



Theoretical Pricing Subcommittee Charter

Purpose

The Theoretical Pricing Subcommittee (“TPS”) is responsible for the governance of theoretical pricing of options by Cboe Global Indices, LLC (“Cboe Indices”).

This charter and the membership of the TPS is reviewed annually by the TPS and approved by the Derivatives Committee (“DC”).

The general governance structure of Cboe Indices is detailed in the Index Policies & Practices Methodology available at www.cboe.com/indices/governance.

Scope

1. The TPS is responsible for (without limitation) performing the following functions in relation to the theoretical pricing of options:
 - a. Aligning with the policies and procedures set forth by the Global Index Policy Committee,
 - b. Oversight of the theoretical pricing methodologies related to options (calculation approach, discretionary decision-making framework),
 - c. Review the calculation methodologies and policies and procedures related to the theoretical pricing services at least once within any 12-month period,
 - d. Provide recommendations to the DC regarding potential methodology changes, including whether the changes would be deemed material and require consultation,
 - e. Issue consultations, review feedback, and provide recommendations to the Derivatives Committee if methodology changes should be made,
 - f. Determine the exercise of expert judgement, including without limitation real-time decisions related to unavailable pricing, data discrepancies, and/or extenuating circumstances impacting theoretical options calculations, per the methodology,
 - g. Track and report on pricing challenges and pricing modifications, and
 - h. Escalation point for incident review and remediation.
2. The TPS may escalate issues to the DC, and any decisions of the DC will be binding on the TPS.

Members

1. The TPS will have no less than 3 members at all times, as follows: voting members: associates of Cboe group with functional expertise and skills; and non-voting members: associates of Cboe group.

2. Members will be appointed by the TPS and approved by the DC, taking into consideration the appointees' expertise, skills, and availability. Areas of consideration may include, but are not limited to educational background, work experience, and field(s) of expertise. A Chairperson will be appointed by the DC annually. The Chairperson is a voting member of the TPS. The Chairperson (or any person designated by the Chairperson) will set the agenda and schedule each meeting, provide needed materials, and appoint a secretary to keep minutes. The Chairperson may designate a voting member to act as the acting Chairperson for any meeting the Chairperson is unable to attend.
3. TPS members may resign at any time. Where the member is no longer an employee of the Cboe group, their membership will automatically be terminated. Additionally, TPS members may be removed at the request of the DC, which may be (without limitation) due to a significant role change within the Cboe group or where the member does not fulfill or is not capable of fulfilling their responsibilities as part of the TPS.

Meetings

The TPS will meet at least once per quarter and additionally as needed. The TPS meetings will be governed by, and subject to, the Cboe Indices Committee Meeting Protocol detailed at www.cboe.com/indices/governance.

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v20230405

Document Information <DO NOT EDIT>

SharePoint-populated data:

Major Version #	5
Last Revised Date	12/16/2024
Last Review Date	12/16/2024