floor. The rebate will not apply to Public

Customer executions, executions subject to Section V.D of the BOX Fee Schedule, or Broker Dealer executions where the Broker Dealer is facilitating a Public Customer.

Strategy FOO Order Fee Cap and Rebate

1. The manual transaction fees for certain Strategy FOO Orders will be capped on a daily basis:

- Short stock interest, long stock interest, merger, reversal, conversion, jelly roll, and box spread strategies¹ executed on the same trading day will be capped at \$500 per day per customer.

On each trading day, Floor Brokers are eligible to receive a \$500 rebate per customer for presenting Strategy FOO Orders other than dividend strategies on the Trading Floor. The rebate will be applied once the \$500 fee cap, per customer, for all short stock interest, long stock interest, merger, reversal, conversion, jelly roll, and box spread strategies is met.

2. The manual transaction fees for FOO dividend strategies² will be capped on both a daily and monthly basis:

- Dividend strategy FOO Orders executed on the same trading day in the same options class will be capped at \$1,000 per day per customer.

On each trading day, Floor Brokers are eligible to receive a \$500 rebate per customer for presenting dividend strategy FOO Orders on the Trading Floor. For dividend strategies, this Floor Broker rebate of \$500 will be applied per customer once the \$1,000 fee cap is met.

¹ A “short stock interest strategy” is defined as a transaction done to achieve a short stock interest arbitrage involving the purchase, sale, and exercise of in-the-money options of the same class. A “long stock interest strategy” is defined as a transaction done to achieve long stock involving the purchase, sale, and exercise of in-the-money options of the same class. A “merger strategy” is defined as transactions done to achieve a merger arbitrage involving the purchase, sale and exercise of options of the same class and expiration date, each executed prior to the date on which shareholders of record are required to elect their respective form of consideration, i.e., cash or stock. A “reversal strategy” is established by combining a short security position with a short put and a long call position that shares the same strike and expiration. A “conversion strategy” is established by combining a long position in the underlying security with a long put and a short call position that shares the same strike and expiration. A “jelly roll strategy” is created by entering into two separate positions simultaneously. One position involves buying a put and selling a call with the same strike price and expiration. The second position involves selling a put and buying a call, with the same strike price, but with a different expiration from the first position. A “box spread strategy” is a strategy that synthesizes long and short stock positions to create a profit. Specifically, a long call and short put at one strike is combined with a short call and long put at a different strike to create synthetic long and synthetic short stock positions, respectively.

² A “dividend strategy” is defined as a transaction done to achieve a dividend arbitrage involving the purchase, sale and exercise of in-the-money options of the same class, executed the first business day prior to the date on which the underlying stock goes ex-dividend.

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- Dividend strategy FOO Orders executed in the same month will be capped at \$65,000 per month per customer.

Floor Brokers will not be eligible to receive a \$500 daily rebate per customer for presenting dividend strategy FOO Orders once the monthly cap is met.

Complete Fee Schedule

The BOX Fee Schedule is available at www.boxoptions.com/fee-schedule/.

Contact

Please review the information provided herein. If you have any questions regarding this information, please contact the BOX Market Operations Center at boxmoc@boxoptions.com.