



Regulatory Circular (2008-16)

To: BOX Participants and Participant Organizations

From: BOX/BOX Regulation LLC

Date: September 19, 2008

Re: Notification to OCC of Contrary Exercise Intentions

Pursuant to BOX Rule, Chapter VII, Exercise of Options Contracts, Sec. 1(h), BOXR has determined to extend the cut-off time for the submission of contrary exercise advices¹ (“CEA”) and advice cancels (CEA Cancels) to BOX for expiring equity options. The cut-off time will be extended for clearing participants to 8:00 p.m. (EST) for September 2008 expiration.² Please be advised that all exercise decisions must still be made prior to 5:30 p.m. (EST) cut-off time. The extension is for operational purposes only.

Participants and Clearing Participants are reminded that notification of all CEAs and CEA Cancels must be documented and retained (including accurate time stamps). In addition, Clearing Participants are reminded that any adjustments made may be subject to review. BOX/BOXR make no representations regarding the propriety of a Participant’s actions with regard to instructions it receives from a customer.

Questions concerning this issue may be directed to Bruce Goodhue at (617) 235-2022 or Joe Dalton at joe.dalton@bostonstock.com.

¹ Also known as Expiring Exercise Declarations.

² Participants and Participant Organizations may make final exercise decisions after the exercise cutoff time, but prior to expiration, without having submitted a CEA: (1) in order to remedy mistakes made in good faith; (2) to take appropriate action as the result of a failure to reconcile unmatched Exchange option transactions; or (3) where exceptional circumstances have restricted an option holder’s ability to inform a participant organization of a decision regarding exercise, or a participant organization’s ability to receive an option holder’s decision by the cutoff time. The burden of establishing any of the above exceptions rests solely on the participant and participant organization seeking to rely on such exceptions.