

DATE: December 17, 2018

TO: MIAX PEARL Members

FROM: MIAX PEARL Regulatory Department

RE: MIAX PEARL Business Continuity and Disaster Recovery Plans Testing
Member Designation Standards

In coordination with other market centers and in support of Regulation Systems Compliance and Integrity (“Regulation SCI”) and MIAX PEARL Rule 321, Business Continuity and Disaster Recovery Plans Testing Requirements for Designated Members, which Rule is incorporated by reference to Rule 321 of MIAX Options, certain MIAX PEARL Members (“Members”) will have mandatory participation requirements in the annual SIFMA Business Continuity Planning Disaster Recovery (“BC/DR”) test.

Within fifteen (15) calendar days following the end of the measurement quarter MIAX PEARL will provide notice to qualifying Members that will have a mandatory BC/DR testing participation requirement. Members that qualify for mandatory participation will be expected to participate in the BC/DR test. Required participants will be expected to submit a meaningful amount of quotes and/or orders to the MIAX PEARL CH4 Disaster Recovery (“MIAX PEARL DR”) site during the test and the expected level of order activity will be coordinated between the MIAX PEARL Exchange and the Member. Designated Members are required to maintain connection to the MIAX Options DR for a twelve (12) month period after receiving notification for mandatory testing. While Non-qualifying Members are also encouraged to participate, they are not obligated to do so and will have no registration or volume requirements if they participate.

MIAX PEARL will notify Designated Members of the date of MIAX PEARL’s next scheduled BC/DR plans testing and BC/DR Plans Testing Requirements in advance of such testing date.

Designation Standards

Electronic Exchange Members (EEMs):

- MIAX PEARL EEMs providing the largest order flow executed volume on the MIAX PEARL Exchange which, when combined with order flow volume of all other MIAX PEARL EEMs providing the largest order flow volume, equals or exceeds 70% of total order flow executed volume on the MIAX PEARL Exchange.

Market Makers (MMs):

- MIAX PEARL MMs providing the largest MM executed volume on the MIAX PEARL Exchange which, when combined with MM volume of all other MIAX PEARL MMs providing the largest MM executed volume, equals or exceeds 70% of total MM executed volume on the MIAX PEARL Exchange.

Measurement Quarter:

- Volume shall be measured over the measurement quarter defined as January 1st through March 31st each year.

Notice to Designated BCP Members

MIAX PEARL will individually notify Designated Members of their designation as such (including the MIAX PEARL Exchange volume percentage(s) such designation is based upon) promptly following completion of the applicable measurement quarter. Members designated for the first time will become subject to the requirements of MIAX PEARL Rule 321 in the next calendar quarter following their receipt of notice of designation from MIAX PEARL. For example, Members meeting the Designation Standards in the January 1, 2019 through March 31, 2019 measurement quarter will be notified by MIAX PEARL that they are Designated Members in early April 2019 and will be required to connect to the MIAX PEARL DR systems in the calendar quarter commencing July 1, 2019 and participate in BC/DR plans testing occurring in or after that calendar quarter.

Any changes to the Designation Standards will be published by MIAX PEARL in a Regulatory Circular in advance of the start of any measurement quarter and will not be applied retroactively to any measurement quarter then completed or in progress.

Regulatory inquiries should be directed to Regulatory@MIAXOptions.com or (609) 897-7309.

Please direct any requests for further information regarding MIAX PEARL's BC/DR testing to TradingOperations@MIAXOptions.com or (609) 897-7302.