MIAX Pearl Options Exchange
MIAX Pearl Equities Exchange

Rules

As of March 9, 2023

Table of Contents

Chapter I. Definitions 1

Rule 100. Definitions 1

Chapter II. Access 10

Rule 200. Trading Permits 10

Rule 201. Denial of and Conditions to Being a Member 12

Rule 202. Persons Associated with Member 13

Rule 203. [Reserved] 13

Rule 204. Members and Persons Associated with a Member Who Are or Become Subject to a Statutory Disqualification 13

Rule 205. Dissolution and Liquidation of Members 14

Rule 206. Obligations of Terminating Members 15

Rule 207. Responsible Person 15

Rule 208. MIAX Pearl Billing System 15

Rule 209. Letter of Guarantee 15

Rule 210. Sponsored Access to the Exchange 15

Chapter III. Business Conduct 18

Chapter IV. Option Contracts Traded on the Exchange 19

Rule 400. Designation of Securities 19

Rule 401. Rights and Obligations of Holders and Writers 19

Rule 402. Criteria for Underlying Securities 19

Rule 403. Withdrawal of Approval of Underlying Securities 26

Rule 404. Series of Option Contracts Open for Trading 29

Rule 404A. Select Provisions of Options Listing Procedures Plan 38

Rule 405. Adjustments 39

Rule 406. Long-Term Option Contracts 39

Chapter V. Doing Business on the Exchange 41

Rule 500. Access to and Conduct on the Exchange 41

Rule 501. Days and Hours of Business 41

Rule 502. Entry of Orders 42

Rule 503. Openings on the Exchange 42

Rule 504. Trading Halts 44

Rule 505. Member Electronic Connectivity 46

Rule 506. Collection and Dissemination of Quotations 46
Rule 507. Give Up of a Clearing Member 47
Rule 508. Unit of Trading 48
Rule 509. Meaning of Premium Bids and Offers 48
Rule 510. Minimum Price Variations and Minimum Trading Increments 49
Rule 511. Acceptance of Quotes and Orders 51
Rule 512. [Reserved] 51
Rule 513. Submission of Orders and Clearance of Transactions 51
Rule 514. Priority on the Exchange 51
Rule 515. Execution of Orders 52
Rule 516. Order Types 56
Rule 517A. Aggregate Risk Manager for EEMs ("ARM-E") 58
Rule 517B. Aggregate Risk Manager for Market Makers ("ARM-M") 59
Rule 518. [Reserved] 61
Rule 519. MIAX Pearl Order Monitor ("MOM") 61
Rule 519A. Risk Protection Monitor for Orders Entered via the FIX Interface ("RPM-FIX") 63
Rule 519B. Risk Protection Monitor for Orders Entered via the MEO Interface ("RPM-MEO") 64
Rule 519C. Mass Cancellation of Trading Interest 66
Rule 520. Limitations on Orders 67
Rule 521. Nullification and Adjustment of Options Transactions Including Obvious Errors 68
Rule 522. Price Binding Despite Erroneous Report 77
Rule 523. Authority to Take Action Under Emergency Conditions 77
Rule 524. Reporting of Matched Trades to Clearing Corporation 77
Rule 525. Limitation on Dealings 78
Rule 526. Limitation on the Liability of Index Licensors for Options on Exchange-Traded Fund Shares 78
Rule 527. Exchange Liability 79
Rule 528. Legal Proceedings Against the Exchange and its Directors, Officers, Employees, Contractors or Agents 80
Rule 529. Order Routing to Other Exchanges 80
Rule 530. Limit Up-Limit Down 81
Rule 531. Reports and Market Data Products 86
Rule 532. Order Price Protection Mechanisms and Risk Controls 89
Chapter VI. Market Makers 90
Rule 600. Market Maker Registration 90

Rule 601. Obligations of Market Maker Authorized Traders 91
Rule 602. Continuing Market Maker Registration 92
Rule 603. Good Standing for Market Makers 92
Rule 604. Obligations of Market Makers 92
Rule 605. Market Maker Quotations 93
Rule 606. Securities Accounts and Orders of Market Makers 95
Rule 607. Letters of Guarantee 96
Rule 608. Financial Requirements for Market Makers 96
Chapter VII. Exercises and Deliveries 97
Chapter VIII. Records, Reports and Audits 98
Chapter IX. Summary Suspension 99
Chapter X. Discipline 100
Rule 1000. Disciplinary Jurisdiction 100
Rule 1001. Requirement to Furnish Information 100
Rule 1002. Investigation 101
Rule 1003. Letters of Consent 101
Rule 1004. Charges 101
Rule 1005. Answer 102
Rule 1006. Hearing 102
Rule 1007. Decision 104
Rule 1008. Summary Proceedings 104
Rule 1009. Offers of Settlement 105
Rule 1010. Review 105
Rule 1011. Judgment and Sanction 106
Rule 1012. Procedural Matters 106
Rule 1013. Reporting to the Central Registration Depository 107
Rule 1014. Imposition of Fines for Minor Rule Violations 107
Rule 1015. Disciplinary Functions 112
Rule 1016. Contracts of Suspended Members 113
Rule 1017. Failure to Pay Premium 113
Rule 1018. Expedited Suspension Proceeding 114
Chapter XI. Hearings, Review and Arbitration 117
Chapter XII. Organization and Administration 118
Rule 1200. Divisions of the Exchange 118

Rule 1201. Designees 118
Rule 1202. Membership Dues 118
Rule 1203. Other Fees and Charges 118
Rule 1204. Liability for Payment of Fees 119
Rule 1205. Exchange's Costs of Defending Legal Proceedings 119
Rule 1206. Committees of the Exchange 119
Rule 1207. Sales Value Fee 120
Chapter XIII. Doing Business with the Public 121
Chapter XIV. Order Protection, Locked and Crossed Markets 122
Chapter XV. Margins 123
Chapter XVI. Net Capital Requirements 124
Chapter XVII. Consolidated Audit Trial Compliance Rule 125
Chapter XVIII. Index Options 126
Chapter XIX. General Provisions-MIAX Pearl Equities 127
Rule 1900. Applicability 127
Rule 1901. Definitions *(See below for amended Rule 1901, which will become operative on March 30, 2023.)* 127
The following rule will become operative on March 30, 2023. Text to be deleted is ~~struckthrough~~. Text to be added is underlined. 129
Rule 1901. Definitions 129
Chapter XX. Participation of MIAX Pearl Equities 132
Rule 2000. Equity Participation 132
Rule 2001. Requirements for Equities Participation 133
Rule 2002. Persons Associated with Equity Members 133
Rule 2003. Good Standing for Equity Members 133
Chapter XXI. Rules of Fair Practice 135
Rule 2100. Business Conduct of Members 135
Rule 2101. Violations Prohibited 135
Rule 2102. Use of Fraudulent Devices 135
Rule 2103. False Statements 135
Rule 2104. Communications with the Public 135
Rule 2105. Know Your Customer 136
Rule 2106. Fair Dealing with Customers 136
Rule 2107. Suitability 136
Rule 2108. The Prompt Receipt and Delivery of Securities 137

Rule 2109. Charges for Services Performed 137
Rule 2110. Use of Information Obtained in a Fiduciary Capacity 137
Rule 2111. Publication of Transactions and Quotations 137
Rule 2112. Offers at Stated Prices 137
Rule 2113. Payments Involving Publications that Influence the Market Price of a Security 138
Rule 2114. Customer Confirmations 138
Rule 2115. Disclosure of Control Relationship with Issuer 138
Rule 2116. Discretionary Accounts 138
Rule 2117. Improper Use of Customer's Securities or Funds; Prohibition Against Guarantees and Sharing in Accounts 139
Rule 2118. Influencing or Rewarding Employees of Others 140
Rule 2119. Telemarketing 141
Chapter XXII. Books, Records, and Reports 142
Rule 2200. General Requirements 142
Rule 2201. Customer Account Information 142
Rule 2202. Furnishing of Records 142
Rule 2203. Record of Written Complaints 143
Rule 2204. Disclosure of Financial Condition 143
Chapter XXIII. Supervision 144
Rule 2300. Supervision 144
Rule 2301. Supervisory Control System 154
Rule 2302. Annual Certification of Compliance and Supervisory Processes 155
Rule 2303. Prevention of the Misuse of Material, Non-Public Information 156
Rule 2304. Anti-Money Laundering Compliance Program 156
Rule 2305. Transactions for or by Associated Persons 156
Chapter XIV. Margin 157
Rule 2400. Prohibitions and Exemptions 157
Rule 2401. Day Trading Margin 157
Chapter XXV. Suspension, Discipline, Arbitration 158
Rule 2500. Applicability 158
Chapter XXVI. Trading Rules 159
Rule 2600. Hours of Trading and Trading Days 159
Rule 2601. Securities Eligible for Trading 159
Rule 2602. Access to and Conduct on MIAX Pearl Equities 159
Rule 2603. Input of Accurate Information 160

Rule 2604. Authorized Traders 160
Rule 2605. Registration as Equities Market Maker 161
Rule 2606. Equities Market Maker Obligations 161
Rule 2607. Withdrawal of Quotations 163
Rule 2608. Voluntary Termination of Registration 164
Rule 2609. Suspension and Termination of Quotations 165
Rule 2610. Units of Trading 166
Rule 2611. Odd and Mixed Lots 166
Rule 2612. Minimum Price Variations 166
Rule 2613. Usage of Data Feeds 167
Rule 2614. Orders and Order Instructions 167
Rule 2615. Opening Process for Equity Securities 179
Rule 2616. Priority of Orders 180
Rule 2617. Order Execution and Routing *(See below for amended Rule 2617 which will be implemented on a date to be announced by the Exchange through a Regulatory Circular)* 182
The following Rule will be implemented on a date to be announced by the Exchange through a Regulatory Circular. Text to be deleted is ~~struckthrough~~. Text to be added is underlined. 188
Rule 2617. Order Execution and Routing 188
Rule 2618. Risk Settings and Trading Risk Metrics *(See below for amended Rule 2618 which will be implemented on a date to be announced by the Exchange through a Regulatory Circular)* 194
The following Rule will be implemented on a date to be announced by the Exchange through a Regulatory Circular. Text to be deleted is ~~struckthrough~~. Text to be added is underlined. 197
Rule 2618. Risk Settings and Trading Risk Metrics 197
Rule 2619. Trade Execution and Reporting 200
Rule 2620. Clearance and Settlement; Anonymity 200
Rule 2621. Clearly Erroneous Executions 201
Rule 2622. Limit Up-Limit Down Plan and Trading Halts *(See below for amended Rule 2622, which will become operative on March 30, 2023.)* 206
The following rule will become operative on March 30, 2023. Text to be deleted is ~~struckthrough~~. Text to be added is underlined. 209
Rule 2622. Limit Up-Limit Down Plan and Trading Halts 209
Rule 2623. Short Sales 216
Rule 2624. Locking or Crossing Quotations in NMS Stocks 216
Rule 2625. Proprietary Data Products 217
Rule 2626. Retail Order Attribution Program 217
Chapter XXVII. Trading Practice Rules 220
Rule 2700. Market Manipulation 220

Rule 2701. Fictitious Transactions 220
Rule 2702. Excessive Sales by an Equity Member 221
Rule 2703. Manipulative Transactions 221
Rule 2704. Dissemination of False Information 222
Rule 2705. Prohibition Against Trading Ahead of Customer Orders 222
Rule 2706. Joint Activity 225
Rule 2707. Influencing the Consolidated Tape 225
Rule 2708. Trade Shredding 225
Rule 2709. Options 226
Rule 2710. Best Execution and Interpositioning 226
Rule 2711. Publication of Transactions and Changes 229
Rule 2712. Trading Ahead of Research Reports 229
Rule 2713. Obligation to Honor System Trades 230
Rule 2714. Front Running of Block Transactions 230
Rule 2715. Disruptive Quoting and Trading Activity Prohibited 230
Chapter XXVIII. Miscellaneous Provisions 231
Rule 2800. Comparison and Settlement Requirements 231
Rule 2801. Failure to Deliver and Failure to Receive 231
Rule 2802. Forwarding of Proxy and Other Issuer-Related Materials 231
Rule 2803. Assigning of Registered Securities in Name of a Member or Member Organization 231
Rule 2804. Commissions 232
Rule 2805. Off-Exchange Transactions 232
Rule 2806. Regulatory Services Agreement 232
Rule 2807. Transactions Involving Exchange Employees 232
Rule 2808. Ex-Dividend or Ex-Rights Dates 233
Chapter XXIX. Securities Traded 234
Rule 2900. Unlisted Trading Privileges 234
Chapter XXX. Dues, Fees, Assessments and Other Charges; Effective Date 237
Rule 3000. Authority to Prescribe Dues, Fees, Assessments and Other Charges 237
Rule 3001. Regulatory Revenue 237
Rule 3002. Collection of Exchange Fees and Other Claims and Billing Policy 238
Chapter XXXI. Registration, Qualification and Continuing Education 239
Rule 3100. Registration Requirements 239
Rule 3101. Registration Categories 244
Rule 3102. Associated Persons Exempt from Registration 250

Rule 3103. Continuing Education 251
Rule 3104. Electronic Filing Requirements for Uniform Forms..... 255

Chapter I. Definitions

Rule 100. Definitions

ABBO or Away Best Bid or Offer
The term **"ABBO**" or "**Away Best Bid or Offer**" means the best bid(s) or offer(s) disseminated by other Eligible Exchanges (defined in Rule 1400(g)) and calculated by the Exchange based on market information received by the Exchange from OPRA.

Affiliate or affiliated with
The term "**affiliate**" of or 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.

Aggregate Exercise Price
The term "**aggregate exercise price**" means the exercise price of an option contract multiplied by the number of units of the underlying security covered by the option contract.

American-Style Option
The term "**American-style option**" means an option contract that, subject to the provisions of Rule 700 (relating to the cutoff time for exercise instructions) and to the Rules of the Clearing Corporation, can be exercised on any business day prior to its expiration date and on its expiration date.

Associated Person or Person Associated with a Member
The term "**associated person**" or "**person associated with a Member**" means any partner, officer, director, or branch manager of a 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 a Member, or any employee of a Member, except that any person associated with a Member whose functions are solely clerical or ministerial shall not be included in the meaning of such term for purposes of these Rules.

Authorized Trader
The term **"authorized trader"** or **"AT"** means a person who may submit orders (or who supervises a routing engine that may automatically submit orders) to the Exchange's trading facilities on behalf of his or her Member or Sponsored Participant.

Bid
The term "**bid**" means a limit order to buy one or more options contracts.

Board
The term "**Board**" means the Board of Directors of the Exchange.

Book
The term "**Book**" means the electronic book of buy and sell orders and quotes maintained by the System.

Broker
The term **"broker"** shall have the same meaning as in Section 3(a)(4) of the Exchange Act.

By-Laws
The term "**By-Laws**" means the By-Laws of the Exchange, as the same may be amended from time to time.

Call
The term "**call**" means an option contract under which the holder of the option has the right, in accordance with the terms of the option, to purchase from the Clearing Corporation the number of units of the underlying security covered by the option contract.

Class of Options or Option Class
The terms "**class of options**" or "**option class**" mean all option contracts covering the same underlying security.

Clearing Corporation
The term "**Clearing Corporation**" means The Options Clearing Corporation.

Clearing Member
The term "**Clearing Member**" means a Member that has been admitted to membership in the Clearing Corporation pursuant to the provisions of the Rules of the Clearing Corporation.

Closing Purchase Transaction
The term "**closing purchase transaction**" means an Exchange Transaction which will reduce or eliminate a short position in an option contract.

Closing Writing Transaction
The term "**closing writing transaction**" means an Exchange Transaction which will reduce or eliminate a long position in an option contract.

Control
The term "**control**" means the power to exercise a controlling influence over the management or policies of a person, unless such power is solely the result of an official position with such person. Any person who owns beneficially, directly or indirectly, more than 20% of the voting power in the election of directors of a corporation, or more than 25% of the voting power in the election of directors of any other corporation which directly or through one or more affiliates owns beneficially more than 25% of the voting power in the election of directors of such corporation, shall be presumed to control such corporation.

Covered
The term "**covered**" in respect of a short position in a call option contract means that the writer's obligation is secured by a "specific deposit" or an "escrow deposit" meeting the conditions of Rule 610(f) or 610(h), respectively, of the Rules of the Clearing Corporation, or the writer holds in the same account as the short position, on a share-for-share basis, a long position either in the underlying security or in an option contract of the same class of options where the exercise price of the option contract in such long position is equal to or less than the exercise price of the option contract in such short position. The term "covered" in respect of a short position in a put option contract means that the writer holds in the same account as the short position, on a share-for-share basis, a long position in an option contract of the same type and class of options where the exercise price of the option contract in such long position is equal to or greater than the exercise price of the option contract in such short position.

Dealer
The term **"dealer"** shall have the same meaning as in Section 3(a)(5) of the Exchange Act.

Designated Examining Authority
The term **"designated examining authority"** means a self-regulatory organization, other than the Exchange, designated by the Commission under Section 17(d) of the Exchange Act to enforce compliance by Equity Members with Exchange Rules.

Discretion
The term "**discretion**" means the authority of a broker or dealer to determine for a customer the type of option, the class or series of options, the number of contracts, or whether options are to be bought or sold.

Electronic Exchange Member
The term **"Electronic Exchange Member"** or **"EEM"** means the holder of a Trading Permit who is a Member representing as agent Public Customer Orders or Non-Customer Orders on the Exchange and those non-Market Maker Members conducting proprietary trading. Electronic Exchange Members are deemed "members" under the Exchange Act.

European-Style Option
The term "**European-style option**" means an option contract that, subject to the provisions of Rule 700 (relating to the cutoff time for exercise instructions) and to the Rules of the Clearing Corporation, can be exercised only on its expiration date.

Exchange
The term "**Exchange**" means the national securities exchange known as MIAX PEARL, LLC, or MIAX Pearl.

Exchange Act
The term "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

Exchange Transaction
The term "**Exchange Transaction**" means a transaction involving a security that is effected on the Exchange.

Exercise Price
The term "**exercise price**" means the specified price per unit at which time the underlying security may be purchased or sold upon the exercise of an option contract.

Federal Reserve Board
The term "**Federal Reserve Board**" means the Board of Governors of the Federal Reserve System.

FIX Interface
The term **"FIX Interface"** means the Financial Information Exchange interface used for submitting certain order types (as set forth in Rule 516) to the MIAX Pearl System.

Foreign Broker-Dealer
The term "**foreign broker-dealer**" means any person or entity that is registered, authorized or licensed by a foreign governmental agency or foreign regulatory organization (or is required to be so registered, authorized or licensed) to perform the function of a broker or dealer in securities, or both. For the purposes of this definition, the terms "broker" and "dealer" have the same meaning as provided in Section 3(a)(4) and 3(a)(5) of the Exchange Act, except that a "broker" or "dealer" may be a bank.

He, Him or His
The terms "**he**," "**him**" or "**his**" shall be deemed to refer to persons of female as well as male gender, and to include organizations, as well as individuals, when the context so requires.

Help Desk
The term "**Help Desk**" means the Exchange's control room consisting of Exchange staff authorized to make certain trading determinations on behalf of the Exchange. The Help Desk shall report to and be supervised by a senior executive officer of the Exchange.

Individual Option
The term "**individual option**" means an option contract that is either a put or a call, covering a specific underlying security and having a specific exercise price and expiration date.

Limit Price
The term **"limit price"** means the highest (lowest) specified price at which a Limit Order to buy (sell) is eligible to trade.

Long Position
The term "**long position**" means a person's interest as the holder of one or more units of trading of a given option contract.

Market Maker
The term "**Market Maker**" or "**MM**" means a Member registered with the Exchange for the purpose of making markets in options contracts traded on the Exchange and that is vested with the rights and responsibilities specified in Chapter VI of these Rules.

Member
The term **"Member"** means an individual or organization that is registered with the Exchange pursuant to Chapter II of these Rules for purposes of trading on the Exchange as an "Electronic Exchange Member" or "Market Maker." Members are deemed "members" under the Exchange Act.

Membership
The term "**Membership**" refers to the trading privileges held by a Member.

MEO Interface
The term **"MEO Interface"** means a binary order interface used for submitting certain order types (as set forth in Rule 516) to the MIAX Pearl System.

MIAX
The term "**MIAX**" means Miami International Securities Exchange, LLC.

MIAX Emerald
The term "**MIAX Emerald**" means MIAX Emerald, LLC.

MIAX Pearl
The term "**MIAX Pearl**" means the MIAX PEARL, LLC, or the Exchange.

MPID
The term **"MPID"** means unique market participant identifier.

NBBO
The term "**NBBO**" means the national best bid or offer as calculated by the Exchange based on market information received by the Exchange from OPRA.

Non-Customer
The term "**Non-Customer**" means a person or entity that is a broker or dealer in securities.

Non-Customer Order
The term "**Non-Customer Order**" means an order for the account of a Non-Customer.

Offer
The term "**offer**" means a limit order to sell one or more options contracts.

Opening Purchase Transaction
The term "**opening purchase transaction**" means an Exchange Transaction which will create or increase a long position in an option contract.

Opening Writing Transaction
The term "**opening writing transaction**" means an Exchange Transaction which will create or increase a short position in an option contract.

OPRA
The term "**OPRA**" means the Options Price Reporting Authority, LLC.

Option Contract
The term "**option contract**" means a put or a call issued, or subject to issuance, by the Clearing Corporation pursuant to the Rules of the Clearing Corporation.

Order
The term "**order**" means a firm commitment to buy or sell option contracts.

Outstanding
The term "**outstanding**" in respect of an option contract means an option contract which has been issued by the Clearing Corporation and has neither been the subject of a closing writing transaction nor has reached its expiration date.

PBBO
The term **"PBBO"** means the best bid or offer on MIAX Pearl.

Person
The term "**person**" shall refer to a natural person, corporation, partnership (general or limited), limited liability company, association, joint stock company, trust, trustee of a trust fund, or any organized group of persons whether incorporated or not and a government or agency or political subdivision thereof.

Primary Market
The term "**primary market**" means the principal market in which an underlying security is traded.

Principal Shareholder
The term "**principal shareholder**" means any person beneficially owning, directly or indirectly, equity securities representing 5% of the voting power in elections of directors, or 5% of the net worth, or a 5% participation in the net profits, of a corporation.

Priority Customer
The term "**Priority Customer**" means a person or entity that (i) is not a broker or dealer in securities, and (ii) does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). The number of orders shall be counted in accordance with the following Interpretation and Policy .01 hereto.

Interpretations and Policies:

.01 For purposes of counting the number of orders in listed options per day on average during a calendar month for its own beneficial account(s) for designation as Priority Customer under Rule 100:

(a) Except as noted below, each order of any type, regardless of the options exchange on which the order is entered or to which the order is routed, shall be counted as one (1) order toward the number of orders, except that Flexible Exchange Option (FLEX) orders shall not be counted.

(b) Complex orders comprised of eight (8) options legs or fewer shall be counted as a single order. For complex orders comprised of nine (9) options legs or more, each leg shall count as its own separate order. Stock orders shall not be counted toward the number of legs.

(c) A "parent" order placed for the beneficial account(s) of a person or entity not a broker or dealer that is broken into multiple subordinate "child" orders on the same side (buy/sell) and series as the parent order, by a broker or dealer or an algorithm housed at a broker or dealer or licensed from a broker dealer but housed with the customer, shall be counted as one (1) order, even if the orders are routed away. A "parent" order (including a strategy order) that is broken into multiple subordinate "child" orders on both sides (buy/sell) of a series and/or multiple series shall be counted as multiple orders, with each child order counted as a new and separate order per side and series.

(d) (1) An order that cancels and replaces a prior order shall be counted as a second order, or multiple new orders in the case of a complex order comprised of nine (9) options legs or more, including "single-strike algorithms." A series of cancel and replace orders in an individual strike, which track the PBBO or NBBO, shall be counted as separate new orders. A cancel message is not an order.

(2) Except as noted in paragraph (d)(3) below, an order that cancels and replaces a subordinate "child" order on the same side and series as the "parent" order shall not be counted as a new order.

(3) An order that cancels and replaces a subordinate "child" order and results in multiple sides/series shall be counted as a new order per side and series. An order that cancels and replaces a subordinate "child" order pegged to the PBBO or NBBO, shall be counted as a new order each time a cancel/replace is used to follow the PBBO or NBBO.

Priority Customer Order
The term "**Priority Customer Order**" means an order for the account of a Priority Customer.

Proprietary Trading
The term **"proprietary trading"** for purposes of Rule 3100 means trading done by a Member having the following characteristics: (i) the Member is not required by Section 15(b)(8) of the Act to become a FINRA member but is a Member of another registered securities exchange not registered solely under Section 6(g) of the Act; (ii) all funds used or proposed to be used by the Member are the trading Member's own capital, traded through the Member's own accounts; (iii) the Member does not, and will not, have customers; and (iv) all persons registered on behalf of the Member acting or to be acting in the capacity of a trader must be owners of, employees of, or contractors to the Member.

Proprietary Trading Firm
The term "**proprietary trading firm**" for purposes of Rule 3100 means a Member organization or applicant with the following characteristics: (i) the applicant is not required by Section 15(b)(8) of the Act to become a FINRA Member but is a Member of another registered securities exchange not registered solely under Section 6(g) of the Act; (ii) all funds used or proposed to be used by the applicant for trading are the applicant's own capital, traded through the applicant's own accounts; (iii) the applicant does not, and will not have customers; and (iv) all principals and representatives of the applicant acting or to be acting in the capacity of a trader must be owners of, employees of, or contractors to the applicant.

Public Customer
The term "**Public Customer**" means a person that is not a broker or dealer in securities.

Public Customer Order
The term "**Public Customer Order**" means an order for the account of a Public Customer.

Put
The term "**put**" means an option contract under which the holder of the option has the right, in accordance with the terms and provisions of the option, to sell to the Clearing Corporation the number of units of the underlying security covered by the option contract.

Quarterly Options Series
The term "**Quarterly Options Series**" is a series in an options class that is approved for listing and trading on the Exchange in which the series is opened for trading on any business day and that expires at the close of business on the last business day of a calendar quarter.

Quote or Quotation
The term "**quote**" or "**quotation**" means a bid or offer entered by a Market Maker as a firm order that updates the Market Maker's previous bid or offer, if any. When the term order is used in these Rules and a bid or offer is entered by the Market Maker in the option series to which such Market Maker is registered, such order shall, as applicable, constitute a quote or quotation for purposes of these Rules.

Registered Options Principal
The term "**Registered Options Principal**" has the meaning set forth in Rule 3101(b)(7).

Responsible Person
The term "**Responsible Person**" shall mean an individual designated by an organization that is the holder of a Trading Permit to represent the organization with respect to that Trading Permit in all matters relating to the Exchange. The Responsible Person must be a United States-based officer, director or management-level employee of the Trading Permit holder, who is responsible for the direct supervision and control of associated persons of that Trading Permit holder.

Rules
The term "**Rules**" means the Rules of the Exchange as the same may be in effect from time to time.

Rules of the Clearing Corporation
The term "**Rules of the Clearing Corporation**" means the Certificate of Incorporation, the By-Laws and the Rules of the Clearing Corporation, and all written interpretations thereof, as the same may be in effect from time to time.

SEC or Commission
The term "**SEC**" or "**Commission**" means the United States Securities and Exchange Commission.

Series of Options
The term "**series of options**" means all option contracts of the same class having the same exercise price and expiration date.

Short Position
The term "**short position**" means a person's interest as the writer of one or more units of trading of a given option contract.

Short Term Option Series
The term **"Short Term Option Series"** is a series in an option class that is approved for listing and trading on the Exchange in which the series is opened for trading on any Monday, Tuesday, Wednesday, Thursday or Friday that is a business day and that expires on the Monday, Tuesday, Wednesday, Thursday, or Friday of the next business week, or, in the case of a series that is listed on a Friday and expires on a Monday, is listed one business week and one business day prior to that expiration. If a Tuesday, Wednesday, Thursday or Friday is not a business day, the series may be opened (or shall expire) on the first business day immediately prior to that Tuesday, Wednesday, Thursday or Friday, respectively. For a series listed pursuant to this section for Monday expiration, if a Monday is not a business day, the series shall expire on the first business day immediately following that Monday.

SRO
The term "**SRO**" means a self-regulatory organization as defined in Section 3(a)(26) of the Exchange Act.

System
The term "**System**" means the automated trading system used by the Exchange for the trading of securities.

Timestamp
The term **"timestamp"** means the effective time sequence assigned to an order for purposes of determining its priority ranking.

Trading Center
The term **"Trading Center"** shall have the same meaning as in Rule 600(b)(82) of Regulation NMS.

Trading Permit
The term "**Trading Permit**" means a permit issued by the Exchange that confers the ability to transact on the Exchange.

Type of Option
The term "**type of option**" means the classification of an option contract as either a put or a call.

Uncovered
The term "**uncovered**" in respect of a short position in an option contract means that the short position is not covered.

Underlying Security
The term "**underlying security**" in respect of an option contract means the security which the Clearing Corporation shall be obligated to sell (in the case of a call option contract) or purchase (in the case of a put option contract) upon the valid exercise of the option contract.

Voluntary Professional
The term "**Voluntary Professional**" means any Public Customer that elects, in writing, to be treated in the same manner as a broker or dealer in securities for purposes of the Exchange's schedule of fees.

[Adopted: December 13, 2016; amended February 6, 2017 (SR-PEARL-2017-03); amended April 3, 2017 (SR-PEARL-2017-11); amended June 5, 2017 (SR-PEARL-2017-21); amended February 12, 2018 (SR-PEARL-2018-03); amended May 24, 2019 (SR-PEARL-2019-16); amended December 19, 2019 (SR-PEARL-2019-35); amended January 9, 2020 (SR-PEARL-2020-01); amended August 14, 2020 (SR-PEARL-2020-03); amended March 30, 2021 (SR-PEARL-2021-08); amended October 25, 2021 (SR-PEARL-2021-43); amended November 17, 2022 (SR-PEARL-2022-52)]

Chapter II. Access

Rule 200. Trading Permits

(a) **Issuance**. The Exchange shall issue Trading Permits that confer the ability to transact on the Exchange. There is no limit on the number of Trading Permits that may be issued by the Exchange; however the Exchange shall have the authority to limit or decrease the number of Trading Permits it has determined to issue. The Exchange shall announce in advance any limitation or decrease it plans to impose pursuant to this Rule. In the event the Exchange imposes a limitation or decrease pursuant to this Rule, the Exchange, in doing so, may not eliminate the ability of an existing Member to trade on the Exchange unless the Exchange is permitted to do so pursuant to a rule filing submitted to the Commission under Section 19(b) of the Exchange Act. In addition, in no event shall the Exchange act in a manner under this subparagraph that does not comply with the provisions of Section 6(c)(4) of the Exchange Act.

(b) **Qualification Requirements**. A Member must be registered as a broker-dealer pursuant to Section 15 of the Exchange Act. If a Member intends to transact business with the public, it must obtain approval to transact business with the public pursuant to Rule 1300 or be approved to transact business with the public by another national securities exchange as set forth in Rule 1300.

(c) **Application Process**.

(1) **Holders of MIAX or MIAX Emerald Trading Permits.** A holder of a MIAX or MIAX Emerald trading permit in good standing is eligible to receive one MIAX Pearl Trading Permit in the same Membership category to trade on MIAX Pearl (i.e., a MIAX Registered Market Maker or a MIAX Emerald Registered Market Maker is eligible to become a MIAX Pearl Market Maker and a MIAX Electronic Exchange Member or a MIAX Emerald Electronic Exchange Member is eligible to become a MIAX Pearl Electronic Exchange Member). A holder of a MIAX or MIAX Emerald trading permit who wishes to apply to the Exchange is not required to complete and submit an Exchange application. Instead only Exchange forms concerning election to trade on the Exchange, submitting to Exchange jurisdiction, and operational matters need be completed and tendered.

(2) **Applicants Not Holding MIAX Trading Permits**. An applicant not holding a MIAX or MIAX Emerald trading permit seeking to hold a MIAX Pearl Trading Permit ("Applicant") must submit an application to the Exchange in accordance with such procedures as shall be established by the Exchange. In addition, the following shall apply:

(i) Each Applicant shall promptly update the application materials submitted to the Exchange if any of the information provided in these materials becomes inaccurate or incomplete after the date of submission of the application to the Exchange and prior to any approval of the application.

(ii) The Exchange shall investigate each Applicant applying to be a Member (with the exception of any Applicant that was a Member within 9 months prior to the date of receipt of that Applicant's application by the Exchange, and any Applicant that was investigated by the Exchange within 9 months prior to the date of receipt of that Applicant's application by the Exchange). The Exchange may investigate any Applicant that is not required to be investigated pursuant to this paragraph. In connection with an investigation conducted pursuant to this paragraph, the Exchange may (x) conduct a fingerprint based criminal records check of the Applicant and its Responsible Person; or (y) utilize the results of a fingerprint based criminal records check of the Applicant and its Responsible Person conducted by the Exchange or another self-regulatory organization within the prior year.

(iii) The Exchange may approve an application submitted pursuant to this Rule only if any investigation pursuant to paragraph (ii) above has been completed, and any applicable orientation and/or exam requirements established by the Exchange have been satisfied.

(iv) Each Applicant that submits an application pursuant to paragraph (c) of this Rule shall submit to the Exchange any additional information requested by the Exchange in connection with the Exchange's review of the application and may be required to appear before the Exchange for an in-person interview or interviews.

(v) Upon completion of the application process, the Exchange shall determine whether to approve or disapprove the application, unless there is just cause for delay. One such just cause for delay is when an Applicant is the subject of an inquiry, investigation, or proceeding conducted by a self-regulatory organization or governmental authority that involves the Applicant's fitness to be a Member. In such an instance, the Exchange need not act on any application submitted by that Applicant until the matter has been resolved.

(vi) Written notice of the action regarding an application to become a Member, specifying in the case of disapproval of an application the grounds thereof, shall be provided to the Applicant.

(d) **Membership in Another Registered National Securities Exchange or FINRA**. Every Trading Permit holder must have and maintain membership in another registered national securities exchange other than the MIAX or MIAX Emerald (that is not registered solely under Section 6(g) of the Exchange Act). If such other registered national securities exchange has not been designated by the Commission, pursuant to Rule 17d-1 under the Exchange Act, to examine Members for compliance with financial responsibility rules, then such Applicant must have and maintain a membership in FINRA.

(e) **Rights of Member**. No rights shall be conferred upon a Member except those set forth in the By-Laws or Rules as amended from time to time. A Trading Permit shall not convey any ownership interest in the Exchange. Trading Permits may not be leased and are not transferable except in the event of a change in control or corporate reorganization involving a Member. In such a case, Member status may be transferred to a qualified affiliate or successor upon written notice to the Exchange.

(f) **Fees and Charges for Trading Permits**. Trading Permits shall be subject to such fees and charges as are established by the Exchange from time to time pursuant to Rule 1202 and Rule 1203 and the Exchange Fee Schedule. An organization holding a Trading Permit in its name shall be responsible for paying all fees and charges for that Trading Permit. An individual holding a Trading Permit in his or her name shall be responsible for paying all fees and charges for that Trading Permit.

(g) **Exchange Jurisdiction over Trading Members**. Every Member shall be subject to the regulatory jurisdiction of the Exchange under the Exchange Act and the Rules, including without limitation the Exchange's disciplinary jurisdiction under Chapter X of the Rules.

[Adopted: December 13, 2016; amended May 24, 2019 (SR-PEARL-2019-16); amended February 11, 2021 (SR-PEARL-2021-03)]

Rule 201. Denial of and Conditions to Being a Member

(a) The Exchange shall deny Membership where an Applicant (as defined in Rule 200(c)(2)) has failed a required Membership test.

(b) The Exchange may deny (or may condition) Membership or may prevent a person from becoming associated (or may condition an association) with a Member for the same reasons that the Commission may deny or revoke a broker-dealer registration and for those reasons required or allowed under the Exchange Act.

(c) The Exchange also may deny (or may condition) Membership or may prevent a person from becoming associated (or may condition an association) with a Member when the Applicant:

(1) is a broker-dealer and (i) has a net worth (excluding personal assets) below $25,000 if the applicant is an individual, (ii) has a net worth (excluding personal assets) below $50,000 if the applicant is an organization, (iii) has financial difficulties involving an amount that is more than 5% of the applicant's net worth, or (iv) has a pattern of failure to pay just debts;

(2) is unable satisfactorily to demonstrate a capacity to adhere to all applicable Exchange, Commission, Clearing Corporation, and Federal Reserve Board policies, rules, and regulations, including those concerning record-keeping, reporting, finance, and trading procedures; or

(3) for such other cause as the Exchange reasonably may decide.

(d) The Exchange may determine not to permit a Member or a person associated with a Member to continue in Membership or association with a Member or may condition such continuance as a Member if the Member:

(1) fails to meet any of the qualification requirements for Membership or association after the Membership or association has been approved;

(2) fails to meet any condition placed by the Exchange on such Membership or association; or

(3) violates any agreement with the Exchange.

(e) Any decision made by the Exchange pursuant to paragraphs (a), (b) or (c) this Rule must be consistent with both the provisions of this Rule and the provisions of the Exchange Act.

(f) Any Applicant who has been denied Membership or association with a Member or granted only conditional Membership or association pursuant to paragraph (a), (b) or (c) of this Rule, and any Member or person associated with a Member who is not permitted to continue in Membership or association or whose continuance in Membership or association is conditioned pursuant to paragraph (d) of this Rule, may appeal the Exchange's decision under Chapter XI (Hearings, Review and Arbitration). No determination of the Exchange to discontinue or condition a person's Membership or association with a Member pursuant to paragraph (d) of this Rule shall take effect until the review procedures under Chapter XI (Hearings, Review and Arbitration) have been exhausted or the time for review has expired.

(g) Without prior Commission approval, the Exchange or any entity with which it is affiliated shall not directly or indirectly through one or more intermediaries acquire or maintain an ownership interest in an Exchange Member. In addition, without prior Commission approval, no Member shall be or become affiliated with (1) the Exchange; or (2) any affiliate of the Exchange. Nothing herein shall prohibit a Member from acquiring or holding an equity interest in (i)

Miami International Holdings, Inc. that is permitted by the Certificate of Incorporation of Miami International Holdings, Inc. or (ii) MIAX Pearl that is permitted by the Amended and Restated Limited Liability Company Agreement of MIAX Pearl.

(h) Nothing in this Rule shall prohibit any Member from being or becoming an affiliate of the Exchange, or any facility of the Exchange, or an affiliate of any affiliate of the Exchange or any facility of the Exchange solely by reason of any officer, director or partner of such Member being or becoming a Director or Advisory Board member of Miami International Holdings, Inc. or MIAX Pearl.

[Adopted: December 13, 2016]

Rule 202. Persons Associated with Member

(a) Persons associated with Members shall be bound by the By-Laws and Rules of the Exchange and of the Clearing Corporation. The Exchange may bar a person from becoming or continuing to be associated with a Member if such person does not agree in writing, in a manner and form prescribed by the Exchange, to furnish the Exchange with information with respect to such person's relationship and dealings with the Member, and information reasonably related to such person's other securities business, as may be required by the Exchange, and to permit the examination of its books and records by the Exchange to verify the accuracy of any information so supplied.

(b) Each associated person of a Member that is required to be disclosed on Exchange Act Form BD as a direct owner or executive officer is required to submit to the Exchange pursuant to Rule 200 an application for approval to become associated with the Member in that capacity. No person may become associated with a Member in the capacity of a direct owner or executive that is required to be disclosed on Form BD unless and until the Exchange approves the association.

(c) A claim of any associated person required to be approved by the Exchange pursuant to paragraph (b) of this Rule against the Member with which that person is associated shall be subordinate in right of payment to customers and other Members.

[Adopted: December 13, 2016]

Rule 203. [Reserved]

[Adopted: December 13, 2016; amended September 27, 2018 (SR-PEARL-2018-20); amended January 9, 2020 (SR-PEARL-2020-01)]

Rule 204. Members and Persons Associated with a Member Who Are or Become Subject to a Statutory Disqualification

(a) The Exchange may determine in accordance with the provisions of this Rule not to allow a Member or associated person of a Member to continue being a Member or associated with a Member, or to condition such continuance as a Member or associated person, if the Member or associated person is or becomes subject to a statutory disqualification under the Exchange Act.

(b) If a Member or associated person of a Member who is or becomes subject to a statutory disqualification under the Exchange Act wants to continue being a Member or associated with a Member, the Member or associated person must, within 30 days of becoming subject to a statutory disqualification, submit an application to the Exchange, in a form and manner prescribed by the Exchange, seeking to continue being a Member or associated with a Member

notwithstanding the statutory disqualification. The application shall be accompanied by copies of all documents that are contained in the record of the underlying proceeding that triggered the statutory disqualification. Failure to timely file such an application is a factor that may be taken into consideration by the Exchange in making determinations pursuant to paragraph (c) of this Rule.

(c) Following the receipt of an application submitted pursuant to paragraph (b) of this Rule, or in the event the Exchange becomes aware that a Member or associated person of a Member is subject to a statutory disqualification and has failed to submit an application pursuant to paragraph (b) of this Rule within the required time period, the Exchange shall appoint a panel to conduct a hearing concerning the matter pursuant to the procedure set forth in Chapter XI (Hearings, Review and Arbitration).

(d) Subject to Chapter IX (Summary Suspension) of the Rules, any applicant whose application to become a Member is denied or conditioned, or any person whose association with a Member is denied or conditioned pursuant to paragraph (a), (b) or (c) of Rule 201, and any Member or person associated with a Member who is not permitted pursuant to this Rule to continue as a Member or to be associated with a Member or which continuance as a Member or association is conditioned, may appeal the Exchange's decision under Chapter XI (Hearings, Review and Arbitration) of the Rules.

(e) No determination to discontinue or condition a person as a Member or associated person pursuant to this Rule shall take effect until the review procedures under paragraph (d) of this Rule have been exhausted or the time for review has expired.

Interpretations and Policies:

.01 The Exchange may waive the provisions of this Rule when a proceeding is pending before another self-regulatory organization to determine whether to permit a Member or an associated person of a Member to continue being a Member or associated with the Member notwithstanding a statutory disqualification. In the event the Exchange determines to waive the provisions of this Rule with respect to a Member or associated person, the Exchange shall determine whether it will concur in any Exchange Act Rule 19h-1 filing made by another self-regulatory organization with respect to the Member or associated person.

.02 If a Member or an associated person of a Member is or becomes subject to a statutory disqualification under the Exchange Act, the Member shall immediately provide written notice to the Exchange of the name of the Member or associated person, the associated person's capacity with the Member, and the nature of the statutory disqualification.

.03 In those instances where Exchange Act Rule 19h-1(a)(2) does not require the Exchange to make a notice filing with the Commission to permit an associated person to continue in association with a Member, and where the Exchange intends to grant the associated person's application for continued association, the Exchange may waive the hearing provisions of paragraph (c) above with respect to that associated person.

[Adopted: December 13, 2016]

Rule 205. Dissolution and Liquidation of Members

Every Member shall promptly provide written notice to the Exchange of any adoption of a plan of liquidation or dissolution of the Member and of any actual liquidation or dissolution of the Member. Upon receipt of such a notice, the Member may be suspended in accordance with Chapter IX (Summary Suspension) of the Rules.

[Adopted: December 13, 2016]

Rule 206. Obligations of Terminating Members

Each terminating Member shall promptly (a) make any outstanding filings required under Exchange Rules, and (b) pay any outstanding fees, assessments, charges, fines, or other amounts due to the Exchange, the Commission, or the Securities Investor Protection Corporation. If a Member fails to make all such filings, or to pay all such dues, fees and charges, the Exchange may, notwithstanding the other applicable provisions of this Chapter, delay the effectiveness of the termination until such failures have been remedied.

[Adopted: December 13, 2016]

Rule 207. Responsible Person

Each Member must designate an individual as the Responsible Person (as defined in Rule 100) for the Member. The Responsible Person must be affiliated with the Member.

[Adopted: December 13, 2016]

Rule 208. MIAX Pearl Billing System

Every Member must designate a Clearing Member for the payment of the Member's Exchange invoices and vendor invoices for Exchange-related services assessed by the Exchange by means of the Exchange's MIAX Pearl Billing System ("PBS"). The designated Clearing Member shall pay to the Exchange on a timely basis the full amount of each monthly Exchange invoice. Such payments shall be drafted by the Exchange against the designated Clearing Member's account at the Clearing Corporation.

[Adopted: December 13, 2016]

Rule 209. Letter of Guarantee

Each Member shall provide a letter of guarantee for the Member's trading activities on the Exchange from a Clearing Member in a form and manner prescribed by the Exchange.

[Adopted: December 13, 2016]

Rule 210. Sponsored Access to the Exchange

(a) **General**. This Rule governs electronic access for the entry and execution of orders by Sponsored Users with authorized access to the System and the applicable requirements that Sponsored Users and Sponsoring Members are required to satisfy in order to engage in a Sponsoring Member/Sponsored User relationship. For purposes of this Rule, a "Sponsored User" is a person or entity that has entered into a sponsorship arrangement with a Sponsoring Member for purposes of receiving access to the System.

(b) **Sponsored User.** A Sponsored User may obtain and maintain authorized access to the System, only if such access is authorized in advance by one or more Sponsoring Members as follows:

(1) Sponsored Users must enter into a sponsorship arrangement with a "Sponsoring Member," which is defined as a Member that agrees to sponsor the Sponsored User's access to the System. The sponsorship arrangement consists of three separate components:

(i) The Sponsored User must enter into and maintain a customer agreement(s) with its Sponsoring Member(s), establishing a proper relationship(s) and account(s) through which the Sponsored User will be permitted to trade on the System.

(ii) For a Sponsored User to obtain and maintain authorized access to the System, the Sponsored User and its Sponsoring Member must enter into a written agreement that incorporates the following sponsorship provisions:

(A) The Sponsored User and its Sponsoring Member must have entered into and maintained a Sponsored User Agreement with the Exchange.

(B) The Sponsoring Member acknowledges and agrees that:

1. all orders entered by its Sponsored User, any person acting on behalf of such Sponsored User (e.g., employees or agents of the Sponsored User), or any person acting in the name of such Sponsored User (e.g., customers of the Sponsored User) and any executions occurring as a result of such orders are binding in all respects on the Sponsoring Member; and

2. the Sponsoring Member is responsible for any and all actions taken by such Sponsored User and any person acting on behalf of or in the name of such Sponsored User.

(C) The Sponsoring Member agrees that it will be bound by and comply with the Exchange's By-Laws, Rules and procedures, as well as any other equivalent documents pertaining to the System (collectively, the “Exchange Rules”), and the Sponsored User agrees that it will be bound by and comply with the Exchange Rules as if the Sponsored User were a Member.

(D) Both the Sponsoring Member and the Sponsored User will agree to comply with all applicable federal securities laws, rules and regulations in connection with the Sponsoring Member/Sponsored User relationship.

(E) The Sponsored User agrees that it will maintain, keep current and provide to the Sponsoring Member a list of persons who have been granted access to the System on behalf of the Sponsored User (“Authorized Traders”).

(F) The Sponsored User agrees that it will familiarize its Authorized Traders with all of the Sponsored User's obligations under this Rule and will assure that they receive appropriate training prior to any use of or access to the System.

(G) The Sponsored User agrees that it will not permit anyone other than Authorized Traders to use or obtain access to the System.

(H) The Sponsored User agrees that it will take reasonable security precautions to prevent unauthorized use of or access to the System, including unauthorized entry of information into the System, or the information and data made available therein. The Sponsored User understands and agrees that it is responsible for any and all orders, trades and other messages and instructions entered, transmitted or received under identifiers,

passwords and security codes of the Sponsored User and any person acting on behalf of or in the name of such Sponsored User, and for the trading and other consequences thereof.

(I) The Sponsored User acknowledges its responsibility for establishing adequate procedures and controls that permit it to effectively monitor use of and access to the System by any person acting on behalf of or in the name of Sponsored User for compliance with the terms of these sponsorship provisions.

(J) The Sponsored User agrees that it will pay when due all amounts, if any, payable to the Sponsoring Member, the Exchange or any other third parties that arise from the Sponsored User's use of or access to the System. Such amounts include, but are not limited to, applicable Exchange and regulatory fees.

(iii) The Sponsored User and Sponsoring Member must provide the Exchange with a Sponsored User Agreement acknowledging and agreeing to the requirements of this Rule, including an acknowledgement by the Sponsoring Member of its responsibility for the orders, executions and actions of its Sponsored User. To the extent the Sponsoring Member is not a clearing firm, the Sponsoring Member's clearing firm, which must be a Member, must provide the Exchange with a Letter of Authorization, which specifically accepts responsibility for the clearance of the Sponsored User's transactions. Upon approval by the Clearing Corporation, if applicable, and filing with the Exchange, an existing Letter of Authorization may be amended to include the Sponsoring Member/Sponsored User relationship. Sponsored User Agreements and Letters of Authorization filed with the Exchange will remain in effect until a written notice of revocation has been filed with the Exchange. If such a written notice of revocation has not been filed with the Exchange at least one hour prior to the opening of trading on the particular business day, such revocation shall not become effective until the close of trading on such day. A revocation shall in no way relieve the Sponsoring Member or, if applicable, the Sponsored Member's clearing firm of responsibility for transactions guaranteed prior to the effective date of the revocation.

(c) **Sponsoring Member.**

(1) Each Sponsoring Member must have an effective process for vetting and approving persons who may obtain access to the System on behalf of its Sponsored Users (*i.e.*, Authorized Traders);

(2) Each Sponsoring Member must maintain an up-to-date list of Authorized Traders and must provide that list to the Exchange upon request; and

(3) Each Sponsoring Member must have reasonable procedures to ensure that Sponsored User and all of its Sponsored Users' Authorized Traders: (i) maintain the physical security of the Exchange and the System, which includes, but is not limited to, the equipment for accessing the facilities of the Exchange and the System, to prevent the unauthorized use or access to the Exchange or the System, including the unauthorized entry of information into the Exchange or the System, or the information and data made available therein; and (ii) otherwise comply with the Exchange Rules and all applicable federal securities laws, rules and regulations.

(d) If the Exchange determines that a Sponsored User or an Authorized Trader has caused a Sponsoring Member to violate the Exchange Rules or Exchange Act Rule 15c3-5, the Exchange may direct the Sponsoring Member to suspend or withdraw the Sponsored User's status as a Sponsored User or the person's status as an Authorized Trader and, if so directed, the Sponsoring Member must suspend or withdraw such status.

[Adopted: December 13, 2016]

Chapter III. Business Conduct

The rules contained in MIAX Chapter III, as such rules may be in effect from time to time (the "Chapter III Rules"), are hereby incorporated by reference into this MIAX Pearl Chapter III, and are thus MIAX Pearl Rules and thereby applicable to MIAX Pearl Members. MIAX Pearl Members shall comply with the Chapter III Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in Chapter III Rules shall be read to refer to the MIAX Pearl related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term "Exchange" in the Chapter III Rules shall be read to refer to MIAX Pearl; the defined term "Rule" in the Chapter III Rules shall be read to refer to the MIAX Pearl Rule; the defined term "Chapter" in the Chapter III Rules shall be read to refer to the MIAX Pearl Chapter; the defined term "Market Maker" in Chapter III Rules shall be read to refer to the MIAX Pearl Market Maker; and the defined term "Member" in the Chapter III Rules shall be read to refer to the MIAX Pearl Member.

For calendar year 2020, notwithstanding paragraph (b) and Interpretations and Policies .01 of MIAX Rule 321, the Exchange will instead designate at least three Equity Members on MIAX Pearl Equities who have a meaningful percentage of trading volume in NMS Stocks across the other equity exchanges. The Exchange will designate firms that have already established connections to the Exchange's backup systems. The Exchange will notify Members designated under this provision no later than September 30, 2020.

[Adopted: December 13, 2016; amended June 14, 2017 (SR-MIAX-2017-21); amended June 20, 2017 (SR-MIAX-2017-30); amended September 27, 2017 (SR-MIAX-2017-39); amended March 8, 2018 (SR-MIAX-2018-10); amended June 25, 2018 (SR-MIAX-2018-11); amended May 24, 2019 (SR-PEARL-2019-16); amended January 21, 2020 (SR-MIAX-2019-52); amended May 8, 2020 (SR-MIAX-2020-10); amended August 26, 2020 (SR-PEARL-2020-14); amended December 3, 2021 (SR-MIAX-2021-61)]

Chapter IV. Option Contracts Traded on the Exchange

Rule 400. Designation of Securities

The Exchange trades option contracts, each of which is designated by reference to the issuer of the underlying security, expiration month or expiration date, exercise price and type (put or call).

[Adopted: December 13, 2016]

Rule 401. Rights and Obligations of Holders and Writers

The rights and obligations of holders and writers shall be set forth in the Rules of the Clearing Corporation.

[Adopted: December 13, 2016]

Rule 402. Criteria for Underlying Securities

(a) Underlying securities with respect to which put or call option contracts are approved for listing and trading on the Exchange must meet the following criteria:

(1) the security must be registered and be an "NMS stock" as defined in Rule 600 of Regulation NMS under the Exchange Act; and

(2) the security shall be characterized by a substantial number of outstanding shares that are widely held and actively traded.

(b) In addition, the Exchange shall from time to time establish guidelines to be considered in evaluating potential underlying securities for Exchange options transactions. There are many relevant factors which must be considered in arriving at such a determination, and the fact that a particular security may meet the guidelines established by the Exchange does not necessarily mean that it will be selected as an underlying security. Further, in exceptional circumstances an underlying security may be selected by the Exchange even though it does not meet all of the guidelines. The Exchange may also give consideration to maintaining diversity among various industries and issuers in selecting underlying securities. Notwithstanding the forgoing, however, absent exceptional circumstances, an underlying security will not be selected unless:

(1) There are a minimum of seven (7) million shares of the underlying security which are owned by persons other than those required to report their stock holdings under Section 16(a) of the Exchange Act.

(2) There are a minimum of 2,000 holders of the underlying security.

(3) The issuer is in compliance with any applicable requirements of the Exchange Act.

(4) Trading volume (in all markets in which the underlying security is traded) has been at least 2,400,000 shares in the preceding twelve (12) months.

(5) Either:

(i) If the underlying security is a "covered security" as defined under Section 18(b)(1)(A) of the Securities Act of 1933 (the "Securities Act"), the market price per share of the underlying security has been at least $3.00 for the previous three (3) consecutive business days preceding the date on which the Exchange submits a certificate to the Clearing Corporation for listing and trading, as measured by the closing price reported in the primary market in which the underlying security is traded; or

(ii) If the underlying security is not a "covered security," the market price per share of the underlying security has been at least $7.50 for the majority of business days during the three (3) calendar months preceding the date of selection, as measured by the lowest closing price reported in any market in which the underlying security traded on each of the subject days.

(6) Notwithstanding the requirements set forth in paragraphs (1), (2), (4) and (5) above, the Exchange may list and trade an option contract if:

(i) the underlying security meets the guidelines for continued approval in Rule 403; and

(ii) options on such underlying security are traded on at least one other registered national securities exchange.

(c) **Securities of Restructured Companies**.

(1) **Definitions.** The following definitions shall apply to the provisions of this paragraph (c):

(i) "Restructuring Transaction" refers to a spin-off, reorganization, recapitalization, restructuring or similar corporate transaction.

(ii) "Restructure Security" refers to an equity security that a company issues, or anticipates issuing, as the result of a Restructuring Transaction of the company.

(iii) "Original Equity Security" refers to a company's equity security that is issued and outstanding prior to the effective date of a Restructuring Transaction of the company.

(iv) "Relevant Percentage" refers to either:

(A) twenty-five percent (25%), when the applicable measure determined with respect to the Original Equity Security or the business it represents includes the business represented by the Restructure Security; or

(B) thirty-three and one-third percent (33-1/3%), when the applicable measure determined with respect to the Original Equity Security or the business it represents excludes the business represented by the Restructure Security.

(2) **"Share" and "Number of Shareholder" Guidelines.** In determining whether a Restructure Security satisfies the share guideline set forth in Rule 402(b)(1) (the "Share Guideline") or the number of holders guideline set forth in Rule 402(b)(2) (the "Number of Shareholders Guideline"), the Exchange may rely upon the facts and circumstances that it expects to exist on the option's intended listing date, rather than on the date on which the Exchange selects for options trading the underlying Restructure Security.

(i) The Exchange may assume that:

(A) both the "Share" and "Number of Shareholders" Guidelines are satisfied if, on the option's intended listing date, the Exchange expects no fewer than forty (40) million shares of the Restructure Security to be issued and outstanding; and

(B) either such Guideline is satisfied if, on the option's intended listing day, the Exchange expects the Restructure Security to be listed on an exchange or automatic quotation system that has, and is subject to, an initial listing requirement that is no less stringent than the Guideline in question.

(ii) The Exchange may not rely on any such assumption, however, if a reasonable Exchange investigation or that of another exchange demonstrates that either the Share Guideline or Number of Shareholders Guideline will not in fact be satisfied on an option's intended listing date.

(iii) In addition, in the case of a Restructuring Transaction in which the shares of a Restructure Security are issued or distributed to the holders of shares of an Original Equity Security, the Exchange may determine that either the Share Guideline or the Number of Shareholders Guideline is satisfied based upon the Exchange's knowledge of the outstanding shares or number of shareholders of the Original Equity Security.

(3) **"Trading Volume" Guideline.** In determining whether a Restructure Security that is issued or distributed to the holders of shares of an Original Equity Security (but not a Restructure Security that is issued pursuant to a public offering or rights distribution) satisfies the trading volume guideline set forth in Rule 402(b)(4) (the "Trading Volume Guideline"), the Exchange may consider the trading volume history of the Original Equity Security prior to the "ex-date" of the Restructuring Transaction if the Restructure Security satisfies the "Substantiality Test" set forth in subparagraph (c)(5) below.

(4) **"Market Price" Guideline.** In determining whether a Restructure Security satisfies the market price history guideline set forth in Rule 402(b)(5) (the "Market Price Guideline"), the Exchange may consider the market price history of the Original Equity Security prior to the "ex-date" of the Restructuring Transaction if:

(i) the Restructure Security satisfies the "Substantiality Test" set forth in subparagraph (c)(5) below.

(ii) in the case of the application of the Market Price Guideline to a Restructure Security that is distributed pursuant to a public offering or a rights distribution:

(A) the Restructure Security trades "regular way" on an exchange or automatic quotation system for at least the five (5) trading days immediately preceding the date of selection; and

(B) at the close of trading on each trading day on which the Restructure Security trades "regular way" prior to the date of selection, and the opening of trading on the date of selection, the market price of the Restructure Security was at least $7.50, or, if the Restructure Security is a "covered security," as defined in Rule 402(b)(5)(i), the market price of the Restructure Security was at least $3.00.

(5) **The "Substantiality Test"**. A Restructure Security satisfies the "Substantiality Test" if:

(i) the Restructure Security has an aggregate market value of at least $500 million; or

(ii) at least one of the following conditions is met:

(A) the aggregate market value of the Restructure Security equals or exceeds the Relevant Percentage of the aggregate market value of the Original Equity Security;

(B) the aggregate book value of the assets attributed to the business represented by the Restructure Security equals or exceeds both $50 million and the Relevant Percentage of the aggregate book value of the assets attributed to the business represented by the Original Equity Security; or

(C) the revenues attributed to the business represented by the Restructure Security equals or exceeds both $50 million and the Relevant Percentage of the revenues attributed to the business represented by the Original Equity Security.

(6) A Restructure Security's aggregate market value may be determined from "when issued" prices, if available.

(7) In calculating comparative aggregate market values for the purpose of assessing whether a Restructure Security qualifies to underlie an option, the Exchange shall use the Restructure Security's closing price on its primary market on the last business day prior to the selection date or the Restructure Security's opening price on its primary market on the selection date and shall use the corresponding closing or opening price of the related Original Equity Security.

(8) In calculating comparative asset values and revenues, the Exchange shall use (i) the issuer's latest annual financial statements or (ii) the issuer's most recently available interim financial statements (so long as such interim financial statements cover a period of not less than three months), whichever are more recent. Those financial statements may be audited or unaudited and may be pro forma.

(9) Except in the case of a Restructure Security that is distributed pursuant to a public offering or rights distribution, the Exchange may not rely upon the trading volume or market price history of an Original Equity Security as this paragraph (c) permits for any trading day unless it relies upon both of those measures for that trading day.

(10) Once the Exchange commences to rely upon a Restructure Security's trading volume and market price history for any trading day, the Exchange may not rely upon the trading volume and market price history of the security's related Original Equity Security for any trading day thereafter.

(11) **"When Issued" Trading Prohibited.** The Exchange shall not list for trading option contracts that overlie a Restructure Security that is not yet issued and outstanding, regardless of whether the Restructure Security is trading on a "when issued" basis or on another basis that is contingent upon the issuance or distribution of shares.

(d) In considering underlying securities, the Exchange shall ordinarily rely on information made publicly available by the issuer and/or the markets in which the security is traded.

(e) The word "security" shall be broadly interpreted to mean any equity security, as defined in Rule 3a11-1 under the Exchange Act, which is appropriate for options trading, and the word "shares" shall mean the unit of trading of such security.

(f) Securities deemed appropriate for options trading shall include nonconvertible preferred stock issues and American Depositary Receipts ("ADRs") if they meet the criteria and guidelines set forth in this Rule 402 and if, in the case of ADRs:

(1) the Exchange has in place an effective surveillance sharing agreement with the primary exchange in the home country where the security underlying the ADR is traded; or

(2) the combined trading volume of the ADR and other related ADRs and securities (as defined below) occurring in the U.S. ADR market or in markets with which the Exchange has in place an effective surveillance sharing agreement represents (on a share equivalent basis) at least fifty percent (50%) of the combined worldwide trading volume in the ADR, the security underlying the ADR, other classes of common stock related to the underlying security, and ADRs overlying such other stock (together "other related ADRs and securities") over the three month period preceding the date of selection of the ADR for options trading; or

(3) (i) the combined trading volume of the ADR and other related ADRs and securities occurring in the U.S. ADR market and in markets where the Exchange has in place an effective surveillance sharing agreement, represents (on a share equivalent basis) at least twenty percent (20%) of the combined worldwide trading volume in the ADR and in other related ADRs and securities over the three month period preceding the date of selection of the ADR for options trading, (ii) the average daily trading volume for the security in the U.S. markets over the three (3) months preceding the selection of the ADR for options trading is 100,000 or more shares, and (iii) the trading volume is at least 60,000 shares per day in U.S. markets on a majority of the trading days for the three (3) months preceding the date of selection of the ADR for options trading ("Daily Trading Volume Standard"); or

(4) the SEC otherwise authorizes the listing.

(g) Securities deemed appropriate for options trading shall include shares issued by registered closed-end management investment companies that invest in the securities of issuers based in one or more foreign countries ("International Funds") if they meet the criteria and guidelines set forth in this Rule 402 and either:

(1) the Exchange has a market information sharing agreement with the primary home exchange for each of the securities held by the fund; or

(2) the International Fund is classified as a diversified company as that term is defined by section 5(b) of the Investment Company Act of 1940, as amended, and the securities held by the fund are issued by issuers based in five or more countries.

(h) A "market information sharing agreement" for purposes of this Rule is an agreement that would permit the Exchange to obtain trading information relating to the securities held by the fund including the identity of the member of the foreign exchange executing a trade. International Fund shares not meeting criteria of paragraph (i) shall be deemed appropriate for options trading if the SEC specifically authorizes the listing.

(i) Securities deemed appropriate for options trading shall include shares or other securities ("Exchange-Traded Fund Shares") that are traded on a national securities exchange and are defined as an "NMS stock" under Rule 600 of Regulation NMS, and that:

(1) represent interests in registered investment companies (or series thereof) organized as open-end management investment companies, unit investment trusts or similar entities that hold portfolios of securities and/or financial instruments ("Funds"), including, but not limited to, stock index futures contracts, options on futures, options on securities and indices, equity caps, collars and floors, swap agreements, forward contracts, repurchase agreements and reverse repurchase agreements (the "Financial Instruments"), and money market instruments, including, but not limited to, U.S. government securities and repurchase agreements (the "Money Market Instruments") comprising or otherwise based on or representing investments in broad-based indexes or portfolios of securities and/or Financial Instruments and Money Market Instruments (or that hold securities in one or more other

registered investment companies that themselves hold such portfolios of securities and/or Financial Instruments and Money Market Instruments);

(2) represent interests in a trust or similar entity that holds a specified non-U.S. currency or currencies deposited with the trust which when aggregated in some specified minimum number may be surrendered to the trust or similar entity by the beneficial owner to receive the specified non-U.S. currency or currencies and pays the beneficial owner interest and other distributions on the deposited non-U.S. currency or currencies, if any, declared and paid by the trust ("Currency Trust Shares");

(3) represent commodity pool interests principally engaged, directly or indirectly, in holding and/or managing portfolios or baskets of securities, commodity futures contracts, options on commodity futures contracts, swaps, forward contracts and/or options on physical commodities and/or non-U.S. currency ("Commodity Pool ETFs");

(4) are issued by the SPDR® Gold Trust or the iShares COMEX Gold Trust or the iShares Silver Trust or the ETFS Silver Trust or the ETFS Gold Trust or the ETFS Palladium Trust or the ETFS Platinum Trust or the Sprott Physical Gold Trust;

(5) represent an interest in a registered investment company ("Investment Company") organized as an open-end management company or similar entity, that invests in a portfolio of securities selected by the Investment Company's investment adviser consistent with the Investment Company's investment objectives and policies, which is issued in a specified aggregate minimum number in return for a deposit of a specified portfolio of securities and/or a cash amount with a value equal to the next determined net asset value ("NAV"), and when aggregated in the same specified minimum number, may be redeemed at a holder's request, which holder will be paid a specified portfolio of securities and/or cash with a value equal to the next determined NAV ("Managed Fund Share"); provided that all of the following conditions are met:

(i) the Exchange-Traded Fund Shares either:

(A) meet the criteria and guidelines set forth in paragraphs (a) and (b) above; or

(B) the Exchange-Traded Fund Shares are available for creation or redemption each business day from or through the issuing trust, investment company, commodity pool or other entity in cash or in kind at a price related to net asset value, and the issuer is obligated to issue Exchange-Traded Fund Shares in a specified aggregate number even if some or all of the investment assets and/or cash required to be deposited have not been received by the issuer, subject to the condition that the person obligated to deposit the investment assets has undertaken to deliver them as soon as possible and such undertaking is secured by the delivery and maintenance of collateral consisting of cash or cash equivalents satisfactory to the issuer of the Exchange-Traded Fund Shares, all as described in the Exchange-Traded Fund Shares' prospectus; and

(C) For Commodity Pool ETFs that engage in holding and/or managing portfolios or baskets commodity futures contracts, options on commodity futures contracts, swaps, forward contracts, options on physical commodities, options on non-U.S. currency and/or securities, the Exchange has entered into a comprehensive surveillance sharing agreement with the marketplace or marketplaces with last sale reporting that represent(s) the highest volume in such commodity futures contracts and/or options on commodity futures contracts on the specified commodities or non-U.S. currency, which are utilized by the national securities exchange where the underlying Commodity Pool ETFs are listed and traded.

(ii) the Exchange-Traded Fund Shares meet the following criteria:

(A) are listed pursuant to generic listing standards for series of portfolio depositary receipts and index fund shares based on international or global indexes under which a comprehensive surveillance agreement is not required; or

(B) 1. any non-U.S. component securities of an index or portfolio of securities on which the Exchange-Traded Fund Shares are based that are not subject to comprehensive surveillance agreements do not in the aggregate represent more than 50% of the weight of the index or portfolio;

2. component securities of an index or portfolio of securities on which the Exchange-Traded Fund Shares are based for which the primary market is in any one country that is not subject to a comprehensive surveillance agreement do not represent 20% or more of the weight of the index;

3. component securities of an index or portfolio of securities on which the Exchange-Traded Fund Shares are based for which the primary market is in any two countries that are not subject to comprehensive surveillance agreements do not represent 33% or more of the weight of the index; and

4. For Currency Trust Shares, the Exchange has entered into an appropriate comprehensive surveillance sharing agreement with the marketplace or marketplaces with last sale reporting that represent(s) the highest volume in derivatives (options or futures) on the specified non-U.S. currency or currencies, which are utilized by the national securities exchange where the underlying Currency Trust Shares are listed and traded.

(j) Securities deemed appropriate for options trading shall include shares or other securities ("Trust Issued Receipts") that are principally traded on a national securities exchange or through the facilities of a national securities association and reported as a national market security, and that represent ownership of the specific deposited securities held by a trust, provided:

(1) the Trust Issued Receipts (i) meet the criteria and guidelines for underlying securities set forth in paragraph (b) to this Rule; or (ii) must be available for issuance or cancellation each business day from the Trust in exchange for the underlying deposited securities; and

(2) not more than 20% of the weight of the Trust Issued Receipt is represented by ADRs on securities for which the primary market is not subject to a comprehensive surveillance agreement.

(k) (1) Securities deemed appropriate for options trading shall include shares or other securities ("Equity Index-Linked Securities," "Commodity-Linked Securities," "Currency-Linked Securities," "Fixed Income Index-Linked Securities," "Futures-Linked Securities," and "Multifactor Index-Linked Securities," collectively known as "Index-Linked Securities") that are principally traded on a national securities exchange and an "NMS Stock" (as defined in Rule 600 of Regulation NMS under the Securities Exchange Act of 1934), and represent ownership of a security that provides for the payment at maturity, as described below:

(i) Equity Index-Linked Securities are securities that provide for the payment at maturity of a cash amount based on the performance of an underlying index or indexes of equity securities ("Equity Reference Asset");

(ii) Commodity-Linked Securities are securities that provide for the payment at maturity of a cash amount based on the performance of one or more physical commodities or commodity futures, options on

commodities, or other commodity derivatives or Commodity-Based Trust Shares or a basket or index of any of the foregoing ("Commodity Reference Asset");

(iii) Currency-Linked Securities are securities that provide for the payment at maturity of a cash amount based on the performance of one or more currencies, or options on currencies or currency futures or other currency derivatives or Currency Trust Shares (as defined in Rule 402(h)), or a basket or index of any of the foregoing ("Currency Reference Asset");

(iv) Fixed Income Index-Linked Securities are securities that provide for the payment at maturity of a cash amount based on the performance of one or more notes, bonds, debentures or evidence of indebtedness that include, but are not limited to, U.S. Department of Treasury securities ("Treasury Securities"), government-sponsored entity securities ("GSE Securities"), municipal securities, trust preferred securities, supranational debt and debt of a foreign country or a subdivision thereof or a basket or index of any of the foregoing ("Fixed Income Reference Asset");

(v) Futures-Linked Securities are securities that provide for the payment at maturity of a cash amount based on the performance of an index of (A) futures on Treasury Securities, GSE Securities, supranational debt and debt of a foreign country or a subdivision thereof, or options or other derivatives on any of the foregoing; (B) interest rate futures or options or derivatives on the foregoing in this subparagraph (B); or (C) CBOE Volatility Index (VIX) Futures ("Futures Reference Asset"); and

(vi) Multifactor Index-Linked Securities are securities that provide for the payment at maturity of a cash amount based on the performance or the leveraged (multiple or inverse) performance of any combination of two or more Equity Reference Assets, Commodity Reference Assets, Currency Reference Assets, Fixed Income Reference Assets, or Futures Reference Assets ("Multifactor Reference Asset").

(2) For purposes of this Rule 402(k), Equity Reference Assets, Commodity Reference Asset, Currency Reference Assets, Fixed Income Reference Assets, Futures Reference Assets together with Multifactor Reference Assets, collectively will be referred to as "Reference Assets."

(3) (i) The Index-Linked Securities must meet the criteria and guidelines for underlying securities set forth in Rule 402(b); or

(ii) the Index-Linked Securities must be redeemable at the option of the holder at least on a weekly basis through the issuer at a price related to the applicable underlying Reference Asset. In addition, the issuing company is obligated to issue or repurchase the securities in aggregation units for cash, or cash equivalents, satisfactory to the issuer of Index-Linked Securities which underlie the option as described in the Index-Linked Securities prospectus.

(4) The Exchange will implement surveillance procedures for options on Index-Linked Securities, including adequate comprehensive surveillance sharing agreements with markets trading in non-U.S. components, as applicable.

[Adopted: December 13, 2016; amended February 22, 2018 (SR-PEARL-2018-04); amended October 25, 2021 (SR-PEARL-2021-43)]

Rule 403. Withdrawal of Approval of Underlying Securities

(a) Whenever the Exchange determines that an underlying security previously approved for Exchange options transactions does not meet the then current requirements for continuance of such approval or for any other reason should no longer be approved, the Exchange will not open for trading any additional series of options of the class

covering that underlying security and may prohibit any opening purchase transactions in series of options of that class previously opened (except that opening transactions by Market Makers executed to accommodate closing transactions of other market participants may be permitted) to the extent it deems such action necessary or appropriate; provided, however, that where exceptional circumstances have caused an underlying security not to comply with the Exchange's current approval maintenance requirements regarding number of publicly held shares, number of shareholders, trading volume or market price, the Exchange may, in the interest of maintaining a fair and orderly market or for the protection of investors, determine to continue to open additional series of option contracts of the class covering that underlying security. When all option contracts with respect to any underlying security that is no longer approved have expired, the Exchange may make application to the SEC to strike from trading and listing all such option contracts.

(b) Absent exceptional circumstances, an underlying security will not be deemed to meet the Exchange's requirements for continued approval whenever any of the following occur:

(1) There are fewer than 6,300,000 shares of the underlying security held by persons other than those who are required to report their security holdings under Section 16(a) of the Exchange Act.

(2) There are fewer than 1,600 holders of the underlying security.

(3) The trading volume (in all markets in which the underlying security is traded) has been less than 1,800,000 shares in the preceding twelve (12) months.

(4) The underlying security ceases to be an "NMS stock" as defined in Rule 600 of Regulation NMS under the Exchange Act.

(5) If an underlying security is approved for options listing and trading under the provisions of Rule 402(c), the trading volume of the Original Equity Security (as therein defined) prior to but not after the commencement of trading in the Restructure Security (as therein defined), including "when-issued" trading, may be taken into account in determining whether the trading volume requirement of subparagraph (3) is satisfied.

(c) In considering whether any of the events specified in paragraph (b) of this Rule have occurred with respect to an underlying security, the Exchange shall ordinarily rely on information made publicly available by the issuer and/or the markets in which such security is traded.

(d) If prior to the delisting of a class of option contracts covering an underlying security that has been found not to meet the Exchange's requirements for continued approval, the Exchange determines that the underlying security again meets the Exchange's requirements, the Exchange may open for trading additional series of options of that class and may lift any restriction on opening purchase transactions imposed by this Rule.

(e) Whenever the Exchange announces that approval of an underlying security has been withdrawn for any reason or that the Exchange has been informed that the issuer of an underlying security has ceased to be in compliance with SEC reporting requirements, each Member shall, prior to effecting any transaction in option contracts with respect to such underlying security for a customer, inform such customer of such fact and of the fact that the Exchange may prohibit further transactions in such option contracts to the extent it shall deem such action necessary and appropriate.

(f) If an ADR was initially deemed appropriate for options trading on the grounds that fifty percent (50%) or more of the worldwide trading volume (on a share equivalent basis) in the ADR and other related ADRs and securities takes place in U.S. markets or in markets with which the Exchange has in place an effective surveillance sharing agreement,

or if an ADR was initially deemed appropriate for options trading based on the daily trading volume standard Rule 402(f)(3), the Exchange may not open for trading additional series of options on the ADR unless:

(1) The percentage of worldwide trading volume in the ADR and other related securities that takes place in the U.S. and in markets with which the Exchange has in place effective surveillance sharing agreements for any consecutive three (3) month period is either:

(i) at least thirty percent (30%) without regard to the average daily trading volume in the ADR, or

(ii) at least fifteen percent (15%) when the average U.S. daily trading volume in the ADR for the previous three (3) months is at least 70,000 shares;

(2) the Exchange then has in place an effective surveillance sharing agreement with the primary exchange in the home country where the security underlying the ADR is traded; or

(3) the SEC has otherwise authorized the listing.

(g) Exchange-Traded Fund Shares approved for options trading pursuant to Rule 402(i) will not be deemed to meet the requirements for continued approval, and the Exchange shall not open for trading any additional series of option contracts of the class covering such Exchange-Traded Fund Shares if the Exchange-Traded Fund Shares are delisted from trading as provided in subparagraph (b)(4) of this Rule or the Exchange-Traded Fund Shares are halted or suspended from trading on their primary market. In addition, the Exchange shall consider the suspension of opening transactions in any series of options of the class covering Exchange-Traded Fund Shares in any of the following circumstances:

(1) in the case of options covering Exchange-Traded Fund Shares approved pursuant to Rule 402(i)(5)(i)(A), in accordance with the terms of subparagraphs (b)(1), (2) and (3) of this Rule 403;

(2) in the case of options covering Exchange-Traded Fund Shares approved pursuant to Rule 402(i)(5)(i)(B), following the initial twelve-month period beginning upon the commencement of trading in the Exchange-Traded Fund Shares on a national securities exchange and are defined as an “NMS stock” under Rule 600 of Regulation NMS, there were fewer than 50 record and/or beneficial holders of such Exchange-Traded Fund Shares for 30 or more consecutive trading days;

(3) the value of the index or portfolio of securities or non-U.S. currency, portfolio of commodities including commodity futures contracts, options on commodity futures contracts, swaps, forward contracts, options on physical commodities and/or Financial Instruments and Money Market Instruments, on which the Exchange-Traded Fund Shares are based is no longer calculated or available; or

(4) such other event occurs or condition exists that in the opinion of the Exchange makes further dealing in such options on the Exchange inadvisable.

(h) Absent exceptional circumstances, securities initially approved for options trading pursuant to paragraph (j) of Rule 402 (such securities are defined and referred to in that paragraph as “Trust Issued Receipts”) shall not be deemed to meet the Exchange’s requirements for continued approval, and the Exchange shall not open for trading any additional series of option contracts of the class covering such Trust Issued Receipts, whenever the Trust Issued Receipts are delisted and trading in the Receipts is suspended on a national securities exchange, or the Trust Issued Receipts are no longer traded as national market securities through the facilities of a national securities association.

In addition, the Exchange shall consider the suspension of opening transactions in any series of options of the class covering Trust Issued Receipts in any of the following circumstances:

(1) in accordance with the terms of paragraph (b) this Rule 403 in the case of options covering Trust Issued Receipts when such options were approved pursuant to subparagraph (j)(1)(i) under Rule 402;

(2) upon annual review, the Trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Trust Issued Receipts for 30 or more consecutive trading days;

(3) the Trust has fewer than 50,000 receipts issued and outstanding;

(4) the market value of all receipts issued and outstanding is less than $1,000,000; or

(5) such other event shall occur or condition exist that in the opinion of the Exchange makes further dealing in such options on the Exchange inadvisable.

(i) For Holding Company Depositary Receipts (HOLDRs), the Exchange will not open additional series of options overlying HOLDRs (without prior SEC approval) if:

(1) the proportion of securities underlying standardized equity options to all securities held in a HOLDRs trust is less than 80% (as measured by their relative weightings in the HOLDRs trust); or

(2) less than 80% of the total number of securities held in a HOLDRs trust underlie standardized equity options.

Interpretations and Policies:

.01 If an option series is listed but restricted to closing transactions on another national securities exchange, the Exchange may list such series (even if such series would not otherwise be eligible for listing under the Exchange's Rules), which shall also be restricted to closing transactions on the Exchange.

.02 If an option class is open for trading on another national securities exchange, the Exchange may delist such option class immediately. If an option class is open for trading solely on the Exchange, the Exchange: may determine to not open for trading any additional series in that option class; may restrict series with open interest to closing transactions, provided that, opening transactions by Market Makers executed to accommodate closing transactions of other market participants may be permitted; and may delist the option class when all series within that class have expired. In all instances, delisting shall be preceded by a notice to members concerning the delisting.

[Adopted: December 13, 2016; amended March 23, 2018 (SR-PEARL-2018-05); amended October 25, 2021 (SR-PEARL-2021-43)]

Rule 404. Series of Option Contracts Open for Trading

(a) After a particular class of options has been approved for listing and trading on the Exchange, the Exchange from time to time may open for trading series of options in that class. Only option contracts in series of options currently open for trading may be purchased or written on the Exchange. Prior to the opening of trading in a given series, the Exchange will fix the type of option, expiration month, year and exercise price of that series. Exercise-price setting parameters adopted as part of the Options Listing Procedures Plan ("OLPP") are set forth in Rule 404A. For Short Term Option Series, the Exchange will fix a specific expiration date and exercise price of that series, as provided in

Interpretations and Policies .02. For Quarterly Options Series, the Exchange will fix a specific expiration date and exercise price of that series, as provided in Interpretations and Policies .03.

(b) Except as otherwise provided in this Rule 404 and Interpretations and Policies hereto, at the commencement of trading on the Exchange of a particular type of option of a class of options, the Exchange shall open a minimum of one expiration month and series for each class of options open for trading on the Exchange. The exercise price of each series will be fixed at a price per share, which is reasonably close to the price per share at which the underlying stock is traded in the primary market at about the time that class of options is first opened for trading on the Exchange.

(c) Additional series of options of the same class may be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying stock moves more than five strike prices from the initial exercise price or prices. The opening of a new series of options shall not affect the series of options of the same class previously opened.

(d) Except as otherwise provided in this Rule 404 and the Interpretations and Policies hereto, the interval between strike prices of series of options on individual stocks will be:

(1) $2.50 or greater where the strike price is $25.00 or less;

(2) $5.00 or greater where the strike price is greater than $25.00; and

(3) $10.00 or greater where the strike price is greater than $200.00.

(e) New series of options on an individual stock may be added until the beginning of the month in which the option contract will expire. Due to unusual market conditions, the Exchange, in its discretion, may add new series of options on an individual stock until the close of trading on the business day prior to expiration.

(f) The Exchange may select up to 60 options classes on individual stocks for which the interval of strike prices will be $2.50 where the strike price is greater than $25 but less than $50 (the "$2.50 Strike Price Program"). On any option class that has been selected as part of this $2.50 Strike Price Program, $2.50 strike prices between $50 and $100 may be listed, provided that $2.50 strike prices between $50 and $100 are no more than $10 from the closing price of the underlying stock in its primary market on the preceding day. For example, if an options class has been selected as part of the $2.50 Strike Price Program, and the underlying stock closes at $48.50 in its primary market, the Exchange may list the $52.50 strike price and the $57.50 strike price on the next business day. If an underlying security closes at $54, the Exchange may list the $52.50 strike price, the $57.50 strike price and the $62.50 strike price on the next business day. The Exchange may also list $2.50 strike price series on any option classes that are selected by other securities exchanges that have a similar program under their respective rules.

(g) The interval between strike prices of series of options on Exchange-Traded Fund Shares approved for options trading pursuant to Rule 402(i) shall be fixed at a price per share which is reasonably close to the price per share at which the underlying security is traded in the primary market at or about the same time such series of options is first open for trading on the Exchange, or at such intervals as may have been established on another options exchange prior to the initiation of trading on the Exchange.

Interpretations and Policies:

.01 **$1 Strike Price Interval Program.**

(a) The interval between strike prices of series of options on individual stocks may be $1.00 or greater provided the strike price is $50.00 or less, but not less than $1. Except as provided in subparagraph (c) below, the listing of $1 strike price intervals shall be limited to options classes overlying no more than 150 individual stocks (the "$1 Strike Price Interval Program") as specifically designated by the Exchange. The Exchange may list $1 strike prices on any other options class if those classes are specifically designated by other securities exchanges that employ a $1 Strike Price Interval Program under their respective rules. If a class participates in the $1 Strike Price Interval Program, $2.50 strike price intervals are not permitted between $1 and $50 for non-LEAPs and LEAPs.

(b) **Eligibility for the $1 Strike Price Interval Program.** To be eligible for inclusion into the $1 Strike Price Interval Program, an underlying stock must close below $50 in its primary market on the previous trading day.

(c) **Strike Prices to be Added.** After a stock is added to the $1 Strike Price Interval Program, the Exchange may list $1 strike price intervals from $1 to $50 according to the following parameters:

(1) If the price of the underlying stock is equal to or less than $20, the Exchange may list series with an exercise price up to 100% above and 100% below the price of the underlying stock. However, the foregoing restriction shall not prohibit the listing of at least five (5) strike prices above and below the price of the underlying stock per expiration month in an option class. For example, if the price of the underlying stock is $2, the Exchange would be permitted to list the following series: $1, $2, $3, $4, $5, $6 and $7.

(2) If the price of the underlying stock is greater than $20, the Exchange may list series with an exercise price up to 50% above and 50% below the price of the underlying security up to $50.

(3) For the purpose of adding strikes under the $1 Strike Price Interval Program, the "price of the underlying stock" shall be measured in the same way as "the price of the underlying security" is as set forth in Rule 404A(b)(1).

(4) No additional series in $1 strike price intervals may be listed if the underlying stock closes at or above $50 in its primary market. Additional series in $1 strike price intervals may not be added until the underlying stock closes again below $50.

(d) **Long-Term Option Series ("LEAPS®")**

(1) The Exchange may list $1 strike prices up to $5 in LEAPS in up to 200 classes on individual stocks. The Exchange may not list strike prices with $1 intervals within $0.50 of an existing $2.50 strike price in the same series.

(2) For stocks in the $1 Strike Price Interval Program, the Exchange may list one $1 strike price interval between each standard $5 strike interval, with the $1 strike price interval being $2 above the standard strike for each interval above the price of the underlying stock, and $2 below the standard strike for each interval below the price of the underlying stock. For example, if the price of the underlying stock is $24.50, the Exchange may list the following standard strikes in $5 intervals: $15, $20, $25, $30 and $35. Between these standard $5 strikes, the Exchange may list the following $2 wings: $18, $27 and $32.

(3) In addition, the Exchange may list the $1 strike price interval which is $2 above the standard strike just below the underlying price at the time of listing. In the above example, since the standard strike just below the underlying price ($24.50) is $20, the Exchange may list a $22 strike. The Exchange may add additional long-term

options series strikes as the price of the underlying stock moves, consistent with the Options Listing Procedures Plan. Additional long-term option strikes may not be listed within $1 of an existing strike until less than nine months to expiration.

(e) **$1 Strike Price Interval Program Delisting Policy.**

(1) For options classes selected to participate in the $1 Strike Price Interval Program, the Exchange will, on a monthly basis, review series that were originally listed under the $1 Strike Price Interval Program with strike prices that are more than $5 from the current value of an options class and delist those series with no open interest in both the put and the call series having a: (i) strike higher than the highest strike price with open interest in the put and/or call series for a given expiration month; and (ii) strike lower than the lowest strike price with open interest in the put and/or call series for a given expiration month.

(2) If the Exchange identifies series for delisting pursuant to this policy, the Exchange shall notify other options exchanges with similar delisting policies regarding eligible series for delisting, and shall work jointly with such other exchanges to develop a uniform list of series to be delisted so as to ensure uniform series delisting of multiply listed options classes.

(3) Notwithstanding the above delisting policy, Member requests to add strikes and/or maintain strikes in series of options classes traded pursuant to the $1 Strike Price Interval Program that are eligible for delisting may be granted.

(f) A stock shall remain in the $1 Strike Price Interval Program until otherwise designated by the Exchange.

.02 **Short Term Option Series Program.** After an option class has been approved for listing and trading on the Exchange, the Exchange may open for trading on any Thursday or Friday that is a business day ("Short Term Option Opening Date") series of options on that class that expire at the close of business on each of the next five Fridays that are business days and are not Fridays in which monthly options series or Quarterly Options Series expire ("Friday Short Term Option Expiration Dates"). The Exchange may have no more than a total of five Short Term Option Friday Expiration Dates ("Short Term Option Weekly Expirations"). If the Exchange is not open for business on the respective Thursday or Friday, the Short Term Option Opening Date for Short Term Option Weekly Expirations will be the first business day immediately prior to that respective Thursday or Friday. Similarly, if the Exchange is not open for business on a Friday, the Short Term Option Expiration Date for Short Term Option Weekly Expirations will be the first business day immediately prior to that Friday.

Short Term Option Daily Expirations

In addition to the above, the Exchange may open for trading series of options on the symbols provided in Table 1 below that expire at the close of business on each of the next two Mondays, Tuesdays, Wednesdays, and Thursdays, respectively, that are business days and are not business days in which monthly options series or Quarterly Options Series expire ("Short Term Option Daily Expirations"). The Exchange may have no more than a total of two Short Term Option Daily Expirations for each of Monday, Tuesday, Wednesday, and Thursday expirations at one time. Short Term Option Daily Expirations would be subject to this Policy .02.

Table 1

Symbol	Number of Expirations			
	Monday	Tuesday	Wednesday	Thursday
SPY	2	2	2	2
IWM	2	0	2	0
QQQ	2	2	2	2

With respect to Monday expirations for symbols defined in Table 1 above ("Monday Expirations"), the Exchange may open for trading on any Friday or Monday that is a business day series of options on the symbols provided in Table 1 above that expire at the close of business on each of the next two Mondays that are business days and are not business days in which monthly options series or Quarterly Options Series expire ("Monday Short Term Option Expiration Date"), provided that Monday Expirations that are listed on a Friday must be listed at least one business week and one business day prior to the expiration.

With respect to Tuesday expirations for symbols defined in Table 1 above ("Tuesday Expirations"), the Exchange may open for trading on any Monday or Tuesday that is a business day series of options on the symbols provided in Table 1 above that expire at the close of business on each of the next two Tuesdays that are business days and are not business days in which monthly options series or Quarterly Options Series expire ("Tuesday Short Term Option Expiration Date").

With respect to Wednesday expirations for symbols defined in Table 1 above ("Wednesday Expirations"), the Exchange may open for trading on any Tuesday or Wednesday that is a business day series of options on the symbols provided in Table 1 above that expire at the close of business on each of the next two Wednesdays that are business days and are not business days in which monthly options series or Quarterly Options Series expire ("Wednesday Short Term Option Expiration Date").

With respect to Thursday expirations for symbols defined in Table 1 above ("Thursday Expirations"), the Exchange may open for trading on any Wednesday or Thursday that is a business day series of options on the symbols provided in Table 1 above that expire at the close of business on each of the next two Thursdays that are business days and are not business days in which monthly options series or Quarterly Options Series expire ("Thursday Short Term Option Expiration Date").

Monday Short Term Option Expiration Dates, Tuesday Short Term Option Expiration Dates, Wednesday Short Term Option Expiration Dates, and Thursday Short Term Option Expiration Dates, together with Friday Short Term Option Expiration Dates, are collectively "Short Term Option Expiration Dates."

Regarding Short Term Option Series:

(a) **Classes**. The Exchange may select up to fifty (50) currently listed option classes in which Short Term Option Series may be opened on any Short Term Option Opening Date. In addition to the 50 option class restriction, the Exchange may also list Short Term Option Series on any option classes that are selected by other securities exchanges that employ a similar Program under their respective rules. For each option class eligible for participation in the Short Term Option Series Program, the Exchange may open up to thirty (30) Short Term Option Series for each expiration date in that class.

(b) **Expiration**. No Short Term Option Series other than Short Term Option Daily Expirations, may expire in the same week in which monthly option series on the same class expires. In the case of Quarterly Options Series, no Short Term Option Series may expire on the same day as an expiration of Quarterly Options Series in the same class.

(c) **Initial Series.** The Exchange may open up to thirty (30) initial series for each option class that participates in the Short Term Option Series Program. The strike price of each Short Term Option Series will be fixed at a price per share, with approximately the same number of strike prices above and below the value of the underlying security at about the time that Short Term Option Series are initially opened for trading on the Exchange (e.g., if seven series are initially opened, there will be at least three strike prices above and three strike prices below the value of the underlying security). Any strike prices listed by the Exchange shall be reasonably close to the price of the underlying equity security and within the following parameters: (i) if the price of the underlying security is less than or equal to $20, strike prices shall be not more than one hundred percent (100%) above or below the price of the underlying security; and (ii) if the price of the underlying security is greater than $20, strike prices shall be not more than fifty percent (50%) above or below the price of the underlying security.

(d) **Additional Series.** If the Exchange opens less than thirty (30) Short Term Option Series for a Short Term Option Expiration Date, additional series may be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying security moves substantially from the exercise price or prices of the series already opened. Any additional strike prices listed by the Exchange shall be reasonably close to the price of the underlying equity security and within the following parameters: (i) if the price of the underlying security is less than or equal to $20, strike prices shall be not more than one hundred percent (100%) above or below the price of the underlying security; and (ii) if the price of the underlying security is greater than $20, strike prices shall be not more than fifty percent (50%) above or below the price of the underlying security. The Exchange may also open additional strike prices on Short Term Option Series that are more than 50% above or below the current price of the underlying security (if the price is greater than $20) provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate or individual customers or their brokers. Market Makers trading for their own account shall not be considered when determining customer interest under this provision. In the event that the underlying security has moved such that there are no series that are at least 10% above or below the current price of the underlying security, the Exchange will delist any series with no open interest in both the call and the put series having a: (i) strike higher than the highest strike price with open interest in the put and/or call series for a given expiration week; and (ii) strike lower than the lowest strike price with open interest in the put and/or the call series for a given expiration week. The opening of new Short Term Option Series shall not affect the series of options of the same class previously opened. Notwithstanding any other provisions in this Rule 404, Short Term Option Series may be added up to and including on the Short Term Option Expiration Date for that options series.

(e) **Strike Price Interval.** The strike price interval for Short Term Option Series may be $0.50 or greater for option classes that trade in $1 strike price intervals and are in the Short Term Option Series Program. If the class does not trade in $1 strike price intervals, the strike price interval for Short Term Option Series may be $0.50 or greater where the strike price is less than $100 and $1.00 or greater where the strike price is between $100 and $150, and $2.50 or greater for strike prices greater than $150. A non-Short Term Option series that is included in a class that has been selected to participate in the Short Term Option Series Program is referred to as a "Related non-Short Term Option." Notwithstanding any other provision regarding strike prices in this Rule, Related non-Short Term Option series shall be opened during the month prior to expiration in the same manner as permitted in Rule 404, Interpretations and Policies .02, and in the same strike price intervals for the Short Term Option Series permitted in this Rule 404, Interpretations and Policies .02(e).

(f) Notwithstanding (e) above, when Short Term Options Series in equity options, excluding Exchange-Traded Funds ("ETFs") and ETNs, have an expiration more than twenty-one (21) days from the listing date, the strike interval for each options class shall be based on the table within Policy .11.

.03 **Quarterly Options Series Program.** The Exchange may list and trade options series that expire at the close of business on the last business day of a calendar quarter ("Quarterly Options Series"). The Exchange may list Quarterly Options Series for up to five (5) currently listed options classes that are options on exchange traded funds ("ETFs"). In addition, the Exchange may also list Quarterly Options Series on any options classes that are selected by other securities exchanges that employ a similar program under their respective rules.

(a) The Exchange may list series that expire at the end of the next consecutive four (4) calendar quarters, as well as the fourth quarter of the next calendar year.

(b) The Exchange will not list a Short Term Option Series on an options class whose expiration coincides with that of a Quarterly Options Series on that same options class.

(c) **Initial Series**. The strike price of each Quarterly Options Series will be fixed at a price per share, with at least two strike prices above and two strike prices below the approximate value of the underlying security at about the time that a Quarterly Options Series is opened for trading on the Exchange. The Exchange shall list strike prices for a Quarterly Options Series that are within $5 from the closing price of the underlying on the preceding day.

(d) **Additional Series**. Additional Quarterly Options Series of the same class may be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying security moves substantially from the initial exercise price or prices. To the extent that any additional strike prices are listed by the Exchange, such additional strike prices shall be within thirty percent (30%) above or below the closing price of the underlying ETF or Exchange-Traded Fund Shares as defined in Rule 402(i)) on the preceding day. The Exchange may also open additional strike prices of Quarterly Options Series in ETF options that are more than 30% above or below the current price of the underlying ETF provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate or individual customers or their brokers. Market Makers trading for their own account shall not be considered when determining customer interest under this provision. The opening of new Quarterly Options Series shall not affect the series of options of the same class previously opened.

(e) The interval between strike prices on Quarterly Options Series shall be the same as the interval for strike prices for series in that same options class that expire in accordance with the normal monthly expiration cycle.

(f) **Delisting Policy**. With respect to Quarterly Options Series in ETF options added pursuant to the above paragraphs, the Exchange will, on a monthly basis, review series that are outside a range of five (5) strikes above and five (5) strikes below the current price of the underlying ETF, and delist series with no open interest in both the put and the call series having a: (1) strike higher than the highest strike price with open interest in the put and/or call series for a given expiration month; and (2) strike lower than the lowest strike price with open interest in the put and/or call series for a given expiration month.

(g) Notwithstanding the above referenced delisting policy, customer requests to add strikes and/or maintain strikes in Quarterly Options Series in ETF options in series eligible for delisting shall be granted.

(h) In connection with the above referenced delisting policy, if the Exchange identifies series for delisting, the Exchange shall notify other options exchanges with similar delisting policies regarding eligible series for delisting, and shall work with such other exchanges to develop a uniform list of series to be delisted, so as to ensure uniform series delisting of multiply listed Quarterly Options Series in ETF options.

.04 **$0.50 Strike Program.** The interval of strike prices of series of options on individual stocks may be $0.50 or greater beginning at $0.50 where the strike price is $5.50 or less, but only for options classes whose underlying

security closed at or below $5.00 in its primary market on the previous trading day and which have national average daily volume that equals or exceeds 1,000 contracts per day as determined by The Options Clearing Corporation during the preceding three calendar months. The listing of $0.50 strike prices shall be limited to options classes overlying no more than 20 individual stocks (the "$0.50 Strike Program") as specifically designated by the Exchange. The Exchange may list $0.50 strike prices on any other option classes if those classes are specifically designated by other securities exchanges that employ a similar $0.50 Strike Program under their respective rules. A stock shall remain in the $0.50 Strike Program until otherwise designated by the Exchange.

.05 Notwithstanding Interpretations and Policies .01 above, the interval between strike prices of series of options on Indexed-Linked Securities, as defined in Rule 402(k)(1), will be $1 or greater when the strike price is $200 or less and $5 or greater when the strike price is greater than $200.

.06 Notwithstanding Interpretations and Policies .01 above, the interval between strike prices of series of options on Trust Issued Receipts, including Holding Company Depository Receipts (HOLDRs), will be $1 or greater where the strike price is $200 or less and $5 or greater where the strike price is greater than $200.

.07 **$0.50 and $1.00 Strike Price Intervals for Options Used to Calculate Volatility Indexes.** Notwithstanding the requirements set forth in Rule 404(f) and Interpretations and Policies .01, .05 and .06 above, the Exchange may open for trading series at $0.50 or greater strike price intervals where the strike price is less than $75, and $1.00 or greater strike price intervals where the strike price is between $75 and $150 for options that are used to calculate a volatility index.

.08 **Mini Option Contracts.**

(a) After an option class on a stock, exchange-traded fund (ETF) share, Trust Issued Receipt (TIR), and other Equity Index-Linked Security with a 100 share deliverable has been approved for listing and trading on the Exchange, series of option contracts with a 10 share deliverable on that stock, ETF share, TIR, and other Equity Index-Linked Security may be listed for all expirations opened for trading on the Exchange. Mini-option contracts may currently be listed on SPDR S&P 500 (SPY), Apple, Inc. (AAPL), SPDR Gold Trust (GLD), Alphabet, Inc. (GOOGL) and Amazon.com Inc. (AMZN).

(b) Strike prices for mini-options shall be set at the same level as for standard options. For example, a call series strike price to deliver 10 shares of stock at $125 per share has a total deliverable value of $1250, and the strike price will be set at 125.

(c) No additional series of mini-options may be added if the underlying security is trading at $90 or less. The underlying security must trade above $90 for five consecutive days prior to listing mini-option contracts in an additional expiration month.

(d) The minimum price variation for bids and offers for mini-options shall be the same as permitted for standard options on the same security. For example, if a security participates in the Penny Interval Program, mini-options on the same underlying security may be quoted in the same minimum increments, e.g., $0.01 for all quotations in series that are quoted at less than $3 per contract and $0.05 for all quotations in series that are quoted at $3 per contract or greater, $0.01 for all SPY option series, and mini-options do not separately need to qualify for the Penny Interval Program.

.09 Notwithstanding any other provision regarding strike prices in this Rule, Related non-Short Term Option series shall be opened during the month prior to expiration in the same manner as permitted in Rule 404, Interpretations

and Policies .02, and in the same strike price intervals for the Short Term Option Series permitted in this Rule 404, Interpretations and Policies .02(e).

.10 Notwithstanding any other provision regarding the interval of strike prices of series of options on Exchange-Traded Fund Shares in this Rule, the interval of strike prices on SPDR S&P 500 ETF ("SPY"), iShares S&P 500 Index ETF ("IVV"), Invesco QQQ Trust ("QQQ"), iShares Russell 2000 Index Fund ("IWM"), and the SPDR Dow Jones Industrial Average ETF ("DIA") options will be $1 or greater.

.11 With respect to listing Short Term Option Series in equity options, excluding Exchange-Traded Fund Shares and ETNs, which have an expiration date more than twenty-one (21) days from the listing date, the following table will apply as noted within Policy .02(f). The below table indicates the applicable strike intervals and supersedes Policy .02(d) which permits additional series to be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying security moves substantially from the exercise price or prices of the series already opened.

Tier	Average Daily Volume	Share Price				
		Less than $25	$25 to less than $75	$75 to less than $150	$150 to less than $500	$500 or greater
1	Greater than 5,000	$0.50	$1.00	$1.00	$5.00	$5.00
2	Greater than 1,000 to 5,000	$1.00	$1.00	$1.00	$5.00	$10.00
3	0 to 1,000	$2.50	$5.00	$5.00	$5.00	$10.00

The Share Price is the closing price on the primary market on the last day of the calendar quarter. In the event of a corporate action, the Share Price of the surviving company is utilized.

The Average Daily Volume is the total number of options contracts traded in a given security for the applicable calendar quarter divided by the number of trading days in the applicable calendar quarter. Beginning on the second trading day in the first month of each calendar quarter, the Average Daily Volume shall be calculated by utilizing data from the prior calendar quarter based on Customer-cleared volume at The Options Clearing Corporation. For options listed on the first trading day of a given calendar quarter, the Average Daily Volume shall be calculated using the quarter prior to the last trading calendar quarter.

Short Term Options Series that are newly eligible for listing pursuant to Exchange Rule 402 will not be subject to this proposed Policy .11 until after the end of the first full calendar quarter following the date the option class was first listed for trading on any options market.

Notwithstanding the limitations imposed by this Policy .11, this proposal does not amend the range of strikes that may be listed pursuant to Policy .02 above, regarding the Short Term Option Series Program.

[Adopted: December 13, 2016; amended February 6, 2017 (SR-PEARL-2017-03); amended April 3, 2017 (SR-PEARL-2017-11); amended July 21, 2017 (SR-PEARL-2017-32); amended February 12, 2018 (SR-PEARL-2018-03); amended March 21, 2019 (SR-PEARL-2019-10); amended May 7, 2019 (SR-PEARL-2019-18) amended July 1, 2020 (SR-PEARL-2020-06); amended April 22, 2021 (SR-PEARL-2021-21); amended May 24, 2021 (SR-PEARL-2021-19); implemented July 1, 2021; amended October 1, 2021 (SR-MIAX-2021-47); amended October 25, 2021 (SR-PEARL-2021-43); amended November 17, 2022 (SR-PEARL-2022-52)]

Rule 404A. Select Provisions of Options Listing Procedures Plan

(a) The provisions set forth in this Rule 404A were adopted by the Exchange as a quote mitigation strategy and are codified in the Options Listing Procedures Plan ("OLPP"). A complete copy of the current OLPP may be accessed at: https://www.theocc.com/Clearance-and-Settlement/Industry-Services.

(b) The exercise price of each options series listed by the Exchange shall be fixed at a price per share which is reasonably close to the price of the underlying equity security, Exchange Traded Fund ("ETF" and referred to as "Exchange Traded Fund Shares" in Rule 402(i)) or Trust Issued Receipt ("TIR") at or about the time the Exchange determines to list such series. Additionally,

(1) Except as provided in subparagraphs (2) through (4) below, if the price of the underlying security is less than or equal to $20, the Exchange shall not list new options series with an exercise price more than 100% above or below the price of the underlying security. However, the foregoing restriction shall not prohibit the listing of at least three exercise prices per expiration month in an options class. Except as provided in Interpretation and Policy .02(d) to Rule 404, if the price of the underlying security is greater than $20, the Exchange shall not list new options series with an exercise price more than 50% above or below the price of the underlying security. The price of the underlying security is measured by:

(i) for intra-day add-on series and next-day series additions, the daily high and low of all prices reported by all national securities exchanges;

(ii) for new expiration months, the daily high and low of all prices reported by all national securities exchanges on the day the Exchange determines its preliminary notification of new series;

(iii) for options series to be added as a result of pre-market trading, the most recent share price reported by all national securities exchanges between 8:45 a.m. and 9:30 a.m. Eastern Time; and

(iv) for options series to be added based on trading following regular trading hours, the most recent share price reported by all national securities exchanges between 4:15 p.m. and 6:00 p.m. Eastern Time.

(2) The series exercise price range limitations contained in subparagraph (i) above do not apply with regard to:

(i) the listing of $1 strike prices in options classes participating in the $1 Strike Program. Instead, the Exchange shall be permitted to list $1 strike prices to the fullest extent as permitted under its rules for the $1 Strike Program; or

(ii) the listing of series of Flexible Exchange Options.

(3) The Exchange may designate up to five options classes to which the series exercise price range may be up to 100% above and below the price of the underlying security (which underlying security price shall be determined in accordance with subparagraph (i) above). Such designations shall be made on an annual basis and shall not be removed during the calendar year unless the options class is delisted by the Exchange, in which case the Exchange may designate another options class to replace the delisted class. If a designated options class is delisted by the Exchange but continues to trade on at least one options exchange, the options class shall be subject to the limitations on listing new series set forth in subparagraph (i) above unless designated by another exchange.

(4) If the Exchange that has designated five options classes pursuant to subparagraph (3) above requests that one or more additional options classes be excepted from the limitations on listing new series set forth in subparagraph (1) above, the additional options class(es) shall be so designated upon the unanimous consent of all exchanges that trade the options class(es). Additionally, pursuant to the Exchange's request, the percentage range for the listing of new series may be increased to more than 100% above and below the price of the underlying security for an options class, by the unanimous consent of all exchanges that trade the designated options class. Exceptions for an additional class or for an increase of the exercise price range shall apply to all standard expiration months existing at the time of the vote, plus the next standard expiration month to be added, and also to any non-standard expirations that occur prior to the next standard monthly expiration.

(5) The provisions of this subparagraph (b) shall not permit the listing of series that are otherwise prohibited by the Rules of the Exchange or the OLPP. To the extent the Rules of the Exchange permit the listing of new series that are otherwise prohibited by the provisions of the OLPP, the provisions of the OLPP shall govern.

(6) The Exchange may list an options series that is listed by another options exchange, provided that at the time such series was listed it was not prohibited under the provisions of the OLPP or the rules of the exchange that initially listed the series.

[Adopted: December 13, 2016; amended August 30, 2018 (SR-PEARL-2018-18); amended April 26, 2021 (SR-PEARL-2021-13; amended October 25, 2021 (SR-PEARL-2021-43)]

Rule 405. Adjustments

Option contracts shall be subject to adjustments in accordance with the Rules of the Clearing Corporation. When adjustments have been made, the Exchange will announce that fact, and such changes will be effective for all subsequent transactions in that series at the time specified in the announcement.

[Adopted: December 13, 2016]

Rule 406. Long-Term Option Contracts

(a) Notwithstanding conflicting language in Rule 404, the Exchange may list long-term option contracts that expire from twelve (12) to thirty-nine (39) months from the time they are listed ("long-term expiration months"). There may be up to ten (10) long-term expiration months for options on the SPDR® S&P 500® exchange-traded fund ("SPY") and up to six (6) long-term expiration months for all other option classes. Strike price interval (Rule 404) and continuous quoting (Rule 605(d)) Rules shall not apply to such options series until the time to expiration is less than nine (9) months.

(b) With regard to the listing of new January LEAPS series on equity options classes, options on Exchange Traded Funds ("ETFs"), or options on Trust Issued Receipts ("TIRs"), the Exchange shall not add new LEAP series on a currently listed and traded option class earlier than the Monday prior to the September expiration (which is 28 months before the expiration).

Pursuant to the Options Listing Procedures Plan, exchanges that list and trade the same equity option class, ETF option class, or TIR option class are authorized to jointly determine and coordinate with the Options Clearing Corporation on the date of introduction of new LEAP series for that option class consistent with this paragraph (b).

(c) The Exchange shall not list new LEAP series on equity option classes, options on ETFs, or options on TIRs in a new expiration year if the national average daily contract volume, excluding LEAP and FLEX series, for that option

class during the preceding three (3) calendar months is less than 1,000 contracts, unless the new LEAP series has an expiration year that has already been listed on another exchange for that option class. The preceding volume threshold does not apply during the first six (6) months an equity option class, option on an ETF, or option on a TIR is listed on any exchange.

[Adopted: December 13, 2016; amended July 5, 2017 (SR-PEARL-2017-28); amended August 30, 2018 (SR-PEARL-2018-18); amended November 16, 2018 (SR-PEARL-2018-24); amended October 25, 2021 (SR-PEARL-2021-43)]

Chapter V. Doing Business on the Exchange

Rule 500. Access to and Conduct on the Exchange

(a) **Access to Exchange.** Unless otherwise provided in the Rules, no one but a Member or a person associated with a Member shall effect any Exchange Transactions. The Exchange may share any Member-designated risk settings in the Exchange System with the Clearing Member that clears Exchange Transactions on behalf of the Member.

(b) **Exchange Conduct.** Members and persons employed by or associated with any Member, while using the facilities of the Exchange, shall not engage in conduct (1) inconsistent with the maintenance of a fair and orderly market; (2) apt to impair public confidence in the operations of the Exchange; or (3) inconsistent with the ordinary and efficient conduct of business. Activities that may violate the provisions of this paragraph (b) include, but are not limited to, the following:

(i) failure of a Market Maker to provide quotations in accordance with Rule 605;

(ii) failure of a Member to supervise a person employed by or associated with such Member adequately to ensure that person's compliance with this paragraph (b);

(iii) failure to abide by a determination of the Exchange;

(iv) refusal to provide information requested by the Exchange; and

(v) failure to abide by the provisions of Rule 520.

[Adopted: December 13, 2016; amended October 25, 2021 (SR-PEARL-2021-43)]

Rule 501. Days and Hours of Business

The Exchange will begin accepting orders at 7:30 a.m. Eastern Time. The hours during which option transactions may be made on the Exchange shall be from 9:30 a.m. Eastern Time to 4:00 p.m. Eastern Time except for option contracts on Exchange Traded Fund Shares, as defined in Rule 402(i), and Index-Linked Securities, as defined in Rule 402(k)(1), which may remain open for trading beyond 4:00 p.m. Eastern Time but in no case later than 4:15 p.m. Eastern Time, as designated by the Exchange.

Interpretations and Policies:

.01 The Board has resolved that, except under unusual conditions as may be determined by the Board or its designee, hours during which transactions in options on individual stocks may be made on the Exchange shall correspond to the normal hours for business set forth in the rules of the primary exchange listing the stocks underlying Exchange options.

.02 The Board has determined that the Exchange will not be open for business on New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving Day or Christmas Day. The Board has also determined that, in most circumstances when a holiday observed by the Exchange falls on a Saturday, the Exchange will not be open for business on the

preceding Friday, and that when a holiday observed by the Exchange falls on a Sunday, the Exchange will not be open for business on the following Monday.

[Adopted: December 13, 2016; amended October 22, 2021 (SR-PEARL-2021-52)]

Rule 502. Entry of Orders

Members can enter orders into the System, subject to the requirements and conditions set forth below and in these Rules:

(a) Members shall be permitted to transmit to the System multiple orders at a single as well as multiple price levels.

(b) The System shall time-stamp an order which shall determine the time ranking of the order for purposes of processing the order.

[Adopted: December 13, 2016]

Rule 503. Openings on the Exchange

(a) **Definitions**. For the purposes of this Rule the term:

(1) "**Opening Process**" shall mean the process for opening or resuming trading pursuant to this Rule and shall include the process for determining the price at which Eligible Interest shall be executed at the open of trading for the day, or the open of trading for a halted option, and the process for executing that Eligible Interest.

(2) "**Eligible Interest**" shall mean any quotation or any order that may be entered into the System before the opening. The order types that may participate in the Opening Process are set forth in Rule 516.

(3) "**Market for the Underlying Security**" shall mean either the primary listing market, the primary volume market (defined as the market with the most liquidity in that underlying security for the previous two calendar months), or the first market to open the underlying security, as determined by the Exchange on a class by class basis and announced to Members on the Exchange's website.

(4) "**Valid Width National Best Bid or Offer**" or "**Valid Width NBBO**" shall mean the combination of all away market quotes and any combination of MIAX Pearl Market Maker orders and quotes received from a minimum number of away markets and a minimum number of MIAX Pearl Market Makers within a specified bid/ask differential each as established and published by the Exchange on its website. The Valid Width NBBO will be configurable by the underlying, and tables with valid width differentials will be posted by MIAX Pearl on its website. Away markets that are crossed will void all Valid Width NBBO calculations. If any Market Maker orders or quotes on MIAX Pearl are crossed internally, then all such orders and quotes will be excluded from the Valid Width NBBO calculation. If any Market Maker orders or quotes on MIAX Pearl are locking or crossing the ABBO, the Market Maker's orders or quotes will be considered to be at the locked or crossed ABBO price for purposes of calculating the Valid Width NBBO.

(5) "**Away Best Bid or Offer**" or "**ABBO**" shall mean the best bid(s) or offer(s) disseminated by other Eligible Exchanges (defined in Rule 1400(g)) and calculated by the Exchange based on market information received by the Exchange from OPRA.

(b) **Opening Process on the Exchange.** For the opening of trading of securities by the System, the Opening Process shall occur at or after 9:30 a.m. Eastern Time, if the dissemination of a regular market hours quote or trade (as

determined by the Exchange) by the Market for the Underlying Security has occurred. Following the dissemination of a quote or trade in the Market for the Underlying Security (the "First Market Event") the System will pause for a period of time no longer than one-half second to allow the market place to absorb this information. Or, in the case of a trading halt, the Opening Process shall occur when trading resumes pursuant to Rule 504. Market hours trading shall commence or, in the case of a halted option, resume when the MIAX Pearl Opening Process concludes.

(1) **Criteria for the Opening**. The opening of trading or resumption of trading after a halt of securities by the System will be dependent on the following criteria, provided the ABBO is not crossed.

(i) If there is locking or crossing interest on MIAX Pearl or interest that locks or crosses the NBBO, a Valid Width NBBO must be present.

(ii) If there is no locking or crossing interest on MIAX Pearl and no interest that locks or crosses the NBBO, then the Exchange will open dependent upon one of the following:

(A) A Valid Width NBBO is present;

(B) A certain number of other options exchanges (as determined by the Exchange and posted by MIAX Pearl on its website) have disseminated a firm quote on OPRA; or

(C) A certain period of time (as determined by the Exchange and posted by MIAX Pearl on its website) has elapsed.

(2) **Opening Process Where There is Locking or Crossing Interest on MIAX Pearl or Interest that Locks or Crosses the NBBO.**

(i) **Determining the Opening Price**. After the First Market Event has occurred and/or the trading halt has been lifted and the criteria for opening set forth in subsection (1)(i) above has been met, in each case where there are orders or quotes with internally locking or crossing prices, or orders that lock or cross the NBBO, for a particular option series the System will determine a single price at which such option series will be opened (the "Opening Price"). The Opening Price of a series will be the midpoint of the Valid Width NBBO, rounded up if necessary (the "NBBO Midpoint").

(ii) **Matching Orders and Quotes in the System**. After establishing an Opening Price, orders and quotes in the System that are priced equal to or more aggressively than the Opening Price will be matched based on price-time priority. Matches will occur until there is no remaining volume or there is an imbalance of orders. All orders and quotes or portions thereof that are matched pursuant to the Opening Process will be executed at the Opening Price.

(iii) **Regarding Unexecuted Contracts.** An imbalance of orders on the buy side or sell side may result in orders that are not executed in whole or in part. Such orders will be handled at the conclusion of the Opening Process in time sequence, beginning with the order with the oldest time stamp and may, in whole or in part, be placed on the Book, cancelled, executed, managed in accordance with Rule 515, or routed in accordance with Rule 529.

(iv) **Execution and Reporting**. All Eligible Interest executed in the Opening Process shall be executed at the Opening Price, trade reported anonymously, and disseminated via a national market system plan.

(3) **Opening Process Where There is No Locking or Crossing Interest on MIAX Pearl and no Interest that Locks or Crosses the NBBO**. After the First Market Event has occurred and/or the trading halt has been lifted

and the criteria for opening set forth in subsection (1)(ii) above has been met, and where there are no contracts in a particular series that would execute at any price the System shall open such options for trading without determining an Opening Price. The System will open such series by disseminating via a national market system plan the Exchange's best bid and offer among quotes and orders that exist in the System at that time. Orders in the System will be handled at the conclusion of the Opening Process in time sequence, beginning with the order with the oldest time stamp and may, in whole or in part, be placed on the Book, cancelled, executed, managed in accordance with Rule 515, or routed in accordance with Rule 529.

(c) **Deviation from Standard Opening Process.** Senior Help Desk personnel may deviate from the standard manner of the Opening Process when necessary, including delay or compel the opening of any series in any option class, adjusting the timing of the Opening Process in any option class, when necessary in the interests of commencing or maintaining a fair and orderly market, in the event of unusual market conditions or in the public interest. The Exchange will make and maintain records to document all determinations to deviate from the standard manner of the Opening Process, and periodically review these determinations for consistency with the interests of a fair and orderly market.

(d) **Certain Locking or Crossing Orders or Quotes.** If any order or quote entered by a Market Maker on MIAX Pearl via the MEO Interface or the FIX Interface using the same MPID is locking or crossing another order or quote entered by the same Market Maker using the same MPID via the MEO Interface or the FIX Interface during the Opening Process, then the System will cancel the oldest of the Market Maker's locking or crossing order or quote prior to execution.

[Adopted: December 13, 2016; amended May 18, 2017 (SR-PEARL-2017-22); amended May 6, 2018 (SR-PEARL-2018-10); amended September 18, 2019 (SR-PEARL-2019-24); amended December 19, 2019 (SR-PEARL-2019-35); amended October 25, 2021 (SR-PEARL-2021-43)]

Rule 504. Trading Halts

(a) **Halts**.

(1) The System may halt trading in the case of an option on a security, when trading in the underlying security has been halted or suspended in the primary market; and

(2) The Help Desk may halt trading in any security in the interests of a fair and orderly market for a period not in excess of two consecutive business days. The Help Desk, in consultation with a designated senior executive officer of the Exchange, may halt trading in any security in the interests of a fair and orderly market for a period exceeding two consecutive business days. Any trading halt that lasts more than two consecutive business days shall be reviewed by the President or his/her designee, who shall be authorized to determine whether, in the interests of a fair and orderly market, to terminate or modify any such trading halt that is then still in effect. Among the factors that may be considered in making the foregoing determinations are whether:

(i) in the case of an option on a security, trading in the underlying security has been halted or suspended in the primary market;

(ii) in the case of an option on a security, the opening of such underlying security has been delayed because of unusual circumstances;

(iii) the extent to which the Opening Process has been completed or other factors regarding the status of the Opening Process; or

(iv) other unusual conditions or circumstances are present.

(3) The Exchange shall disseminate through its trading facilities and over OPRA a symbol in respect of a security halted in accordance with (1) or (2) above indicating that trading has been halted. A record of the time and duration of the halt shall be made available to vendors.

(b) **Resumptions.** Trading in a security that has been the subject of a halt under paragraph (a) above may be resumed upon a determination by the Help Desk that the interests of a fair and orderly market are best served by a resumption of trading. Among the factors to be considered in making this determination are whether the conditions which led to the halt are no longer present. Trading shall resume according to the process set forth in Rule 503 of these Rules.

(c) **Trading Pauses.** Trading on the Exchange in any option contract shall be halted whenever trading in the underlying security has been paused by the primary market. Trading in such options contracts may be resumed upon a determination by the Exchange that the conditions that led to the pause are no longer present and that the interests of a fair and orderly market are best served by a resumption of trading, which in no circumstances will be before the Exchange has received notification that the underlying security has resumed trading on at least one exchange.

(d) **Post-Halt Notification.** After the Exchange has determined to end a trading halt, the System will broadcast to subscribers of the Exchange's data feeds a Post-Halt Notification.

(1) Regarding a halt pursuant to section (a) above, the Post-Halt Notification will be broadcast twenty seconds before trading will begin or resume.

(2) Regarding a halt initiated by the System due to a regulatory halt, trading pause or market-wide trading halt, a Post-Halt Notification will be broadcast between five and twenty seconds before trading will begin or resume. The Exchange will announce the duration of the Post-Halt Notification period through a Regulatory Circular.

The Post-Halt Notification will state the time at which trading in the option class or classes is expected to resume providing subscribers of the Exchange's data feeds with a brief notice period (twenty seconds for halts pursuant to section (a) above; between five and twenty seconds for a regulatory halt, trading pause or market-wide trading halt) to prepare for the beginning or resumption of trading after a trading system halt has ended.

Interpretations and Policies:

.01 No Member or person associated with a Member shall effect a trade on the Exchange in any option class in which trading has been suspended or halted under the provisions of this Rule and its Interpretation and Policies during the time in which the suspension or halt remains in effect.

.02 Generally, in the case of an option on a security, trading will be halted when a regulatory halt in the underlying security has occurred in the primary listing market for that security.

.03 The Exchange shall halt trading in all securities whenever a market-wide trading halt commonly known as a circuit breaker is initiated on the New York Stock Exchange in response to extraordinary market conditions.

.04 Trades on the Exchange will be nullified when: (i) the trade occurred during a trading halt in the affected option on the Exchange; (ii) respecting equity options (including options overlying ETFs), the trade occurred during a regulatory halt as declared by the primary market for the underlying security; or (iii) with respect to index options, the trade occurred during a regulatory halt as declared by the primary market in underlying securities representing more

than 10 percent of the current index value for narrow-based stock index options, and 20 percent of the current index value for broad-based index options.

.05 Trading halts, resumptions, trading pauses and post-halt notifications involving index options are governed by Rules 1808(c)-(f).

[Adopted: December 13, 2016; amended May 3, 2017 (SR-PEARL-2017-16); amended September 1, 2017 (SR-PEARL-2017-33); amended April 12, 2018 (SR-PEARL-2018-02)]

Rule 505. Member Electronic Connectivity

The Exchange may limit the number of messages sent by Members accessing the Exchange electronically in order to protect the integrity of the System. In addition, the Exchange may impose restrictions on the use of a computer connected through an API if it believes such restrictions are necessary to ensure the proper performance of the System. Any such restrictions shall be objectively determined and submitted to the Commission for approval pursuant to a rule change filing under Section 19(b) of the Exchange Act.

[Adopted: December 13, 2016]

Rule 506. Collection and Dissemination of Quotations

(a) Each Market Maker shall communicate to the Exchange its bids and offers in accordance with the requirements of Rule 602 of Regulation NMS under the Exchange Act and the Rules.

(b) The Exchange will disseminate to quotation vendors the highest bid and the lowest offer, and the aggregate quotation size associated therewith that is available to Public Customer Orders, in accordance with the requirements of Rule 602 of Regulation NMS under the Exchange Act.

(1) The Exchange shall disseminate an updated bid and offer price, together with the size associated with such bid and offer when:

(i) the Exchange's disseminated bid or offer price increases or decreases;

(ii) the size associated with the Exchange's disseminated bid or offer decreases; or

(iii) the size associated with the Exchange's bid (offer) increases by an amount greater than or equal to a percentage of the size associated with the previously disseminated bid (offer). Such percentage, which shall never be less than 10% or greater than 20%, shall be determined on a class-by-class basis by the Exchange and announced to the Membership through a Regulatory Circular.

(2) Executions will decrease the size associated with the Exchange's disseminated bid or offer by the amount of the execution.

(c) In the event there are no Market Makers quoting on a particular option and there are no orders on the Book, the Exchange will disseminate a bid price of $0.00, with a size of zero contracts and/or an offer price of $0.00, with a size of zero contracts.

(d) **Notification of Public Customer and Priority Customer Interest on the Book.**

(1) The Exchange will make available to subscribers to its data feeds and to all market participants through OPRA an indication that there is Public Customer interest included in the PBBOs disseminated by the Exchange.

(2) The Exchange will make available to subscribers to its Top of Market (ToM) data feed the quantity of Priority Customer contracts included in the PBBO disseminated by the Exchange.

(e) **Unusual Market Conditions.**

(1) An Exchange official designated by the Board shall have the power to determine that the level of trading activities or the existence of unusual market conditions is such that the Exchange is incapable of collecting, processing, and making available to quotation vendors the data for the option in a manner that accurately reflects the current state of the market on the Exchange. Upon making such a determination, the Exchange shall designate the market in such option to be "fast," and shall halt trading in the class or classes so affected.

(2) The Exchange will monitor the activity or conditions that caused a fast market to be declared, and a designated Exchange official shall review the condition of such market at least every thirty (30) minutes. Regular trading procedures shall be resumed by the Exchange when a designated Exchange official determines that the conditions supporting a fast market declaration no longer exist.

[Adopted: December 13, 2016; amended May 24, 2019 (SR-PEARL-2019-16)]

Rule 507. Give Up of a Clearing Member

(a) **General.** For each transaction in which a Member participates, a Member may indicate the name of any Options Clearing Corporation ("OCC") number of a Clearing Member through which the transaction will be cleared ("Give Up"), provided the Clearing Member has not elected to Opt In, as defined and described in paragraph (b) below, and restrict one or more of its OCC number(s) ("Restricted OCC Number"). A Member may Give Up a Restricted OCC Number provided the Member has written authorization as described in paragraph (b)(2) below ("Authorized Member").

(b) **Opt In**. Clearing Members may request the Exchange restrict one or more of their OCC clearing numbers ("Opt In") as described in subparagraph (1) below. If a Clearing Member Opts In, the Exchange will require written authorization from the Clearing Member permitting a Member to Give Up a Clearing Member's Restricted OCC Number. An Opt In would remain in effect until the Clearing Member terminates the Opt In as described in subparagraph (3) below. If a Clearing Member does not Opt In, that Clearing Member's OCC number would be subject to Give Up by any Member.

(1) **Clearing Member Process to Opt In**. A Clearing Member may Opt In by sending a completed "Clearing Member Restriction Form" listing all Restricted OCC Numbers and Authorized Members. A Clearing Member may elect to restrict one or more OCC clearing numbers that are registered in its name at OCC. The Clearing Member would be required to submit the Clearing Member Restriction Form to the Exchange's Membership Department as described on the form. Once submitted, the Exchange requires ninety days before a Restricted OCC Number is effective within the System.

(2) **Member Give Up Process for Restricted OCC Numbers**. A Member desiring to Give Up an Restricted OCC Number must become an Authorized Member. The Clearing Member will be required to authorize a Member as described in subparagraph (1) or (3), unless the Restricted OCC Number is already subject to a Letter of Guarantee that the Member is a party to, as set forth in paragraph (d) below.

(3) **Amendments to Authorized Member or Restricted OCC Numbers**. A Clearing Member may amend its Authorized Members or Restricted OCC Numbers by submitting a new Clearing Member Restriction Form to the Exchange's Membership Department indicated the amendment as described on the form. Once a Restricted OCC Number is effective within the System pursuant to paragraph (1) above, the Exchange may permit the Clearing Member to authorize, or remove authorization for, a Member to Give Up the Restricted OCC Number intra-day only in unusual circumstances, and on the next business day in all regular circumstances. The Exchange will promptly notify Members if they are no longer authorized to Give Up a Clearing Member's Restricted OCC Number. If a Clearing Member removes a Restricted OCC Number, any Member may Give Up that OCC clearing number once the removal has become effective on or before the next business day.

(c) **System**. The System will not allow an unauthorized Member to Give Up a Restricted OCC Number at the firm mnemonic level at the point of order entry.

(d) **Letter of Guarantee**. A clearing arrangement subject to a Letter of Guarantee would immediately permit the Give Up of a Restricted OCC Number by the Member that is party to the arrangement.

(e) An intentional misuse of this Rule is impermissible, and may be treated as a violation of Rule 301.

(f) Notwithstanding anything to the contrary in this Rule, if a Clearing Member that a Member has indicated as the Give Up rejects a trade, the Clearing Member that has issued a Letter of Guarantee pursuant to Rule 209, for such executing Member, shall be responsible for the clearance of the subject trade.

Interpretations and Policies:

.01 Nothing herein shall be deemed to preclude the clearance of Exchange Transactions by a non-Member pursuant to the Bylaws of the Clearing Corporation so long as a Clearing Member is also designated as having responsibility under these Rules for the clearance and comparison of such transactions.

[Adopted: December 13, 2016; amended March 11, 2019 (SR-PEARL-2019-04)]

Rule 508. Unit of Trading

The unit of trading in each series of options traded on the Exchange shall be the unit of trading established for that series by the Clearing Corporation pursuant to the Rules of the Clearing Corporation and the agreements of the Exchange with the Clearing Corporation.

[Adopted: December 13, 2016]

Rule 509. Meaning of Premium Bids and Offers

(a) **General**. Except as provided in paragraph (b), bids and offers shall be expressed in terms of dollars per unit of the underlying security. (e.g., a bid of "7" shall represent a bid of $700 for an option contract having a unit of trading consisting of 100 shares of an underlying security, or a bid of $770 for an option contract having a unit of trading consisting of 110 shares of an underlying security.)

(b) **Special Cases.** Bids and offers for an option contract for which an adjusted unit of trading has been established in accordance with Rule 405 shall be expressed in terms of dollars per .01 part of the total securities and/or other

property constituting such adjusted unit of trading. (e.g., an offer of "6" shall represent an offer of $600 on an option contract having a unit of trading consisting of 100 shares of an underlying security plus 10 rights.)

(c) **Mini-options**. Bids and offers for an option contract overlying 10 shares shall be expressed in terms of dollars per 1/10th part of the total value of the contract. An offer of ".50" shall represent an offer of $5.00 for an option contract having a unit of trading consisting of 10 shares.

[Adopted: December 13, 2016]

Rule 510. Minimum Price Variations and Minimum Trading Increments

(a) **Minimum Price Variations.** The Board may establish Minimum Price Variations ("MPV") for options traded on the Exchange. Until such time as the Board makes a change in the variations, the following principles shall apply:

(1) If the option contract is trading at less than $3.00 per option, $.05.

(2) If the option contract is trading at $3.00 per option or higher, $.10.

(3) For options contracts traded pursuant to the Penny Interval Program as described in Rule 510(c):

(i) one cent ($0.01) for all options contracts in QQQ, SPY and IWM;

(ii) one cent ($0.01) for all other options contracts included in the Penny Interval Program that are trading at less than $3; and

(iii) five cents ($0.05) for all other option contracts included in the Penny Interval Program that are trading at or above $3.

(b) **Minimum Trading Increments.** Minimum Trading Increments for dealings in option contracts will be the Minimum Price Variations specified in paragraph (a).

(c) **Requirements for Penny Interval Program.** The Exchange will list option classes for the Penny Interval Program ("Penny Program") with minimum quoting requirements ("penny increments") of one cent ($0.01) and five cents ($0.05), as set forth in Rule 510(a)(3)(i)-(iii). The list of the option classes included in the Penny Program will be announced by the Exchange via Regulatory Circular and published by the Exchange on its website.

(1) **Initial Selection**. On the first trading day of the third full calendar month after April 1, 2020, the Penny Program will apply only to the 363 most actively traded multiply listed option classes, based on OCC's National Cleared Volume in the six full calendar months ending in the month of approval, that (i) currently quote in penny increments, or (ii) overlie securities priced below $200, or any index at an index level below $200. Eligibility for inclusion in the Penny Program will be determined at the close of trading on the monthly Expiration Friday of the second full month following April 1, 2020.

(2) **Annual Review**. Commencing in December 2020 and each December thereafter, OCC will rank all multiply listed option classes based on National Cleared Volume for the six full calendar months from June 1 through November 30 for determination of the most actively traded option classes.

(i) **Addition to the Penny Program**. Based on the Annual Review, any option class not in the Penny Program that is among the 300 most actively traded multiply listed option classes overlying securities priced below $200, or an index at an index level below $200, will be added to the Penny Program on the first trading day of January.

(ii) **Removal from the Penny Program**. Except as provided in (3), (4), (5) and (6) below, based on the Annual Review, any option class in the Penny Program that falls outside the 425 most actively traded multiply listed option classes will be removed from the Penny Program on the first trading day of April.

(3) **Newly listed Option Classes**. The Exchange may add to the Penny Program a newly listed option class provided that (i) it is among the 300 most actively traded multiply listed option classes, as ranked by National Cleared Volume at OCC, in its first full calendar month of trading, and (ii) the underlying security is priced below $200 or the underlying index is at an index level below $200. Any option class added under this provision will be added on the first trading day of the month after it qualifies and will remain in the Penny Program for one full calendar year, after which it will be subject to the Annual Review stated in sub-paragraph (2) of this Rule.

(4) **Classes with Significant Growth in Activity**. The Exchange may add any option class to the Penny Program, provided that (i) it is among the 75 most actively traded multiply listed option classes, as ranked by National Cleared Volume at OCC, in the past six full calendar months of trading and (ii) the underlying security is priced below $200 or the underlying index is at an index level below $200.

Any option class added under this provision will be added on the first trading day of the second full month after it qualifies and will remain in the Penny Program for the rest of the calendar year, after which it will be subject to the Annual Review stated in section (2) above.

(5) **Corporate Actions**. If a corporate action involves one or more option classes in the Penny Program, all adjusted and unadjusted series of the option class will be included in the Penny Program. Any option class added to the Penny Program under this provision will remain in the Penny Program for at least one full calendar year, after which it will be subject to the Annual Review stated in sub-paragraph (2) of this Rule.

(6) **Delisted or Ineligible Option Classes**. Any series in an option class participating in the Penny Program in which the underlying security has been delisted, or are identified by OCC as ineligible for opening customer transactions, will continue to quote pursuant to the terms of the Penny Program until all such options have expired.

Interpretations and Policies:

.01 [Reserved.]

.02 The minimum price variation for bids and offers for mini-options shall be determined in accordance with Interpretation and Policy .08(d) to Rule 404.

[Adopted: December 13, 2016; amended January 12, 2017 (SR-PEARL-2016-1); amended June 15, 2017 (SR-PEARL-2017-24); amended December 11, 2017 (SR-PEARL-2017-39); amended June 18, 2018 (SR-PEARL-2018-14); amended December 13, 2018 (SR-PEARL-2018-26); amended March 22, 2019 (SR-PEARL-2019-11); amended June 29, 2019 (SR-PEARL-2019-20); amended December 13, 2019 (SR-PEARL-2019-34); amended July 1, 2020 (SR-PEARL-2020-06)]

Rule 511. Acceptance of Quotes and Orders

All bids or offers made and accepted on the Exchange in accordance with the Rules shall constitute binding contracts, subject to applicable requirements of the Rules and the Rules of the Clearing Corporation.

[Adopted: December 13, 2016]

Rule 512. [Reserved]

Rule 513. Submission of Orders and Clearance of Transactions

(a) **Order Identification**. When entering orders on the Exchange, each Member shall submit trade information in such form as may be prescribed by the Exchange in order to allow the Exchange to properly prioritize and match bids and offers pursuant to Rule 514 and report resulting transactions to the Clearing Corporation.

(b) **Clearance of Transactions.**

(1) All transactions made on the Exchange shall be submitted for clearance to the Clearing Corporation, and all such transactions shall be subject to the Rules of the Clearing Corporation. Every Clearing Member shall be responsible for the clearance of the Exchange Transactions of such Clearing Member and of each Member who gives up such Clearing Member's name pursuant to a letter of authorization, letter of guarantee or other authorization given by such Clearing Member to such Member, which authorization must be submitted to the Exchange. This Rule will apply to all Clearing Members who either (i) have Restricted OCC Numbers with Authorized Members pursuant to Rule 507, or (ii) have non-Restricted OCC Numbers.

(2) On each business day at or prior to such time as may be prescribed by the Clearing Corporation, the Exchange shall furnish the Clearing Corporation a report of each Clearing Member's matched trades.

[Adopted: December 13, 2016; amended March 11, 2019 (SR-PEARL-2019-04)]

Rule 514. Priority on the Exchange

(a) **General**. The highest bid and lowest offer shall have priority on the Exchange.

(b) **Price-Time Allocation**. The System shall execute trading interest within the System in price-time priority, meaning it will execute all trading interest at the best price level within the System before executing trading interest at the next best price. Within each price level, if there are two or more orders at the best price, trading interest will be executed in time priority.

(c) **Self-Trade Protection.**

(1) Orders entered by a Market Maker via the MEO Interface or the FIX Interface will not be executed against orders entered on the opposite side of the market by (i) a Market Maker of the same firm, or alternatively, if selected by the Member, (ii) a Market Maker with the same MPID. In either case, the System will cancel the oldest of the orders back to the entering party prior to execution.

(2) If requested by an EEM, orders entered by an EEM via the MEO Interface using the same MPID will not be executed against orders entered on the opposite side of the market by the same EEM using the same MPID via

the MEO Interface. In such a case, the System will cancel the oldest of the orders back to the entering party prior to execution.

[Adopted: December 13, 2016; amended August 31, 2018 (SR-PEARL-2018-15)]

Rule 515. Execution of Orders

(a) **General.** Incoming orders and orders reevaluated pursuant to this Rule that are executable against orders in the System will be executed by the System in accordance with the following provisions, provided such orders will not be executed at prices inferior to the NBBO (as defined in Rules 100 and 1400(k)). Orders that could not be executed because the executions would be at prices inferior to the NBBO will be handled in accordance with the Managed Interest Process described in paragraph (d) below.

Post-Only Orders (as defined in Rule 516(j)) are evaluated with respect to locking or crossing other orders as follows: (i) if a Post-Only Order would lock or cross the current opposite side PBBO where the PBBO is the NBBO (the Post-Only Order locks or crosses an order on the System), the order will be handled pursuant to the Post-Only Price Process under Rule 515(g); or (ii) if a Post-Only Order would not lock or cross an order on the System but would lock or cross the ABBO where the PBBO is inferior to the ABBO, the order will be handled pursuant to the Managed Interest Process under Rule 515(d)(2). The handling of a Post-Only Order may move from one process to the other (i.e., a Post-Only Order initially handled under the Post-Only Price Process may upon reevaluation be handled under the Managed Interest Process if the PBBO changes and the Post-Only Order no longer locks or crosses an order on the System but locks or crosses the ABBO).

(b) **Order Locks or Crosses the NBBO and the PBBO is at the NBBO.** If the PBBO is at the NBBO, upon receipt of an order which locks or crosses the NBBO (other than a Post-Only Order which is handled pursuant to the Post-Only Price Process under paragraph (g) below), the System will immediately execute the new incoming order against the PBBO at or better than the PBBO price for a size which is the lesser of (i) the new incoming order; or (ii) the PBBO size.

(c) **Price Protection on Orders.** The System will apply the following price protection process to all orders. Price protection prevents an order from being executed beyond the price designated in the order's price protection instructions (the "price protection limit"). The price protection instructions will be expressed in units of MPV away from (i) the NBBO at the time of the order's receipt, or the PBBO if the ABBO is crossing the PBBO or (ii) the Opening Price (as defined in Rule 503(b)(2)) in the event that a New Opening Order (defined below) not traded during the Opening Process (as defined in Rule 503(b)(1)) is priced through the Opening Price. A New Opening Order is an order received prior to the opening, excluding any order remaining from the prior day's close or from before a trading halt. Market participants may designate price protection instructions on an order by order basis within a minimum and maximum number of MPVs away from (i) the NBBO at the time of receipt, or the PBBO if the ABBO is crossing the PBBO, or (ii) the Opening Price for New Opening Orders, as determined by the Exchange and announced to Members through a Regulatory Circular. The default price protection instruction will be within one (1) to five (5) MPVs away from (i) the NBBO at the time of receipt, or the PBBO if the ABBO is crossing the PBBO, or (ii) the Opening Price for New Opening Orders, as determined by the Exchange and announced to Members through a Regulatory Circular. When triggered, the price protection process will cancel an order or the remaining contracts of an order. The System will not execute such orders at prices inferior to the current NBBO. The price protection process set forth in this subsection (c) will not apply to (i) orders received prior to the opening that are not priced through the Opening Price; or (ii) orders that remain on the Book from a prior trading session. Further, the price protection process set forth in this subsection (c) will not apply to Intermarket Sweep Orders ("ISOs") which will be handled in accordance with paragraph (f) below.

(d) **Orders That Could Not Be Executed or Could Not Be Executed in Full at the Original NBBO Upon Receipt.** An incoming order that could not be executed or could not be executed in full at the original NBBO upon receipt will be handled in accordance with the following provisions. In addition, orders that are reevaluated by the System for execution pursuant to an order's price protection instructions that could not be executed or could not be executed in full at the NBBO at the time of reevaluation will be handled in accordance with the following provisions. The following paragraphs will apply to orders both (i) upon receipt by the System, and (ii) upon reevaluation by the System for execution and according to the price protections designated on the order. The term "initiating order" will be used in the following paragraphs to refer to (i) the incoming order that could not be executed, (ii) the order reevaluated by the System for execution that could not be executed, or (iii) the remaining contracts of the incoming order or reevaluated order that could not be executed in full. The term "original NBBO" will be used in the following paragraphs to refer to the NBBO that existed at time of receipt of the initiating order or the NBBO at time of reevaluation of an order pursuant to this Rule.

(1) **Orders Eligible for Routing**. The System will seek to trade the initiating order to the extent possible at MIAX Pearl and route an Eligible Order (as defined in Rule 529) to the ABBO until the first of: (i) the order is fully executed; (ii) the order has traded or routed to and including its price protection limit, at which time any remaining contracts will be canceled; or (iii) the order has traded or routed to and including its limit price, at which time the System will display and book the initiating order at its limit price and will reevaluate the order for execution pursuant to this Rule. The System will not execute such orders at prices inferior to the current NBBO. The System will handle any routing of the order in accordance with the order routing provisions set forth in Rule 529.

(2) **Managed Interest Process for Non-Routable Orders**.

(i) If the initiating order is non-routable (for example, the Public Customer order was marked "Do Not Route" or the order was a Post-Only Order being handled under this subsection (d)(2)) the order will never be routed outside of the Exchange regardless of prices displayed by away markets. A non-routable initiating order may execute on the Exchange at a price equal to or better than, but not inferior to, the ABBO. The System will not execute such orders at prices inferior to the current NBBO. The System will seek to trade an initiating order or a resting Post-Only Order until the first of: (i) the order is fully executed; (ii) the order has traded to and including its price protection limit at which time any remaining contracts are canceled; or (iii) the order has traded to and including its limit price at which time the System will attempt to display and book the initiating order at its limit price and will reevaluate the order for execution pursuant to this Rule.

(ii) If the limit price of an order locks or crosses the current opposite side NBBO and the PBBO is inferior to the NBBO, the System will display the order one MPV away from the current opposite side NBBO, and book the order at a price that will lock the current opposite side NBBO. Should the NBBO price change to an inferior price level, the order's Book price will continuously re-price to lock the new NBBO and the managed order's displayed price will continuously re-price one MPV away from the new NBBO until (i) the order has traded to and including its limit price, (ii) the order has traded to and including its price protection limit at which time any remaining contracts are cancelled, (iii) the order is fully executed or (iv) the order is cancelled.

(iii) (A) If the Exchange receives a new order or quote on the opposite side of the market from the managed order that can be executed, the System will immediately execute the remaining contracts from the initiating order to the extent possible at the order's current Book price, provided that the execution price does not violate the current NBBO.

(B) If the Exchange receives a new Post-Only Order on the opposite side of the market from an order being managed under this subsection (d)(2) which is not a Post-Only Order and the new Post-Only Order locks or crosses the Book price of the resting order, the Exchange will reject the new Post-Only Order.

(C) If the Exchange receives a new Post-Only Order on the opposite side of the market from a Post-Only Order being managed under this subsection (d)(2) and the new Post-Only Order locks or crosses the Book price of the resting Post-Only Order, the Exchange will re-book the resting Post-Only Order at the same price as its displayed price and manage the resting Post-Only Order and the new Post-Only Order under the POP Process of subsection (g) of this Rule.

(D) If unexecuted contracts remain from the initiating order, the order's size will be revised and the PBBO disseminated to reflect the order's remaining contracts.

(iv) An order subject to the Managed Interest Process under this subsection (d)(2) will retain its original limit price irrespective of the prices at which such order is booked and displayed and will maintain its original timestamp. All orders that are re-booked and re-displayed pursuant to the Managed Interest Process will retain their priority as compared to other orders subject to the Managed Interest Process, based upon the time such order was initially received by the Exchange. Following the initial booking and display of an order subject to the Managed Interest Process, an order will only be re-booked and re-displayed to the extent it achieves a more aggressive price, provided, however, that the Exchange will re-book an order at the same price as the displayed price in the event such order's displayed price is locked or crossed by the ABBO. Such event will not result in a change in priority for the order at its displayed price.

(v) The Booked and displayed prices of an order subject to the Managed Interest Process may be adjusted once or multiple times depending on changes to the prevailing ABBO.

(e) **Handling of Immediate-or-Cancel ("IOC") Orders.** As defined in Rule 516(e), an IOC order is a limit order that is to be executed in whole or in part upon receipt, with any portion not so executed cancelled. Market participants may designate price protection instructions on an order by order basis for IOC orders in the manner described in paragraph (c) above. If an IOC order is executable against orders in the System and MIAX Pearl is the only exchange at the NBBO when an IOC order is received by the System, the System will execute the IOC order at the NBBO price or better and if the IOC order could not be executed in full the System may also execute the IOC order's remaining contracts at multiple prices not to exceed the IOC order's limit price or the order's price protection limit, provided the execution does not trade at a price inferior to the current ABBO. If other exchanges in addition to MIAX Pearl are also at the NBBO when the IOC order is received, the System will execute the IOC order at the NBBO price and cancel any remaining unexecuted contracts from the IOC order. If the PBBO is not at the NBBO at the time the IOC order is received or the IOC order is not executable against any orders in the System, the IOC order will be immediately cancelled.

(f) **Handling of Intermarket Sweep Orders ("ISOs").** As defined in Rule 516(f), ISOs are immediately executable in the System and are not eligible for routing to another exchange. As noted above, ISOs will not be handled in accordance with the price protection processes set forth in paragraph (c) above. The System will execute an ISO at multiple prices until (i) the ISO has been exhausted or its order has been completely filled; or (ii) the executions have reached the ISO's limit order price, whichever occurs first. Unexecuted contracts remaining from an ISO will be immediately cancelled.

(g) **Post-Only Price Process.**

(1) **General.** Post-Only Orders are defined in Rule 516(j). The following paragraphs will apply to a Post-Only Order where the limit price of a Post-Only Order locks or crosses the current opposite side PBBO where the PBBO is the NBBO (the Post-Only Order locks or crosses an order on the System) both (i) upon receipt by the System, and (ii) upon reevaluation by the System. A Post-Only Order will never route to another exchange.

(2) **Price Protection for Post-Only Orders.** The System will apply price protection to all Post-Only /Orders being handled under subsection (g) in accordance with subsection (c) above.

(3) **Post-Only Price Process.**

(i) A Post-Only Order subject to the process set forth in this subsection (g) (the "POP Process") may execute on the Exchange at a price equal to or better than, but not inferior to, the ABBO. The System will not execute a Post-Only Order at prices inferior to the current NBBO. The System will seek to trade the resting Post-Only Order until the first of: (i) the Post-Only Order is fully executed; (ii) the Post-Only Order has traded to and including its price protection limit at which time any remaining contracts are canceled; or (iii) the Post-Only Order has traded to and including its limit price at which time the System will attempt to display and book the initiating order at its limit price and will reevaluate the order for execution pursuant to this Rule.

(ii) If the limit price of a Post-Only Order locks or crosses the current opposite side PBBO where the PBBO is the NBBO (the Post-Only Order locks or crosses an order on the System), the Order will be handled in accordance with the POP Process set forth in this subsection (g) and the System will display and book the Post-Only Order one MPV away from the current opposite side PBBO. Should the PBBO price change to an inferior price level, the Post-Only Order's Book price and displayed price will continuously re-price to one MPV away from new PBBO until (i) the Post-Only Order has traded to and including its limit price, (ii) the Post-Only Order has traded to and including its price protection limit at which time any remaining contracts are cancelled, (iii) the Post-Only Order is fully executed or (iv) the Post-Only Order is cancelled.

(iii) (A) If the Exchange receives a new order or quote on the opposite side of the market from the Post-Only Order that can be executed, the System will immediately execute the remaining contracts from the resting Post-Only Order to the extent possible at the Post-Only Order's current Book price, provided that the execution price does not violate the current NBBO.

(B) If the Exchange receives a new Post-Only Order on the opposite side of the market from a Post-Only Order being managed under this subsection (g) which locks or crosses the Book price of the resting Post-Only Order, the Exchange will book and display the new Post-Only Order one MPV away from the current opposite side PBBO.

(C) If unexecuted contracts remain from the resting Post-Only Order, the Post-Only Order's size of the Post-Only Order will be revised and the PBBO disseminated to reflect the Post-Only Order's remaining contracts of the Post-Only Order.

(iv) A Post-Only Order subject to the POP Process under this subsection (g)(3) will retain its original limit price irrespective of the prices at which such Post-Only Order is booked and displayed and will maintain its original timestamp, provided however each time the order is booked and displayed at a more aggressive Book price, the order will receive a new timestamp. In the event the PBBO changes such that a Post-Only Order subject to the POP Process would be able to be booked and displayed at its actual limit price, the Post-Only Order will receive a new timestamp. All Post-Only Orders that are re-ranked and re-displayed pursuant to the POP Process will retain their priority as compared to other orders subject to the POP Process based upon the time such Post-Only Order was initially received by the Exchange. Following the initial ranking and display of a Post-Only Order subject to the POP Process, a Post-Only Order will only be re-ranked and re-displayed to the extent it achieves a more aggressive price, provided, however, that the Exchange will re-book a Post-Only Order at the same price as the displayed price in the event such order's displayed price is locked or crossed by the PBBO. Such event will not result in a change in priority for the Post-Only Order at its displayed price.

(v) The Booked and displayed prices of a Post-Only Order subject to the POP Process may be adjusted once or multiple times depending on changes to the prevailing PBBO.

Interpretations and Policies:

.01 In the course of the Managed Interest Process for Non-Routable Orders as provided in subparagraph (d)(2), if managed interest becomes tradable at multiple price points on the Exchange due to the ABBO transitioning from a crossed state to an uncrossed state, the initial trade price will be the midpoint of the PBBO, rounded up to the nearest MPV if necessary unless that price would be outside the ABBO, in which case the midpoint of the PBBO will be rounded to the nearest MPV at or inside the ABBO if necessary. An imbalance of orders on the buy side or sell side may result in orders that are not executed in whole or in part. Such orders will be handled in time sequence, beginning with the order with the oldest time stamp and may, in whole or in part, be placed on the Book, cancelled, executed, or routed in accordance with Rule 529.

.02 Immediately following the commencement of a trading halt pursuant to Rule 504 and at the end of each trading session, the System will cancel an order which was managed under this Rule where the order's price protection limit for a buy (sell) order is lower (higher) than the order's effective limit price. For purposes of this Rule, the effective limit price for: (i) a limit order will be the order's limit price (ii) a market order to buy will be the maximum price permitted by the Exchange's System; and (iii) a market order to sell will be the lowest MPV as established by Rule 510 (either $.01 for option classes quoted and traded in increments as low as $.01, or $.05 for option classes quoted and traded in increments as low as $.05).

[Adopted: December 13, 2016; amended February 6, 2017 (SR-PEARL-2017-05); amended April 3, 2017 (SR-PEARL-2017-11); amended May 18, 2017 (SR-PEARL-2017-22); amended June 21, 2019 (SR-PEARL-2019-19); amended September 18, 2019 (SR-PEARL-2019-24); amended December 19, 2019 (SR-PEARL-2019-35); amended October 25, 2021 (SR-PEARL-2021-43)]

Rule 516. Order Types

It should be noted that some of the order types defined below are valid only during certain portions of the trading day (e.g., after the opening). If a Member submits an order type during a time period when the order type is not valid, the System will reject the order. It should also be noted that not all of the order types listed and described in this Rule will be available for use on each of the MEO Interface and the FIX Interface. The Exchange will issue a Regulatory Circular listing which order types, among the order types set forth below, are available for delivery via the MEO Interface and which are available for delivery via the FIX Interface.

(a) **Market Order.** A market order is an order to buy or sell a stated number of option contracts at the best price available at the time of execution. A Market Maker may not submit a market order.

(b) **Limit Orders.** A limit order is an order to buy or sell a stated number of option contracts at a specified price or better.

(c) **Marketable Limit Orders.** A marketable limit order is a limit order to buy (sell) at or above (below) the best offer (bid) on the Exchange.

(d) **Cancel-Replacement Order.** A Cancel-replacement order is a single message for the immediate cancellation of a previously received order and the replacement of that order with a new order with new terms and conditions. The

replacement order will not retain the priority of the cancelled order except when the replacement order reduces the open size of the order and all other terms and conditions are retained.

(e) **Immediate-or-Cancel Orders.** An immediate-or-cancel order is an order that is to be executed in whole or in part upon receipt. Any portion not so executed is cancelled. An immediate-or-cancel order is not valid during the Opening Process described in Rule 503.

(f) **Intermarket Sweep Order.** An Intermarket Sweep Order or "ISO", as defined in Rule 1400(i), is a limit order that is designated by a Member as an ISO in the manner prescribed by the Exchange, and is executed within the System by Members without respect to Protected Quotations of other Eligible Exchanges as defined in Rule 1400(q) and (g). ISOs are immediately executable within the System and shall not be eligible for routing. ISOs that are not designated as immediate or cancel will be cancelled by the System if not executed upon receipt. Simultaneously with the routing of an ISO to the System, one or more additional limit orders, as necessary, are routed by the entering Member to execute against the full displayed size of any Protected Bid or Protected Offer (as defined in Rule 1400(p)) in the case of a limit order to sell or buy with a price that is superior to the limit price of the limit order identified as an ISO. These additional routed orders must be identified as ISOs. An ISO is not valid during the Opening Process described in Rule 503.

(g) **Do Not Route Order.** A Do Not Route or "DNR" order is an order that will never be routed outside of the Exchange regardless of the prices displayed by away markets. A DNR order may execute on the Exchange at a price equal to or better than, but not inferior to, the best away market price but, if that best away market remains, the DNR order will be handled in accordance with the Managed Interest Process described in Rule 515(d)(2).

(h) **Day Limit Order.** A Day Limit Order is an order to buy or sell which, if not executed, expires at the end of trading in the security on the day on which it was entered.

(i) **Good 'Til Cancelled Order.** A Good 'til Cancelled or "GTC" Order is an order to buy or sell which remains in effect until it is either executed, cancelled or the underlying option expires.

(j) **"Post-Only Orders"** are orders that will not remove liquidity from the Book. Post-Only Orders are to be ranked and executed on the Exchange pursuant to Rule 514 (Priority on the Exchange), or handled pursuant to Rule 515, as appropriate, and will never route away to another trading center. Post-Only Orders are evaluated with respect to locking or crossing other orders as follows: (i) if a Post-Only Order would lock or cross an order on the System, the order will be handled pursuant to the Post-Only Price Process under Rule 515(g); or (ii) if a Post-Only Order would not lock or cross an order on the System but would lock or cross the ABBO where the PBBO is inferior to the ABBO, the order will be handled pursuant to the Managed Interest Process under Rule 515(d). The handling of a Post-Only Order may move from one process to the other (i.e., a Post-Only Order initially handled under the Post-Only Price Process may upon reevaluation be handled under the Managed Interest Process if the PBBO changes and the Post-Only Order no longer locks or crosses an order on the System but locks or crosses the ABBO). A Post-Only Order is valid during the Opening Process and will be processed in accordance with Rule 503. The Post-Only instruction will be ignored for Post-Only Orders that participate in the Opening Process. A Post-Only Order may not be a market order, Immediate-or-Cancel Order, an Intermarket Sweep Order or a Good 'til Cancelled Order. Post-Only Orders received before the Opening Process or during a trading halt may participate in the next Opening Process. Post-Only Orders received after the market close will be rejected.

[Adopted: December 13, 2016; amended May 3, 2017 (SR-PEARL-2017-16); amended December 19, 2019 (SR-PEARL-2019-35)]

Rule 517A. Aggregate Risk Manager for EEMs ("ARM-E")

(a) **EEM Counting Program.** The System will maintain a counting program ("EEM Counting Program") for each participating EEM who has submitted an order in an EEM Specified Option Class using a specified MPID of the EEM and delivered via the MEO Interface as described herein (an "EEM ARM Eligible Order"). The EEM Counting Program will count the number of contracts executed by an EEM from an EEM ARM Eligible Order (the "EEM ARM Contracts") within a specified time period that has been established by the EEM (the "EEM Specified Time Period"). An "EEM Specified Option Class" is a class in which the EEM has designated as a class to be protected via ARM-E. The EEM Specified Time Period cannot exceed 15 seconds. The EEM may also establish for each EEM Specified Option Class an EEM Allowable Engagement Percentage. When an execution of an EEM ARM Contract from an EEM ARM Eligible Order occurs, the System will look back over the EEM Specified Time Period to determine whether the sum of contract executions from such EEM ARM Eligible Order during such EEM Specified Time Period triggers the ARM-E.

(b) **EEM Risk Manager.** The System will engage the Aggregate Risk Manager for EEMs ("ARM-E") in a particular EEM Specified Option Class when the EEM Counting Program has determined that an EEM has executed during the EEM Specified Time Period a number of EEM ARM Contracts from an EEM ARM Eligible Order equal to or above their EEM Allowable Engagement Percentage. ARM-E will then, until the EEM sends a notification to the System of the intent to reengage and submits a new order in the EEM Specified Option Class: (i) automatically cancel the EEM ARM Eligible Orders in all series of that particular EEM Specified Option Class and (ii) reject new EEM ARM Eligible Orders by the EEM in all series of that particular EEM Specified Option Class submitted using the MEO Interface.

(c) **EEM Allowable Engagement Percentage.** To determine whether the EEM's executed contracts from an EEM ARM Eligible Order is equal to or above their EEM Allowable Engagement Percentage the following will occur:

(1) for each execution of a contract from an EEM ARM Eligible Order in an EEM Specified Option Class, the EEM Counting Program will determine the percentage that the number of contracts executed in that trade represents relative to the original size of the EEM ARM Eligible Order which was traded (the "EEM Trade Percentage"); and

(2) the EEM Counting Program will add the individual EEM Trade Percentages in the EEM Specified Option Class to determine the realized engagement percentage by the EEM (the "EEM Realized Engagement Percentage"). When the EEM Realized Engagement Percentage equals or exceeds the EEM Allowable Engagement Percentage the ARM-E will cancel and reject the EEM ARM Eligible Orders in the EEM Specified Option Class as described above.

(d) All of an EEM's orders in each EEM Specified Option Class will be considered firm until such time as the EEM Allowable Engagement Percentage threshold has been equaled or crossed and the EEM ARM Eligible Orders are cancelled by the ARM-E in all series of that EEM Specified Option Class as described herein. Any marketable orders that are executable against EEM's orders that are received prior to the time the ARM-E is engaged will be automatically executed at the disseminated price up to the EEM's disseminated size, regardless of whether such an execution results in executions in excess of the EEM Allowable Engagement Percentage.

Interpretations and Policies:

.01 Immediate-or-Cancel ("IOC") orders submitted by an EEM using the MEO Interface are not EEM ARM Eligible Orders.

.02 **EEM Single Side Protection.** An EEM may determine to engage the EEM Single Side Protection ("SSP") feature for orders delivered via the MEO Interface by MPID. If the full remaining size of an EEM's order, in an individual option, is exhausted by a trade, the System will trigger the SSP. When triggered, the System will cancel all open

orders and block all new inbound orders delivered via the MEO Interface, for that particular side of that individual option for that MPID. The System will provide a notification message to the EEM. The block will remain in effect until the EEM notifies the Exchange (in a manner required by the Exchange and communicated to EEMs by Regulatory Circular) to reset the SSP ("SSP Reset"). Intermarket Sweep Orders are not eligible for EEM Single Side Protection and are not canceled or blocked when the SSP is triggered.

[Adopted: December 13, 2016; amended April 5, 2017 (SR-PEARL-2017-12); amended December 29, 2017 (SR-PEARL-2017-37); amended February 6, 2018 (SR-PEARL-2018-01)]

Rule 517B. Aggregate Risk Manager for Market Makers ("ARM-M")

(a) **Market Maker Counting Program.** The System will maintain a counting program ("MM Counting Program") for each Market Maker who has submitted an order in an option class (an "MM Option Class") delivered via the MEO Interface as described herein (an "MM ARM Eligible Order"). The MM Counting Program will count the number of contracts executed by a Market Maker from an MM ARM Eligible Order (the "MM ARM Contracts") within a specified time period that has been established by the Market Maker or as a default setting, as defined below (the "MM Specified Time Period"). The MM Specified Time Period cannot exceed 15 seconds whether established by the Market Maker or as a default setting, as defined below. The Market Maker may also establish for each MM Option Class an MM Allowable Engagement Percentage. The Exchange will establish a default MM Specified Time Period and a default Allowable Engagement Percentage ("default settings") on behalf of a Market Maker that has not established an MM Specified Time Period and/or an MM Allowable Engagement Percentage. The default MM Allowable Engagement Percentage shall not be less than 100%. The default settings will be determined by the Exchange on an Exchange-wide basis and announced to Members via Regulatory Circular. When an execution of an MM ARM Contract from an MM ARM Eligible Order occurs, the System will look back over the MM Specified Time Period to determine whether the sum of contract executions from such MM ARM Eligible Order during such MM Specified Time Period triggers the ARM-M.

(b) **Market Maker Risk Manager.** The System will engage the Aggregate Risk Manager for Market Makers ("ARM-M") in a particular MM Option Class when the MM Counting Program has determined that a Market Maker has executed during the MM Specified Time Period a number of MM ARM Contracts from an MM ARM Eligible Order equal to or above their MM Allowable Engagement Percentage. ARM-M will then, until the Market Maker sends a notification to the System of the intent to reengage and submits a new order in the MM Option Class: (i) automatically cancel the MM ARM Eligible Orders in all series of that particular MM Option Class and (ii) reject new MM ARM Eligible Orders by the Market Maker in all series of that particular MM Option Class submitted using the MEO Interface.

(c) **Market Maker Allowable Engagement Percentage.** To determine whether the Market Maker's executed contracts from an MM ARM Eligible Order is equal to or above their MM Allowable Engagement Percentage the following will occur:

(1) for each execution of a contract from an MM ARM Eligible Order in an MM Option Class, the MM Counting Program will determine the percentage that the number of contracts executed in that trade represents relative to the original size of the MM ARM Eligible Order which was traded (the "MM Trade Percentage"); and

(2) the MM Counting Program will add the individual MM Trade Percentages in the MM Option Class to determine the realized engagement percentage by the Market Maker (the "MM Realized Engagement Percentage"). When the MM Realized Engagement Percentage equals or exceeds the MM Allowable Engagement Percentage the ARM-M will cancel and reject the MM ARM Eligible Orders in the MM Option Class as described above.

(d) All of a Market Maker's orders in each MM Option Class will be considered firm until such time as the MM Allowable Engagement Percentage threshold has been equaled or crossed and the MM ARM Eligible Orders are cancelled by the ARM-M in all series of that MM Option Class as described herein. Any marketable orders that are executable against Market Maker's orders that are received prior to the time the ARM-M is engaged will be automatically executed at the disseminated price up to the Market Maker's disseminated size, regardless of whether such an execution results in executions in excess of the MM Allowable Engagement Percentage.

Interpretations and Policies:

.01 **Enhanced Aggregate Risk Manager Protections.** Market Makers may determine to engage any of the following Enhanced Aggregate Risk Manager Protections in the System:

(a) **Protection for One Option Class ("ARM Class Protection").** A Market Maker may determine to engage the ARM Class Protection feature for a particular MM Option Class which has MM ARM Eligible Orders in a protected MPID (an "ARM Option Class"). When an ARM Option Class in a protected MPID has been equaled or exceeded a specified number of times (not less than three times and not more than 99 times) within a specified time period (for purposes of the ARM Class Protection, the "ARM Trigger Counting Period") (each as determined by the Market Maker), the ARM Class Protection feature will cancel and reject the MM ARM Eligible Orders in such ARM Option Class from the protected MPID as described above until the Market Maker instructs the Exchange (in a manner required by the Exchange and communicated to Market Makers by Regulatory Circular) to reset the ARM Class Protection feature. The ARM Trigger Counting Period may not be less than one second and may not exceed 24,300 seconds.

(b) **Protection for More Than One Option Class ("ARM Firm Protection").** A Market Maker may determine to engage the ARM Firm Protection feature for more than one class of options which has MM Eligible ARM Orders and are traded via the MEO Interface under all of the MPIDs of such Market Maker's firm (the "Firm Protected ARM Option Classes"). The System will aggregate the specified number of times that the MM Allowable Engagement Percentage has been equaled or exceeded in a specified number of such Firm Protected ARM Option Classes within the ARM Trigger Counting Period. When the MM Allowable Engagement Percentage has been equaled or exceeded within the ARM Trigger Counting Period (each as determined by the Market Maker) in the defined number of Firm Protected ARM Option Classes, the ARM Firm Protection feature will cancel and reject all of the Firm Protected ARM Option Classes until the Market Maker instructs the Exchange (in a manner required by the Exchange and communicated to Market Makers by Regulatory Circular) to reset the ARM Firm Protection feature. In the event that the MM Allowable Engagement Percentage in one option class is equaled or exceeded multiple times during the applicable ARM Trigger Counting Period, the System will consider such multiple events to be one single trigger for purposes of engagement of the ARM Firm Protection feature.

(c) **Market Maker Single Side Protection.** A Market Maker may determine to engage the Market Maker Single Side Protection ("SSP") feature for orders delivered via the MEO Interface by MPID. If the full remaining size of a Market Maker's order in an individual option, is exhausted by a trade, the System will trigger the SSP. When triggered, the System will cancel all open orders and block all new inbound orders delivered via the MEO Interface, for that particular side of that individual option for that MPID. The System will provide a notification message to the Market Maker. The block will remain in effect until the Market Maker notifies the Exchange (in a manner required by the Exchange and communicated to Market Makers by Regulatory Circular) to reset the SSP ("SSP Reset"). Intermarket Sweep Orders are not eligible for Market Maker Single Side Protection and are not canceled or blocked when the SSP is triggered.

.02 Immediate-or-Cancel ("IOC") orders submitted by a Market Maker using the MEO Interface are not MM ARM Eligible Orders.

[Adopted: December 13, 2016; amended April 5, 2017 (SR-PEARL-2017-12); amended December 29, 2017 (SR-PEARL-2017-37); amended February 6, 2018 (SR-PEARL-2018-01)]

Rule 518. [Reserved]

Rule 519. MIAX Pearl Order Monitor ("MOM")

(a) **Order Price Protections**. In order to avoid the occurrence of potential obvious or catastrophic errors on the Exchange, the System will take the following steps in accordance with the MIAX Pearl Order Monitor, which will prevent certain orders from executing or being placed on the Book at prices outside pre-set standard limits. Beginning after the Opening Process is complete, the MIAX Pearl Order Monitor will be operational each trading day until the close of trading. The MIAX Pearl Order Monitor will not be operational during a trading halt.

(1) **Market Orders to Sell.**

(i) Threshold Setting. For the purposes of this Rule an EEM may establish a pre-set value to be used as the threshold setting ("Threshold Setting") by communicating its value to the Exchange's Help Desk in a form and manner to be determined by the Exchange and communicated via Regulatory Circular. The Exchange will establish a default Threshold Setting of $0.10 and communicate its value to Members via Regulatory Circular. If an EEM does not establish a Threshold Setting the Exchange default value will be used.

(ii) If the Exchange receives a market order from an EEM to sell an option when the national best bid is zero and the national best offer is less than or equal to the Threshold Setting, the System will convert the market order to sell, to a limit order to sell, with a limit price of one Minimum Trading Increment.

(iii) If the Exchange reevaluates a market order from an EEM to sell an option when the resulting national best bid is zero and either the trade price, route price, or national best offer is less than or equal to the Threshold Setting, the System will convert the market order to sell, to a limit order to sell, with a limit price of one Minimum Trading Increment.

(iv) In either case of (ii) or (iii) above such sell orders will automatically be placed on the Book in time priority and will be displayed at the appropriate Minimum Price Variation.

(v) If the Exchange receives a market order from an EEM to sell an option when the national best bid is zero and the national best offer is greater than the Threshold Setting, the System will reject the order.

(vi) If the Exchange reevaluates a market order from an EEM to sell an option when the resulting national best bid is zero and both (A) the trade price or route price, and (B) the national best offer are greater than the Threshold Setting, the System will reject the order or cancel any unexecuted balance of the order.

(2) **Market Orders to Buy or Sell.**

(i) If the differential between the bid and the offer of the NBBO is equal to or greater than $5.00, market orders from an EEM to buy or sell will be rejected by the System upon receipt.

(ii) Notwithstanding the foregoing, certain options classes may be designated by the Exchange as Extended Market Width classes and as such will be exempt from subparagraph (a)(2)(i) above. A list of Extended Market Width classes will be made available to Members through the issuance of a Regulatory Circular.

(3) **Limit Orders to Buy.** For options with a National Best Offer ("NBO") greater than $0.50 the System will reject an incoming limit order from a Market Maker or an EEM that has a limit price equal to or greater than the NBO by the lesser of (i) $2.50, or (ii) 50% of the NBO price. For options with an NBO less than or equal to $0.50 the System will reject an incoming limit order from a Market Maker or an EEM that has a limit price that is equal to or greater than the NBO price by $0.25.

For example: (A) if the NBO is $12.00 an incoming limit order to buy options for $14.50 or more will be rejected; and (B) if the NBO is $0.10 an incoming limit order to buy options for $0.15 will not be rejected; whereas if the NBO is $0.10 an incoming limit order to buy options for $0.35 will be rejected as the limit price of the order is $0.25 greater than the NBO.

(4) **Limit Orders to Sell.** For options with a National Best Bid ("NBB") greater than $0.25 the System will reject an incoming limit order from a Market Maker or an EEM that has a limit price equal to or less than the NBB by the lesser of (i) $2.50, or (ii) 50% of the NBB price. For options with an NBB of $0.25 or less the System will accept any incoming limit order from a Market Maker or an EEM.

For example: (A) if the NBB is $12.00 an incoming limit order to sell options for $9.50 or less will be rejected, and (B) if the NBB is $0.30 an incoming limit order to sell options for $0.15 will be rejected; whereas if the NBB is $0.30 an incoming limit order to sell options for $0.20 will not be rejected as the limit price of the order is not less than 50% of the NBB price.

(b) **Order Size Protections.** The System will prevent certain orders from executing or being placed on the Book if the size of the order exceeds the order size protection designated by an EEM. If the maximum size of orders is not designated by an EEM, the Exchange will set a maximum size of orders on behalf of an EEM by default. An EEM may designate the order size protection on a firm wide basis. The default maximum size of orders will be determined by the Exchange and announced to Members through a Regulatory Circular. The order size protections will apply separately to orders entered via the MEO Interface and the FIX Interface.

(c) **Open Order Protection.** The System will reject any orders that exceed the maximum number of open orders held in the System on behalf of a particular EEM, as designated by the EEM. EEMs may designate the open order protection on a firm wide basis. If the maximum number of open orders is not designated by the EEM, the Exchange will set a maximum number of open orders on behalf of the EEM by default. The default maximum number of open orders will be determined by the Exchange and announced to Members through a Regulatory Circular. The open order protections will apply separately to orders entered via the MEO Interface and the FIX Interface.

(d) **Open Contract Protection.** The System will reject any orders that exceed the maximum number of open contracts represented by orders held in the System on behalf of a particular EEM, as designated by the EEM. EEMs may designate the open contract protection on a firm wide basis. If the maximum number of open contracts is not designated by the EEM, the Exchange will set a maximum number of open contracts on behalf of the EEM by default. The default maximum number of open contracts will be determined by the Exchange and announced to Members through a Regulatory Circular. The open contract protections will apply separately to orders entered via the MEO Interface and the FIX Interface.

Interpretations and Policies:

.01 For purposes of this Rule, in singly listed series the PBBO shall be deemed to be the NBBO.

.02 The order price protections of the MIAX Pearl Order Monitor pursuant to section (a) will not apply to incoming orders marked as Intermarket Sweep Orders (ISO).

[Adopted: December 13, 2016; amended January 11, 2019 (SR-PEARL-2018-25); amended October 3, 2019 (SR-PEARL-2019-28); amended October 25, 2021 (SR-PEARL-2021-43); amended June 14, 2022 (SR-PEARL-2022-22)]

Rule 519A. Risk Protection Monitor for Orders Entered via the FIX Interface ("RPM-FIX")

(a) **Voluntary Risk Protection Functionality.** The System will maintain a counting program ("counting program") for each participating Member that will count the number of orders entered and the number of contracts traded via an order entered by a Member on the Exchange via the FIX Interface within a specified time period that has been established by the Member (the "specified time period"). The maximum duration of the specified time period will be established by the Exchange and announced via a Regulatory Circular. The RPM-FIX Monitor maintains one or more Member-configurable FIX Interface Allowable Order Rate settings and FIX Interface Allowable Contract Execution Rate settings. When a Member's order is entered or when an execution of a Member's order occurs via the FIX Interface, the System will look back over the specified time period to determine if the Member has: (i) entered during the specified time period a number of orders exceeding their FIX Interface Allowable Order Rate setting(s), or (ii) executed during the specified time period a number of contracts exceeding their FIX Interface Allowable Contract Execution Rate setting(s). Once engaged, the RPM-FIX Monitor will then, as determined by the Member: automatically either (A) prevent the System from receiving any new orders in all series in all classes from the Member via the FIX Interface; (B) prevent the System from receiving any new orders in all series in all classes from the Member and cancel all existing orders with a time-in-force of Day in all series in all classes from the Member via the FIX Interface; or (C) send a notification to the Member without any further preventative or cancellation action by the System. When engaged, the RPM-FIX Monitor will still allow the Member to interact with existing orders entered prior to exceeding the FIX Interface Allowable Order Rate setting or the FIX Interface Allowable Contract Execution Rate setting, including sending cancel order messages and receiving trade executions from those orders via the FIX Interface. The RPM-FIX Monitor shall remain engaged until the Member communicates with the Help Desk to enable the acceptance of new orders.

(b) **Mandatory Participation.** EEMs using the FIX Interface must establish at least one FIX Interface Allowable Order Rate setting, with a corresponding specified time period of not less than one second, and not to exceed ten seconds, as established by the Exchange and communicated to Members via Regulatory Circular (a "Corresponding Specified Time Period") and at least one FIX Interface Allowable Contract Execution Rate setting (with a Corresponding Specified Time Period), both of which must be configured to perform the step set forth in either (A) or (B) of subparagraph (a) of this Rule above, upon engagement of the RPM-FIX Monitor. EEMs may establish additional FIX Interface Allowable Order Rate settings and additional FIX Interface Allowable Contract Execution Rate settings, and any such additional settings may be configured to perform the step set forth in either (A), (B), or (C) of subparagraph (a) of this Rule above, upon engagement of the RPM-FIX Monitor.

Interpretations and Policies:

.01 **EEM Grouping.**

(a) EEMs may elect to group with other EEMs to enable the RPM-FIX Monitor to apply collectively to the group. The EEMs in the group must designate a group owner. EEMs may elect to group provided that either: (i) there is at least

75% common ownership between the firms as reflected on each firm's Form BD, Schedule A; or (ii) there is written authorization signed by all EEMs in the group and the group owner maintains exclusive control of all orders sent to the Exchange from each MPID within the group via the FIX Interface.

(b) An EEM may elect to group with the EEM's clearing firm. A clearing firm may also elect to group several EEMs to enable the RPM-FIX Monitor to apply collectively to the group with the clearing firm designated as the group owner, provided that the clearing firm serves as the clearing firm for all the MPIDs of the group and there is written authorization signed by the clearing firm and each EEM of the group. A clearing firm that has grouped several EEMs may only receive warning messages pursuant to Interpretation and Policy .03 of this Rule, unless one EEM of the group maintains exclusive control of all orders sent to the Exchange from each MPID within the group via the FIX Interface.

(c) The RPM-FIX Monitor for groups will operate in the same manner as described in paragraphs (a) and (b) of Rule 519A, except that: (i) the counting program will count the number of orders entered and the number of contracts traded resulting from an order entered by all MPIDs in the group collectively via the FIX Interface; (ii) the System will trigger the RPM-FIX Monitor when the group collectively exceeds either the FIX Interface Allowable Order Rate or the FIX Interface Allowable Contract Execution Rate for the group; (iii) once engaged, the RPM-FIX Monitor will then either automatically prevent the System from receiving any new orders in all series in all classes from each MPID in the group via the FIX Interface, and, if designated by the group owner's instructions, cancel all existing orders with a time-in-force of Day in all series in all classes from the group via the FIX Interface, or send a notification without any further preventative or cancellation action by the System; and (iv) only the designated group owner may request through the Help Desk to accept new orders for all the EEMs of the group.

.02 GTC Orders and any orders with a time-in-force other than Day received via the FIX Interface will not be cancelled by the RPM-FIX Monitor. However, the System does include such orders received via the FIX Interface in the counting program for purposes of this Rule. Once engaged, the RPM-FIX Monitor will block, but will not cancel any existing GTC orders and any other orders with a time-in-force other than Day. Such orders will remain in the System available for trading when the RPM-FIX Monitor is engaged.

.03 EEMs may elect to receive warning notifications indicating that a specific percentage of a FIX Interface Allowable Order Rate or a FIX Interface Allowable Contract Execution Rate has been met.

.04 At the request of an EEM or in order to maintain a fair and orderly market, the Exchange may pause and restart the specified time period used by the counting program or clear and reset any calculated FIX Interface Allowable Order Rate or FIX Interface Allowable Contract Execution Rate.

[Adopted: December 13, 2016; amended February 6, 2017 (SR-PEARL-2017-06)]

Rule 519B. Risk Protection Monitor for Orders Entered via the MEO Interface ("RPM-MEO")

(a) **Voluntary Risk Protection Functionality.** The System will maintain a counting program ("counting program") for each participating EEM that will count the number of orders entered and the number of contracts traded via an order entered by an EEM on the Exchange via the MEO Interface within a specified time period that has been established by the EEM (the "specified time period"). The maximum duration of the specified time period will be established by the Exchange and announced via a Regulatory Circular. The RPM-MEO Monitor maintains one or more EEM-configurable MEO Interface Allowable Order Rate settings and MEO Interface Allowable Contract Execution Rate settings. When an EEM's order is entered or when an execution of an EEM's order occurs via the MEO Interface, the System will look back over the specified time period to determine if the EEM has: (i) entered during the specified time period a number of orders exceeding their MEO Interface Allowable Order Rate setting(s), or (ii)

executed during the specified time period a number of contracts exceeding their MEO Interface Allowable Contract Execution Rate setting(s). Once engaged, the RPM-MEO Monitor will then, as determined by the EEM: automatically either (A) prevent the System from receiving any new orders in all series in all classes from the EEM via the MEO Interface; (B) prevent the System from receiving any new orders in all series in all classes from the EEM and cancel all existing orders with a time-in-force of Day in all series in all classes from the EEM via the MEO Interface; or (C) send a notification to the EEM without any further preventative or cancellation action by the System. When engaged, the RPM-MEO Monitor will still allow the EEM to interact with existing orders entered prior to exceeding the MEO Interface Allowable Order Rate setting or the MEO Interface Allowable Contract Execution Rate setting, including sending cancel order messages and receiving trade executions from those orders via the MEO Interface. The RPM-MEO Monitor shall remain engaged until the EEM communicates with the Help Desk to enable the acceptance of new orders.

(b) **Mandatory Participation.** EEMs using the MEO Interface must establish at least one MEO Interface Allowable Order Rate setting, with a corresponding specified time period of not less than one second, and not to exceed ten seconds, as established by the Exchange and communicated to Members via Regulatory Circular (a "Corresponding Specified Time Period") and at least one MEO Interface Allowable Contract Execution Rate setting (with a Corresponding Specified Time Period), both of which must be configured to perform the step set forth in either (A) or (B) of subparagraph (a) of this Rule above, upon engagement of the RPM-MEO Monitor. EEMs may establish additional MEO Interface Allowable Order Rate settings and additional MEO Interface Allowable Contract Execution Rate settings, and any such additional settings may be configured to perform the step set forth in either (A), (B), or (C) of subparagraph (a) of this Rule above, upon engagement of the RPM-MEO Monitor.

Interpretations and Policies:

.01 **EEM Grouping**.

(a) EEMs may elect to group with other EEMs to enable the RPM-MEO Monitor to apply collectively to the group. The EEMs in the group must designate a group owner. EEMs may elect to group provided that either: (i) there is at least 75% common ownership between the firms as reflected on each firm's Form BD, Schedule A; or (ii) there is written authorization signed by all EEMs in the group and the group owner maintains exclusive control of all orders sent to the Exchange from each MPID within the group via the MEO Interface.

(b) An EEM may elect to group with the EEM's clearing firm. A clearing firm may also elect to group several EEMs to enable the RPM-MEO Monitor to apply collectively to the group with the clearing firm designated as the group owner, provided that the clearing firm serves as the clearing firm for all the MPIDs of the group and there is written authorization signed by the clearing firm and each EEM of the group. A clearing firm that has grouped several EEMs may only receive warning messages pursuant to Interpretation and Policy .03 of this Rule, unless one EEM of the group maintains exclusive control of all orders sent to the Exchange from each MPID within the group via the MEO Interface.

(c) The RPM-MEO Monitor for groups will operate in the same manner as described in paragraphs (a) and (b) of Rule 519A, except that: (i) the counting program will count the number of orders entered and the number of contracts traded resulting from an order entered by all MPIDs in the group collectively via the MEO Interface; (ii) the System will trigger the RPM-MEO Monitor when the group collectively exceeds either the MEO Interface Allowable Order Rate or MEO Interface Allowable Contract Execution Rate for the group; (iii) once engaged, the RPM-MEO Monitor will then either automatically prevent the System from receiving any new orders in all series in all classes from each MPID in the group via the MEO Interface, and, if designated by the group owner's instructions, cancel all existing orders with a time-in-force of Day in all series in all classes from the group via the MEO Interface, or send a notification

without any further preventative or cancellation action by the System; and (iv) only the designated group owner may request the Help Desk to accept new orders for all the EEMs of the group.

.02 Any orders with a time-in-force other than Day received via the MEO Interface will not be cancelled by the RPM-MEO Monitor. However, the System does include such orders received via the MEO Interface in the counting program for purposes of this Rule. Once engaged, the RPM-MEO Monitor will block but will not cancel any orders with a time-in-force other than Day. Such orders will remain in the System available for trading when the RPM-MEO Monitor is engaged.

.03 EEMs *may* elect to receive warning notifications indicating that a specific percentage of an MEO Interface Allowable Order Rate or an MEO Interface Allowable Contract Execution Rate has been met.

.04 At the request of an EEM or in order to maintain a fair and orderly market, the Exchange may pause and restart the specified time period used by the counting program or clear and reset any calculated MEO Interface Allowable Order Rate or MEO Interface Allowable Contract Execution Rate.

[Adopted: December 13, 2016; amended February 6, 2017 (SR-PEARL-2017-06)]

Rule 519C. Mass Cancellation of Trading Interest

(a) **Cancel.** A Member may remove all of its quotations and/or cancel all or any subset of its orders in the System, by firm name or by Market Participant Identifier ("MPID"), by requesting the Exchange staff to effect such cancellations.

(b) **Cancel and Block.** A Member may request that the Exchange (i) remove all of its quotations and cancel all of its orders in the System and (ii) block all new inbound quotations and orders, by firm name or by MPID. A Member may also request that the Exchange cancel all of its MEO Day orders in the System and block all new inbound MEO Day orders by MPID. The block will remain in effect until the Member requests that the Exchange remove the block.

(c) **Detection of Loss of Communication**

(1) **MIAX Express Order Interface ("MEO")**. When a Loss of Communication is detected on a MEO port during a certain time period ("xx" seconds), the System will close the session and automatically cancel quotes and orders, as configured by the Member, provided that when a Loss of Communication is detected on the last connected MEO port during a certain time period ("xx" seconds), the System will close the session and automatically cancel quotes and orders. The Exchange shall determine the appropriate period of ("xx" seconds) and shall notify Members of the value of "xx" seconds via Regulatory Circular. In no event shall "xx" be less than one (1) second or greater than ten (10) seconds.

(2) **Financial Information eXchange ("FIX") Protocol**. When a Loss of Communication is detected on a FIX port the System will logoff the Member's session and (i) cancel all eligible orders for the FIX session if instructed by the Member upon login, or (ii) cancel all eligible orders identified by the Member. Following a disconnection, a reconnection will not be permitted for a certain period of time ("yy" seconds). The Exchange shall determine the appropriate period of ("yy" seconds) and shall notify Members of the value of "yy" seconds via Regulatory Circular. In no event shall "yy" be less than one (1) second or greater than ten (10) seconds.

(d) **Detection of Unresponsive System Interface**. A Member may request that the Help Desk enable the cancel on disconnect feature for a FIX session on their behalf. When the System detects an unresponsive FIX Interface due to a System issue, the System will cancel all open orders for that Interface session.

Interpretations and Policies:

.01 Reserved

.02 For purposes of this Rule 519C:

(i) A "Heartbeat" message is a communication which acts as a virtual pulse between the Exchange System and the Member's system. The Heartbeat message sent by the Member and received by the Exchange allows the Exchange to continually monitor its connection with the Member.

(ii) "Loss of Communication"

Is determined on an MEO port by (a) the lack of a certain number of Heartbeats and/or Heartbeat responses as determined by the Exchange and communicated to Members via Regulatory Circular, or (b) the lack of data transmission from the Member within "xx" seconds.

Is determined on a FIX port by the lack of a certain number of Heartbeats and/or Heartbeat responses as determined by the Exchange and communicated to Members via Regulatory Circular, within a certain time period as specified by the Member upon login.

[Adopted: December 13, 2016; amended February 6, 2017 (SR-PEARL-2017-03); amended June 5, 2017 (SR-PEARL-2017-21); amended January 16, 2018 (SR-PEARL-2017-38); amended March 29, 2021 (SR-PEARL-2021-05; amended December 8, 2022; operative January 9, 2023 (SR-PEARL-2022-57)]

Rule 520. Limitations on Orders

(a) [Reserved]

(b) **Principal Transactions**. Electronic Exchange Members may not execute as principal orders they represent as agent unless (i) agency orders are first exposed on the Exchange for at least one (1) second, or (ii) the Electronic Exchange Member has been bidding or offering on the Exchange for at least one (1) second prior to receiving an agency order that is executable against such bid or offer.

(c) **Solicitation Orders**. Electronic Exchange Members may not execute orders they represent as agent on the Exchange against orders solicited from Members and non-member broker-dealers to transact with such orders unless the unsolicited order is first exposed on the Exchange for at least one (1) second.

(d) **Orders for the Account of Another Member**. Electronic Exchange Members shall not cause the entry of orders for the account of a MIAX Pearl Market Maker that is exempt from the provisions of Regulation T of the Board of Governors of the Federal Reserve System pursuant to Section 7 of the Exchange Act unless such orders are identified as orders for the account of a MIAX Pearl Market Maker in the manner prescribed by the Exchange.

Interpretations and Policies:

.01 Rule 520(b) prevents an Electronic Exchange Member from executing agency orders to increase its economic gain from trading against the order without first giving other trading interest on the Exchange an opportunity to either trade with the agency order or to trade at the execution price when the Member was already bidding or offering on the Book. However, the Exchange recognizes that it may be possible for an Electronic Exchange Member to establish

a relationship with a customer or other person (including affiliates) to deny agency orders the opportunity to interact on the Exchange and to realize similar economic benefits as it would achieve by executing agency orders as principal. It will be a violation of Rule 520(b) for an Electronic Exchange Member to be a party to any arrangement designed to circumvent Rule 520(b) by providing an opportunity for a customer or other person (including affiliates) to regularly execute against agency orders handled by the Electronic Exchange Member immediately upon their entry into the System.

.02 It will be a violation of Rule 520(c) for an Electronic Exchange Member to cause the execution of an order it represents as agent on the Exchange by orders it solicited from Members and non-member broker-dealers to transact with such orders, whether such solicited orders are entered into the System directly by the Electronic Exchange Member or by the solicited party (either directly or through another Member), if the Member fails to expose orders on the Exchange as required by Rule 520(c).

.03 For purposes of paragraphs (b) and (c) above, orders subject to the Managed Interest Process described in Rule 515(d) and Market Maker orders and quotes displayed at a price other than their limit price or quote price as described in Rule 515(d), and Post-Only Orders subject to the POP Process described in Rule 515(g) are not deemed "exposed" on the Exchange.

[Adopted: December 13, 2016]

Rule 521. Nullification and Adjustment of Options Transactions Including Obvious Errors

The Exchange may nullify a transaction or adjust the execution price of a transaction in accordance with this Rule. However, the determination as to whether a trade was executed at an erroneous price may be made by mutual agreement of the affected parties to a particular transaction. A trade may be nullified or adjusted on the terms that all parties to a particular transaction agree, provided, however, that such agreement to nullify or adjust must be conveyed to the Exchange in a manner prescribed by the Exchange prior to 8:30 a.m. Eastern Time on the first trading day following the execution. It is considered conduct inconsistent with just and equitable principles of trade for any Member to use the mutual adjustment process to circumvent any applicable Exchange Rule, the Exchange Act or any of the rules and regulations thereunder.

(a) **Definitions**.

(1) **Customer.** For purposes of this Rule, the term "Customer" means a Priority Customer as defined in Rule 100.

(2) **Erroneous Sell/Buy Transaction.** For purposes of this Rule, an "erroneous sell transaction" is one in which the price received by the person selling the option is erroneously low, and an "erroneous buy transaction" is one in which the price paid by the person purchasing the option is erroneously high.

(3) **Official.** For purposes of this Rule, an "Official" is an Officer of the Exchange or such other employee designee of the Exchange that is trained in the application of this Rule.

(4) **Size Adjustment Modifier.** For purposes of this Rule, the Size Adjustment Modifier will be applied to individual transactions as follows:

Number of Contracts per Execution	Adjustment – Theoretical Price Plus/Minus
1-50	N/A
51-250	2 times adjustment amount
251-1000	2.5 times adjustment amount
1001 or more	3 times adjustment amount

(b) **Theoretical Price.** Upon receipt of an obvious or catastrophic error notification (as described below) and prior to any review of a transaction execution price, the "Theoretical Price" for the option must be determined. For purposes of this Rule, if the applicable option series is traded on at least one other options exchange, then the Theoretical Price of an option series is the last NBB just prior to the trade in question with respect to an erroneous sell transaction or the last NBO just prior to the trade in question with respect to an erroneous buy transaction unless one of the exceptions in subparagraphs (b)(1) through (3) below exists. For purposes of this provision, when a single order received by the Exchange is executed at multiple price levels, the last NBB and last NBO just prior to the trade in question would be the last NBB and last NBO just prior to the Exchange's receipt of the order. The Exchange will rely on this paragraph (b) and Interpretation and Policy .03 of this Rule when determining Theoretical Price.

(1) **Transactions at the Open.** For a transaction occurring as part of the Opening Process (as described in Rule 503) the Exchange will determine the Theoretical Price if there is no NBB or NBO for the affected series just prior to the erroneous transaction or if the bid/ask differential of the NBB and NBO just prior to the erroneous transaction is equal to or greater than the Minimum Amount set forth in the chart contained in subparagraph (b)(3) below. If the bid/ask differential is less than the Minimum Amount, the Theoretical Price is the NBB or NBO just prior to the erroneous transaction.

(2) **No Valid Quotes.** The Exchange will determine the Theoretical Price if there are no quotes or no valid quotes for comparison purposes. Quotes that are not valid are:

(A) all quotes in the applicable option series published at a time where the last NBB is higher than the last NBO in such series (a "crossed market");

(B) quotes published by the Exchange that were submitted by either party to the transaction in question;

(C) quotes published by another options exchange if either party to the transaction in question submitted the quotes in the series representing such options exchange's best bid or offer, provided that the Exchange will only consider quotes invalid on other options exchanges in up to twenty-five (25) total options series that the party identifies to the Exchange the quotes which were submitted by such party and published by other options exchanges; and

(D) quotes published by another options exchange against which the Exchange has declared self-help.

(3) **Wide Quotes.** (A) The Exchange will determine the Theoretical Price if the bid/ask differential of the NBB and NBO for the affected series just prior to the erroneous transaction was equal to or greater than the Minimum Amount set forth below and there was a bid/ask differential less than the Minimum Amount during the 10 seconds prior to the transaction. If there was no bid/ask differential less than the Minimum Amount during the 10 seconds prior

to the transaction then the Theoretical Price of an option series is the last NBB or NBO just prior to the transaction in question, as set forth in paragraph (b) above.

Bid Price at Time of Trade	Minimum Amount
Below $2.00	$0.75
$2.00 to $5.00	$1.25
Above $5.00 to $10.00	$1.50
Above $10.00 to $20.00	$2.50
Above $20.00 to $50.00	$3.00
Above $50.00 to $100.00	$4.50
Above $100.00	$6.00

(B) Customer Transactions Occurring Within 10 Seconds or Less After an Opening or Re-Opening:

(i) The Exchange will determine the Theoretical Price if the bid/ask differential of the NBB and NBO for the affected series just prior to the Customer's erroneous transaction was equal to or greater than the Minimum Amount set forth in paragraph A above and there was a bid/ask differential less than the Minimum Amount during the 10 seconds prior to the transaction.

(ii) If there was no bid/ask differential less than the Minimum Amount during the 10 seconds prior to the transaction, then the Exchange will determine the Theoretical Price if the bid/ask differential of the NBB and NBO for the affected series just prior to the Customer's erroneous transaction was equal to or greater than the Minimum Amount set forth in paragraph A above and there was a bid/ask differential less than the Minimum Amount anytime during the 10 seconds after an opening or re-opening.

(iii) If there was no bid/ask differential less than the Minimum Amount during the 10 seconds following an Opening or Re-Opening, then the Theoretical Price of an option series is the last NBB or NBO just prior to the Customer transaction in question, as set forth in paragraph (b) above.

(iv) Customer transactions occurring more than 10 seconds after an opening or re-opening are subject to paragraph A above.

(c) **Obvious Errors.**

(1) **Definition.** For purposes of this Rule, an Obvious Error will be deemed to have occurred when the Exchange receives a properly submitted obvious or catastrophic error notification (as defined below) where the execution price of a transaction is higher or lower than the Theoretical Price for the series by an amount equal to at least the amount shown below:

Theoretical Price	Minimum Amount
Below $2.00	$0.25
$2.00 to $5.00	$0.40
Above $5.00 to $10.00	$0.50
Above $10.00 to $20.00	$0.80
Above $20.00 to $50.00	$1.00
Above $50.00 to $100.00	$1.50
Above $100.00	$2.00

(2) **Time Deadline.** A party that believes that it participated in a transaction that was the result of an Obvious Error must submit a notification to MIAX Pearl Regulatory Control ("MRC") (an "obvious error notification") in the manner specified from time to time by the Exchange in a circular distributed to Members. The obvious error notification must be received by MRC within the timeframes specified below:

(A) **Customer Orders**. For an execution of a Customer order, an obvious error notification must be received by MRC within thirty (30) minutes of the execution, subject to subparagraph (C) below; and

(B) **"Non-Customer" Orders.** For an execution of any order other than a Customer order, an obvious error notification must be received by MRC within fifteen (15) minutes of the execution, subject to subparagraph (C) below.

(C) **Linkage Trades**. Any other options exchange will have a total of forty-five (45) minutes for Customer orders and thirty (30) minutes for non-Customer orders, measured from the time of execution on the Exchange, to submit an obvious error notification to MRC for review of transactions routed to the Exchange from that options exchange and executed on the Exchange pursuant to the Options Order Protection and Locked/Crossed Market Plan ("Linkage Trades"). This includes obvious error notifications on behalf of another options exchange submitted by a third-party routing broker if such third-party broker identifies the affected transactions as Linkage Trades. In order to facilitate timely reviews of Linkage Trades the Exchange will accept obvious error notifications from either the other options exchange or, if applicable, the third-party routing broker that routed the affected order(s). The additional fifteen (15) minutes provided with respect to Linkage Trades shall only apply to the extent the options exchange that originally received and routed the order to the Exchange itself received a timely obvious error notification from the entering participant (i.e., within 30 minutes if a Customer order or 15 minutes if a non-Customer order).

(3) **Official Acting on Own Motion.** An Official may review a transaction believed to be erroneous on his/her own motion in the interest of maintaining a fair and orderly market and for the protection of investors. A transaction reviewed pursuant to this paragraph may be nullified or adjusted only if it is determined by the Official that the transaction is erroneous in accordance with the provisions of this Rule, provided that the time deadlines of subparagraph (c)(2) above shall not apply. The Official shall act as soon as possible after becoming aware of the transaction, and ordinarily would be expected to act on the same day that the transaction occurred. In no event shall the Official act later than 8:30 a.m. Eastern Time on the next trading day following the date of the affected transaction. A party affected by a determination to nullify or adjust a transaction pursuant to this provision may appeal such determination in accordance with paragraph (l) below; however, a determination by an Official not to review a transaction or a determination not to nullify or adjust a transaction for which a review was conducted on an Official's own motion is not appealable. If a transaction is reviewed and a determination is rendered pursuant to another provision of this Rule, no additional relief may be granted under this provision.

(4) **Adjust or Bust.** If it is determined that an Obvious Error has occurred, the Exchange shall take one of the actions listed below. Upon taking final action, the Exchange shall promptly notify both parties to the trade electronically or via telephone.

(A) **Non-Customer Transactions**. Where neither party to the transaction is a Customer, the execution price of the transaction will be adjusted by the Official pursuant to the table below. Any non-Customer Obvious Error exceeding 50 contracts will be subject to the Size Adjustment Modifier defined in subparagraph (a)(4) above.

Theoretical Price (TP)	Buy Transaction Adjustment – TP Plus	Sell Transaction Adjustment – TP Minus
Below $3.00	$0.15	$0.15
At or above $3.00	$0.30	$0.30

(B) **Customer Transactions**. Where at least one party to the Obvious Error is a Customer, the execution price of the transaction will be adjusted by the Official pursuant to the table immediately above. Any Customer Obvious Error exceeding 50 contracts will be subject to the Size Adjustment Modifier defined in subparagraph (a)(4) above. However, if such adjustment(s) would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the Customer's limit price, the trade will be nullified, subject to subparagraph (C) below.

(C) If any Member submits an obvious error notification pursuant to this Rule, and in the aggregate that Member has 200 or more Customer transactions under review concurrently and the orders resulting in such transactions were submitted during the course of 2 minutes or less, where at least one party to the Obvious Error is a non-Customer, the Exchange will apply the non-Customer adjustment criteria set forth in subparagraph (A) above to such transactions.

(d) **Catastrophic Errors.**

(1) **Definition.** For purposes of this Rule, a Catastrophic Error will be deemed to have occurred when the execution price of a transaction is higher or lower than the Theoretical Price for the series by an amount equal to at least the amount shown below:

Theoretical Price	Minimum Amount
Below $2.00	$0.50
$2.00 to $5.00	$1.00
Above $5.00 to $10.00	$1.50
Above $10.00 to $20.00	$2.00
Above $20.00 to $50.00	$2.50
Above $50.00 to $100.00	$3.00
Above $100.00	$4.00

(2) **Time Deadline.** A party that believes that it participated in a transaction that was the result of a Catastrophic Error must submit a notification (a "catastrophic error notification") to MRC in the manner specified from time to time on the Exchange's website. Such catastrophic error notification must be received by MRC by 8:30 a.m. Eastern Time on the first trading day following the execution. For transactions in an expiring options series that take place on an expiration day, a party must submit a catastrophic error notification to MRC within 45 minutes after the close of trading that same day.

(3) **Adjust or Bust.** If it is determined that a Catastrophic Error has occurred, the Exchange shall take action as set forth below. Upon taking final action, the Exchange shall promptly notify both parties to the trade electronically or via telephone. In the event of a Catastrophic Error, the execution price of the affected transaction will be adjusted by the Official pursuant to the table below. Any Customer order subject to this subparagraph will be nullified if the adjustment would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the Customer's limit price.

Theoretical Price (TP)	Buy Transaction Adjustment – TP Plus	Sell Transaction Adjustment – TP Minus
Below $2.00	$0.50	$0.50
$2.00 to $5.00	$1.00	$1.00
Above $5.00 to $10.00	$1.50	$1.50
Above $10.00 to $20.00	$2.00	$2.00
Above $20.00 to $50.00	$2.50	$2.50
Above $50.00 to $100.00	$3.00	$3.00
Above $100.00	$4.00	$4.00

(e) **Significant Market Events.**

(1) **Definition.** For purposes of this Rule, a Significant Market Event will be deemed to have occurred when: criterion (A) below is met or exceeded, or the sum of all applicable event statistics, where each is expressed as a percentage of the relevant threshold in criteria (A) through (D) below, is greater than or equal to 150% and 75% or more of at least one category is reached, provided that no single category can contribute more than 100% to the sum and any category contributing more than 100% will be rounded down to 100%. All criteria set forth below will be measured in aggregate across all exchanges.

(A) Transactions that are potentially erroneous would result in a total Worst-Case Adjustment Penalty of $30,000,000, where the Worst-Case Adjustment Penalty is computed as the sum across all potentially erroneous trades, of:

(i) $0.30 (i.e., the largest Transaction Adjustment value listed in subparagraph (e)(3)(A) below); times

(ii) the contract multiplier for each traded contract; times

(iii) the number of contracts for each trade; times

(iv) the appropriate Size Adjustment Modifier for each trade, if any, as defined in subparagraph (e)(3)(A) below.

(B) Transactions involving 500,000 options contracts are potentially erroneous;

(C) Transactions with a notional value (i.e., number of contracts traded multiplied by the option premium multiplied by the contract multiplier) of $100,000,000 are potentially erroneous;

(D) 10,000 transactions are potentially erroneous.

(2) **Coordination with Other Options Exchanges.** To ensure consistent application across options exchanges, in the event of a suspected Significant Market Event, the Exchange shall initiate a coordinated review of potentially erroneous transactions with all other affected options exchanges to determine the full scope of the event. When this paragraph is invoked, the Exchange will promptly coordinate with the other options exchanges to determine the appropriate review period as well as select one or more specific points in time prior to the transactions in question and use one or more specific points in time to determine Theoretical Price. Other than the selected points in time, if applicable, the Exchange will determine Theoretical Price in accordance with paragraph (b) above.

(3) **Adjust or Bust.** If it is determined that a Significant Market Event has occurred then, using the parameters agreed as set forth in subparagraph (e)(2) above, if applicable, an Official will determine whether any or all

transactions under review qualify as Obvious Errors. The Exchange shall take one of the actions listed below with respect to all transactions that qualify as Obvious Errors pursuant to subparagraph (c)(1) above. Upon taking final action, the Exchange shall promptly notify both parties to the trade electronically or via telephone.

(A) The execution price of each affected transaction will be adjusted by an Official to the price provided below unless both parties agree to adjust the transaction to a different price or agree to nullify the transaction. In the context of a Significant Market Event, any error exceeding 50 contracts will be subject to the Size Adjustment Modifier defined in subparagraph (a)(4) above.

Theoretical Price (TP)	Buy Transaction Adjustment – TP Plus	Sell Transaction Adjustment – TP Minus
Below $3.00	$0.15	$0.15
At or above $3.00	$0.30	$0.30

(B) Where at least one party to the transaction is a Customer, the trade will be nullified if the adjustment would result in an execution price higher (for buy transactions) or lower (for sell transactions) than the Customer's limit price.

(4) **Nullification of Transactions.** If the Exchange, in consultation with other options exchanges, determines that timely adjustment is not feasible due to the extraordinary nature of the situation, then the Exchange will nullify some or all transactions arising out of the Significant Market Event during the review period selected by the Exchange and other options exchanges consistent with this paragraph. To the extent the Exchange, in consultation with other options exchanges, determines to nullify less than all transactions arising out of the Significant Market Event, those transactions subject to nullification will be selected based upon objective criteria with a view toward maintaining a fair and orderly market and the protection of investors and the public interest.

(5) **Final Rulings.** With respect to rulings made pursuant to this paragraph, the number of affected transactions is such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest. Accordingly, rulings by the Exchange pursuant to this paragraph are non-appealable.

(f) **Trading Halts.** The Exchange shall nullify any transaction that occurs during a trading halt in the affected option on the Exchange or, respecting equity options (including options overlying ETFs), when the trade occurred during a regulatory halt as declared by the primary market for the underlying security pursuant to Exchange Rule 504.

(g) **Erroneous Print in Underlying.** A trade resulting from an erroneous print(s) disseminated by the underlying market that is later nullified by that underlying market shall be adjusted or nullified as set forth in subparagraph (c)(4) of this Rule, provided a party submits an obvious or catastrophic error notification to MRC in a timely manner as set forth below. For purposes of this paragraph, a trade resulting from an erroneous print(s) shall mean any options trade executed during a period of time for which one or more executions in the underlying security are nullified, and for one second thereafter. If a party believes that it participated in an erroneous transaction resulting from an erroneous print(s) pursuant to this paragraph it must submit an obvious error notification to MRC within the timeframes set forth in subparagraph (c)(2) above, with the allowed notification timeframe commencing at the time of notification by the underlying market(s) of nullification of transactions in the underlying security. If multiple underlying markets nullify trades in the underlying security, the allowed notification timeframe will commence at the time of the first market's notification.

(h) **Erroneous Quote in Underlying.** A trade resulting from an erroneous quote(s) in the underlying security shall be adjusted or nullified as set forth in subparagraph (c)(4) of this Rule, provided a party submits an obvious or catastrophic error notification to MRC in a timely manner as set forth below. An erroneous quote occurs when the

underlying security has a bid/ask differential of at least $1.00 and has a bid/ask differential at least five times greater than the average bid/ask differential for such underlying security during the time period encompassing two minutes before and after the dissemination of such quote. For purposes of this paragraph, the average bid/ask differential shall be determined by adding the bid/ask differentials of sample quotes at regular 15-second intervals during the four-minute time period referenced above (excluding the quote(s) in question) and dividing by the number of quotes during such time period (excluding the quote(s) in question). If a party believes that it participated in an erroneous transaction resulting from an erroneous quote(s) pursuant to this paragraph it must notify MRC in accordance with subparagraph (c)(2) above.

(i) **Stop (and Stop-Limit) Order Trades Elected by Erroneous Trades.** Transactions resulting from the election of a stop or stop-limit order by an erroneous trade in an option contract shall be nullified by the Exchange, provided a party submits an obvious or catastrophic error notification to MRC within the timeframes required by this Rule. If a party believes that it participated in an erroneous transaction pursuant to this paragraph it must submit an obvious or catastrophic error notification to MRC within the timeframes set forth in subparagraph (c)(2) above. The notification timeframe will commence at the time of the Exchange's receipt of notification of the nullification of transaction(s) that elected the stop or stop-limit order.

(j) **Linkage Trades.** If the Exchange routes an order pursuant to the Options Order Protection and Locked/Crossed Market Plan (as defined in Exchange Rule 1400(o)) that results in a Linkage Trade on another options exchange and such options exchange subsequently nullifies or adjusts the Linkage Trade pursuant to its rules, the Exchange will perform all actions necessary to complete the nullification or adjustment of the Linkage Trade.

(k) **Verifiable Disruptions or Malfunctions of Exchange Systems**. Absent mutual agreement, parties to a trade may have a trade nullified or its price adjusted if any such party makes a documented request within the time specified in subparagraph (c)(2) above, and one of the conditions below is met:

(1) The trade resulted from a verifiable disruption or malfunction of an Exchange execution, dissemination, or communication system that caused a quote/order to trade in excess of its disseminated size (e.g. a quote/order that is frozen, because of an Exchange System error, and repeatedly traded) in which case trades in excess of the disseminated size may be nullified; or

(2) The trade resulted from a verifiable disruption or malfunction of an Exchange dissemination or communication system that prevented a Member from updating or canceling a quote/order for which the Member is responsible where there is Exchange documentation providing that the Member sought to update or cancel the quote/order.

(l) **Appeal.** If an affected party appeals an Official decision under this Rule (an "appeal") within the time permitted, the Chief Regulatory Officer ("CRO") or his/her designee will review such decision. An appeal under this Rule must be submitted in writing via email or other electronic means (as specified from time to time by the Exchange via Regulatory Circular) within thirty minutes after a party receives official notification of a final determination made by an Official under this Rule. The CRO or his/her designee shall review the facts and render a decision as soon as practicable, but generally on the same trading day as the execution(s) under review. Decisions respecting appeals that are received after 3:00 p.m. Eastern Time will be rendered as soon as practicable, but in no event later than the trading day following the date of the execution under review.

(1) **Absence of the CRO.** In the absence of the CRO, a designee of the CRO will be appointed to act in this capacity.

(2) **Appeal Fee**. A Member that submits an appeal seeking the review of an Official ruling shall be assessed a fee of $500.00 for each Official ruling to be reviewed that is sustained and not overturned or modified by the CRO or his/her designee. In addition, in instances where the Exchange, on behalf of a Member, requests a determination by another market center that a transaction is clearly erroneous, the Exchange will pass any resulting charges through to the relevant Member.

(3) **Authority of the CRO**. Decisions of the CRO or his/her designee concerning

(i) the review on appeal of Official rulings relating to the nullification or adjustment of transactions, and

(ii) initial requests for relief,

shall be final and may not be appealed to the Exchange's Board.

(4) Any determination by an Officer or by the CRO or his/her designee shall be rendered without prejudice as to the rights of the parties to the transaction to submit their dispute to arbitration.

Interpretations and Policies:

.01 **Limit Up-Limit Down State.** An execution will not be subject to review as an Obvious Error or Catastrophic Error pursuant to paragraph (c) or (d) of this Rule if it occurred while the underlying security was in a "Limit State" or "Straddle State," as defined in the Regulation NMS Plan to Address Extraordinary Market Volatility (the "Limit Up-Limit Down Plan" or the "Plan". Nothing in this provision shall prevent such execution from being reviewed on an Official's own motion pursuant to subparagraph (c)(3) of this Rule, or a bust or adjust pursuant to paragraphs (e) through (k) of this Rule.

.02 For purposes of this Rule, to the extent the provisions of this Rule would result in the Exchange applying an adjustment of an erroneous sell transaction to a price lower than the execution price or an erroneous buy transaction to a price higher than the execution price, the Exchange will not adjust or nullify the transaction, but rather, the execution price will stand.

.03 **Exchange Determining Theoretical Price.** For purposes of this Rule, when the Exchange must determine Theoretical Price pursuant to sub-paragraphs (b)(1)-(3) of this Rule (i.e., at the open, when there are no valid quotes or when there is a wide quote), then the Exchange will determine Theoretical Price as follows.

(a) The Exchange will request Theoretical Price from the third party vendor defined in paragraph (d) below ("TP Provider") to which the Exchange and all other options exchanges have subscribed. The Exchange will apply the Theoretical Price provided by the TP Provider, except as otherwise described below.

(b) To the extent an Official of the Exchange believes that the Theoretical Price provided by the TP Provider is fundamentally incorrect and cannot be used consistent with the maintenance of a fair and orderly market, the Official shall contact the TP Provider to notify the TP Provider of the reason the Official believes such Theoretical Price is inaccurate and to request a review and correction of the calculated Theoretical Price. The Exchange shall also promptly provide electronic notice to other options exchanges that the TP Provider has been contacted consistent with this paragraph and include a brief explanation of the reason for the request.

(c) An Official of the Exchange may determine the Theoretical Price if the TP Provider has experienced a systems issue that has rendered its services unavailable to accurately calculate Theoretical Price and such issue cannot be corrected in a timely manner.

(d) The current TP Provider to which the Exchange and all other options exchanges have subscribed is: CBOE Livevol, LLC. Neither the Exchange, the TP Provider, nor any affiliate of the TP Provider (the TP Provider and its affiliates are referred to collectively as the "TP Provider"), makes any warranty, express or implied, as to the results to be obtained by any person or entity from the use of the TP Provider pursuant to this Interpretation .03. The TP Provider does not guarantee the accuracy or completeness of the calculated Theoretical Price. The TP Provider disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to such Theoretical Price. Neither the Exchange nor the TP Provider shall have any liability for any damages, claims, losses (including any indirect or consequential losses), expenses, or delays, whether direct or indirect, foreseen or unforeseen, suffered by any person arising out of any circumstance or occurrence relating to the use of such Theoretical Price or arising out of any errors or delays in calculating such Theoretical Price.

[Adopted: December 13, 2016; amended September 1, 2017 (SR-PEARL-2017-33); amended April 5, 2019 (SR-PEARL-2019-14); amended October 16, 2019 (SR-PEARL-2019-32); amended December 19, 2019 (SR-PEARL-2019-35); amended February 7, 2022, implemented July 1, 2022 (SR-PEARL-2022-02)]

Rule 522. Price Binding Despite Erroneous Report

The price at which an order is executed shall be binding notwithstanding that an erroneous report in respect thereto may have been rendered, or no report rendered. A report shall not be binding if an order was not actually executed but was reported to have been executed.

[Adopted: December 13, 2016]

Rule 523. Authority to Take Action Under Emergency Conditions

(a) The Chairman of the Board, the President or such other person or persons as may be designated by the Board shall have the power to halt or suspend trading in some or all securities traded on the Exchange, to close some or all Exchange facilities, to determine the duration of any such halt, suspension or closing, to take one or more of the actions permitted to be taken by any person or body of the Exchange under Exchange Rules, or to take any other action deemed to be necessary or appropriate for the maintenance of a fair and orderly market or the protection of investors, or otherwise in the public interest, due to emergency conditions or extraordinary circumstances, such as (1) actual or threatened physical danger, severe climatic conditions, natural disaster, civil unrest, terrorism, acts of war, or loss or interruption of facilities utilized by the Exchange, or (2) a request by a governmental agency or official, or (3) a period of mourning or recognition for a person or event.

(b) The person taking the action shall notify the Board of actions taken pursuant to this Rule, except for a period of mourning or recognition for a person or event, as soon thereafter as is feasible.

[Adopted: December 13, 2016]

Rule 524. Reporting of Matched Trades to Clearing Corporation

On each business day at or prior to such time as may be prescribed by the Clearing Corporation, the Exchange shall furnish the Clearing Corporation a report of each Clearing Member's matched trades based on the trade information filed with the Exchange on that day. Only trades which have been matched in accordance with the provisions of these

Rules shall be furnished by the Exchange to the Clearing Corporation, and the Exchange shall assume no responsibility with respect to any unmatched trade or for any delays or errors in the reporting to it of trade information. The Exchange may delegate its responsibility in respect of trade matching to the Clearing Corporation or other facility, in which case Clearing Members shall abide by the procedures established by the Clearing Corporation or other facility in the filing of trade information, the reconciliation of unmatched trades, and other actions pertinent to trade comparison.

Interpretations and Policies:

.01 Post-trade adjustments that do not affect the contractual terms of a trade are to be performed by the Member via an Exchange approved electronic interface communicated to Members via Regulatory Circular.

[Adopted: December 13, 2016; amended July 28, 2017 (SR-PEARL-2017-31)]

Rule 525. Limitation on Dealings

No Member shall bid, offer, purchase or write (sell) on the Exchange any security other than an option contract that is currently open for trading in accordance with the provisions of Chapter IV.

[Adopted: December 13, 2016]

Rule 526. Limitation on the Liability of Index Licensors for Options on Exchange-Traded Fund Shares

(a) The term "index licensor" as used in this Rule refers to any entity that grants the Exchange a license to use one or more indexes or portfolios in connection with the trading of options on Exchange-Traded Fund Shares (as defined in Rule 402(i)).

(b) No index licensor with respect to any index or portfolio underlying an option on Exchange-Traded Fund Shares traded on the Exchange makes any warranty, express or implied, as to the results to be obtained by any person or entity from the use of such index or portfolio, any opening, intra-day or closing value therefor, or any data included therein or relating thereto, in connection with the trading of any option contract on Exchange-Traded Fund Shares based thereon or for any other purpose. The index licensor shall obtain information for inclusion in, or for use in the calculation of, such index or portfolio from sources it believes to be reliable, but the index licensor does not guarantee the accuracy or completeness of such index or portfolio, any opening, intra-day or closing value therefor, or any data included therein or related thereto. The index licensor hereby disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any such index or portfolio, any opening, intra-day or closing value therefor, any data included therein or relating thereto, or any option contract on Exchange-Traded Fund Shares based thereon. The index licensor shall have no liability for any damages, claims, losses (including any indirect or consequential losses), expenses or delays, whether direct or indirect, foreseen or unforeseen, suffered by any person arising out of any circumstance or occurrence relating to the person's use of such index or portfolio, any opening, intra-day or closing value therefor, any data included therein or relating thereto, or any option contract on Exchange-Traded Fund Shares based thereon, or arising out of any errors or delays in calculating or disseminating such index or portfolio.

[Adopted: December 13, 2016]

Rule 527. Exchange Liability

(a) Except to the extent provided in paragraph (b) of this Rule, and except as otherwise expressly provided in the Rules, neither the Exchange nor its directors, officers, committee members, limited liability company members, employees or agents shall be liable to Members or to persons associated therewith for any loss, expense, damages or claims that arise out of the use or enjoyment of the facilities or services afforded by the Exchange, any interruption in or failure or unavailability of any such facilities or services, or any action taken or omitted to be taken in respect to the business of the Exchange except to the extent such loss, expense, damages or claims are attributable to the willful misconduct, gross negligence, bad faith or fraudulent or criminal acts of the Exchange or its officers, employees or agents acting within the scope of their authority. Without limiting the generality of the foregoing and subject to the same exception, the Exchange shall have no liability to any person for any loss, expense, damages or claims that result from any error, omission or delay in calculating or disseminating any current or closing index value, any current or closing value of interest rate options, or any reports of transactions in or quotations for options or other securities, including underlying securities. The Exchange makes no warranty, express or implied, as to results to be obtained by any person or entity from the use of any data transmitted or disseminated by or on behalf of the Exchange or any reporting authority designated by the Exchange, including but not limited to reports of transactions in or quotations for securities traded on the Exchange or underlying securities, or reports of interest rate measures or index values or related data, and the Exchange makes no express or implied warranties of merchantability or fitness for a particular purpose or use with respect to any such data. The foregoing limitations of liability and disclaimers shall be in addition to, and not in limitation of, the provisions of the Exchange's By-Laws.

(b) Whenever custody of an unexecuted order or quote is transmitted by a Member to or through the Exchange's System or to any other automated facility of the Exchange whereby the Exchange assumes responsibility for the transmission or execution of the order or quote, provided that the Exchange has acknowledged receipt of such order or quote, the Exchange's liability for the negligent acts or omissions of its employees or for the failure of its Systems or facilities shall not exceed the limits provided in this paragraph (b), and no assets of the Exchange shall be applied or shall be subject to such liability in excess of the following limits:

(1) As to any one or more claims made by a single Member growing out of the use or enjoyment of the facilities afforded by the Exchange on a single trading day, the Exchange shall not be liable in excess of the larger of $100,000 or the amount of any recovery obtained by the Exchange under any applicable insurance maintained by the Exchange;

(2) As to the aggregate of all claims made by all Members growing out of the use or enjoyment of the facilities afforded by the Exchange on a single trading day, the Exchange shall not be liable in excess of the larger of $250,000 or the amount of the recovery obtained by the Exchange under any applicable insurance maintained by the Exchange;

(3) As to the aggregate of all claims made by all Members growing out of the use or enjoyment of the facilities afforded by the Exchange during a single calendar month, the Exchange shall not be liable in excess of the larger of $500,000 or the amount of the recovery obtained by the Exchange under any applicable insurance maintained by the Exchange.

(c) If all of the claims arising out of the use or enjoyment of the facilities afforded by the Exchange cannot be fully satisfied because in the aggregate they exceed the applicable maximum amount of liability provided for in paragraph (b) above, then such maximum amount shall be allocated among all such claims arising on a single trading day or during a single calendar month, as applicable, written notice of which has been given to the Exchange no later than

the opening of trading on the next business day following the day on which the use or enjoyment of Exchange facilities giving rise to the claim occurred, based upon the proportion that each such claim bears to the sum of all such claims.

[Adopted: December 13, 2016]

Rule 528. Legal Proceedings Against the Exchange and its Directors, Officers, Employees, Contractors or Agents

No Member or person associated with a Member shall institute a lawsuit or other legal proceeding against the Exchange or any director, officer, limited liability company member, employee, contractor, agent or other official of the Exchange or any subsidiary of the Exchange, for actions taken or omitted to be taken in connection with the official business of the Exchange or any subsidiary, except to the extent such actions or omissions constitute violations of the federal securities laws for which a private right of action exists. This provision shall not apply to appeals of disciplinary actions or other actions by the Exchange as provided for in the Rules.

[Adopted: December 13, 2016]

Rule 529. Order Routing to Other Exchanges

The Exchange may automatically route orders to other exchanges under certain circumstances as described below and elsewhere in these Rules ("Routing Services"). In connection with such services, the following shall apply:

(a) Routing Services will be provided in conjunction with one or more routing brokers that are not affiliated with the Exchange. For each routing broker used by the Exchange, an agreement will be in place between the Exchange and the routing broker that will, among other things, restrict the use of any confidential and proprietary information that the routing broker receives to legitimate business purposes necessary for routing orders at the direction of the Exchange.

(1) The Exchange shall establish and maintain procedures and internal controls reasonably designed to adequately restrict the flow of confidential and proprietary information between the Exchange and the routing broker, and any other entity, including any affiliate of the routing broker, and, if the routing broker or any of its affiliates engages in any other business activities other than providing routing services to the Exchange, between the segment of the routing broker or affiliate that provides the other business activities and the segment of the routing broker that provides the Routing Services.

(2) The Exchange may not use a routing broker for which the Exchange or any affiliate of the Exchange is the designated examining authority.

(3) The Exchange will provide its Routing Services in compliance with the provisions of the Exchange Act and the rules thereunder, including, but not limited to, the requirements in Section 6(b)(4) and (5) of the Exchange Act that the rules of a national securities exchange provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities, and not be designed to permit unfair discrimination between customers, issuers, brokers or dealers.

(4) For all Routing Services, the Exchange will determine the logic that provides when, how, and where orders are routed away to other exchanges.

(5) The routing broker will receive routing instructions from the Exchange, to route orders to other exchanges and report such executions back to the Exchange. The routing broker cannot change the terms of an order or the routing instructions, nor does the routing broker have any discretion about where to route an order.

(6) Any bid or offer entered on the Exchange routed to another exchange through a routing broker that results in an execution shall be binding on the Member that entered such bid/offer.

(b) **Route Mechanism.**

(1) **General**. The Route Mechanism described in this Section (b) will be used after the Exchange's Opening Process under Rule 503 has been completed. Routing will be used when an Eligible Order is received and/or reevaluated that is both routable and marketable against the opposite side ABBO upon receipt and the Exchange's disseminated market is not equal to the opposite side ABBO, or is equal to the opposite side ABBO and of insufficient size to satisfy the order. The term Eligible Order will be used in the following paragraphs to refer to the Eligible Order being handled by the Route Mechanism. Eligible Orders are defined as: all Public Customer Orders received via the FIX Interface other than Intermarket Sweep Order ("ISO"), as defined in Rule 516(f), Do Not Route ("DNR") orders as defined in Rule 516(g) and Post-Only Orders as defined in Rule 516(j), all of which are not eligible to be routed. Orders received via the MEO Interface will not be routed and will be handled as set forth in Rule 515. Eligible Orders resting on the Book may be routed with an incoming Eligible Order that has initiated a Route Mechanism.

(2) **Routing Mechanism**.

(i) An Eligible Order may be routed if the displayed NBBO was locked or crossed upon receipt of the Eligible Order. If at the time of receipt of the Eligible Order, the opposite side ABBO is also locking or crossing the same side PBBO, the System will immediately route the Eligible Order, together with any routable interest resting on the same side PBBO, to the opposite side ABBO. The Eligible Order and any routable resting interest will be processed in the order in which they were received.

(ii) The System will route ISOs representing Eligible Orders to away markets disseminating prices better than the Exchange's disseminated market. The routed order will be priced at the ABBO with a size equal to each ABBO exchange's disseminated size. If there are still additional contracts to be executed from the Eligible Order after the order has been routed to all away markets disseminating the ABBO for the away markets' full size, the System will handle remaining contracts from the Eligible Order in accordance with the provisions of Exchange Rule 515.

[Adopted: December 13, 2016; amended April 3, 2017 (SR-PEARL-2017-11)]

Rule 530. Limit Up-Limit Down

This Rule establishes procedures to address extraordinary volatility in NMS Stocks (as defined below) and outlines MIAX Pearl's Limit Up-Limit Down processing.

(a) **Definitions**. The capitalized terms in this Rule 530(a) and throughout the MIAX Pearl Rules shall have the same meaning as provided for in the Plan.

"**Eligible Reported Transactions**" shall have the meaning prescribed by the Operating Committee of the Plan (as defined below) and shall generally mean transactions that are eligible to update the last sale price of an NMS Stock. "**Limit State**" shall have the meaning provided in Section VI of the Plan. When a National Best Bid is below the Lower Price Band calculated by the Processor (as defined below) for an NMS Stock or a National Best Offer is above the Upper Price Band calculated by the Processor for an NMS Stock, the Processor will disseminate such National Best Bid or National Best Offer with an appropriate flag identifying it as non-executable. When a National Best Offer is equal to the Lower Price Band or a National Best Bid is equal to the Upper Price Band for an NMS Stock, the Processor

will distribute such National Best Bid or National Best Offer with an appropriate flag identifying it as a "Limit State Quotation."

"**LULD Functionality**" shall mean the specific processing logic applied by the Exchange System to options traded on the Exchange when the underlying NMS Stock has entered into a Limit State or Straddle State. LULD Functionality remains in effect for the duration that the underlying NMS Stock is in a Limit State or a Straddle State.

"**Market Data Plan**" shall mean the effective national market system plans through which the Participants act jointly to disseminate consolidated information in compliance with Rule 603(b) of Regulation NMS under the Exchange Act.

"**Plan**" shall mean the Plan to Address Extraordinary Market Volatility Submitted to the SEC pursuant to Rule 608 of Regulation NMS under the Exchange Act, as amended from time to time in accordance with its provisions.

"**Primary Listing Exchange**" shall mean the Participant on which an NMS Stock is listed. If an NMS Stock is listed on more than one Participant, the Participant on which the NMS Stock has been listed the longest shall be the Primary Listing Exchange.

"Processor" shall mean the single plan processor responsible for the consolidation of information for an NMS Stock pursuant to Rule 603(b) of Regulation NMS under the Exchange Act.

"Participant" shall mean a party to the Plan.

"Regular Trading Hours" shall have the meaning provided in Rule 600(b)(64) of Regulation NMS under the Exchange Act. For purposes of the Plan, Regular Trading Hours can end earlier than 4:00 p.m. Eastern Time in the case of an early scheduled close.

"Regulatory Halt" shall have the meaning specified in the Market Data Plans.

"Straddle State" shall have the meaning provided in Section VII(A)(2) of the Plan. An NMS Stock is in a Straddle State when the National Best Bid (Offer) is below (above) the Lower (Upper) Price Band and the NMS Stock is not in a Limit State, and trading in that NMS Stock deviates from normal trading characteristics such that declaring a Trading Pause would support the Plan's goal to address extraordinary market volatility.

"**Trading Pause**" shall have the meaning provided in Section VII of the Plan. If trading for an NMS Stock does not exit a Limit State within 15 seconds of entry during Regular Trading Hours, then the Primary Listing Exchange will declare a Trading Pause for such NMS Stock and shall notify the Processor. The Primary Listing Exchange may also declare a Trading Pause for an NMS Stock when an NMS Stock is in a Straddle State.

(b) **General.** LULD Functionality becomes effective for an option traded on the Exchange when the underlying NMS Stock has entered into a Limit State or Straddle State. LULD Functionality remains in effect for the duration that the underlying NMS Stock is in a Limit State or a Straddle State. LULD Functionality modifies the normal operation of the Exchange System in ways identified by this Rule. LULD Functionality ends when the underlying NMS Stock is no longer in a Limit State or a Straddle State, or when a Trading Pause is declared by the Primary Listing Exchange.

(c) **Determining Straddle States and Limit States.** The Exchange shall use the SIP feed (CQS for Tape A and Tape B securities and UQDF for Tape C securities) to determine when an NMS Stock is in a Limit State or a Straddle State, and when such Limit State or Straddle State no longer exists.

(d) **Handling of Orders During Limit States and Straddle States.** Once an NMS Stock has entered either a Straddle State or Limit State:

(1) The Exchange will not open an affected option.

(2) After the opening, the Exchange will:

(i) reject all incoming market orders submitted into the Exchange System.

(ii) cancel all unexecuted market orders existing within the Exchange System, except that market orders to sell an option received when the national best bid is zero and the Exchange's disseminated offer is equal to or less than $0.10 that have been converted to limit orders to sell pursuant to Rule 519(a)(1) will not be cancelled by the Exchange's System.

(e) **Market-Wide Trading Halts.** The Exchange shall halt trading in all options whenever the equities markets initiate a market-wide trading halt commonly known as a circuit breaker in response to extraordinary market conditions.

(f) **Quoting Obligations During Limit States and Straddle States**

(1) Once an NMS Stock has entered either a Limit or Straddle State, the Exchange shall relieve Exchange Market Makers from the following quotation obligations for options on the affected underlying NMS Stock:

(i) the minimum size requirement set forth in Exchange Rule 605(a);

(ii) the requirement to submit two-sided quotes set forth in Exchange Rule 605(b); and

(iii) the continuous quoting obligation set forth in Exchange Rule 605(d).

(2) The relief described in subparagraphs (f)(1)(i)-(iii) above shall terminate when the Limit or Straddle State no longer exists in the affected NMS Stock.

(3) The provisions of Exchange Rule 514 concerning priority on the Exchange shall remain unchanged during periods of relief from quoting obligations pursuant to this Rule 530(f).

(g) **Systemic Changes During Limit States and Straddle States.** Once an NMS Stock has entered a Limit or Straddle State, the Exchange shall apply the following LULD Functionality for options on the affected underlying NMS Stock during the Opening Process.

(1) The Exchange's Opening Process (as described in Rule 503) shall be delayed for options overlying an NMS Stock that is in a Limit or Straddle State prior to the opening of trading such overlying options. The Opening Process shall begin in the affected overlying options when such Limit or Straddle State has ended and there is not a halt or Trading Pause in effect.

(2) Respecting options that are engaged in the Opening Process but for which trading has not begun, the Opening Process shall be terminated when the underlying NMS Stock is in a Limit or Straddle State. The Opening Process shall begin anew in the affected overlying options when such Limit or Straddle State has ended and there is not a halt or Trading Pause in effect.

(h) **Trading Pauses.** When an underlying NMS Stock is subject to a Trading Pause, the Exchange System will halt trading in options overlying the affected NMS Stock pursuant to Rule 504(c).

(i) **Opening after a Trading Pause.** After a Trading Pause, the Exchange System will open trading in the affected option pursuant to Rule 503. If trading has not resumed on the Primary Listing Exchange for the affected NMS Stock within ten minutes of receipt of the Trading Pause message by the Exchange, the Exchange may resume trading in options overlying such NMS Stock if at least one exchange has resumed trading in such NMS Stock.

(j) **Review of Erroneous Transactions Occurring During Limit States and Straddle States.** Once an NMS Stock has entered a Limit or Straddle State, the Exchange shall nullify a transaction in an option overlying such an NMS Stock as provided in this Rule.

(1) Absent Mutual Agreement as provided in paragraph (j)(2)(iii) below, parties to a trade may have a trade nullified if:

(i) any such party makes a documented request within the time specified in Rule 530(j)(2)(i)(A); and

(ii) one of the conditions below is met:

(A) The trade resulted from a verifiable disruption or malfunction of an Exchange execution, dissemination, or communication system that caused a quote/order to trade in excess of its disseminated size (e.g. a quote/order that is frozen, because of an Exchange System error, and repeatedly traded) in which case trades in excess of the disseminated size may be nullified; or

(B) The trade resulted from a verifiable disruption or malfunction of an Exchange dissemination or communication system that prevented a Member from updating or canceling a quote/order for which the Member is responsible where there is Exchange documentation providing that the Member sought to update or cancel the quote/order; or

(C) The trade resulted from an erroneous print disseminated by the underlying market which is later cancelled or corrected by the underlying market where such erroneous print resulted in a trade higher or lower than the average trade in the underlying security during the time period encompassing two minutes before and after the erroneous print, by an amount at least five times greater than the average quote width for such underlying security during the time period encompassing two minutes before and after the erroneous print. For purposes of this Rule, the average trade in the underlying security shall be determined by adding the prices of each trade during the four minute time period referenced above (excluding the trade in question) and dividing by the number of trades during such time period (excluding the trade in question); or

(D) The trade resulted from an erroneous quote in the primary market for the underlying security that has a width of at least $1.00 and that width is at least five times greater than the average quote width for such underlying security during the time period encompassing two minutes before and after the dissemination of such quote. For the purposes of this Rule, the average quote width shall be determined by adding the quote widths of sample quotations at regular 15-second intervals during the four minute time period referenced above (excluding the quote in question) and dividing by the number of quotes during such time period (excluding the quote in question);

(iii) **Mutual Agreement**. The determination as to whether a trade was automatically executed at an erroneous price may be made by mutual agreement of the affected parties to a particular transaction within the time periods specified in subparagraphs (j)(2)(i) or (j)(3) below. A trade may be nullified on the terms that all parties to a

particular transaction agree. In the absence of mutual agreement by the parties, a particular trade may only be nullified as provided in this Rule.

(iv) **Trading Halts**. Trades on the Exchange will be nullified when:

(A) The trade occurred during a trading halt in the affected option on the Exchange; or

(B) Respecting equity options (including options overlying ETFs), the trade occurred during a trading halt on the primary market for the underlying security.

(v) **Transactions During Opening Purchase Prohibitions or Restrictions.** Trades on the Exchange will be nullified when such a trade represents an opening transaction prohibited pursuant to Rule 403.

(2) **Review Procedure**. MIAX Pearl Regulatory Control ("MRC") shall administer the application of this Rule as follows:

(i) (A) **Notification**. If a Market Maker on the Exchange believes that he/she participated in a transaction that can be nullified pursuant to section (j) of this Rule, he/she must notify MRC within fifteen minutes of the transaction. If a Member that initiated the order believes a transaction on the Exchange can be nullified pursuant to section (j) of this Rule, such Member must notify MRC within twenty minutes of the execution. Absent unusual circumstances, MRC will not grant relief under this Rule unless notification is made within the prescribed time period. Notwithstanding the foregoing, respecting transactions that occur as part of the Exchange's automated Opening Process, after the twenty minute notification period as described above and until 4:30 p.m. Eastern Time on the subject trade date, where parties to the transaction are a non-broker-dealer customer and an Exchange Market Maker, the non-broker-dealer customer may request review of the subject transaction, and the transaction will nullified by an Exchange Official.

(B) **Procedures for Reviewing Trades on Exchange Motion**. In the interest of maintaining a fair and orderly market for the protection of investors, the Chief Regulatory Officer or designee thereof, who is an officer of the Exchange (collectively "Exchange Officer") may, on his or her own motion or upon request, determine to review any transaction occurring on the Exchange that is believed to be erroneous. A transaction reviewed pursuant to this provision may be nullified in accordance with section (j) of this Rule. The Exchange Officer may be assisted by an Exchange Official in reviewing a transaction.

The Exchange Officer shall act as soon as possible after receiving notification of the transaction, and ordinarily would be expected to act on the same day as the transaction occurred. In no event shall the Exchange Officer act later than 9:30 a.m. Eastern Time on the next trading day following the date of the transaction in question. A party affected by a determination to nullify a transaction pursuant to this provision may appeal such determination in accordance with Rule 530; however, a determination by an Exchange Officer not to review a transaction, or a determination not to nullify a transaction for which a review was requested or conducted, is not appealable. If a transaction is reviewed and a determination is rendered pursuant to another provision of Rule 530, no additional relief may be granted under this provision.

(ii) **Bust**. An Exchange Official will determine whether there is a trade that qualifies to be nullified as defined in this Rule.

(3) **Request for Review**. If a party affected by a determination made under this Rule so requests within the time permitted, the CRO will review decisions made under this Rule. A request for review under this paragraph must be made within thirty minutes after a party receives official notification of a final determination by the Exchange Official

under this Rule, except that if such notification is made after 3:30 p.m. Eastern Time, either party has until 9:30 a.m. Eastern Time on the next trading day to request a review. Such a request for review must be in writing or otherwise documented. The CRO shall review the facts and render a decision on the day of the transaction, or the next trade day in the case where a request is properly made after 3:30 p.m. Eastern Time on the day of the transaction or where the request is properly made the next trade day.

(i) **Absence of the CRO**. In the absence of the CRO, the deputy CRO or designee of the CRO will be appointed to act in this capacity.

(ii) **Appeal Fee**. A Member seeking the CRO's review of an Exchange Official ruling shall be assessed a fee of $250.00 for each Exchange Official ruling to be reviewed that is sustained and not overturned or modified by the CRO.

(iii) **Authority of the CRO**. Decisions of the CRO concerning (i) the review of Exchange Official rulings relating to the nullification of transactions, and (ii) initial requests for relief shall be final and may not be appealed to the Exchange's Board.

[Adopted: December 13, 2016; amended April 5, 2019 (SR-PEARL-2019-14); amended October 16, 2019 (SR-PEARL-2019-32)]

Rule 531. Reports and Market Data Products

(a) **Liquidity Taker Event Report**. The Liquidity Taker Event Report is a daily report that provides a Member ("Recipient Member") with its liquidity response time details for executions against an order resting on the Book, where that Recipient Member attempted to execute against such resting order within the timeframe specified under paragraph (2) below.

(1) **Content**. The Liquidity Taker Event Report will include the following information:

(i) **Resting Order**.

(A) The time a resting order was received by the Exchange.

(B) Symbol.

(C) Order reference number (unique reference number assigned to a new order at the time of receipt).

(D) Whether the Recipient Member is an Affiliate of the Member that entered the resting order.

(E) Origin type (e.g., Priority Customer, Market Maker).

(F) Side (buy or sell).

(G) Displayed price and size of the resting order.

(ii) **Execution of the Resting Order**.

(A) PBBO at the time of the execution. If the resting order executes against multiple contra-side responses, only the PBBO at the time of the execution against the first response will be included.

(B) ABBO at the time of the execution. If the resting order executes against multiple contra-side responses, only the ABBO at the time of the execution against the first response will be included.

(C) Time first response that executes against the resting order was received by the Exchange and the size of the execution and type of the response.

(D) Time difference between the time the resting order was received by the Exchange and the time the first response that executes against the resting order was received by the Exchange.

(E) Whether response was entered by the Recipient Member.

(iii) **Response(s) Sent by Recipient Member**.

(A) Recipient Member identifier.

(B) Time difference between the time the first response that executes against the resting order was received by the Exchange and the time of each response sent by the Recipient Member, regardless of whether it executed or not.

(C) Size and type of each response submitted by the Recipient Member.

(D) Response reference number (unique reference number attached to response by the Recipient Member).

(2) **Timeframe**. The Liquidity Taker Event Report will include data listed in paragraph (a)(1) of this Rule 531(a) for executions and contra-side responses that occurred within 200 microseconds of the time the resting order was received by the Exchange.

(3) **Data Scope**. The Liquidity Taker Event Report will only include trading data related to the Recipient Member and will not include any other Member's trading data other than that listed in paragraphs (1)(i) and (ii) of this Rule 531(a).

(4) **Historical Data**. The Liquidity Taker Event Report contains historical data from the previous trading day and will be available after the end of the trading day, generally on a T+1 basis.

(b) **Market Data Products**

(1) **Open-Close Report**. The Open-Close Report is a data product that summarizes volume (contracts traded on MIAX) by origin (Priority Customer, Non-Priority Customer, Firm, Broker-Dealer, and Market Maker), trade size and the opening or closing position of the order. Open-Close Data is available on an end-of-day and intraday basis.

(c) Liquidity Taker Event Report – Resting Simple Orders. The Liquidity Taker Event Report-Resting Simple Orders is a daily report that provides a Member ("Recipient Member") with its liquidity response time details for

executions against an order resting on the Simple Order Book, where that Recipient Member attempted to execute against such resting order within the timeframe specified under paragraph (2) below.

(1) **Content**. The Liquidity Taker Event Report- Resting Simple Orders will include the following information:

(i) **Resting Order**.

(A) The time a resting order was received by the Exchange.

(B) Symbol.

(C) Order reference number (unique reference number assigned to a new order at the time of receipt).

(D) Whether the Recipient Member is an Affiliate of the Member that entered the resting order.

(E) Origin type (e.g., Priority Customer, Market Maker).

(F) Side (buy or sell).

(G) Displayed price and size of the resting order.

(ii) **Execution of the Resting Order**.

(A) PBBO at the time of the execution. If the resting order executes against multiple contra-side responses, only the PBBO at the time of the execution against the first response will be included.

(B) ABBO at the time of the execution. If the resting order executes against multiple contra-side responses, only the ABBO at the time of the execution against the first response will be included.

(C) Time first response that executes against the resting order was received by the Exchange and the size of the execution and type of the response.

(D) Whether response was entered by the Recipient Member.

(iii) **Response(s) Sent by Recipient Member**.

(A) Recipient Member identifier.

(B) Time difference between the time the first response that executes against the resting order was received by the Exchange and the time of each response sent by the Recipient Member, regardless of whether it executed or not.

(C) Size and type of each response submitted by the Recipient Member.

(D) Response reference number (unique reference number attached to response by the Recipient Member).

(2) **Timeframe**. The Liquidity Taker Event Report-Resting Simple Orders will include data listed in paragraph (c)(1) of this Rule 531(c) for executions and contra-side responses that occurred (i) after 200 microseconds of the time the resting order was received by the Exchange and (ii) within 200 microseconds of receipt of any Member's first attempt to execute against the resting order after the initial 200 microsecond time period under (c)(2)(i) of this paragraph has expired.

(3) **Data Scope**. The Liquidity Taker Event Report-Resting Simple Orders will only include trading data related to the Recipient Member and will not include any other Member's trading data other than that listed in paragraphs (1)(i) and (ii) of this Rule 531(c).

(4) **Historical Data**. The Liquidity Taker Event Report-Resting Simple Orders contains historical data from the previous trading day and will be available after the end of the trading day, generally on a T+1 basis.

[Adopted: June 1, 2021 (SR-PEARL-2021-24); amended May 19, 2021 (SR-PEARL-2021-25); amended February 9, 2023; operative March 1, 2023 (SR-PEARL-2023-01]

Rule 532. Order Price Protection Mechanisms and Risk Controls

(a) **Managed Protection Override**. The Managed Protection Override ("MPO") is a setting which, when enabled, allows Members to have their order cancelled after a risk protection setting is triggered.

The Managed Protection Override will apply to the following risk protection if enabled:

- Max Put Price Protection

(b) **Order Protections**.

(1) **Max Put Price Protection**. The Exchange will determine a maximum trading price limit for a Put option as the strike price plus a pre-set value of $0.10.

(i) **EEM Orders**. Buy orders entered by an EEM that are priced through the maximum trading price limit will trade up to, and including, the maximum trading price limit, and will then be placed on the Book and managed to the appropriate trading price limit as described in Rule 515(d)(2), or cancelled if the Managed Protection Override is enabled. Sell orders entered by an EEM that are priced higher than the maximum trading price limit will be rejected.

(ii) **MM Orders**. Buy orders entered by a MM that are priced through the maximum trading price limit will trade up to, and including the maximum trading price limit, then will be placed on the Book and managed to the appropriate trading price limit as described in Rule 515(d)(2). Sell orders entered by a MM that are priced higher than the maximum trading price limit will be displayed.

[Adopted: May 4, 2022 (SR-PEARL-2022-15); implemented June 1, 2022 (SR-PEARL-2022-15)]

Chapter VI. Market Makers

Rule 600. Market Maker Registration

Members registered as Market Makers have certain rights and bear certain responsibilities beyond those of other Members. All Market Makers are designated as specialists on the Exchange for all purposes under the Exchange Act or Rules thereunder.

(a) To register as a Market Maker, a Member must file an application in writing on such forms as the Exchange may prescribe. The Exchange reviews applications and considers an applicant's market making ability and such other factors as the Exchange deems appropriate in determining whether to approve an applicant's registration as a Market Maker.

(b) The registration of any Member as a Market Maker may be suspended or terminated by the Exchange upon a determination that such Member has failed to properly perform as a Market Maker.

(c) These Rules place no limit on the number of qualifying entities that may become Market Makers.

(d) Applications shall be reviewed by the Exchange, which shall consider such factors including, but not limited to capital, operations, personnel, technical resources, and disciplinary history. Each Market Maker must have and maintain minimum net capital of at least the amount required under Rule 15c3-1 of the Exchange Act.

(e) An applicant's registration as a Market Maker shall become effective upon receipt by the Member of notice of an approval of registration by the Exchange.

(f) The registration of a Market Maker may be suspended or terminated by the Exchange if the Exchange determines that:

(1) The Market Maker has substantially or continually failed to engage in dealings in accordance with Rule 604 (Obligations of Market Makers) or elsewhere in these Rules;

(2) The Market Maker has failed to meet the minimum net capital conditions set forth under paragraph (d) above;

(3) The Market Maker has failed to maintain fair and orderly markets; or

(4) The Market Maker does not have at least one registered MMAT (as defined in Rule 601(a)(1)) qualified to perform market making activities as set forth in Rule 601(b)(5). A MMAT whose registration is suspended pursuant to this paragraph (f) shall not be deemed qualified within the meaning of this subsection.

(g) Any registered Market Maker may withdraw its registration by giving written notice to the Exchange. The Exchange may require a certain minimum prior notice period for withdrawal, and may place such other conditions on withdrawal and re-registration following withdrawal, as it deems appropriate in the interests of maintaining fair and orderly markets.

(h) Any person aggrieved by any determination under this Rule 600 or Rule 601 below may seek review under Chapter XI of these Rules governing adverse action.

(i) Market Makers are designated as dealers on the Exchange for all purposes under the Exchange Act and the rules and regulations thereunder.

[Adopted: December 13, 2016]

Rule 601. Obligations of Market Maker Authorized Traders

(a) **General**.

(1) A "Market Maker Authorized Trader" or "MMAT" is a person who is permitted to perform market making activities pursuant to Chapter VI on behalf of a Market Maker.

(2) MMATs are permitted to enter orders only for the account of the Market Maker for which they are registered.

(b) **Registration of Market Maker Authorized Traders**. The Exchange may, upon receiving an application in writing from a Market Maker on a form prescribed by the Exchange, register a person as an MMAT.

(1) MMATs may be officers, partners, employees or other associated persons of Members that are registered with the Exchange as Market Makers.

(2) To be eligible for registration as an MMAT, a person must successfully complete proficiency examinations and continuing education requirements applicable to individual Members and individual associated persons of Members, as set forth in Interpretation and Policy .07 to Rule 3100, and any other training and/or certification programs as may be required by the Exchange.

(3) The Exchange may require a Market Maker to provide any and all additional information the Exchange deems necessary to establish whether registration should be granted.

(4) The Exchange may grant a person conditional registration as an MMAT subject to any conditions it considers appropriate in the interests of maintaining a fair and orderly market.

(5) A Market Maker must ensure that an MMAT is properly qualified to perform market making activities, including but not limited to ensuring the MMAT has met the requirements set forth in paragraph (b)(2) of this Rule.

(c) **Suspension or Withdrawal of Registration**.

(1) The Exchange may suspend or withdraw the registration previously given to a person to be an MMAT if the Exchange determines that:

(i) the person has caused the Market Maker to fail to comply with the securities laws, rules and regulations or the By-Laws, Rules and procedures of the Exchange;

(ii) the person is not properly performing the responsibilities of an MMAT;

(iii) the person has failed to meet the conditions set forth under paragraph (b) above; or

(iv) the MMAT has failed to maintain fair and orderly markets.

(2) If the Exchange suspends the registration of a person as an MMAT, the Market Maker must not allow the person to submit orders into the System.

(3) The registration of an MMAT will be withdrawn upon the written request of the Member for which the MMAT is registered. Such written request shall be submitted on the form prescribed by the Exchange.

[Adopted: December 13, 2016; amended April 3, 2017 (SR-PEARL-2017-11); amended January 9, 2020 (SR-PEARL-2020-01)]

Rule 602. Continuing Market Maker Registration

(a) A Member that has qualified as a Market Maker may register to make markets in individual series of options.

(b) A Market Maker may become registered in a series by entering a registration request via (i) the MEO interface, which requires series registration to be submitted prior to 9:00 a.m. Eastern Time of the current trading day, which registration request shall be submitted for every requested trading day, or (ii) an Exchange approved electronic interface, which requires series registration to be submitted prior to 6:00 p.m. Eastern Time of the business day immediately preceding the next trading day, which registration request shall persist until it is withdrawn. Registration shall become effective on the day the registration request is entered.

[Adopted: December 13, 2016; amended May 14, 2018 (SR-PEARL-2018-11)]

Rule 603. Good Standing for Market Makers

(a) To remain in good standing as a Market Maker, the Market Maker must:

(1) Continue to meet the requirements established in SEC Rule 15c3-1, and the general Membership requirements set forth in the Chapter II of these Exchange Rules and the requirements for Market Makers as set forth in Rule 600 (Market Maker Registration);

(2) continue to satisfy the Market Maker qualification requirements specified by the Exchange, as amended from time to time by the Exchange;

(3) comply with the Exchange Rules as well as the Rules of the OCC and the Federal Reserve Board; and

(4) pay on a timely basis such Membership, transaction and other fees as the Exchange shall prescribe.

(b) The good standing of a Market Maker may be suspended, terminated or otherwise withdrawn, as provided in the Exchange Rules, if any of said conditions for approval cease to be maintained or the Market Maker violates any of its agreements with the Exchange or any of the provisions of the Exchange Rules.

[Adopted: December 13, 2016]

Rule 604. Obligations of Market Makers

(a) In registering as a Market Maker, a Member commits himself to various obligations. Transactions of a Market Maker in its market making capacity must constitute a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and Market Makers should not make bids or offers or enter into transactions that are inconsistent with such course of dealings. Ordinarily, Market Makers are expected to:

(1) During trading hours, a Market Maker must maintain a two-sided market, pursuant to Rule 605(d)(1), in those option series in which the Market Maker is registered to trade, in a manner that enhances the depth, liquidity and competitiveness of the market.

(2) Engage, to a reasonable degree under the existing circumstances, in dealings for their own accounts when there exists, or it is reasonably anticipated that there will exist, a lack of price continuity, a temporary disparity between the supply of (or demand for) a particular option contract, or a temporary distortion of the price relationships between option contracts of the same class.

(3) Compete with other Market Makers in all series in which the Market Maker is registered to trade.

(4) Make markets that will be honored for the number of contracts entered into the Exchange's System in all series of options in which the Market Maker is registered to trade.

(5) Update quotations in response to changed market conditions in all series of options in which the Market Maker is registered to trade.

(6) Maintain active markets in all series in which the Market Maker is registered.

(b) Market Makers should not effect purchases or sales on the Exchange except in a reasonable and orderly manner.

(c) If the Exchange finds any substantial or continued failure by a Market Maker to engage in a course of dealings as specified in paragraph (a) of this Rule, such Market Maker will be subject to disciplinary action or suspension or revocation of registration in one or more of the securities in which the Market Maker is registered. Nothing in this Rule will limit any other power of the Board under these Rules, or procedures of the Exchange with respect to the registration of a Market Maker or in respect of any violation by a Market Maker of the provisions of this Rule.

[Adopted: December 13, 2016]

Rule 605. Market Maker Quotations

(a) **Size Associated with Quotes.** A Market Maker's bid and offer for a series of options contracts shall be accompanied by the number of contracts at that price the Market Maker is willing to buy or sell. The best bid and best offer entered by a Market Maker must have a size of at least one (1) contract.

(b) **Two-Sided Quotes.** A Market Maker that enters a bid (offer) in a series in which he is registered on the Exchange must enter an offer (bid).

(c) **Firm Quotes.**

(1) All quotes and orders entered into the System are firm under this Rule and Rule 602 of Regulation NMS under the Exchange Act ("Rule 602") for the number of contracts specified and according to the requirements of paragraph (a) above.

(2) Market Maker bids and offers are not firm under this Rule and Rule 602 if any of the circumstances provided in paragraph (b)(3) or (c)(4) of Rule 602 exist.

(d) **Continuous Quotes.** A Market Maker must enter continuous bids and offers for the options series to which it is registered, as follows:

(1) On a daily basis, a Market Maker must make markets consistent with the applicable quoting requirements specified in these Rules, on a continuous basis in at least seventy-five percent (75%) of the options series in which the Market Maker is registered.

(2) A Market Maker may be called upon by the Exchange to submit a single bid or offer or maintain continuous bids and offers in one or more of the series to which the Market Maker is registered whenever, in the judgment of the Exchange, it is necessary to do so in the interest of fair and orderly markets.

(3) A Market Maker shall be deemed to have fulfilled the "continuous" quoting requirement if the Market Maker provides two-sided quotes for 90% of the time that the Market Maker is required to provide quotes in an appointed option series on a given trading day, or such higher percentage as the Exchange may announce in advance. These obligations will apply to all of the Market Maker's appointed issues collectively, rather than on an issue-by-issue basis. Compliance with this obligation will be determined on a monthly basis. However, determining compliance with the continuous quoting requirement on a monthly basis does not relieve the Market Maker of the obligation to provide continuous two-sided quotes on a daily basis, nor will it prohibit the Exchange from taking disciplinary action against a Market Maker for failing to meet the continuous quoting obligation each trading day.

(4) If a technical failure or limitation of a System of the Exchange prevents the Market Maker from maintaining or communicating to the Exchange timely and accurate quotes in an options series, the duration of such failure shall not be considered in determining whether the Market Maker has satisfied the quoting standard with respect to that option series.

(5) The continuous quoting obligations set forth above: (i) shall be suspended during a trading halt, suspension, or pause in an option pursuant to Rule 504, and shall not re-commence until after the first regular way transaction on the primary market in the underlying security following such halt, suspension, or pause in the underlying security, as reported by the responsible single plan processor and trading has resumed in the halted option pursuant to Rule 503, and (ii) shall be suspended for the duration that an underlying NMS stock is in a Limit State or a Straddle State.

(6) Market Makers shall not be required to make two-sided markets pursuant to this Rule in any Quarterly Option Series, any adjusted option series, and any option series until the time to expiration for such series is less than nine months. Accordingly, the continuous quotation obligations set forth in this Rule shall not apply to Market Makers respecting Quarterly Option Series, adjusted option series, and series with an expiration of nine months or greater. For purposes of this subsection, an adjusted option series is an option series wherein, as a result of a corporate action by the issuer of the underlying security, one option contract in the series represents the delivery of other than 100 shares of underlying stock or Exchange-Traded Fund Shares.

(7) The Exchange may consider other exceptions to this continuous quoting obligation based on demonstrated legal or regulatory requirements or other mitigating circumstances.

(e) **Options Series Other Than Those in Which Registered**. The total number of contracts executed by a Market Maker in series in which it is not registered as a Market Maker shall not exceed twenty-five percent (25%) of the total number of all contracts executed by the Market Maker in any calendar quarter.

Interpretations and Policies:

.01 IOC orders from Market Makers will not be counted for the continuous quoting obligations set forth in paragraph (d) of this Rule 605.

[Adopted: December 13, 2016]

Rule 606. Securities Accounts and Orders of Market Makers

(a) **Identification of Accounts**. In a manner prescribed by the Exchange, each Market Maker shall file with the Exchange and keep current a list identifying all accounts for stock, options and related securities trading in which the Market Maker may, directly or indirectly, engage in trading activities or over which it exercises investment discretion. No Market Maker shall engage in stock, options or related securities trading in an account which has not been reported pursuant to this Rule.

(b) **Reports of Orders**. Each Market Maker shall, upon request and in the prescribed form, report to the Exchange every order entered by the Market Maker for the purchase or sale of (1) a security underlying options traded on the Exchange, or (2) a security convertible into or exchangeable for such underlying security, as well as opening and closing positions in all such securities held in each account reported pursuant to paragraph (a) of this Rule. The report pertaining to orders must include the terms of each order, identification of the brokerage firms through which the orders were entered, the times of entry or cancellation, the times report of execution were received and, if all or part of the order was executed, the quantity and execution price.

(c) **Joint Accounts**. No Market Maker shall, directly or indirectly, hold any interest or participate in any joint account for buying or selling any options contract unless each participant in such joint account is a Member and unless such account is reported to, and not disapproved by, the Exchange. Such reports in a form prescribed by the Exchange shall be filed with the Exchange before any transaction is effected on the Exchange for such joint account. A participant in a joint account must:

(1) Be either a Market Maker or a Clearing Member that carries the joint account.

(2) File and keep current a completed application on such form as is prescribed by the Exchange.

(3) Be jointly and severally responsible for assuring that the account complies with all Exchange Rules.

(4) Not be a Market Maker registered to the same options classes to which the joint account holder is also registered as a Market Maker.

Interpretations and Policies:

.01 Reports of accounts and transactions required to be filed with the Exchange pursuant to this Rule relate only to accounts in which a Market Maker, as an individual, directly or indirectly controls trading activities or has a direct interest in the profits or losses of such account. Such reports would be required for accounts over which a Market Maker exercises investment discretion as well as a Market Maker's proprietary accounts.

[Adopted: December 13, 2016]

Rule 607. Letters of Guarantee

(a) **Required of Each Member**. No Member shall make any transactions on the Exchange unless a Letter of Guarantee has been issued for such Member by a Clearing Member and filed with the Exchange, and unless such Letter of Guarantee has not been revoked pursuant to paragraph (c) of this Rule.

(b) **Terms of Letter of Guarantee**. A Letter of Guarantee shall provide that the issuing Clearing Member accepts financial responsibilities for all the Exchange Transactions made by the guaranteed Member.

(c) **Revocation of Letter of Guarantee**. A Letter of Guarantee filed with the Exchange shall remain in effect until a written notice of revocation has been filed with the Exchange by the Guarantor Clearing Member. A revocation shall in no way relieve a Clearing Member of responsibility for transactions guaranteed prior to the effective date of such revocation.

[Adopted: December 13, 2016]

Rule 608. Financial Requirements for Market Makers

(a) Each Market Maker shall maintain (i) net liquidating equity in its Market Maker account of not less than $200,000, and in conformity with such guidelines as the Board may establish from time to time, and (ii) net capital sufficient to comply with the requirements of Exchange Act Rule 15c3-1. Each Market Maker which is a Clearing Member shall also maintain net capital sufficient to comply with the requirements of the Clearing Corporation. This equity requirement, as well as all other provisions of the section (including capital maintenance requirements), applies to each Market Maker account, without regard to the number of Market Maker accounts per firm. The term “net liquidating equity” means the sum of positive cash balances and long securities positions less negative cash balances and short securities positions.

(b) Each Market Maker that makes an arrangement to finance his transactions as a Market Maker must identify in writing to the Exchange the source of the financing and its terms. The Exchange must be informed immediately of the intention of any party to terminate or change any such arrangement.

[Adopted: December 13, 2016]

Chapter VII. Exercises and Deliveries

The rules contained in MIAX Chapter VII, as such rules may be in effect from time to time (the "Chapter VII Rules"), are hereby incorporated by reference into this MIAX Pearl Chapter VII, and are thus MIAX Pearl Rules and thereby applicable to MIAX Pearl Members. MIAX Pearl Members shall comply with the Chapter VII Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in Chapter VII Rules shall be read to refer to the MIAX Pearl related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term "Exchange" in the Chapter VII Rules shall be read to refer to MIAX Pearl; the defined term "Rule" in Chapter VII shall be read to refer to the MIAX Pearl Rule; the defined term "Clearing Member" in the Chapter VII Rules shall be read to refer the MIAX Pearl Clearing Member; and the defined term "Member" in the Chapter VII Rules shall be read to refer to the MIAX Pearl Member.

[Adopted: December 13, 2016; amended September 27, 2017 (SR-MIAX-2017-39); amended November 15, 2017 (SR-MIAX-2017-43); amended February 2, 2018 (SR-MIAX-2018-01); amended May 24, 2019 (SR-PEARL-2019-16)]

Chapter VIII. Records, Reports and Audits

The rules contained MIAX Chapter VIII, as such rules may be in effect from time to time (the "Chapter VIII Rules"), are hereby incorporated by reference into this MIAX Pearl Chapter VIII, and are thus MIAX Pearl Rules and thereby applicable to MIAX Pearl Members. MIAX Pearl Members shall comply with the Chapter VIII Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in Chapter VIII Rules shall be read to refer to the MIAX Pearl related meaning of such term. Solely by way of example, and not in limitation or exhaustion: the defined term "Exchange" in the Chapter VIII Rules shall be read to refer to MIAX Pearl; the defined term "Rule" in the Chapter VIII Rules shall be read to refer to the MIAX Pearl Rule; the defined term "Market Maker" in the Chapter VIII Rules shall be read to refer to the MIAX Pearl Market Maker; and the defined term "Member" in the Chapter VIII Rules shall be read to refer to the MIAX Pearl Member.

[Adopted: December 13, 2016; amended April 3, 2017 (SR-PEARL-2017-11); amended August 18, 2017 (SR-MIAX-2017-35); amended May 24, 2019 (SR-PEARL-2019-16)]

Chapter IX. Summary Suspension

The rules contained in MIAX Chapter IX, as such rules may be in effect from time to time (the "Chapter IX Rules"), are hereby incorporated by reference into this MIAX Pearl Chapter IX, and are thus MIAX Pearl Rules and thereby applicable to MIAX Pearl Members. MIAX Pearl Members shall comply with the Chapter IX Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in Chapter IX Rules shall be read to refer to the MIAX Pearl related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term "Exchange in the Chapter IX Rules shall be read to refer to MIAX Pearl; the defined term "Rule" in Chapter IX Rules shall be read to refer to the MIAX Pearl Rule; the defined term "Board" in the Chapter IX Rules shall be read to refer to the MIAX Pearl Board; and the defined term "Member" in the Chapter IX Rules shall be read to refer to the MIAX Pearl Member.

[Adopted: December 13, 2016; amended May 24, 2019 (SR-PEARL-2019-16)]

Chapter X. Discipline

Rule 1000. Disciplinary Jurisdiction

(a) A Member or a person associated with a Member who is alleged to have violated or aided and abetted a violation of any provision of the Exchange Act, the rules and regulations promulgated thereunder, or any provision of the Rules or any interpretation thereof or resolution of the Board of the Exchange regulating the conduct of business on the Exchange, shall be subject to the disciplinary jurisdiction of the Exchange under this Chapter, and after notice and opportunity for a hearing may be appropriately disciplined by expulsion, suspension, limitation of activities, functions, and operations, fine, censure, being suspended or barred from being associated with a Member or any other fitting sanction, in accordance with provisions of this Chapter.

(b) Persons associated with a Member may be charged with any violation committed by employees under his supervision or by the Member as though such violation were his own. A Member may be charged with any violation committed by its employees or other person who is associated with such Member, as though such violation were its own.

(c) Any Member or person associated with a Member shall continue to be subject to the disciplinary jurisdiction of the Exchange following such Member's termination or the person's termination of association with a Member with respect to matters that occurred prior to such termination; provided that written notice of the commencement of an inquiry into such matters is given by the Exchange to such former Member or former associated person within one (1) year of receipt by the Exchange, or such other exchange or association recognized for purposes of Rule 3100, Interpretation and Policy .12, of the latest written notice of the termination of such person's status as a Member or person associated with a Member. The foregoing notice requirement does not apply to a person who at any time after a termination again subjects himself to the disciplinary jurisdiction of the Exchange by becoming a Member or a person associated with a Member.

[Adopted: December 13, 2016; amended January 9, 2020 (SR-PEARL-2020-01)]

Rule 1001. Requirement to Furnish Information

(a) Each Member and person associated with a Member shall be obligated upon request by the Exchange (including by another SRO acting on behalf of the Exchange pursuant to Rule 1015) to appear and testify, and to respond in writing to interrogatories and furnish documentary materials and other information requested in connection with (i) an investigation initiated pursuant to Rule 1002, (ii) a hearing or appeal conducted pursuant to this Chapter or preparation by the Exchange in anticipation of such a hearing or appeal, or (iii) an Exchange inquiry resulting from an agreement entered into by the Exchange pursuant to Rule 805.

(b) A Member or person associated with a Member is entitled to be represented by counsel during any such Exchange investigation, proceeding or inquiry.

(c) No Member or person associated with a Member shall impede or delay an Exchange investigation or proceeding conducted pursuant to this Chapter, or an Exchange inquiry pursuant to Rule 805, nor refuse to comply with a request made by the Exchange pursuant to this paragraph.

(d) Failure to furnish testimony, documentary evidence or other information requested by the Exchange in the course of an Exchange inquiry, investigation, hearing or appeal conducted pursuant to this Chapter, or in the course of

preparation by the Exchange in anticipation of such a hearing or appeal, on the date or within the time period the Exchange specifies shall be deemed to be a violation of this Rule.

[Adopted: December 13, 2016]

Rule 1002. Investigation

The Exchange's regulatory staff (including regulatory staff of another SRO acting on the Exchange's behalf pursuant to Rule 1015), which is obligated to act independently from the economic interests of the Members regulated by the Exchange, has sole discretion to investigate possible violations within the disciplinary jurisdiction of the Exchange on its own initiative or based upon a complaint alleging possible violations submitted by any person, Exchange committee or the Board. All complaints shall be in writing signed by the complainant and shall specify in reasonable detail the facts constituting the violation, including the specific statutes, rules, interpretations or resolutions allegedly violated.

[Adopted: December 13, 2016]

Rule 1003. Letters of Consent

In lieu of the procedures set forth in Rules 1004 through 1006 (Charges, Answer and Hearing), a matter may be disposed of through a letter of consent.

(a) A matter can only be disposed of through a letter of consent if regulatory staff and the Member or person(s) who is the subject of the investigation (the "Subject") are able to agree upon terms of a letter of consent. Such letter must be signed by the Subject and must set forth a stipulation of facts and findings concerning the Member's conduct, the violation(s) committed by the Member and the sanction(s) therefor.

(b) In the event that the Subject and the regulatory staff are able to agree upon a letter of consent, the staff shall submit the letter to the Chief Regulatory Officer. If the letter of consent is acceptable to the Chief Regulatory Officer, it shall be submitted to the Business Conduct Committee. In the event that the Member and the regulatory staff are unable to agree upon a letter of consent or if a proposed letter is not acceptable to the Chief Regulatory Officer, the staff may institute an action according to the procedures contained in Rule 1004. The Chief Regulatory Officer's decision to reject a letter of consent shall be final, and a Subject may not seek review thereof.

(c) If a letter of consent is submitted to and accepted by the Business Conduct Committee, the Exchange shall take no further action against the Subject respecting the matters that are the subject of the letter. If the letter of consent is rejected by the Business Conduct Committee, the matter shall proceed as though the letter had not been submitted. The Business Conduct Committee's decision to accept or reject a letter of consent shall be final, and a Subject may not seek review thereof.

[Adopted: December 13, 2016]

Rule 1004. Charges

(a) **Initiation of Charges.** Whenever it shall appear that there is probable cause for finding a violation within the disciplinary jurisdiction of the Exchange and that further proceedings are warranted, the regulatory staff shall prepare a statement of charges against the Member or associated person alleged to have committed a violation (the "Respondent") specifying the acts in which the Respondent is charged to have engaged and setting forth the specific provisions of the Exchange Act, rules and regulations promulgated thereunder, provisions of the Rules, or

interpretations or resolutions of which such acts are in violation. If the statement of charges is approved by the Chief Regulatory Officer, a copy of the charges shall be served upon the Respondent in accordance with Rule 1012. The complainant, if any, shall be notified if further proceedings are warranted.

(b) **Access to Documents.** Provided that a Respondent has made a written request for access to documents described hereunder with sixty (60) calendar days after a statement of charges has been served upon the Respondent in accordance with Rule 1012, the Respondent shall have access to all documents concerning the case that are in the investigative file of the Exchange except for regulatory staff investigation and examination reports and any other materials prepared by the Exchange staff in connection with such reports or in anticipation of a disciplinary hearing. In providing such documents, the Exchange may protect the identity of a complainant.

[Adopted: December 13, 2016]

Rule 1005. Answer

(a) The Respondent shall have twenty-five (25) calendar days after service of the charges to file with the Secretary of the Exchange a written answer thereto. The answer shall specifically admit or deny each allegation contained in the charges, and the Respondent shall be deemed to have admitted any allegation not specifically denied. The answer may also contain any defense that the Respondent wishes to submit and may be accompanied by documents in support of his answer or defense. In the event the Respondent fails to file an answer, the charges shall be considered to be admitted.

(b) Upon review of the Respondent's answer, the Chief Regulatory Officer may modify the statement of charges, and a copy of the modified charges shall be served upon the Respondent in accordance with Rule 1012. If such modification asserts any new or materially different charges from those contained in the initial statement, Respondent shall have an additional twenty-five (25) calendar days after service of the modified statement of charges to file a written answer thereto in accordance with paragraph (a) above.

[Adopted: December 13, 2016]

Rule 1006. Hearing

(a) **Appointment of Hearing Panel**. Subject to Rule 1008 (Summary Proceedings), a hearing on the charges shall be held before a professional hearing officer and two members of the Business Conduct Committee (the "Panel"). The professional hearing officer shall serve as the chairman of the Panel (the "Panel Chairman").

(1) Promptly after the Respondent files a written answer to the statement of charges, the Chairman of the Business Conduct Committee shall select from among the persons on the Business Conduct Committee two (2) persons to serve on the Panel. In making such selection, the Chairman of the Business Conduct Committee shall, to the extent practicable, choose individuals whose background, experience and training qualify them to consider and make determinations regarding the subject matter to be presented to the Panel. He shall also consider such factors as the availability of individuals, the extent of their prior service on Panels and any relationship between an individual and the Respondent that might make it inappropriate for such person to serve on the Panel.

(2) If in the opinion of the Chairman of the Business Conduct Committee, there are not a sufficient number of persons on the Business Conduct Committee from which to select persons having the appropriate background, experience and training to consider and make determinations regarding the subject matter to be presented to that particular Panel, he shall request that the President temporarily appoint additional persons to the Business Conduct Committee from whom he may select for that Panel.

(3) If at any time a person serving on a Panel has a conflict of interest or bias or circumstances otherwise exist where his fairness might reasonably be questioned, the person must withdraw from the Panel. In the event that a person selected from the Business Conduct Committee withdraws, is incapacitated, or otherwise is unable to continue service after being selected, the Panel Chairman may, in the exercise of discretion, request that the Chairman of the Business Conduct Committee select a replacement. In the event that both persons selected from the Business Conduct Committee withdraw, are incapacitated, or otherwise are unable to continue service, the Chairman of the Business Conduct Committee shall select two replacements.

(b) **Parties.** The Exchange and the Respondent shall be the parties to the hearing. Where a Member is a party, it shall be represented at the hearing by an associated person.

(c) **Notice and List of Documents.** Parties shall be given at least twenty-eight (28) calendar days' notice of the time and place of the hearing. Not less than ten (10) calendar days in advance of the scheduled hearing date, each party shall furnish to the Panel and to the other parties, copies of all documentary evidence such party intends to present at the hearing. Where time and the nature of the proceeding permit, the parties shall meet with the Panel Chairman in a pre-hearing conference for the purpose of clarifying and simplifying issues and otherwise expediting the proceeding. At such pre-hearing conference, the parties shall attempt to reach agreement respecting authenticity of documents, facts not in dispute, and any other items that will serve to expedite the hearing of the matter.

(d) **Intervention.** Any person not otherwise a party may intervene as a party to the hearing upon demonstrating to the satisfaction of the Panel Chairman that he has an interest in the subject of the hearing and that the disposition of the matter may, as a practical matter, impair or impede his ability to protect that interest. Also, the Panel Chairman may in his discretion permit a person to intervene as a party to the hearing when the person's claim or defense and the main action have questions of law or fact in common. Any person wishing to intervene as a party to a hearing shall file with the Panel Chairman a notice requesting the right to intervene, stating the grounds therefor, and setting forth the claim or defense for which intervention is sought. The Panel Chairman, in exercising his discretion concerning intervention shall take into consideration whether the intervention will unduly delay or prejudice the adjudication of the rights of the original parties.

(e) **Conduct of Hearing.** The Panel Chairman shall determine the time and place of all meetings, and shall make all determinations with regard to procedural or evidentiary matters, as well as prescribe the time within which all documents, exhibits, briefs, stipulations, notices or other written materials must be filed where such is not specified in this Chapter. The Panel Chairman shall generally regulate the course of the hearing, and shall have the authority to, among other things, order the parties to present oral arguments, reopen a hearing prior to the issuance of a decision by the Panel, create and maintain the official record of proceeding, and draft a decision that represents the views of the majority of the Panel. Formal rules of evidence shall not apply to hearings conducted by the Panel. The charges shall be presented by a representative of the Exchange who, along with Respondent and any other party, may present evidence and produce witnesses who shall testify under oath and are subject to being questioned by the Panel and the other parties. The Panel may request the production of documentary evidence and witnesses. No Member or person associated with a Member shall refuse to furnish relevant testimony, documentary materials or other information requested by the Panel during the course of the hearing. The Respondent and intervening parties are entitled to be represented by counsel who may participate fully in the hearing. A transcript of the hearing shall be made and shall become part of the record. Interlocutory Board review of any decision made by the Panel prior to completion of the hearing is generally prohibited. Such interlocutory review shall be permitted only if the Panel agrees to such review after determining that the issue is a controlling issue of rule or policy and that immediate Board review would materially advance the ultimate resolution of the case.

(f) **Ex Parte Communication.** No Member or person associated with a Member shall make or knowingly cause to be made an ex parte communication with any member of the Panel, Business Conduct Committee or Board concerning the merits of any matter pending under this Chapter. No member of the Panel, Business Conduct Committee or Board shall make or knowingly cause to be made an ex parte communication with any Member or any person associated with a Member concerning the merits of any matter pending under this Chapter.

(1) "Ex parte communication" means an oral or written communication made without notice to all parties, that is, regulatory staff and Subjects of investigations or Respondents in proceedings.

(2) A written communication is ex parte unless a copy has been previously or simultaneously delivered to all interested parties. An oral communication is ex parte unless it is made in the presence of all parties except those who, on adequate prior notice, declined to be present.

[Adopted: December 13, 2016]

Rule 1007. Decision

(a) Following a hearing conducted pursuant to Rule 1006, the Panel shall by majority opinion, issue a decision in writing, based solely on the record, determining whether the Respondent has committed a violation and imposing the sanction, if any, therefor.

(b) The decision shall include a statement of findings and conclusions, with the reasons therefor, upon all material issues presented on the record. Where a sanction is imposed, the decision shall include a statement specifying the acts or practices in which the Respondent has been found to have engaged and setting forth the specific provisions of the Exchange Act, rules and regulations promulgated thereunder, provisions of the Rules, interpretations or resolutions of the Exchange of which the acts are deemed to be in violation.

(c) The Respondent shall be sent a copy of the decision promptly after it is rendered.

[Adopted: December 13, 2016]

Rule 1008. Summary Proceedings

Notwithstanding the provision of Rule 1006 (Hearing), a Panel may make a determination without a hearing and may impose a penalty as to violations that the Respondent has admitted or has failed to answer or that otherwise do not appear to be in dispute.

(a) Notice of such summary determination, specifying the violations and penalty, shall be served upon the Respondent, who shall have ten (10) calendar days from the date of service to notify the Panel Chairman that he desires a hearing upon all or a portion of any charges not previously admitted or upon the penalty. Failure to so notify the Panel Chairman shall constitute admission of the violations and acceptance of the penalty as determined by the Panel and a waiver of all rights of review.

(b) If the Respondent requests a hearing, the matters that are the subject of the hearing shall be handled as if the summary determination had not been made.

[Adopted: December 13, 2016]

Rule 1009. Offers of Settlement

(a) **Submission of Offer.** At any time during a period not to exceed 120 calendar days immediately following the date of service of a statement of charges upon the Respondent in accordance with Rule 1012, the Respondent may submit to the Panel, if one has been formed, a written offer of settlement, signed by him, which shall contain a proposed stipulation of facts and consent to a specified sanction. The Respondent may submit a written statement in support of the offer. If a Panel has not yet been appointed, a written offer of settlement may be submitted to the Chief Regulatory Officer.

(1) A Respondent shall be entitled to submit a maximum of two (2) written offers of settlement in connection with the statement of charges issued to that Respondent pursuant to Rule 1004, unless a Panel, in its discretion, permits a Respondent to submit additional offers of settlement.

(2) The 120-day period shall be tolled for the number of days in excess of seven (7) calendar days that it takes the Exchange regulatory staff to respond to a Respondent's request for access to documents provided that the request for access is made pursuant to the provisions and within the time frame provided in Rule 1004(b).

(b) **Acceptance or Rejection of Offer**. Where the Panel or Chief Regulatory Officer accepts an offer of settlement, it or he shall issue a decision, including findings and conclusions and imposing a sanction, consistent with the terms of such offer. Where the Panel or Chief Regulatory Officer rejects an offer of settlement, it or he shall notify the Respondent and the matter shall proceed as if such offer had not been made, and the offer and all documents relating thereto shall not become a part of the record. Subject to Rule 1008 (Summary Proceedings), following the end of the 120-day period in paragraph (a) above or after a rejection of a Respondent's second offer of settlement, a hearing will proceed in accordance with the provisions of Rule 1006. A decision of the Panel or Chief Regulatory Officer issued upon acceptance of an offer of settlement, as well as the determination whether to accept or reject such an offer, shall be final, and the Respondent may not seek review thereof.

[Adopted: December 13, 2016]

Rule 1010. Review

(a) **Petition.** The Respondent or regulatory staff shall have fifteen (15) calendar days after service of notice of a decision made pursuant to Rule 1007 of this Chapter to petition for review thereof by the Board. Such petition shall be in writing and shall specify the findings and conclusions to which exceptions are taken, together with reasons for such exceptions. Any objections to a decision not specified by written exception shall be considered to have been abandoned. Petitions shall be filed with the Secretary of the Exchange.

(b) **Motion of Board.** The Board may on its own initiative order review of a decision made pursuant to Rule 1007 or 1008 (Summary Proceeding) within thirty (30) calendar days after notice of the decision has been served on the Respondent.

(c) **Conduct of Review.** The review shall be conducted by the Board or a committee of the Board composed of at least three Directors whose decision must be ratified by the Board.

(1) Any Director who participated in a matter may not participate in review of that matter by the Board.

(2) Unless the Board shall decide to open the record for the introduction of evidence or to hear argument, such review shall be based solely upon the record and the written exceptions filed by the parties.

(3) New issues may be raised by the Board, and in such event, Respondents and regulatory staff shall be given notice of an opportunity to address any such new issues.

(d) **Determination.** The Board may affirm, reverse or modify, in whole or in part, the decision of the Panel. Such modification may include an increase or decrease of the sanction. The decision of the Board shall be in writing, shall be promptly served on the Respondent, and shall be final.

[Adopted: December 13, 2016]

Rule 1011. Judgment and Sanction

(a) **Sanctions.** Members and persons associated with Members shall (subject to any rule or order of the SEC) be appropriately disciplined for violations under these Rules by expulsion, suspension, limitation of activities, functions and operations, fine, censure, being suspended or barred from being associated with a Member, or any other fitting sanction.

(b) **Effective Date of Judgment.** Sanctions imposed under this Chapter shall not become effective until the Exchange review process is completed or the decision otherwise becomes final. Pending effectiveness of a decision imposing a sanction on the Respondent, the person, committee or panel issuing the decision (the "adjudicator") may impose such conditions and restrictions on the activities of the Respondent as it considers reasonably necessary for the protection of investors and the Exchange.

(c) **Payment of Fines, Other Monetary Sanctions, or Costs; Summary Action for Failure to Pay**.

(1) **Payment to Chief Financial Officer**. All fines and other monetary sanctions shall be paid to the Chief Financial Officer of the Exchange.

(2) **Summary Suspension or Expulsion**. After seven (7) calendar days' notice in writing, the Exchange may (i) summarily suspend a Member that fails to pay promptly a fine, other monetary sanction or cost imposed pursuant to this Chapter when such fine, monetary sanction or cost becomes finally due and payable; or (ii) terminate immediately the association of a person who fails to pay promptly a fine, other monetary sanction or cost imposed pursuant to this Chapter when such fine, monetary sanction or cost becomes finally due and payable.

(d) **Costs of Proceedings**. A Member or person associated with a Member disciplined pursuant to this Chapter shall bear such costs of the proceeding as the adjudicator deems fair and appropriate under the circumstances.

[Adopted: December 13, 2016]

Rule 1012. Procedural Matters

(a) **Service of Notice.** Any charges, notices or other documents may be served upon a Member or associated person either personally or by leaving the same at his place of business, by registered or certified mail or overnight commercial carrier addressed to the Member or associated person at the Member's address as it appears on the books and records of the Exchange.

(b) **Extension of Time Limits.** Any time limits imposed under this Chapter for the submission of answers, petitions or other materials may be extended by permission of the authority to whom such materials are to be submitted.

[Adopted: December 13, 2016]

Rule 1013. Reporting to the Central Registration Depository

(a) With respect to formal Exchange disciplinary proceedings, the Exchange shall report to the CRD the issuance of a statement of charges pursuant to Rule 1004 and all significant changes in the status of such proceedings while such proceedings are pending.

(b) For purposes of reporting to the CRD:

(1) A formal Exchange disciplinary proceeding shall be considered to be pending from the time that a statement of charges is issued in such proceeding pursuant to Rule 1004 until the outcome of the proceeding becomes final.

(2) An Exchange disciplinary proceeding shall be considered to be a formal disciplinary proceeding if it is initiated by the Exchange pursuant to Rule 1002.

(3) Significant changes in the status of a formal Exchange disciplinary proceeding shall include, but not be limited to, the scheduling of a disciplinary hearing, the issuance of a decision by a Panel, the filing of an appeal to the Board, and the issuance of a decision by the Board.

[Adopted: December 13, 2016]

Rule 1014. Imposition of Fines for Minor Rule Violations

(a) **General**. In lieu of commencing a disciplinary proceeding, the Exchange may, subject to the requirements set forth herein, impose a fine, not to exceed $5,000, on any Member, or person associated with or employed by a Member, with respect to any Rule violation listed in section (d) of this Rule. Any fine imposed pursuant to this Rule that (i) does not exceed $2,500 and (ii) is not contested, shall be reported on a periodic basis, except as may otherwise be required by Rule 19d-1 under the Exchange Act or by any other regulatory authority. The Exchange is not required to impose a fine pursuant to this Rule with respect to the violation of any Rule included herein, and the Exchange may, whenever it determines that any violation is not minor in nature, proceed under Rules 1003 or 1004, rather than under this Rule.

(b) **Notice**. Any person against whom a fine is imposed under this Rule (the "Subject") shall be served with a written statement setting forth (i) the Rule(s) allegedly violated; (ii) the act or omission constituting each such violation; (iii) the fine imposed for each violation; and (iv) the date by which such determination becomes final and such fine must be paid or contested as provided below, which date shall be not less than thirty (30) calendar days after the date of service of such written statement.

(c) **Review**. A Subject may contest the Exchange's determination by filing with the Office of the Secretary of the Exchange a written answer as provided in Rule 1005 on or before the date such fine must be paid.

(1) Upon the receipt of an answer by the Exchange the matter becomes subject to review by the Business Conduct Committee, or a subcommittee thereof consisting of at least three (3) members of the Business Conduct Committee.

(2) The answer must include a request for a hearing, if a hearing is desired. Formal rules of evidence shall not apply to hearings conducted by the Business Conduct Committee under this Rule. The Business Conduct Committee shall determine the time and place of the hearing and make all determinations with regard to procedural

or evidentiary matters, as well as prescribe the time within which all documents or written materials must be submitted. The regulatory staff and the Subject may present evidence and produce witnesses who shall testify under oath and are subject to being questioned by the Business Conduct Committee and the other party. No Member or person associated with a Member shall refuse to furnish relevant testimony, documentary materials or other information requested by the Business Conduct Committee during the course of the hearing. The Subject is entitled to be represented by counsel who may participate fully in the hearing.

(3) If a hearing is not requested, the review will be based on written submissions and will be conducted in a manner to be determined by the Business Conduct Committee.

(4) If, after a hearing or review based on written submissions, the Business Conduct Committee determines that the Subject is guilty of the rule violation(s) alleged, the Committee may impose any one or more of the disciplinary sanctions authorized by the Exchange's Rules.

Unless the sole disciplinary sanction imposed by the Committee for such rule violation(s) is a fine that is less than the total fine initially imposed by the Exchange for the subject violation(s), the person charged shall pay a forum fee in the amount of $100 if the determination was reached without a hearing and $300 if a hearing was conducted.

(5) The regulatory staff, the Subject or the Board on its own motion may require a review by the Board of any determination by the Business Conduct Committee under this Rule by proceeding in the manner described in Rule 1010.

(6) In the event that a fine imposed pursuant to this Rule is subsequently upheld by the Business Conduct Committee or, if applicable, on appeal to the Board, such fine, plus all interest that has accrued thereon since the fine was due and any forum fee imposed pursuant to subparagraph (4) above, shall be immediately payable.

(d) **Violations Subject to Fines**. The following is a list of the rule violations subject to, and the applicable sanctions that may be imposed by the Exchange pursuant to, this Rule:

(1) **Position Limits (Rule 307).**

Number of Cumulative Violations Within Any Twenty-four Month Rolling Period*	Sanction (Imposed on Exchange Members or violations occurring in all other accounts)
First Offense	$500
Second Offense	$1,000
Third Offense	$2,500
Fourth and Each Subsequent Offense	$5,000

* A violation that consists of (i) a one trade date overage, (ii) a consecutive string of trade date overage violations where the position does not change or where a steady reduction in the overage occurs, or (iii) a consecutive string of trade date overage violations resulting from other mitigating circumstances, may be deemed to constitute one offense, provided that the violations are inadvertent.

(2) **Focus Reports (Rule 803).** Each Member shall file with the Exchange a report of financial condition on SEC Form X-17A-5 as required by Rule 17a-10 under the Exchange Act. Any Member who fails to file in a timely manner such report of financial condition pursuant to Exchange Act Rule 17a-10 shall be subject to the following fines:

Calendar Days Left	Sanction
1 to 30	$200
31 to 60	$400
61 to 90	$800
90 or more	Formal Disciplinary Action

(3) **Requests for Trade Data (Rule 804).** Any Member who fails to respond within ten (10) business days to a request by the Exchange for submission of trade data shall be subject to the following fines:

Business Days Late	Sanction
1 to 9	$200
10 to 15	$500
16 to 30	$1,000
Over 30	Formal Disciplinary Action

Any Member who violates this Rule more than one (1) time in any calendar year shall be subject to the following fines, which fines shall be imposed in addition to any sanction imposed pursuant to the schedule above:

Number of Violations Within One Calendar Year	Sanction
2nd Offense	$500
3rd Offense	$1,000
4th Offense	$2,500
Subsequent Offenses	Formal Disciplinary Action

(4) **Conduct and Decorum Policies.** The Exchange's trading conduct and decorum policies shall be distributed to Members periodically and shall set forth the specific dollar amounts that may be imposed as a fine hereunder with respect to any violations of those policies.

(5) **Order Entry (Rule 520).** Violations of Rule 520(b) regarding limitations on orders entered into the System by Electronic Exchange Members will be subject to the fines listed below. Each paragraph of Rule 520 subject to this Rule shall be treated separately for purposes of determining the number of cumulative violations.

Number of Violations Within One Calendar Year	Sanction
1 to 5	Letter of Caution
6 to 10	$500
11 to 15	$1,000
16 or 20	$2,000
Over 20	Formal Disciplinary Action

(6) **Execution of Orders in Appointed Options (Rule 605).** Violations of Rule 605(e), which specifies a limit on the total number of contracts executed during a quarter in options classes to which the Market Maker is not appointed shall be subject to the following sanctions:

Number of Violations Within Rolling Twelve Month Period	Sanction
1st Offense	Letter of Caution
2nd Offense	$500
3rd Offense	$1,000
4th Offense	$2,500
Subsequent Offenses	Formal Disciplinary Action

(7) **Mandatory Systems Testing (Rule 314).** Failure to conduct or participate in the testing of computer systems, or failure to provide required reports or maintain required documentation, shall be subject to the fines listed below.

Violations Within One Calendar Year	Sanction
First Violation	$250
Second Violation	$500
Third Violation	$1,000
Fourth Violation	$2,000
Fifth Violation or more	Formal Disciplinary Action

(8) **Exercise of Option Contracts (Rule 700).** Any Member who fails to submit to the Exchange in a timely manner pursuant to Rule 700 or a Regulatory Circular issued pursuant to Rule 700, "Advice Cancel", or exercise instruction relating to the exercise or non-exercise of a non-cash settled equity option shall be subject to the following fines:

Number of Cumulative Violations Within Any Twenty-Four Month Rolling Period	Individual	Member Organization
1st Offense	$500	$1,000
2nd Offense	$1,000	$2,500
Subsequent Offenses	$2,500	$5,000

(9) **Exercise Limits (Rule 309).** Violations of Rule 309 regarding the exercise within any five (5) consecutive business days of aggregate long positions in any class of options traded on the Exchange in excess of the limits outlined in Rule 309 shall be subject to the fines listed below:

Number of Cumulative Violations Within Any Twenty-Four Month Rolling Period	Sanction
First Violation	$500
Second Violation	$1,000
Third Violation	$2,500
Subsequent Violation	$5,000

(10) **Reports Related to Position Limits (Rule 310).** Violations of Rule 310 regarding the failure to accurately report position and account information shall be subject to the fines listed below:

Number of Cumulative Violations Within Any Twenty-Four Month Rolling Period	Sanction
First Violation	$500
Second Violation	$1,000
Third Violation	$2,500
Subsequent Violation	$5,000

(11) **Trading in Restricted Classes (Rule 403).** Violations of Rule 403 of entering into an opening transaction in a restricted class shall be subject to the following sanctions:

Number of Cumulative Violations Within Any Twenty-Four Month Rolling Period	Sanction
1st Offense	$500
2nd Offense	$2,500
3rd Offense	$5,000
Subsequent Offense	Formal Disciplinary Action

(12) **Market Maker Quotations (Rule 605).** Violations of Rule 605(d) regarding continuous quoting requirements shall be subject to the fines listed below. Violations of the rule that continue over consecutive trading days will be subject to a separate fine, pursuant to this paragraph (d)(12), for each day during which the violation occurs and is continuing up to a limit of fifteen consecutive trading days. In calculating fine thresholds for each Market Maker, all violations occurring within the Period in any of the Market Makers registered series are to be added together.

Number of Cumulative Violations Within Any Twenty-Four Month Rolling Period	Sanction
1st Offense	Letter of Caution
Subsequent Offense	$300 per day

(13) **Failure to Timely File Amendments to Form U4, Form U5, and Form BD (Rule 3104).** Any Member and/or Member Organization that is required to file Form U4, Form U5, or Form BD pursuant to the Rules, or the Securities and Exchange Act of 1934, and the rules promulgated thereunder, is required to amend the applicable Form U4, Form U5, or Form BD to keep such forms current at all times. Members and/or Member Organizations shall amend Form U4, Form U5, or Form BD no later than thirty (30) days after the filer knew of or should have known of the need for the amendment.

Number of Cumulative Violations Within Any Twelve Month Rolling Period	Sanction
1st Offense	$500
2nd Offense	$1,000
3rd Offense	$2,000
Subsequent Offense	Formal Disciplinary Action

(14) **Failure to Comply with the Consolidated Audit Trail Compliance Rule Under Chapter XVII.** For failures to comply with the Consolidated Audit Trail Compliance Rule requirements under Chapter XVII, the Exchange may impose a minor rule violation fine of up to $2,500.

(15) **List of Exchange Rule Violations and Recommended Fine Schedule for Violations of Certain Rules Related to the Trading of Equity Securities.**

Recommended Fine Schedule – Rule 1014(d)(15)(A) – (D)

Occurrence*	Individual	Member Firm
First time fined	$100	$500
Second time fined	$300	$1,000
Third time fined	$500	$2,500

* Within a "rolling" 12-month period.

(A) Rule 2202, Preamble, requiring the submission of responses to Exchange requests for trading data within a specified time period.

(B) Rule 2623 requirement to identify short sale orders as such.

(C) Rule 2624 requirement to comply with the locked and crossed market rules.

(D) Rule 2104 Communications with the Public

Recommended Fine Amount for 1014(d)(15)(E) – (F): $100 per violation.

(E) Rule 2202, Interpretation .01 related to the requirement to furnish Exchange-related order, market, and transaction data, as well as financial or regulatory records and information.

(F) Rule 2606(a)(1) requirement for Equities Market Makers to maintain continuous two-sided quotations.

[Adopted: December 13, 2016; amended January 9, 2020 (SR-PEARL-2020-01); amended June 26, 2020 (SR-PEARL-2020-07); amended September 23, 2020 (SR-PEARL-2020-15)]

Rule 1015. Disciplinary Functions

(a) The Exchange may contract with another SRO to perform some or all of the Exchange's disciplinary functions. In that event, the Exchange shall specify to what extent the Rules in this Chapter shall govern Exchange disciplinary actions and to what extent the rules of the other SRO shall govern such actions. Notwithstanding the fact that the Exchange may contract with another SRO to perform some or all of the Exchange's disciplinary functions, the Exchange shall retain ultimate legal responsibility for and control of such functions.

Interpretations and Policies:

.01 The Exchange has entered into a contract with the Financial Industry Regulatory Authority ("FINRA") to provide professional hearing officers and to act as an agent of the Exchange with respect to the disciplinary procedures contained in this Chapter. All of the Rules in this Chapter shall govern Exchange disciplinary actions. Under Rule

1006(a), the professional hearing officer is designated as the Chairman of the Panel. Under Rule 1006(e), the Panel Chairman has the sole responsibility to determine the time and place of all meetings of the Panel, and make all determinations with regard to procedural or evidentiary matters, as well as prescribe the time within which all documents, exhibits, briefs, stipulations, notices or other written materials must be filed where such is not specified in the Rules.

In the course of discharging his responsibilities hereunder, the professional hearing officer shall apply the standards contained in the FINRA Industry Code of Procedure, and policies, practices and interpretations thereof, so long as the Rules in this Chapter are not in conflict.

[Adopted: December 13, 2016]

Rule 1016. Contracts of Suspended Members

(a) When a Member, other than a Clearing Member, is suspended pursuant to Chapter IX (Summary Suspension), all open short positions of the suspended Member in option contracts and all open positions resulting from exercise of option contracts, other than positions that are secured in full by a specific deposit or escrow deposit in accordance with the Rules of the Clearing Corporation, shall be closed without unnecessary delay by all Members carrying such positions for the account of the suspended Member; provided that the Exchange may cause the foregoing requirement to be temporarily waived for such period as it may determine if it shall deem such temporary waiver to be in the interest of the public or the other Members of the Exchange.

(b) No temporary waiver hereunder by the Exchange shall relieve the suspended Member of its obligations or of damages, nor shall it waive the close out requirements of any other Rules.

(c) When a Clearing Member is suspended pursuant to Chapter IX (Summary Suspension) of these Rules, the positions of such Clearing Member shall be closed out in accordance with the Rules of the Clearing Corporation.

[Adopted: December 13, 2016]

Rule 1017. Failure to Pay Premium

(a) If the Clearing Corporation shall reject an Exchange Transaction because of the failure of the Clearing Member acting on behalf of the purchaser to pay the aggregate premiums due thereon as required by the Rules of the Clearing Corporation, the Member acting as or on behalf of the writer shall have the right either to cancel the transaction by giving notice thereof to the Clearing Member or to enter into a closing writing transaction in respect of the same option contract that was the subject of the rejected Exchange Transaction for the account of the defaulting Clearing Member.

(b) Such action shall be taken as soon as possible and in any event not later than 10:00 a.m. Eastern Time on the business day following the day the Exchange Transaction was rejected by the Clearing Corporation.

[Adopted: December 13, 2016]

Rule 1018. Expedited Suspension Proceeding

(a) **Initiation of Proceeding.**

(1) **Scope of Authority.** With the prior written authorization of the Chief Regulatory Officer ("CRO") or such other senior officers as the CRO may designate, the Exchange may initiate an expedited suspension proceeding with respect to alleged violations of Rule 322 (Disruptive Quoting and Trading Activity Prohibited).

(2) **Service of Notice.** The Exchange shall initiate the proceeding by serving a notice on a Member or associated person of a Member (hereinafter "Respondent"). The Exchange shall serve the notice by personal service or overnight commercial courier. The notice shall be effective upon service.

(3) **Content of Notice**. The notice shall state whether the Exchange is requesting the Respondent to be required to take action or to refrain from taking action. The notice shall be accompanied by:

(i) a declaration of facts, signed by a person with knowledge of the facts contained therein, that specifies the acts that constitute the alleged violation; and

(ii) a proposed order that contains the required elements of a suspension order (except the date and hour of the order's issuance), which are set forth in sub-paragraph (d)(2) of this Rule.

(b) **Appointment of Hearing Panel and Panel Members.**

(1) As soon as practicable after the Exchange initiates a suspension proceeding, a Hearing Panel shall be assigned in accordance with paragraph (a) of Rule 1006.

(2) If at any time a Panel Member determines that he or she has a conflict of interest or bias or circumstances otherwise exist where his or her fairness might reasonably be questioned, or if a Party files a motion to disqualify a Panel Member, the recusal and disqualification proceeding shall be conducted in accordance with Rule 1006(a)(3), except that:

(i) a motion seeking disqualification of a Panel Member must be filed no later than 5 days after the announcement of the Hearing Panel; and

(ii) the Exchange may file a brief in opposition to the Respondent's motion no later than 5 days after service thereof.

(c) **Hearing.**

(1) **When Held**. The hearing shall be held not later than 15 days after service of the notice initiating the suspension proceeding, unless otherwise extended by the Chairman of the Hearing Panel with the consent of the Parties for good cause shown. If a Panel Member is recused or disqualified, the hearing shall be held not later than five days after a replacement Panel Member is appointed.

(2) **Service of Notice of Hearing**. A notice of date, time, and place of the hearing shall be served on the Parties not later than seven days before the hearing, unless otherwise ordered by the Chairman of the Hearing Panel. Service shall be made by personal service or overnight commercial courier. The notice shall be effective upon service.

(3) **Authority of Panel Members**. A Panel Member shall have authority to do all things necessary and appropriate to discharge his or her duties as set forth in Rule 1006.

(4) **Witnesses**. A person who is subject to the jurisdiction of the Exchange shall testify under oath or affirmation. The oath or affirmation shall be administered by a court reporter or a notary public.

(5) **Additional Information**. At any time during its consideration, the Hearing Panel may direct a Party to submit additional information. Any additional information submitted shall be provided to all Parties at least one day before the Hearing Panel renders its decision.

(6) **Transcript**. The hearing shall be recorded by a court reporter and a written transcript thereof shall be prepared. A transcript of the hearing shall be available to the Parties for purchase from the court reporter at prescribed rates. A witness may purchase a copy of the transcript of his or her own testimony from the court reporter at prescribed rates. Proposed corrections to the transcript may be submitted by affidavit to the Hearing Panel within a reasonable time determined by the Hearing Panel. Upon notice to all the Parties to the proceeding, the Hearing Panel may order corrections to the transcript as requested or sua sponte.

(7) **Record and Evidence Not Admitted.** The record shall consist of the notice initiating the proceeding, the declaration, and the proposed order described in sub-paragraph (a)(3) above; the transcript of the hearing; all evidence considered by the Hearing Panel; and any other document or item accepted into the record by the Hearing Panel. The Exchange shall be the custodian of the record. Proffered evidence that is not accepted into the record by the Hearing Panel shall be retained by the custodian of the record until the date when the Exchange's decision becomes final or, if applicable, upon the conclusion of any review by the SEC or federal courts.

(8) **Failure to Appear at a Hearing.** If a Respondent fails to appear at a hearing for which it has notice, the allegations in the notice and accompanying declaration may be deemed admitted, and the Hearing Panel may issue a suspension order without further proceedings. If the Exchange fails to appear at a hearing for which it has notice, the Hearing Panel may order that the suspension proceeding be dismissed.

(d) **Issuance of Suspension Order by Hearing Panel.**

(1) **Basis for Issuance.** The Hearing Panel shall issue a written decision stating whether a suspension order shall be imposed. The Hearing Panel shall issue the decision not later than ten days after receipt of the hearing transcript, unless otherwise extended by the Chairman of the Hearing Panel with the consent of the Parties for good cause shown. A suspension order shall be imposed if the Hearing Panel finds:

(i) by a preponderance of evidence that the alleged violation specified in the notice has occurred; and

(ii) that the violative conduct or continuation thereof is likely to result in significant market disruption or other significant harm to investors.

(2) **Content, Scope, and Form of Order.** A suspension order shall:

(i) be limited to: (1) ordering a Respondent to cease and desist from violating Rule 322, and/or (2) ordering a Respondent to cease and desist from providing access to the Exchange to a client of Respondent that is causing violations of Rule 322;

(ii) set forth the alleged violation and the significant market disruption or other significant harm to investors that is likely to result without the issuance of an order;

(iii) describe in reasonable detail the act or acts the Respondent is to take or refrain from taking and to suspend the Respondent unless and until such action is taken or refrained from; and

(iv) include the date and hour of its issuance.

(3) **Duration of Order.** A suspension order shall remain effective and enforceable unless modified, set aside, limited, or revoked pursuant to paragraph (e), below.

(4) **Service.** The Hearing Panel's decision and any suspension order shall be served by personal service or overnight commercial courier. The suspension order shall be effective upon service.

(e) **Review by Hearing Panel.** At any time after the Respondent is served with a suspension order, a Party may apply to the Hearing Panel to have the order modified, set aside, limited, or revoked. The application shall set forth with specificity the facts that support the request. The Hearing Panel shall respond to the request in writing within ten days after receipt of the request, unless otherwise extended by the Chairman of the Hearing Panel with the consent of the Parties for good cause shown. The Hearing Panel's response shall be served on the Respondent via personal service or overnight commercial courier. The filing of an application under this Rule shall not stay the effectiveness of the suspension order.

(f) **Application to SEC for Review**. Sanctions imposed pursuant to this Rule constitute final and immediately effective disciplinary sanctions imposed by the Exchange. The right to have any action under this Rule reviewed by the SEC is governed by Section 19 of the Exchange Act. The filing of an application for review shall not stay the effectiveness of a suspension order unless the SEC otherwise orders.

[Adopted: February 6, 2017 (SR-PEARL-2017-03)]

Chapter XI. Hearings, Review and Arbitration

The rules contained in MIAX Chapter XI, as such rules may be in effect from time to time (the "Chapter XI Rules"), are hereby incorporated by reference into this MIAX Pearl Chapter XI, and are thus MIAX Pearl Rules and thereby applicable to MIAX Pearl Members. MIAX Pearl Members shall comply with the Chapter XI Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in Chapter XI Rules shall be read to refer to the MIAX Pearl related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term "Exchange" in the Chapter XI Rules shall be read to refer to MIAX Pearl; the defined term "Rule" in the Chapter XI Rules shall be read to refer to MIAX Pearl Rule; the defined term "Business Conduct Committee" in the Chapter XI Rules shall be read to refer to the MIAX Pearl Business Conduct Committee; and the defined term "Member" in the Chapter XI Rules shall be read to refer to the MIAX Pearl Member.

[Adopted: December 13, 2016; amended April 3, 2017 (SR-PEARL-2017-11); amended May 24, 2019 (SR-PEARL-2019-16)

Chapter XII. Organization and Administration

Rule 1200. Divisions of the Exchange

The divisions of the Exchange shall include the Regulatory Division and such other Divisions as the Chief Executive Officer, with the approval of the Board, may establish. The Chief Executive Officer shall appoint a head of every Division and may designate departments within each Division.

[Adopted: December 13, 2016]

Rule 1201. Designees

(a) The Chief Executive Officer ("CEO") or the Chief Regulatory Officer ("CRO") of the Exchange may formally designate one or more qualified employees of MIAX Pearl to act in place of any person named in a rule as having authority to act under such rule in the event that the named person in the rule is not available to administer that rule.

(b) For purposes of a designation by the CEO, a qualified employee is: (1) any officer of MIAX Pearl that the CEO deems to possess the requisite knowledge and job qualifications to administer that rule; or (2) any employee of the Exchange that the CEO and the Board of Directors deems to possess the requisite knowledge and job qualifications to administer that rule.

(c) For purposes of a designation by the CRO, a qualified employee is: (1) any officer of the MIAX Pearl Regulatory Division that the CRO deems to possess the requisite knowledge and job qualifications to administer that rule; or (2) an employee of the MIAX Pearl Regulatory Division that the CRO and the Board of Directors deems to possess the requisite knowledge and job qualifications to administer that rule.

[Adopted: December 13, 2016]

Rule 1202. Membership Dues

(a) The dues payable by Members shall be fixed from time to time by the Board. Dues shall be payable in full on the first day of each month on a nonrefundable basis and shall be applied to the month beginning on that day. The Board may, on the request of a Member who is serving on active duty in the Armed Forces of the United States, waive dues during the period of such service.

(b) In addition to the fees and charges provided for by Rule 1202, the Board may, from time to time, fix and impose other fees, assessments or charges to be paid to the Exchange or to an organization designated by the Exchange by Members or by categories of Members with respect to applications, registrations, approvals, use of Exchange facilities, or other services or privileges granted.

[Adopted: December 13, 2016]

Rule 1203. Other Fees and Charges

(a) **Access Fees.** The access fees payable by Members shall be fixed from time to time by the Board.

(b) **Transaction Fees.** Members shall pay a fee for each transaction they execute on the Exchange, as may be determined by the Board.

(c) **Communication Fees.** The Board may, at its discretion, impose a communication fee for quotes entered on the Exchange in addition to the fee contained in Rule 1202(b).

(d) **Regulatory Fees or Charges.** In addition to the dues and charges specified in this Chapter, the Board may, from time to time, fix and impose other fees, assessments or charges to be paid to the Exchange by Members or by Classes of Members with respect to applications, registrations, approvals, use of Exchange facilities, regulatory oversight or other services or privileges granted.

(e) **Fee Disputes.** All disputes concerning fees, dues or charges assessed by the Exchange must be submitted to the Exchange in writing and must be accompanied by supporting documentation. All disputes related to fees, dues or other charges must be submitted to the Exchange no later than sixty (60) days after the date of the monthly invoice. All Exchange invoices are due in full on a timely basis and payable in accordance with Rule 208. Any disputed amount resolved in the Member's favor will be subsequently credited to the Clearing Member's account at the Clearing Corporation.

[Adopted: December 13, 2016]

Rule 1204. Liability for Payment of Fees

(a) Any Member that does not pay any dues, fees, assessments, charges, fines or other amounts due to the Exchange within thirty (30) days after they have become payable shall be reported to the President, who may, after giving reasonable notice to the Member of such arrearages, suspend the Member's trading privileges until payment is made.

(b) A person associated with a Member who fails to pay any fine or other amounts due to the Exchange within thirty (30) days after such amount has become payable and after reasonable notice of such arrearages, may be suspended from association with a Member until payment is made.

[Adopted: December 13, 2016]

Rule 1205. Exchange's Costs of Defending Legal Proceedings

Any Member or person associated with a Member who fails to prevail in a lawsuit or other legal proceeding instituted by such person against the Exchange or any of its Directors, officers, committee members, limited liability members, employees or agents, and related to the business of the Exchange, shall pay to the Exchange all reasonable expenses, including attorneys' fees, incurred by the Exchange in the defense of such proceeding, but only in the event that such expenses exceed fifty thousand dollars ($50,000). This provision shall not apply to disciplinary actions by the Exchange, to administrative appeals of Exchange actions or in any specific instance where the Board has granted a waiver of this provision.

[Adopted: December 13, 2016]

Rule 1206. Committees of the Exchange

(a) **Establishment of Committees**. The Chief Executive Officer, with the approval of the Board, shall appoint any committee members that are not Directors to committees established by the Board in the By-Laws, or established by the Chief Executive Officer pursuant to authority delegated to him by the Board.

(b) **Removal of Committee Members**. The Chief Executive Officer may, with the approval of the Board, remove any committee member that is not a Director for refusal, neglect, or inability to discharge such committee member's duties.

(c) **Committee Procedures**. Except as otherwise provided in the By-Laws, the Rules or resolution of the Board, each committee shall determine its own time and manner of conducting its meetings and the vote of a majority of the members of a committee present at a meeting at which time a quorum is present shall be the act of the committee. Committees may act informally by written consent of all of the members of the committee.

(d) **General Duties and Powers of Committees.** Each committee shall administer the provisions of the By-Laws and the Rules pertaining to matters within its jurisdiction. Each committee shall have such other powers and duties as may be delegated to it by the Board. Each committee is subject to the control and supervision of the Board.

[Adopted: December 13, 2016]

Rule 1207. Sales Value Fee

(a) The Sales Value Fee is assessed by the Exchange to each Member for sales on the Exchange with respect to which the Exchange is obligated to pay a fee to the Commission pursuant to Section 31 of the Exchange Act. To the extent there may be any excess monies collected under this Rule, the Exchange may retain those monies to help fund general operating expenses. The sales transactions to which the fee applies are sales of options (other than options on a security index) and the sales of securities resulting from the exercise of physical-delivery options. The fee is collected indirectly from Members through their clearing firms by The Options Clearing Corporation on behalf of MIAX Pearl with respect to option sales and options exercises.

(b) The Sales Value Fee is equal to the Section 31 fee rate multiplied by the Member's aggregate dollar amount of covered sales resulting from options transactions occurring on the Exchange during any computational period.

[Adopted: December 13, 2016]

Chapter XIII. Doing Business with the Public

The rules contained in MIAX Chapter XIII, as such rules may be in effect from time to time (the "Chapter XIII Rules"), are hereby incorporated by reference into this MIAX Pearl Chapter XIII, and are thus MIAX Pearl Rules and thereby applicable to MIAX Pearl Members. MIAX Pearl Members shall comply with the Chapter XIII Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in Chapter XIII Rules shall be read to refer to the MIAX Pearl related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term "Exchange" in Chapter XIII Rules shall be read to refer to MIAX Pearl; the defined term "Rule" in the Chapter XIII Rules shall be read to refer to the MIAX Pearl Rule; the defined term "Options Principal" in the Chapter XIII Rules shall be read to refer to the MIAX Pearl Principal; and the defined term "Member" in the Chapter XIII Rules shall be read to refer to the MIAX Pearl Member.

[Adopted: December 13, 2016; amended June 14, 2017 (SR-MIAX-2017-21); amended November 15, 2017 (SR-MIAX-2017-43); amended February 2, 2018 (SR-MIAX-2018-01); amended September 27, 2018 (SR-MIAX-2018-26); amended May 24, 2019 (SR-PEARL-2019-16); amended January 9, 2020 (SR-MIAX-2019-50); amended March 30, 2020 (SR-MIAX-2020-06); amended June 4, 2020 (SR-MIAX-2020-15); amended July 2, 2020 (SR-MIAX-2020-24); amended September 4, 2020 (SR-MIAX-2020-30); amended February 8, 2021 (SR-MIAX-2021-01); amended March 7, 2022 (SR-MIAX-2022-09)]

Chapter XIV. Order Protection, Locked and Crossed Markets

The rules contained in MIAX Chapter XIV, as such rules may be in effect from time to time (the "Chapter XIV Rules"), are hereby incorporated by reference into this MIAX Pearl Chapter XIV, and are thus MIAX Pearl Rules and thereby applicable to MIAX Pearl Members. MIAX Pearl Members shall comply with the Chapter XIV Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in Chapter XIV Rules shall be read to refer to the MIAX Pearl related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term "Exchange" in Chapter XIV Rules shall be read to refer to MIAX Pearl; the defined term "Rule" in the Chapter XIV Rules shall be read to refer to the MIAX Pearl Rule; the defined term "bid" in the Chapter XIV Rules shall be read to refer to the MIAX Pearl bid; and the defined term "Member" in the Chapter XIV Rules shall be read to refer to the MIAX Pearl Member.

[Adopted: December 13, 2016; amended June 14, 2017 (SR-MIAX-2017-21); amended May 24, 2019 (SR-PEARL-2019-16); amended December 3, 2019 (SR-MIAX-2019-48)]

Chapter XV. Margins

The rules contained in MIAX Chapter XV, as such rules may be in effect from time to time (the "Chapter XV Rules"), are hereby incorporated by reference into this MIAX Pearl Chapter XV, and are thus MIAX Pearl Rules and thereby applicable to MIAX Pearl Members. MIAX Pearl Members shall comply with the Chapter XV Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in Chapter XV Rules shall be read to refer to the MIAX Pearl related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term "Exchange" in Chapter XV Rules shall be read to refer to MIAX Pearl; the defined term "Rule" in the Chapter XV Rules shall be read to refer to the MIAX Pearl Rule; and the defined term "Member" in the Chapter XV Rules shall be read to refer to the MIAX Pearl Member.

[Adopted: December 13, 2016; amended May 24, 2019 (SR-PEARL-2019-16)]

Chapter XVI. Net Capital Requirements

The rules contained in MIAX Chapter XVI, as such rules may be in effect from time to time (the "Chapter XVI Rules"), are hereby incorporated by reference into this MIAX Pearl Chapter XVI, and are thus MIAX Pearl Rules and thereby applicable to MIAX Pearl Members. MIAX Pearl Members shall comply with the Chapter XVI Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in Chapter XVI Rules shall be read to refer to the MIAX Pearl related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term "Exchange" in Chapter XVI Rules shall be read to refer to MIAX Pearl; the defined term "Rule" in the Chapter XVI Rules shall be read to refer to the MIAX Pearl Rule; and the defined term "Member" in the Chapter XVI Rules shall be read to refer to the MIAX Pearl Member.

[Adopted: December 13, 2016; amended May 24, 2019 (SR-PEARL-2019-16)]

Chapter XVII. Consolidated Audit Trial Compliance Rule

The rules contained in MIAX Chapter XVII, as such rules may be in effect from time to time (the "Chapter XVII Rules"), are hereby incorporated by reference into this MIAX Pearl Chapter XVII, and are thus MIAX Pearl Rules and thereby applicable to MIAX Pearl Members. MIAX Pearl Members shall comply with the Chapter XVII Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in Chapter XVII Rules shall be read to refer to the MIAX Pearl related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term "Exchange" in Chapter XVII Rules shall be read to refer to MIAX Pearl; the defined term "Rule" in the Chapter XVII Rules shall be read to refer to the MIAX Pearl Rule; and the defined term "Member" in the Chapter XVII Rules shall be read to refer to the MIAX Pearl Member.

For purposes of MIAX Rule 1703(a)(3), orders that are posted to the MIAX Pearl Book are considered quotes when submitted by an Options Market Maker in an assigned symbol on MIAX Pearl.

[Adopted: March 15, 2017 (SR-PEARL-2017-04); amended August 18, 2017 (SR-MIAX-2017-35); amended May 24, 2019 (SR-PEARL-2019-16); amended March 30, 2020 (SR-PEARL-2020-04); amended June 22, 2020 (SR-MIAX-2020-18); amended July 31, 2020 (SR-MIAX-2020-27); amended January 11, 2021 (SR-MIAX-2020-38)]

Chapter XVIII. Index Options

The rules contained in MIAX Chapter XVIII, as such rules may be in effect from time to time (the "Chapter XVIII Rules"), are hereby incorporated by reference into this MIAX Pearl Chapter XVIII, and are thus MIAX Pearl Rules and thereby applicable to MIAX Pearl Members. MIAX Pearl Members shall comply with the Chapter XVIII Rules as though such rules were fully-set forth herein. All defined terms, including any variations thereof, contained in Chapter XVIII Rules shall be read to refer to the MIAX Pearl related meaning of such term. Solely by way of example, and not in limitation or in exhaustion: the defined term "Exchange" in Chapter XVIII Rules shall be read to refer to MIAX Pearl; the defined term "Rule" in the Chapter XVIII Rules shall be read to refer to the MIAX Pearl Rule; and the defined term "Member" in the Chapter XVIII Rules shall be read to refer to the MIAX Pearl Member. Any reference to MIAX Rule 506(d) will be construed to reference corresponding MIAX Pearl Rule 506(e).

[Adopted: April 12, 2018 (SR-PEARL-2018-02); amended August 30, 2018 (SR-MIAX-2018-24); amended October 12, 2018 (SR-MIAX-2018-14); amended November 9, 2018 (SR-MIAX-2018-32); amended May 24, 2019 (SR-PEARL-2019-16); amended June 19, 2019 (SR-MIAX-2019-25); amended May 18, 2020 (SR-MIAX-2020-08); amended April 29, 2021 (SR-MIAX-2021-09)]

Chapter XIX. General Provisions-MIAX Pearl Equities

Rule 1900. Applicability

(a) The Rules contained in Chapters XIX to XXX herein are the Exchange Rules applicable to the trading of equity securities, the handling of orders for equity securities, and the conduct of accounts and other matters relating to the trading of equity securities on MIAX Pearl Equities.

(b) Except to the extent that specific Rules relating to equities trading govern or unless the context otherwise requires, the provisions of the Exchange Rules shall be applicable to Equity Members and to the trading of equity securities on MIAX Pearl Equities and, for purposes of their application with respect to Equity Members and equities trading, shall be interpreted in light of the nature of equities trading and the MIAX Pearl Equities market, and the fact that equity securities on MIAX Pearl Equities shall be traded electronically through the System. To the extent that the provisions of the Rules relating to equities trading contained in Chapters XIX to XXX are inconsistent with any other provisions of the Exchange Rules, the Rules relating to equities trading shall control.

(c) For marketing and other purposes, the Exchange's equities market facility may be referred to as "MIAX Pearl Equities."

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 1901. Definitions *(See below for amended Rule 1901, which will become operative on March 30, 2023.)*

With respect to the Chapters XIX to XXX below, relating to the trading of equity securities on the Exchange, the following terms shall have the meanings specified in this Exchange Rule. A term defined elsewhere in the Exchange Rules shall have the same meaning with respect to this Exchange Rule 1901, unless otherwise defined below.

Aggressing Order
The term **"Aggressing Order"** is an order to buy (sell) that is or becomes marketable against sell (buy) interest on the MIAX Pearl Equities Book. A resting order may become an Aggressing Order if its working price changes, if the PBBO or NBBO is updated, because of changes to other orders on the MIAX Pearl Equities Book, or when processing inbound messages.

Displayed Price
The term **"displayed price"** means the price at which a Limit Order is displayed, which may be different from the limit price or working price of the order.

Equities Order Entry Firm
The term **"Equities Order Entry Firm", "Order Entry Firm"**, or **"OEF"**, shall mean those Equity Members representing orders as agent on MIAX Pearl Equities and those non-Equity Market Maker Members conducting proprietary trading.

Equities Market Maker
The term **"Equities Market Maker"** shall mean an Equity Member that acts as a Market Maker in equity securities, pursuant to Chapter XXVI.

Equity Member
The term **"Equity Member"** is a Member authorized by the Exchange to transact business on MIAX Pearl Equities.

MIAX Pearl Equities
The term **"MIAX Pearl Equities"** shall mean MIAX Pearl Equities, a facility of MIAX PEARL, LLC.

MIAX Pearl Equities Book
The term **"MIAX Pearl Equities Book"** shall mean the electronic book of orders in equity securities maintained by the System.

NBB, NBO and NBBO
With respect to the trading of equity securities, the term **"NBB"** shall mean the national best bid, the term **"NBO"** shall mean the national best offer, and the term **"NBBO"** shall mean the national best bid and offer.

Protected NBB, Protected NBO and Protected NBBO
With respect to the trading of equity securities, the term **"Protected NBB"** or **"PBB"** shall mean the national best bid that is a Protected Quotation, the term **"Protected NBO"** or **"PBO"** shall mean the national best offer that is a Protected Quotation, and the term **"Protected NBBO"** or **"PBBO"** shall mean the national best bid and offer that is a Protected Quotation.

Protected Bid, Protected Offer and Protected Quotation
With respect to the trading of equity securities, the term **"Protected Bid"** or **"Protected Offer"** shall mean a bid or offer in a stock that is (i) displayed by an automated trading center; (ii) disseminated pursuant to an effective national market system plan; and (iii) an automated quotation that is the best bid or best offer of a national securities exchange or association. The term **"Protected Quotation"** shall mean a quotation that is a Protected Bid or Protected Offer.

Qualified Clearing Agency
The term **"Qualified Clearing Agency"** means a clearing agency registered with the Commission pursuant to Section 17A of the Exchange Act that is deemed qualified by the Exchange.

Registered Broker or Dealer
The term **"registered broker or dealer"** means any registered broker or dealer, as defined in Section 3(a)(48) of the Exchange Act, that is registered with the Commission under the Exchange Act.

Regular Trading Hours
The term **"Regular Trading Hours"** means the time between 9:30 a.m. and 4:00 p.m. Eastern Time.

Regular Trading Session
The term **"Regular Trading Session"** shall mean the time between the completion of the Opening Process or Contingent Open as defined in Exchange Rule 2615 and 4:00 p.m. Eastern Time.

User
The term **"User"** shall mean any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Exchange Rule 2602.

UTP Exchange Traded Products
The term **"UTP Exchange Traded Products"** refers to derivative securities products that are not listed on the Exchange but that trade on the Exchange pursuant to unlisted trading privileges, including the following: Equity Linked Notes, Investment Company Units, Index-Linked Exchangeable Notes, Equity Gold Shares, Equity Index-Linked Securities, Commodity-Linked Securities, Currency-Linked Securities, Fixed-Income Index-Linked Securities, Futures-Linked Securities, Multifactor-Index-Linked Securities, Trust Certificates, Currency and Index Warrants, Portfolio Depository Receipts, Trust Issued Receipts, Commodity-Based Trust Shares, Currency Trust Shares, Commodity Index Trust Shares, Commodity Futures Trust Shares, Partnership Units, Paired Trust Shares, Trust Units, Managed Fund Shares, and Managed Trust Securities.

UTP Security
The term **"UTP Security"** shall mean an equity security that is listed on a national securities exchange other than on the Exchange and that trades on MIAX Pearl Equities pursuant to unlisted trading privileges.

Working price
The term "**working price**" means the price at which an order is eligible to trade at any given time, which may be different from the limit price or display price of the order.

[Adopted: August 14, 2020 (SR-PEARL-2020-03); amended March 30, 2021 (SR-PEARL-2021-08)]

The following rule will become operative on March 30, 2023. Text to be deleted is ~~struckthrough~~. Text to be added is underlined.

Rule 1901. Definitions

With respect to the Chapters XIX to XXX below, relating to the trading of equity securities on the Exchange, the following terms shall have the meanings specified in this Exchange Rule. A term defined elsewhere in the Exchange Rules shall have the same meaning with respect to this Exchange Rule 1901, unless otherwise defined below.

Aggressing Order
*The term **"Aggressing Order"** is an order to buy (sell) that is or becomes marketable against sell (buy) interest on the MIAX Pearl Equities Book. A resting order may become an Aggressing Order if its working price changes, if the PBBO or NBBO is updated, because of changes to other orders on the MIAX Pearl Equities Book, or when processing inbound messages.*

Displayed Price
*The term **"displayed price"** means the price at which a Limit Order is displayed, which may be different from the limit price or working price of the order.*

Equities Order Entry Firm
*The term **"Equities Order Entry Firm", "Order Entry Firm"**, or **"OEF"**, shall mean those Equity Members representing orders as agent on MIAX Pearl Equities and those non-Equity Market Maker Members conducting proprietary trading.*

Equities Market Maker
*The term **"Equities Market Maker"** shall mean an Equity Member that acts as a Market Maker in equity securities, pursuant to Chapter XXVI.*

Equity Member
*The term **"Equity Member"** is a Member authorized by the Exchange to transact business on MIAX Pearl Equities.*

MIAX Pearl Equities
*The term **"MIAX Pearl Equities"** shall mean MIAX Pearl Equities, a facility of MIAX PEARL, LLC.*

MIAX Pearl Equities Book
*The term **"MIAX Pearl Equities Book"** shall mean the electronic book of orders in equity securities maintained by the System.*

NBB, NBO and NBBO
*With respect to the trading of equity securities, the term **"NBB"** shall mean the national best bid, the term **"NBO"** shall mean the national best offer, and the term **"NBBO"** shall mean the national best bid and offer.*

Protected NBB, Protected NBO and Protected NBBO
*With respect to the trading of equity securities, the term **"Protected NBB"** or **"PBB"** shall mean the national best bid that is a Protected Quotation, the term **"Protected NBO"** or **"PBO"** shall mean the national best offer that is a Protected Quotation, and the term **"Protected NBBO"** or **"PBBO"** shall mean the national best bid and offer that is a Protected Quotation.*

Protected Bid, Protected Offer and Protected Quotation
*With respect to the trading of equity securities, the term **"Protected Bid"** or **"Protected Offer"** shall mean a bid or offer in a stock that is (i) displayed by an automated trading center; (ii) disseminated pursuant to an effective national market system plan; and (iii) an automated quotation that is the best bid or best offer of a national securities exchange or association. The term **"Protected Quotation"** shall mean a quotation that is a Protected Bid or Protected Offer.*

Qualified Clearing Agency
*The term **"Qualified Clearing Agency"** means a clearing agency registered with the Commission pursuant to Section 17A of the Exchange Act that is deemed qualified by the Exchange.*

Registered Broker or Dealer
*The term **"registered broker or dealer"** means any registered broker or dealer, as defined in Section 3(a)(48) of the Exchange Act, that is registered with the Commission under the Exchange Act.*

Regular Trading Hours
*The term **"Regular Trading Hours"** means the time between 9:30 a.m. and 4:00 p.m. Eastern Time.*

Regular Trading Session
*The term **"Regular Trading Session"** shall mean the time between the completion of the Opening Process or Contingent Open as defined in Exchange Rule 2615 and 4:00 p.m. Eastern Time.*

User
*The term **"User"** shall mean any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Exchange Rule 2602.*

~~***UTP Exchange Traded Products***~~
~~*The term **"UTP Exchange Traded Products"** refers to derivative securities products that are not listed on the Exchange but that trade on the Exchange pursuant to unlisted trading privileges, including the following: Equity Linked*~~

~~*Notes, Investment Company Units, Index-Linked Exchangeable Notes, Equity Gold Shares, Equity Index-Linked Securities, Commodity-Linked Securities, Currency-Linked Securities, Fixed-Income Index-Linked Securities, Futures-Linked Securities, Multifactor-Index-Linked Securities, Trust Certificates, Currency and Index Warrants, Portfolio Depository Receipts, Trust Issued Receipts, Commodity-Based Trust Shares, Currency Trust Shares, Commodity Index Trust Shares, Commodity Futures Trust Shares, Partnership Units, Paired Trust Shares, Trust Units, Managed Fund Shares, and Managed Trust Securities.*~~

UTP Security

*The term **"UTP Security"** shall mean an equity security that is listed on a national securities exchange other than on the Exchange and that trades on MIAX Pearl Equities pursuant to unlisted trading privileges.*

Working price

*The term "**working price**" means the price at which an order is eligible to trade at any given time, which may be different from the limit price or display price of the order.*

[Adopted: August 14, 2020 (SR-PEARL-2020-03); amended March 30, 2021 (SR-PEARL-2021-08); amended March 9, 2023 (SR-PEARL-2023-11)]

Chapter XX. Participation of MIAX Pearl Equities

Rule 2000. Equity Participation

(a) These Rules establish a new category of Exchange Member participation called "Equity Member." Only Equity Members may transact business on MIAX Pearl Equities via the System. Equity Members may trade equity securities for their own proprietary accounts or, if authorized to do so under applicable law and SEC rules and regulations, may conduct business on behalf of customers.

(b) A prospective Equity Member must:

(1) complete an Equity Member Application in a form prescribed by the Exchange;

(2) provide such other information as required by the Exchange;

(3) be an existing member or become a Member of the Exchange, pursuant to Chapter II (Access), and continue to abide by the requirements of the Chapter II Exchange Rules with respect to participation in MIAX Pearl Equities; and

(4) enter into an Equity Member Agreement in a form specified by the Exchange, agree to abide by the same as it has been or shall be from time to time amended, and pledge to abide by the Exchange Rules as amended from time to time, and by all circulars, notices, directives or decisions adopted pursuant to or made in accordance with Exchange Rules.

(c) Upon completion of the Equity Member application, the Exchange, or person(s) designated by the Exchange ("designee") shall consider whether to approve the application, unless there is just cause for delay. In its consideration process, the Exchange may conduct an investigation as it deems appropriate and may take such steps as it deems necessary to confirm the information provided by the applicant. Within thirty (30) days after the Exchange or its designee has completed its consideration of an application, it shall provide written notice of the action of the Exchange, and if disapproved, specify the grounds for such disapproval.

(d) These Rules place no limit on the number of qualifying entities that may become Equity Members. However, based on system constraints or capacity restrictions, approval of qualifying applications for Equity Members may, in limited circumstances, be temporarily deferred. To the extent that the Board places limitations on otherwise qualified applicants to act as Equity Members, such limits shall be objectively determined and submitted to the Commission for approval pursuant to a rule change filing under Section 19(b) of the Exchange Act.

(e) Equity Member status cannot be leased or transferred except in the event of a change in control or corporate reorganization involving an Equity Member. In such case, Equity Member status may be transferred to a qualified affiliate or successor upon written notice to the Exchange or its designee.

(f) Every Equity Member shall file with the Exchange and keep current an address where notices may be served.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2001. Requirements for Equities Participation

(a) Equity Members may be corporations, partnerships, limited liability companies or sole proprietorships organized under the laws of a jurisdiction of the United States, or such other jurisdiction as the Exchange may approve.

(b) Equity Members must be Clearing Members or establish a clearing arrangement with a Clearing Member.

(c) Equity Members must have demonstrated ability to adhere to all applicable Exchange, SEC, Qualified Clearing Agency and Federal Reserve Board policies, rules and regulations related to the trading of equities, including those concerning record-keeping, reporting, finance and trading procedures and be able to satisfactorily demonstrate reasonably adequate systems capability and capacity.

(d) All associated persons of Equity Members must be supervised in accordance with Chapter XXIII.

(e) Every Equity Member shall have as the principal purpose of being an Equity Member the conduct of a securities business. Such a purpose shall be deemed to exist if and so long as:

(1) the Equity Member has qualified and acts in respect of its business on MIAX Pearl Equities as either an OEF or an Equities Market Maker, or both; and

(2) all transactions effected by the Equity Member are in compliance with Section 11(a) of the Exchange Act and the rules and regulations adopted thereunder.

(f) Every Equity Member shall at all times maintain membership in another registered exchange that is not registered solely under Section 6(g) of the Exchange Act, or in FINRA. Equity Members that transact business with public customers shall at all times be members of FINRA. If such other registered exchange has not been designated by the Commission, pursuant to Rule 17d-1 under the Exchange Act, to examine Members for compliance with financial responsibility rules, then such applicant must have and maintain a membership in FINRA.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2002. Persons Associated with Equity Members

Persons associated with Equity Members shall be bound by the Exchange Rules and the Rules of the Qualified Clearing Agency. The Exchange may discipline, suspend or terminate the registration with the Exchange of any person associated with an Equity Member for violation of the Rules of the Exchange.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2003. Good Standing for Equity Members

(a) To remain in good standing, all Equity Members must:

(1) continue to satisfy the qualification requirements specified by the Exchange, as amended from time to time by the Exchange;

(2) comply with the Exchange Rules; and

(3) pay on a timely basis such participation, transaction and other fees as the Exchange and/or MIAX Pearl Equities shall prescribe.

(b) The good standing of an Equity Member may be suspended, terminated or otherwise withdrawn, as provided in Chapter IX (Summary Suspension), if any of the conditions of Exchange Rules 2000 or 2002 are not met or the Equity Member violates any of its agreements with the Exchange and/or MIAX Pearl Equities or any of the provisions of the Exchange Rules.

(c) Unless an Equity Member is in good standing, the Equity Member shall have no rights or privileges of equity participation except as otherwise provided by law or Rules, shall not hold himself or itself out for any purpose as an Equity Member, and shall not deal with the Exchange and/or MIAX Pearl Equities on any basis except as a non-Member.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Chapter XXI. Rules of Fair Practice

Rule 2100. Business Conduct of Members

An Equity Member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2101. Violations Prohibited

Equity Members and persons associate with Equity Members shall comply with MIAX Rule 300, Adherence to Law, as if such rule were part of the MIAX Pearl Equities' Rules.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2102. Use of Fraudulent Devices

No Equity Member shall effect any transaction in, or induce the purchase or sale of, any security by means of any manipulative, deceptive or other fraudulent device or contrivance.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2103. False Statements

No Equity Member or applicant for membership as an Equity Member, or person associated with an Equity Member or applicant, shall make any false statements or misrepresentations in any application, report or other communication to the Exchange. No Equity Member or person associated with an Equity Member shall make any false statement or misrepresentation to any Exchange committee, officer, the Board or any designated examining authority in connection with any matter within the jurisdiction of the Exchange.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2104. Communications with the Public

Equity Members and persons associated with an Equity Member shall comply with FINRA Rule 2210 (except FINRA Rule 2210(c)) as if such Rule were part of the Exchange's Rules. The Exchange and FINRA are parties to an agreement pursuant to which FINRA has agreed to perform certain functions on behalf of the Exchange. Therefore, Equity Members are complying with Exchange Rule 2104 by complying with FINRA Rule 2210 as written. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under Exchange Rule 2104 are being performed by FINRA on the Exchange's behalf.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2105. Know Your Customer

Equity Members shall comply with FINRA Rule 2090 as if such rule were part of the MIAX Pearl Equities' Rules.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2106. Fair Dealing with Customers

All Equity Members have a fundamental responsibility for fair dealing with their customers. Practices which do not represent fair dealing include, but are not limited to, the following:

(a) Recommending speculative securities to customers without knowledge of or an attempt to obtain information concerning the customers' other securities holdings, their financial situation and other necessary data. This prohibition has particular application to high pressure telephonic sales campaigns;

(b) Excessive activity in customer accounts (churning or overtrading) in relation to the objectives and financial situation of the customer;

(c) Establishment of fictitious accounts in order to execute transactions which otherwise would be prohibited or which are contrary to the Equity Member's policies;

(d) Causing the execution of transactions which are unauthorized by customers or the sending of confirmations in order to cause customers to accept transactions not actually agreed upon;

(e) Unauthorized use or borrowing of customer funds or securities; and

(f) Recommending the purchase of securities or the continuing purchase of securities in amounts which are inconsistent with the reasonable expectation that the customer has the financial ability to meet such a commitment.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2107. Suitability

(a) Equity Members and associated persons of an Equity Member shall comply with FINRA Rule 2111 as if such Rule were part of the Exchange's Rules.

(b) For purposes of this Exchange Rule:

(1) References to FINRA Rules 2111 and 4512 shall be construed as references to Exchange Rules 2107 and 2201, respectively;

(2) References to "FINRA's rules" shall be construed as references to "Exchange Rules"; and

(3) References to FINRA Rule 2214 shall be disregarded, and no comparable Exchange Rule shall apply to activities of Equity Members in connection with investment analysis tools.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2108. The Prompt Receipt and Delivery of Securities

(a) **Purchases**. No Equity Member may accept a customer's purchase order for any security until it has first ascertained that the customer placing the order or its agent agrees to receive securities against payment in an amount equal to any execution, even though such an execution may represent the purchase of only a part of a larger order.

(b) **Sales**. No Equity Member shall execute a sale order for any customer or for its own account in any security unless such sale complies with the applicable provisions of the Exchange Act, including Regulation SHO.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2109. Charges for Services Performed

Charges, if any, for services performed, including, but not limited to, miscellaneous services such as collection of monies due for principal, dividends, or interest; exchange or transfer of securities; appraisals, safe-keeping or custody of securities, and other services shall be reasonable and not unfairly discriminatory among customers.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2110. Use of Information Obtained in a Fiduciary Capacity

An Equity Member who, in the capacity of paying agent, transfer agent, trustee, or any other similar capacity has received information as to the ownership of securities, shall not make use of such information for the purpose of soliciting purchases, sales, or exchanges except at the request, and on behalf, of the issuer.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2111. Publication of Transactions and Quotations

No Equity Member shall publish or circulate, or cause to be published or circulated, any notice, circular, advertisement, newspaper article, investment service, or communication of any kind which purports to report any transaction as a purchase or sale of any security unless such Equity Member believes that such transaction was a bona fide purchase or sale of such security; or which purports to quote the bid price or asked price for any security, unless such Equity Member believes that such quotation represents a bona fide bid for, or offer of, such security.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2112. Offers at Stated Prices

No Equity Member shall make an offer to buy from or sell to any person any security at a stated price unless such Equity Member is prepared to purchase or sell, as the case may be, at such price and under such conditions as are stated at the time of such offer to buy or sell.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2113. Payments Involving Publications that Influence the Market Price of a Security

(a) Except as provided in paragraph (b), no Equity Member shall directly or indirectly, give, permit to be given, or offer to give anything of value to any person for the purpose of influencing or rewarding the action of such person in connection with the publication or circulation in any electronic or other public media, including any investment service or similar publication, website, newspaper, magazine or other periodical, radio, or television program of any matter that has, or is intended to have, an effect upon the market price of any security.

(b) The prohibitions in paragraph (a) shall not apply to compensation paid to a person in connection with the publication or circulation of:

(1) a communication that is clearly distinguishable as paid advertising;

(2) a communication that discloses the receipt of compensation and the amount thereof in accordance with Section 17(b) of the Securities Act; or

(3) a research report, as that term is defined in FINRA Rule 2241.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2114. Customer Confirmations

An Equity Member, at or before the completion of each transaction with a customer, shall give or send to such customer such written notification or confirmation of the transaction as is required by Rule 10b-10 of the Exchange Act.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2115. Disclosure of Control Relationship with Issuer

An Equity Member controlled by, controlling, or under common control with, the issuer of any security, shall disclose to a customer the existence of such control before entering into any contract with or for such customer for the purchase or sale of such security, and if such disclosure is not made in writing, it shall be supplemented by the giving or sending of a written disclosure to the customer at or before completion of the transaction.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2116. Discretionary Accounts

(a) **Excessive Transactions**. No Equity Member shall effect any purchase or sale transactions with, or for, any customer's account in respect of which such Equity Member is vested with any discretionary power if such transactions are excessive in size or frequency in view of the financial resources and character of such account.

(b) **Authorization and Acceptance of Account**. No Equity Member or Registered Representative shall exercise any discretionary power in a customer's account unless such customer has given prior written authorization and the account has been accepted by the Equity Member, as evidenced in writing by a person duly designated by the Equity Member, in accordance with Exchange Rule 2300.

(c) **Approval and Review of Transactions**. The Equity Member or person duly designated shall approve promptly in writing each discretionary order entered and shall review all discretionary accounts at frequent intervals in order to detect and prevent transactions which are excessive in size or frequency in view of the financial resources and character of the account.

(d) **Exceptions**. This Exchange Rule shall not apply to:

(1) discretion as to the price at which or the time when an order given by a customer for the purchase or sale of a definite amount of a specified security shall be executed, except that the authority to exercise time and price discretion will be considered to be in effect only until the end of the business day on which the customer granted such discretion, absent a specific, written contrary indication signed and dated by the customer. This limitation shall not apply to time and price discretion exercised in an institutional account, as defined in Exchange Rule 2705. Any exercise of time and price discretion must be reflected on the order ticket;

(2) bulk exchanges at net asset value of money market mutual funds ("funds") utilizing negative response letters provided:

(A) The bulk exchange is limited to situations involving mergers and acquisitions of funds, changes of clearing members and exchanges of funds used in sweep accounts:

(B) The negative response letter contains a tabular comparison of the nature and amount of the fees charged by each fund;

(C) The negative response letter contains a comparative description of the investment objectives of each fund and a prospectus of the fund to be purchased; and

(D) The negative response feature will not be activated until at least 30 days after the date on which the letter was mailed.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2117. Improper Use of Customer's Securities or Funds; Prohibition Against Guarantees and Sharing in Accounts

(a) **Improper Use**. No Equity Member or person associated with an Equity Member shall make improper use of a customer's securities or funds.

(b) **Prohibition Against Guarantees**. No Equity Member or person associated with an Equity Member shall guarantee a customer against loss in connection with any securities transaction or in any securities account of such customer.

(c) **Sharing in Accounts; Extent Permissible**.

(1) (A) Except as provided in paragraph (c)(2), no Equity Member or person associated with an Equity Member shall share directly or indirectly in the profits or losses in any account of a customer carried by the Equity Member or any other Equity Member; provided, however, that an Equity Member or person associated with an Equity Member may share in the profits or losses in such an account if:

(i) such person associated with an Equity Member obtains prior written authorization from the Equity Member employing the associated person;

(ii) such Equity Member or person associated with an Equity Member obtains prior written authorization from the customer; and

(iii) such Equity Member or person associated with an Equity Member shares in the profits or losses in any account of such customer only in direct proportion to the financial contributions made to such account by either the Equity Member or person associated with an Equity Member.

(B) Exempt from the direct proportionate share limitation of paragraph (c)(1)(A)(iii) are accounts of the immediate family of such Equity Member or person associated with an Equity Member. For purposes of this Exchange Rule, the term "immediate family" shall include parents, mother-in-law or father-in-law, husband or wife, children, or any relative to whose support the Equity Member or person associated with an Equity Member otherwise contributes directly or indirectly.

(2) Notwithstanding the prohibition of paragraph (c)(1), an Equity Member or person associated with an Equity Member that is acting as an investment adviser may receive compensation based on a share in profits or gains in an account if:

(A) such person associated with an Equity Member seeking such compensation obtains prior written authorization from the Equity Member employing the associated person;

(B) such Equity Member or person associated with an Equity Member seeking such compensation obtains prior written authorization from the customer; and

(C) all of the conditions in Rule 205-3 of the Investment Advisers Act (as the same may be amended from time to time) are satisfied.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2118. Influencing or Rewarding Employees of Others

(a) No Equity Member or person associated with an Equity Member shall, directly or indirectly, give or permit to be given anything of value, including gratuities, in excess of one hundred dollars per individual per year to any person, principal, proprietor, employee, agent or representative of another person where such payment or gratuity is in relation to the business of the employer, of the recipient of the payment, or gratuity. A gift of any kind is considered a gratuity.

(b) This Exchange Rule shall not apply to contracts of employment with or to compensation for services rendered by persons enumerated in paragraph (a) provided that there is in existence prior to the time of employment or before the services are rendered, a written agreement between the member and the person who is to be employed to perform such services. Such agreement shall include the nature of the proposed employment, the amount of the proposed compensation, and the written consent of such person's employer or principal.

(c) A separate record of all payments or gratuities in any amount known to the Equity Member, the employment agreement referred to in paragraph (b) and any employment compensation paid as a result thereof shall be retained by the Equity Member for the period specified by Exchange Act Rule 17a-4.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2119. Telemarketing

Equity Members shall comply with MIAX Rule 1325, Telemarketing, as if such rule were part of the MIAX Pearl Equities' Rules.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Chapter XXII. Books, Records, and Reports

Rule 2200. General Requirements

Equity Members and persons associate with Equity Members shall comply with FINRA Rule 4511 as if such rule were part of the MIAX Pearl Equities' Rules. For purposes of this Exchange Rule, references to "FINRA rules" shall be construed to as references to "Exchange Rules" and references to "FINRA books and records" shall be construed as references to "Exchange books and records".

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2201. Customer Account Information

(a) Equity Members and persons associated with an Equity Member shall comply with FINRA Rule 4512 as if such rule were part of the Exchange's Rules

(b) For purposes of this Exchange Rule:

(1) References to NASD Rule 2510 (or any successor FINRA rule) shall be construed as references to Exchange Rule 2115;

(2) References to Rules 2070, 2090, and 4512 shall be construed as references to Exchange Rules 2806, 2105, and 2201;

(3) References to "a prior FINRA rule" shall be construed as references to "a FINRA Rule in effect prior to the effectiveness of FINRA Rule 4512";

(4) The Exchange and FINRA are parties to a Regulatory Contract pursuant to which FINRA has agreed to perform certain functions on behalf of the Exchange. Therefore, Equity Members are complying with Exchange Rule 2201 by complying with FINRA Rule 4512 as written, including, for example, providing information required by FINRA staff. In addition, functions performed by FINRA, FINRA departments, and FINRA staff under Exchange Rule 2201 are being performed by FINRA on behalf of the Exchange.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2202. Furnishing of Records

Every Equity Member shall furnish to the Exchange, upon request and in a time and manner required by the Exchange, current copies of any financial information filed with the Commission, as well as any records, files, or financial information pertaining to transactions executed on or through the Exchange. Further, the Exchange shall be allowed access, at any time, to the books and records of the Equity Member in order to obtain or verify information related to transactions executed on or through the Exchange or activities relating to the Exchange.

(a) **Equity Member's Response Time to Exchange Requests.** Consistent with the responsibility of the Exchange and the Commission to provide for timely regulatory investigations, the Exchange has adopted the following general time parameters within which Equity Members are required to respond to Exchange requests for trading data:

(1) 1st Request 10 business days

(2) 2nd Request 5 business days

(3) 3rd Request 5 business days

The third request letter will be sent to the Equity Member's compliance officer and/or senior officer. Notwithstanding the parameters listed above, the Exchange reserves the right, in its sole discretion, to require information to be provided more quickly than described above.

.01 **Regulatory Data Submission Requirement**. Equity Members shall submit to the Exchange such Exchange-related order, market and transaction data as the Exchange by Regulatory Circular may specify, in such form and on such schedule as the Exchange may require.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2203. Record of Written Complaints

Equity Members and persons associated with an Equity Member shall comply with FINRA Rule 4513 as if such rule were part of the MIAX Pearl Equities' Rules.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2204. Disclosure of Financial Condition

Equity Members shall comply with MIAX Rule 1313, Statement of Financial Condition to Customers, as if such rule were part of the MIAX Pearl Equities' Rules.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Chapter XXIII. Supervision

Rule 2300. Supervision

(a) **Supervisory System**. Each Member shall establish and maintain a system to supervise the activities of each associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable Exchange Rules. Final responsibility for proper supervision shall rest with the Member. A Member's supervisory system shall provide, at a minimum, for the following:

(1) The establishment and maintenance of written procedures as required by this Exchange Rule 2300.

(2) The designation, where applicable, of an appropriately registered principal(s) with authority to carry out the supervisory responsibilities of the Member for each type of business in which it engages for which registration as a broker-dealer is required.

(3) The registration and designation as a branch office or an office of supervisory jurisdiction (OSJ) of each location, including the main office, that meets the definitions contained in paragraph (e) of this Exchange Rule 2300.

(4) The designation of one or more appropriately registered principals in each OSJ and one or more appropriately registered representatives or principals in each non-OSJ branch office with authority to carry out the supervisory responsibilities assigned to that office by the Member.

(5) The assignment of each registered person to an appropriately Registered Representative(s) or principal(s) who shall be responsible for supervising that person's activities.

(6) The use of reasonable efforts to determine that all supervisory personnel are qualified, either by virtue of experience or training, to carry out their assigned responsibilities.

(7) The participation of each Registered Representative and Registered Principal, either individually or collectively, no less than annually, in an interview or meeting conducted by persons designated by the Member at which compliance matters relevant to the activities of the representative(s) and principal(s) are discussed. Such interview or meeting may occur in conjunction with the discussion of other matters and may be conducted at a central or regional location or at the representative's(') or principal's(') place of business.

(b) **Written Procedures.**

(1) **General Requirements.** Each Member shall establish, maintain, and enforce written procedures to supervise the types of business in which it engages and the activities of its associated persons that are reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable Exchange Rules.

(2) **Review of Member's Investment Banking and Securities Business**. The supervisory procedures required by this paragraph (b) shall include procedures for the review by a Registered Principal, evidenced in writing, of all transactions relating to the investment banking or securities business of the Member.

(3) [Reserved]

(4) **Review of Correspondence and Internal Communications**. The supervisory procedures required by this paragraph (b) shall include procedures for the review of incoming and outgoing written (including electronic)

correspondence and internal communications relating to the Member's investment banking or securities business. The supervisory procedures must be appropriate for the Member's business, size, structure, and customers. The supervisory procedures must require the Member's review of:

(A) incoming and outgoing written (including electronic) correspondence to properly identify and handle in accordance with firm procedures, customer complaints, instructions, funds and securities, and communications that are of a subject matter that require review under Exchange Rules and federal securities laws.

(B) internal communications to properly identify those communications that are of a subject matter that require review under Exchange Rules and federal securities laws.

Reviews of correspondence and internal communications must be conducted by a Registered Principal and must be evidenced in writing, either electronically or on paper.

(5) **Review of Customer Complaints.** The supervisory procedures required by this paragraph (b) shall include procedures to capture, acknowledge, and respond to all written (including electronic) customer complaints.

(6) **Documentation and Supervision of Supervisory Personnel**. The supervisory procedures required by this paragraph (b) shall set forth the supervisory system established by the Member pursuant to paragraph (a) above, and shall include:

(A) the titles, registration status, and locations of the required supervisory personnel and the responsibilities of each supervisory person as these relate to the types of business engaged in, applicable securities laws and regulations, and Exchange Rules.

(B) a record, preserved by the Member for a period of not less than three years, the first two years in an easily accessible place, of the names of all persons who are designated as supervisory personnel and the dates for which such designation is or was effective.

(C) procedures prohibiting associated persons who perform a supervisory function from:

(i) supervising their own activities; and

(ii) reporting to, or having their compensation or continued employment determined by, a person or persons they are supervising.

(a) If a Member determines, with respect to any of its supervisory personnel, that compliance with subparagraph (i) or (ii) above is not possible because of the Member's size or a supervisory personnel's position within the firm, the Member must document:

(1) the factors the Member used to reach such determination; and

(2) how the supervisory arrangement with respect to such supervisory personnel otherwise complies with paragraph (a) of this Exchange Rule 2300.

(D) procedures reasonably designed to prevent the supervisory system required pursuant to paragraph (a) of this Exchange Rule 2300 from being compromised due to the conflicts of interest that may be present with respect to the associated person being supervised, including the position of such person, the revenue such

person generates for the firm, or any compensation that the associated person conducting the supervision may derive from the associated person being supervised.

(7) **Maintenance of Written Supervisory Procedures.** A copy of a Member's written supervisory procedures, or the relevant portions thereof, shall be kept and maintained in each OSJ and at each location where supervisory activities are conducted on behalf of the Member. Each Member shall promptly amend its written supervisory procedures to reflect changes in applicable securities laws or regulations, including Exchange Rules, and as changes occur in its supervisory system. Each Member is responsible for promptly communicating its written supervisory procedures and amendments to all associated persons to whom such written supervisory procedures and amendments are relevant based on their activities and responsibilities.

(c) **Internal Inspections**.

(1) Each Member shall conduct a review, at least annually (on a calendar-year basis), of the businesses in which it engages. The review shall be reasonably designed to assist the Member in detecting and preventing violations of, and achieving compliance with, applicable securities laws and regulations, and with applicable Exchange Rules. Each Member shall review the activities of each office, which shall include the periodic examination of customer accounts to detect and prevent irregularities or abuses. Each Member shall also retain a written record of the date upon which each review and inspection is conducted.

(A) Each Member shall inspect at least annually (on a calendar-year basis) every OSJ and any branch office that supervises one or more non-branch locations.

(B) Each Member shall inspect at least every three years every branch office that does not supervise one or more non-branch locations. In establishing how often to inspect each non-supervisory branch office, the Member shall consider whether the nature and complexity of the securities activities for which the location is responsible, the volume of business done at the location, and the number of associated persons assigned to the location require the non-supervisory branch office to be inspected more frequently than every three years. If a Member establishes a more frequent inspection cycle, the Member must ensure that at least every three years, the inspection requirements enumerated in paragraph (c)(2) have been met. The Member's written supervisory and inspection procedures shall set forth the non-supervisory branch office examination cycle, an explanation of the factors the Member used in determining the frequency of the examinations in the cycle, and the manner in which a Member will comply with paragraph (c)(2) if using more frequent inspections than every three years.

(C) Each Member shall inspect on a regular periodic schedule every non-branch location. In establishing such schedule, the Member shall consider the nature and complexity of the securities activities for which the location is responsible and the nature and extent of contact with customers. The Member's written supervisory and inspection procedures shall set forth the schedule and an explanation regarding how the Member determined the frequency of the examination.

(2) An inspection and review by a Member pursuant to paragraph (c)(1) must be reduced to a written report and kept on file by the Member for a minimum of three years, unless the inspection is being conducted pursuant to paragraph (c)(1)(C) and the regular periodic schedule is longer than a three-year cycle, in which case the report must be kept on file at least until the next inspection report has been written.

(A) If applicable to the location being inspected, that location's written inspection report must include, without limitation, the testing and verification of the Member's policies and procedures, including supervisory policies and procedures in the following areas:

(i) safeguarding of customer funds and securities;

(ii) maintaining books and records;

(iii) supervision of supervisory personnel;

(iv) transmittals of funds (e.g., wires or checks, etc.) or securities from customers to third party accounts; from customer accounts to outside entities (e.g., banks, investment companies, etc.); from customer accounts to locations other than a customer's primary residence (e.g., post office box, "in care of" accounts, alternate address, etc.); and between customers and registered representatives, including the hand-delivery of checks; and

(v) changes of customer account information, including address and investment objectives changes and validation of such changes.

(B) The policies and procedures required by paragraph (c)(2)(A)(iv) must include a means or method of customer confirmation, notification, or follow-up that can be documented. Members may use reasonable risk-based criteria to determine the authenticity of the transmittal instructions.

(C) The policies and procedures required by paragraph (c)(2)(A)(v) must include, for each change processed, a means or method of customer confirmation, notification, or follow-up that can be documented and that complies with Rules 17a-3(a)(17)(i)(B)(2) and 17a-3(a)(17)(i)(B)(3) of the Act.

(D) If a Member does not engage in all of the activities enumerated in paragraphs (c)(2)(A)(i) through (v) at the location being inspected, the Member must identify those activities in the Member's written supervisory procedures or the location's written inspection report and document in the Member's written supervisory procedures or the location's written inspection report that supervisory policies and procedures for such activities must be in place at that location before the Member can engage in them.

(3) For each inspection conducted pursuant to paragraph (c), a Member must:

(A) have procedures reasonably designed to prevent the effectiveness of the inspections required pursuant to paragraph (c)(1) of this Exchange Rule 2300 from being compromised due to the conflicts of interest that may be present with respect to the location being inspected, including but not limited to, economic, commercial, or financial interests in the associated persons and businesses being inspected; and

(B) ensure that the person conducting an inspection pursuant to paragraph (c)(1) is not an associated person assigned to the location or is not directly or indirectly supervised by, or otherwise reporting to, an associated person assigned to the location.

(C) If a Member determines that compliance with paragraph (c)(3)(B) is not possible either because of a Member's size or its business model, the Member must document in the inspection report both the factors the Member used to make its determination and how the inspection otherwise complies with paragraph (c)(1).

(d) **Transaction Review and Investigation.**

(1) Each Member shall include in its supervisory procedures a process for the review of securities transactions that are reasonably designed to identify trades that may violate the provisions of the Exchange Act, the rules thereunder, or Exchange Rules prohibiting insider trading and manipulative and deceptive device that are effected for the:

(A) accounts of the Member;

(B) accounts introduced or carried by the Member in which a person associated with the Member has a beneficial interest or the authority to make investment decisions;

(C) accounts of a person associated with the Member that are disclosed to the Member pursuant to Exchange Rule 2305, as applicable; and

(D) covered accounts.

(2) Each Member must conduct promptly an internal investigation into any such trade to determine whether a violation of those laws or rules has occurred.

(3) A Member engaging in investment banking services must file with the Exchange, written reports, signed by a senior officer of the Member, at such times and, without limitation, including such content, as follows:

(A) within ten business days of the end of each calendar quarter, a written report describing each internal investigation initiated in the previous calendar quarter pursuant to paragraph (d)(2), including the identity of the Member, the date each internal investigation commenced, the status of each open internal investigation, the resolution of any internal investigation reached during the previous calendar quarter, and, with respect to each internal investigation, the identity of the security, trades, accounts, associated persons of the Member, or associated person of the Member's family members holding a covered account, under review, and that includes a copy of the Member's policies and procedures required by paragraph (d)(1).

(B) within five business days of completion of an internal investigation pursuant to paragraph (d)(2) in which it was determined that a violation of the provisions of the Exchange Act, the rules thereunder, or Exchange Rules prohibiting insider trading and manipulative and deceptive devices had occurred, a written report detailing the completion of the investigation, including the results of the investigation, any internal disciplinary action taken, and any referral of the matter to another self-regulatory organization, the SEC, or any other federal, state, or international regulatory authority.

(4) **Definitions**. For purposes of this Exchange Rule:

(A) The term "covered account" shall include any account introduced or carried by the Member that is held by:

(i) the spouse of a person associated with the Member;

(ii) a child of the person associated with the Member or such person's spouse, provided that the child resides in the same household as or is financially dependent upon the person associated with the Member;

(iii) any other related individual over whose account the person associated with the Member has control; or

(iv) any other individual over whose account the associated person of the Member has control and to whose financial support such person materially contributes.

(B) The term "investment banking services" shall include, without limitation, acting as an underwriter, participating in a selling group in an offering for the issuer, or otherwise acting in furtherance of a public offering of the issuer; acting as a financial adviser in a merger or acquisition; providing venture capital or equity lines of credit or serving as placement agent for the issuer or otherwise acting in furtherance of a private offering of the issuer.

(e) **Responsibility of Member to Investigate Applicants for Registration.** Each member shall ascertain by investigation the good character, business reputation, qualifications and experience of an applicant before the member applies to register that applicant with the Exchange and before making a representation to that effect on the application for registration.

If the applicant previously has been registered with the Exchange or another self-regulatory organization, the member shall review a copy of the applicant's most recent Form U5, including any amendments thereto, within 60 days of the filing date of an application for registration, or demonstrate to the Exchange that it has made reasonable efforts to do so. In conducting its review of the Form U5, the member shall take such action as may be deemed appropriate.

The member shall also review an applicant's employment experience to determine if the applicant has been recently employed by a Futures Commission Merchant or an Introducing Broker that is notice-registered with the SEC pursuant to Section 15(b)(11) of the Exchange Act. In such a case, the member shall also review a copy of the applicant's most recent CFTC Form 8-T, including any amendments thereto, within 60 days of the filing date of an application for registration, or demonstrate to the Exchange that it has made reasonable efforts to do so. In conducting its review of a Form 8- T, the member shall take such action as may be deemed appropriate.

In addition, each member shall establish and implement written procedures reasonably designed to verify the accuracy and completeness of the information contained in an applicant's initial or transfer Form U4 no later than 30 calendar days after the form is filed with the Exchange. Such procedures shall, at a minimum, provide for a search of reasonably available public records to be conducted by the member, or a third-party service provider, to verify the accuracy and completeness of the information contained in the applicant's Form U4.

(f) **Definitions**.

(1) "Office of Supervisory Jurisdiction" or "OSJ" means any office of a Member at which any one or more of the following functions take place:

(A) order execution or market making;

(B) structuring of public offerings or private placements;

(C) maintaining custody of customers' funds or securities;

(D) final acceptance (approval) of new accounts on behalf of the Member;

(E) review and endorsement of customer orders, pursuant to paragraph (b)(2) above;

(F) final approval of retail communications for use by persons associated with the Member, pursuant to Exchange Rule 2104, except for an office that solely conducts final approval of research reports; or

(G) responsibility for supervising the activities of persons associated with the Member at one or more other branch offices of the Member.

(2) A "branch office" is any location where one or more associated persons of a Member regularly conducts the business of effecting any transactions in, or inducing or attempting to induce the purchase or sale of, any security, or is held out as such, excluding:

(A) Any location that is established solely for customer service or back office type functions where no sales activities are conducted and that is not held out to the public as a branch office;

(B) Any location that is the associated person's primary residence; provided that

(i) Only one associated person, or multiple associated persons who reside at that location and are members of the same immediate family, conduct business at the location;

(ii) The location is not held out to the public as an office and the associated person does not meet with customers at the location;

(iii) Neither customer funds nor securities are handled at that location;

(iv) The associated person is assigned to a designated branch office, and such designated branch office is reflected on all business cards, stationery, retail communications and other communications to the public by such associated person;

(v) The associated person's correspondence and communications with the public are subject to the firm's supervision in accordance with this Exchange Rule 2300;

(vi) Electronic communications (e.g., e-mail) are made through the Member's electronic system;

(vii) All orders are entered through the designated branch office or an electronic system established by the Member that is reviewable at the branch office;

(viii) Written supervisory procedures pertaining to supervision of sales activities conducted at the residence are maintained by the Member; and

(ix) A list of the residence locations is maintained by the Member;

(C) Any location, other than a primary residence, that is used for securities business for less than 30 business days in any one calendar year, provided the Member complies with the provisions of subparagraphs (2)(B)(i) through (ix) above;

(D) Any office of convenience, where associated persons occasionally and exclusively by appointment meet with customers, which is not held out to the public as an office;*

(E) Any location that is used primarily to engage in non-securities activities and from which the associated person(s) effects no more than 25 securities transactions in any one calendar year; provided that any retail communication identifying such location also sets forth the address and telephone number of the location from which the associated person(s) conducting business at the non-branch locations are directly supervised;

(F) The Floor of a registered national securities exchange where a Member conducts a direct access business with public customers; or

(G) A temporary location established in response to the implementation of a business continuity plan.

(4) Notwithstanding the exclusions in subparagraph (2), any location that is responsible for supervising the activities of persons associated with the Member at one or more non-branch locations of the Member is considered to be a branch office.

(5) The term "business day" as used in paragraph (f)(2) of this Exchange Rule 2300 shall not include any partial business day provided that the associated person spends at least four hours on such business day at his or her designated branch office during the hours that such office is normally open for business.

Interpretations and Policies:

.01 **Registration of Main Office**. A Member's main office location is required to be registered and designated as a branch office or OSJ if it meets the definitions of a "branch office" or "office of supervisory jurisdiction" as set forth in Exchange Rule 2300(f). In general, the nature of activities conducted at a main office will satisfy the requirements of such terms.

.02 **Designation of Additional OSJs**. In addition to the locations that meet the definition of OSJ in Exchange Rule 2300(f), each Member shall also register and designate other offices as OSJs as is necessary to supervise its associated persons in accordance with the standards set forth in Exchange Rule 2300. In making a determination as to whether to designate a location as an OSJ, the Member should consider the following factors:

(a) whether registered persons at the location engage in retail sales or other activities involving regular contact with public customers;

(b) whether a substantial number of registered persons conduct securities activities at, or are otherwise supervised from, such location;

(c) whether the location is geographically distant from another OSJ of the firm;

(d) whether the Member's registered persons are geographically dispersed; and

(e) whether the securities activities at such location are diverse or complex.

.03 **Supervision of Multiple OSJs by a Single Principal**. Exchange Rule 2300(a)(4) requires a Member to designate one or more appropriately registered principals in each OSJ with the authority to carry out the supervisory responsibilities assigned to that office ("on-site principal"). The designated on-site principal for each OSJ must have a physical presence, on a regular and routine basis, at each OSJ for which the principal has supervisory responsibilities. Consequently, there is a general presumption that a principal will not be designated and assigned to be the on-site principal pursuant to Exchange Rule 2300(a)(4) to supervise more than one OSJ. If a Member determines it is necessary to designate and assign one appropriately registered principal to be the on-site principal pursuant to Exchange Rule 2300(a)(4) to supervise two or more OSJs, the Member must take into consideration, among others, the following factors:

(a) whether the on-site principal is qualified by virtue of experience and training to supervise the activities and associated persons in each location;

(b) whether the on-site principal has the capacity and time to supervise the activities and associated persons in each location;

(c) whether the on-site principal is a producing registered representative;

(d) whether the OSJ locations are in sufficiently close proximity to ensure that the on-site principal is physically present at each location on a regular and routine basis; and

(e) the nature of activities at each location, including size and number of associated persons, scope of business activities, nature and complexity of products and services offered, volume of business done, the disciplinary history of persons assigned to such locations, and any other indicators of irregularities or misconduct.

The Member must establish, maintain, and enforce written supervisory procedures regarding the supervision of all OSJs. In all cases where a Member designates and assigns one on-site principal to supervise more than one OSJ, the Member must document in the Member's written supervisory and inspection procedures the factors used to determine why the Member considers such supervisory structure to be reasonable and the determination by the Member will be subject to scrutiny.

.04 **Annual Compliance Meeting**. A Member is not required to conduct in-person meetings with each registered person or group of registered persons to comply with the annual compliance meeting (or interview) required by Exchange Rule 2300(a)(7). A Member that chooses to conduct compliance meetings using other methods (e.g., on-demand webcast or course, video conference, interactive classroom setting, telephone, or other electronic means) must ensure, at a minimum, that each registered person attends the entire meeting (e.g., an on-demand annual compliance webcast would require each registered person to use a unique user ID and password to gain access and use a technology platform to track the time spent on the webcast, provide click-as-you go confirmation, and have an attestation of completion at the end of a webcast) and is able to ask questions regarding the presentation and receive answers in a timely fashion (e.g., an on-demand annual compliance webcast that allows registered persons to ask questions via an email to a presenter or a centralized address or via a telephone hotline and receive timely responses directly or view such responses on the Member's intranet site).

05 **Risk-based Review of Member's Investment Banking and Securities Business**. A Member may use a risk-based review system to comply with Rule 2300(b)(2)'s requirement that a registered principal review, all transactions relating to the investment banking or securities business of the Member. A Member is not required to conduct detailed reviews of each transaction if a Member is using a reasonably designed risk-based review system that provides a Member with sufficient information that permits the Member to focus on the areas that pose the greatest numbers and risks of violation.

.06 **Risk-based Review of Correspondence and Internal Communications**. By employing risk-based principles, a Member must decide the extent to which additional policies and procedures for the review of:

(a) incoming and outgoing written (including electronic) correspondence that fall outside of the subject matters listed in Exchange Rule 2300(b)(4) are necessary for its business and structure. If a Member's procedures do not require that all correspondence be reviewed before use or distribution, the procedures must provide for:

(1) the education and training of associated persons regarding the firm's procedures governing correspondence;

(2) the documentation of such education and training; and

(3) surveillance and follow-up to ensure that such procedures are implemented and followed.

(b) internal communications that are not of a subject matter that require review under Exchange Rules and federal securities laws are necessary for its business and structure.

.07 **Evidence of Review of Correspondence and Internal Communications**. The evidence of review required in Exchange Rule 2300(b) must be chronicled either electronically or on paper and must clearly identify the reviewer, the internal communication or correspondence that was reviewed, the date of review, and the actions taken by the Member as a result of any significant regulatory issues identified during the review. Merely opening a communication is not sufficient review.

.08 **Delegation of Correspondence and Internal Communication Review Functions**. In the course of the supervision and review of correspondence and internal communications required by Exchange Rule 2300(b)(4), a supervisor/principal may delegate certain functions to persons who need not be registered. However, the supervisor/principal remains ultimately responsible for the performance of all necessary supervisory reviews, irrespective of whether he or she delegates functions related to the review. Accordingly, supervisors/principals must take reasonable and appropriate action to ensure delegated functions are properly executed and should evidence performance of their procedures sufficiently to demonstrate overall supervisory control.

.09 **Retention of Correspondence and Internal Communications**. Each Member shall retain the internal communications and correspondence of associated persons relating to the Member's investment banking or securities business for the period of time and accessibility specified in SEA Rule 17a-4(b). The names of the persons who prepared outgoing correspondence and who reviewed the correspondence shall be ascertainable from the retained records, and the retained records shall be readily available to the Exchange, upon request.

.10 **Supervision of Supervisory Personnel**. A Member's determination that it is not possible to comply with paragraphs (b)(6)(C)(i) or (b)(6)(C)(ii) of Exchange Rule 2300 prohibiting supervisory personnel from supervising their own activities and from reporting to, or otherwise having compensation or continued employment determined by, a person or persons they are supervising generally will arise in instances where:

(a) the Member is a sole proprietor in a single-person firm;

(b) a registered person is the Member's most senior executive officer (or similar position); or

(c) a registered person is one of several of the Member's most senior executive officers (or similar positions).

.11 **Use of Electronic Media to Communicate Written Supervisory Procedures**. A Member may use electronic media to satisfy its obligation to communicate its written supervisory procedures, and any amendment thereto, pursuant to Exchange Rule 2300(b)(7), provided that: (1) the written supervisory procedures have been promptly communicated to, and are readily accessible by, all associated persons to whom such supervisory procedures apply based on their activities and responsibilities through, for example, the Member's intranet system; (2) all amendments to the written supervisory procedures are promptly posted to the Member's electronic media; (3) associated persons are notified that amendments relevant to their activities and responsibilities have been made to the written supervisory procedures; (4) the Member has reasonable procedures to monitor and maintain the security of the material posted to ensure that it cannot be altered by unauthorized persons; and (5) the Member retains current and prior versions of its written supervisory procedures in compliance with the applicable record retention requirements of SEA Rule 17a-4(e)(7).

.12 **Standards for Reasonable Review**. In fulfilling its obligations under Exchange Rule 2300(c), each Member must conduct a review, at least annually, of the businesses in which it engages. The review must be reasonably designed to assist in detecting and preventing violations of and achieving compliance with applicable securities laws and regulations and with Exchange Rules. Each Member shall establish and maintain supervisory procedures that must take into consideration, among other things, the firm's size, organizational structure, scope of business activities, number and location of the firm's offices, the nature and complexity of the products and services offered by the firm, the volume of business done, the number of associated persons assigned to a location, the disciplinary history of registered representatives or associated persons, and any indicators of irregularities or misconduct (i.e., "red flags"), etc. The procedures established and reviews conducted must provide that the quality of supervision at remote locations is sufficient to ensure compliance with applicable securities laws and regulations and with Exchange Rules. A Member must be especially diligent in establishing procedures and conducting reasonable reviews with respect to a non-branch location where a registered representative engages in securities activities. Based on the factors outlined above, Members may need to impose reasonably designed supervisory procedures for certain locations or may need to provide for more frequent reviews of certain locations.

.13 **General Presumption of Three-Year Limit for Periodic Inspection Schedules**. Exchange Rule 2300(c)(1)(C) requires a Member to inspect on a regular periodic schedule every non-branch location. In establishing a non-branch location inspection schedule, there is a general presumption that a non-branch location will be inspected at least every three years, even in the absence of any indicators of irregularities or misconduct (i.e., "red flags"). If a Member establishes a longer periodic inspection schedule, the Member must document in its written supervisory and inspection procedures the factors used in determining that a longer periodic inspection cycle is appropriate.

.14 **Exception to Persons Prohibited from Conducting Inspections**. A Member's determination that it is not possible to comply with Exchange Rule 2300(c)(3)(B) with respect to who is not allowed to conduct a location's inspection will generally arise in instances where:

(a) the Member has only one office; or

(b) the Member has a business model where small or single-person offices report directly to an OSJ manager who is also considered the offices' branch office manager.

* Where such office of convenience is located on bank premises, signage necessary to comply with applicable federal and state laws, rules and regulations and applicable rules and regulations of other self-regulatory organizations, and securities and banking regulators may be displayed and shall not be deemed “holding out” for purposes of this section.

[Adopted: August 14, 2020 (SR-PEARL-2020-03); amended March 29, 2021 (SR-PEARL-2021-04)]

Rule 2301. Supervisory Control System

(a) Each Member shall designate and specifically identify to the Exchange one or more principals who shall establish, maintain, and enforce a system of supervisory control policies and procedures that:

(1) test and verify that the Member's supervisory procedures are reasonably designed with respect to the activities of the Member and its associated persons, to achieve compliance with applicable securities laws and regulations, and with applicable Exchange Rules; and

(2) create additional or amend supervisory procedures where the need is identified by such testing and verification. The designated principal or principals must submit to the Member's senior management no less than

annually, a report detailing each Member's system of supervisory controls, the summary of the test results and significant identified exceptions, and any additional or amended supervisory procedures created in response to the test results.

(b) Each report provided to senior management pursuant to paragraph (a) in the calendar year following a calendar year in which a Member reported $200 million or more in gross revenue must include, to the extent applicable to the Member's business:

(1) a tabulation of the reports pertaining to customer complaints and internal investigations made to the Exchange during the preceding year; and

(2) discussion of the preceding year's compliance efforts, including procedures and educational programs, in each of the following areas:

(A) trading and market activities;

(B) investment banking activities;

(C) antifraud and sales practices;

(D) finance and operations;

(E) supervision; and

(F) anti-money laundering.

(c) For purposes of paragraph (b), "gross revenue" is defined as:

(1) total revenue as reported on FOCUS Form Part II or IIA (line item 4030) less commodities revenue (line item 3990), if applicable; or

(2) total revenue as reported on FOCUS Form Part II CSE (line item 4030) less, if applicable, (A) commissions on commodity transactions (line item 3991); and (B) commodities gains or losses (line items 3924 and 3904).

[Adopted: August 14, 2020 (SR-PEARL-2020-03); amended March 29, 2021 (SR-PEARL-2021-04)]

Rule 2302. Annual Certification of Compliance and Supervisory Processes

(a) Equity Members and persons associated with an Equity Member shall comply with FINRA Rule 3130 as if such Rule were part of the MIAX Pearl Equities' Rule.

(b) For purposes of this Exchange Rule:

(1) references to "FINRA Rules" shall be construed as references to "Exchange Rules," and

(2) references to "MSRB rules" shall be deleted.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2303. Prevention of the Misuse of Material, Non-Public Information

Equity Members shall comply with MIAX Rule 303, Prevention of the Misuse of Material Non-Public Information, as if such rule were part of the MIAX Pearl Equities' Rules.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2304. Anti-Money Laundering Compliance Program

Equity Members shall comply with MIAX Rule 315, Anti-Money Compliance Program, as if such rule were part of the MIAX Pearl Equities' Rules.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2305. Transactions for or by Associated Persons.

Equity Members and persons associated with an Equity Member shall comply with FINRA Rule 3210 as if such Rule were part of MIAX Pearl Equities' Rules.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Chapter XIV. Margin

Rule 2400. Prohibitions and Exemptions

(a) An Equity Member shall not effect a securities transaction through MIAX Pearl Equities facilities in a manner contrary to the regulations of the Board of Governors of the Federal Reserve System.

(b) The margin which must be maintained in margin accounts of customers shall be as follows:

(1) 25% of the current market value of all securities "long" in the account; plus

(2) $2.50 per share or 100% of the current market value, whichever amount is greater, of each stock "short" in the account selling at less than $5.00 per share; plus

(3) $5.00 per share or 30% of the current market value, whichever amount is greater, of each stock "short" in the account selling at $5.00 per share or above; plus

(4) 5% of the principal amount or 30% of the current market value, whichever amount is greater, of each bond "short in the account.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2401. Day Trading Margin

(a) The term "day trading" means the purchasing and selling of the same security on the same day. A "day trader" is any customer whose trading shows a pattern of day trading.

(b) Whenever day trading occurs in a customer's margin account the margin to be maintained shall be the margin on the "long" or "short" transaction, whichever occurred first, as required pursuant to Exchange Rule 2400(b). When day trading occurs in the account of a day trader, the margin to be maintained shall be the margin on the "long" or "short" transaction, whichever occurred first, as required for initial margin by Regulation T of the Board of Governors of the Federal Reserve System, or as required pursuant to Exchange Rule 2400(b), whichever amount is greater.

(c) No Equity Member shall permit a public customer to make a practice, directly or indirectly, of effecting transactions in a cash account where the cost of securities purchased is met by the sale of the same securities. No Equity Member shall permit a public customer to make a practice of selling securities with them in a cash account which are to be received against payment from another registered broker or dealer where such securities were purchased and are not yet paid for.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Chapter XXV. Suspension, Discipline, Arbitration

Rule 2500. Applicability

The provisions in Chapter IX (Summary Suspension), Chapter X (Discipline), and Chapter XI (Hearings, Review and Arbitration) of the Exchange Rules shall be applicable to Equity Members and trading on MIAX Pearl Equities.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Chapter XXVI. Trading Rules

Rule 2600. Hours of Trading and Trading Days

(a) Orders may be entered into the System from 7:30 a.m. until 4:00 p.m. Eastern Time (or such earlier time as may be designated by the Exchange on a day when MIAX Pearl Equities closes early). Orders entered between 7:30 a.m. and 9:30 a.m. Eastern Time are not eligible for execution until the start of Regular Trading Hours. The Exchange will not accept the following orders prior to 9:30 a.m. Eastern Time: ISOs, and all orders with a time-in-force of IOC.

(b) The Chief Executive Officer of the Exchange shall have the power to halt, suspend trading in any and all Equities Securities traded on MIAX Pearl Equities, to close some or all MIAX Pearl Equities facilities, and to determine the duration of any such halt, suspension, or closing, when he deems such action necessary for the maintenance of fair and orderly markets, the protection of investors, or otherwise in the public interest including special circumstances such as (1) actual or threatened physical danger, severe climatic conditions, civil unrest, terrorism, acts of war, or loss or interruption of facilities utilized by the Exchange, (2) a request by a governmental agency or official, or (3) a period of mourning or recognition for a person or event. No such action shall continue longer than a period of two days, or as soon thereafter as a quorum of Directors can be assembled, unless the Board approves the continuation of such suspension.

[Adopted: August 14, 2020 (SR-PEARL-2020-03); amended March 31, 2021 (SR-PEARL-2021-07); implemented July 1, 2021; amended April 18, 2022, implemented June 27, 2022 (SR-PEARL-2022-14)]

Rule 2601. Securities Eligible for Trading

The Exchange shall designate securities for trading. Any class of securities listed or admitted to unlisted trading privileges on MIAX Pearl Equities pursuant to Chapter XXIX of these Rules shall be eligible to become designated for trading on MIAX Pearl Equities. All securities designated for trading are eligible for odd-lot, round-lot and mixed-lot executions, unless otherwise indicated by the Exchange or limited pursuant to these Rules.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2602. Access to and Conduct on MIAX Pearl Equities

(a) **Access to MIAX Pearl Equities.** Unless otherwise provided in the Rules, no one but an Equity Member or person associated with an Equity Member shall effect a transaction in an equity security on MIAX Pearl Equities.

(1) The provisions of Rule 210, Sponsored Access to the Exchange, shall be applicable to Equity Members trading on MIAX Pearl Equities.

(b) **MIAX Pearl Equities Conduct.** Equity Members and persons employed by or associated with any Equity Member, while using the facilities of MIAX Pearl Equities, shall not engage in conduct: (1) inconsistent with the maintenance of a fair and orderly market; (2) apt to impair public confidence in the operations of the Exchange; or (3) inconsistent with the ordinary and efficient conduct of business. Activities that shall violate the provisions of this paragraph (b) include, but are not limited to, the following:

(1) failure of an Equities Market Maker to provide quotations in accordance with Exchange Rule 2606 (Equity Market Maker Obligations);

(2) failure of an Equity Market Maker to bid or offer within the ranges specified by Exchange Rule 2606 (Equity Market Maker Obligations);

(3) failure of an Equities Member to supervise a person employed by or associated with such Member adequately to ensure that person's compliance with this paragraph (b);

(4) failure to maintain adequate procedures and controls that permit the Equity Member to effectively monitor and supervise the entry of orders by users to prevent the prohibited practices set forth in this paragraph (b);

(5) failure to abide by a determination of the Exchange;

(6) effecting transactions that are manipulative as provided in Exchange Rule 2700 (Market Manipulation) or any other rule of the Exchange; and

(7) refusal to provide information requested by the Exchange.

(c) Subject to the Rules, the Exchange will provide access to the System to Equity Members in good standing that wish to conduct business on MIAX Pearl Equities.

(d) Pursuant to the Rules and the arrangements referred to in this Exchange Rule 2602, the Exchange may:

(1) suspend an Equity Member's access to the System following a warning which may be made in writing or verbally (and subsequently confirmed in writing); or

(2) terminate an Equity Member's access to the System by notice in writing.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2603. Input of Accurate Information

Equity Members shall input accurate information into the System, including, but not limited to, whether the Equity Member acted in a Principal, Agent, or Riskless Principal capacity for each order entered.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2604. Authorized Traders

(a) An Equity Member shall maintain a list of ATs who may obtain access to the System on behalf of the Equity Member or the Equity Member's Sponsored Participants. The Equity Member shall update the list of ATs as necessary. Equity Members must provide the list of ATs to the Exchange upon request.

(b) An Equity Member must have reasonable procedures to ensure that all ATs comply with all Exchange Rules and all other procedures related to the System.

(c) An Equity Member must suspend or withdraw a person's status as an AT if the Exchange has determined that the person has caused the Member to fail to comply with the Rules of the Exchange and the Exchange has directed the Equity Member to suspend or withdraw the person's status as an AT.

(d) An Equity Member must have reasonable procedures to ensure that the ATs maintain the physical security of the equipment for accessing the facilities of the Exchange to prevent the improper use or access to the systems, including unauthorized entry of information into the systems.

(e) To be eligible for registration as an AT of an Equity Member a person must successfully complete the General Securities Representative Examination (Series 7), the Securities Traders Qualification Examination (Series 57), or an equivalent foreign examination module approved by the Exchange, as defined in Interpretation and Policy .09 to Exchange Rule 3100, and any other training and/or certification programs as may be required by the Exchange.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2605. Registration as Equities Market Maker

(a) Quotations and quotation sizes may be entered into MIAX Pearl Equities only by an Equity Member registered as an Equities Market Maker or other entity approved by the Exchange to function in a market-making capacity.

(b) An Equities Market Maker may become registered in an issue by entering a registration request via an Exchange approved electronic interface with MIAX Pearl Equities systems or by contacting Exchange operations. Registration shall become effective on the day the registration request is entered, unless otherwise provided by the Exchange.

(c) An Equities Market Maker's registration in an issue shall be terminated by the Exchange if the market maker fails to enter quotations in the issue within five (5) business days after the market maker's registration in the issue becomes effective.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2606. Equities Market Maker Obligations

An Equity Member registered as an Equities Market Maker shall engage in a course of dealings for its own account to assist in the maintenance, insofar as reasonably practicable, of fair and orderly markets in accordance with this Exchange Rule.

(a) **Quotation Requirements and Obligations.**

(1) **Two-Sided Quote Obligations**. For each equity security in which an Equity Member is registered as an Equities Market Maker, the Equity Member shall be willing to buy and sell such security for its own account on a continuous basis during Regular Trading Hours and shall enter and maintain a two-sided trading interest ("Two-Sided Obligation") that is identified to the Exchange as the interest meeting the obligation and is displayed in the Exchange's quotation at all times. Interest eligible to be considered as part of an Equities Market Maker's Two-Sided Obligation shall have a displayed quotation size of at least one normal unit of trading (or a larger multiple thereof); provided, however, that an Equities Market Maker may augment its Two-Sided Obligation size to display limit orders priced at the same price as the Two-Sided Obligation. Unless otherwise designated, a "normal unit of trading" shall be 100 shares. After an execution against its Two-Sided Obligation, an Equities Market Maker must ensure that additional trading interest exists in the Exchange to satisfy its Two-Sided Obligation either by immediately entering new interest to comply with this obligation to maintain continuous two-sided quotations or identify to the Exchange current resting interest that satisfies the Two-Sided Obligation.

(2) **Pricing Obligations**. For NMS stocks (as defined in Rule 600 under Regulation NMS) an Equities Market Maker shall adhere to the pricing obligations established by this Exchange Rule during Regular Trading Hours;

provided, however, that such pricing obligations (i) shall not commence during any trading day until after the first regular way transaction on the primary listing market in the security, as reported by the responsible single plan processor, and (ii) shall be suspended during a trading halt, suspension, or pause, and shall not re-commence until after the first regular way transaction on the primary listing market in the security following such halt, suspension, or pause, as reported by the responsible single plan processor.

(3) **Bid Quotations**. At the time of entry of bid interest satisfying the Two-Sided Obligation, the price of the bid interest shall be not more than the Designated Percentage lower than the then current NBB, or if no NBB, not more than the Designated Percentage lower than the last reported sale from the responsible single plan processor. In the event that the NBB (or if no NBB, the last reported sale) increases to a level that would cause the bid interest of the Two-Sided Obligation to be more than the Defined Limit lower than the NBB (or if no NBB, the last reported sale), or if the bid is executed or cancelled, the Equities Market Maker shall enter new bid interest at a price not more than the Designated Percentage lower than the then current NBB (or if no NBB, the last reported sale), or identify to the Exchange current resting interest that satisfies the Two-Sided Obligation.

(4) **Offer Quotations.** At the time of entry of offer interest satisfying the Two-Sided Obligation, the price of the offer interest shall be not more than the Designated Percentage higher than the then current NBO, or if no NBO, not more than the Designated Percentage higher than the last reported sale received from the responsible single plan processor. In the event that the NBO (or if no NBO, the last reported sale) decreases to a level that would cause the offer interest of the Two-Sided Obligation to be more than the Defined Limit higher than the NBO (or if no NBO, the last reported sale), or if the offer is executed or cancelled, the Equities Market Maker shall enter new offer interest at a price not more than the Designated Percentage higher than the then current NBO (or if no NBO, the last reported sale), or identify to the Exchange current resting interest that satisfies the Two-Sided Obligation.

(5) The NBBO shall be determined by the Exchange in accordance with its procedures for determining protected quotations under Rule 600 under Regulation NMS.

(6) For purposes of this Exchange Rule, the "Designated Percentage" shall be 8% for Tier 1 NMS Stocks under the Limit Up-Limit Down Plan, 28% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan with a price equal to or greater than $1.00, and 30% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan with a price less than $1.00, except that between 9:30 a.m. and 9:45 a.m. and between 3:35 p.m. and the close of trading, when Exchange Rule 2622(b) is not in effect, the Designated Percentage shall be 20% for Tier 1 NMS Stocks under the Limit Up-Limit Down Plan, 28% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan with a price equal to or greater than $1.00, and 30% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan with a price less than $1.00.

(7) For purposes of this Exchange Rule, the term "Defined Limit" shall be 9.5% for Tier 1 NMS Stocks under the Limit Up-Limit Down Plan, 29.5% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan with a price equal to or greater than $1.00, and 31.5% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan with a price less than $1.00, except that between 9:30 a.m. and 9:45 a.m. and between 3:35 p.m. and the close of trading, when Exchange Rule 2622(b) is not in effect, the Defined Limit shall be 21.5% for Tier 1 NMS Stocks under the Limit Up-Limit Down Plan, 29.5% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan with a price equal to or greater than $1.00, and 31.5% for Tier 2 NMS Stocks under the Limit Up-Limit Down Plan with a price less than $1.00.

(8) Nothing in this Exchange Rule shall preclude a Market Marker from quoting at price levels that are closer to the NBBO than the levels required by this Exchange Rule.

(9) The minimum quotation increment for quotations of $1.00 or above in all equity securities shall be $0.01. The minimum quotation increment in the System for quotations below $1.00 in equity securities shall be $0.0001.

(10) The individual Market Participant Identifier ("MPID") assigned to an Equities Market Maker to meet its Two-Sided Obligation pursuant to subparagraph (a)(1) of this Exchange Rule shall be referred to as the Equities Market Maker's "Primary MPID." Equities Market Makers may request the use of additional MPIDs that shall be referred to as "Supplemental MPIDs." An Equities Market Maker that ceases to meet the obligations appurtenant to its Primary MPID in any security shall not be permitted to use a Supplemental MPID for any purpose in that security.

(11) Equities Market Makers that are permitted the use of Supplemental MPIDs pursuant to subparagraph (10) above of this Exchange Rule are subject to the same rules applicable to the Equities Market Maker's' first quotation, with one exception: the continuous two-sided quote requirement and excused withdrawal procedures described in Exchange Rule 2607 do not apply to Equities Market Makers' Supplemental MPIDs. Supplemental MPIDs may be identified to the Exchange as interest to satisfy an Equities Market Maker's two-sided obligation, in which case in order to be satisfactory, the Supplemental MPID's interest must be no more than the Designated Percentage from the NBBO as described and defined in this Exchange Rule 2606(a).

(b) **Firm Quotations.**

(1) All quotations and orders to buy and sell entered into the System by Equities Market Makers are firm and automatically executable for their displayed and non-displayed size in the System by all Users. A particular Equities Market Maker's quotations may be cancelled rather than executed if designated with a STP modifier which is the same as that of an active opposite side order and originating from the same group type as the Equities Market Maker's orders to buy or sell, as set forth in Exchange Rule 2614(f). Notwithstanding the foregoing, Equities Market Makers may not use STP modifiers to evade the firm quotation obligation.

(c) **Impaired Ability to Enter or Update Quotations.**

(1) In the event that an Equities Market Maker's ability to enter or update quotations is impaired, the Equities Market Maker shall immediately contact Exchange Market Operations to request the withdrawal of its quotations.

(2) In the event that an Equities Market Maker's ability to enter or update quotations is impaired and the Equities Market Maker elects to remain in MIAX Pearl Equities, the Equities Market Maker shall execute an offer to buy or sell received from another Member at its quotations as disseminated through the Exchange.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2607. Withdrawal of Quotations

(a) Except as provided in paragraph (b) of this Exchange Rule, an Equities Market Maker that wishes to withdraw quotations in a security shall contact Exchange Regulation to obtain excused withdrawal status prior to withdrawing its quotations. Withdrawals of quotations shall be granted by Exchange Regulation only upon satisfying one of the conditions specified in this Exchange Rule.

(b) An Equities Market Maker that wishes to obtain excused withdrawal status based on an Equities Market Maker's systemic equipment problems, such as defects in an Equities Market Maker's software or hardware systems or connectivity problems associated with the circuits connecting Exchange systems with the Equities Market Maker's systems, shall contact the Help Desk. The Help Desk may grant excused withdrawal status based on systemic equipment problems for up to five (5) business days, unless extended by the Help Desk.

(c) An Equities Market Maker that wishes to withdraw quotations shall contact Exchange Regulation to obtain excused withdrawal status prior to withdrawing its quotations. Excused withdrawal status based on illness, vacations

or physical circumstances beyond the Equities Market Maker's control may be granted for up to five (5) business days, unless extended by Exchange Regulation. Excused withdrawal status based on investment activity or advice of legal counsel, accompanied by a representation that the condition necessitating the withdrawal of quotations is not permanent in nature, may, upon written request, be granted for not more than sixty (60) days. The withdrawal of quotations because of pending news, a sudden influx of orders or price changes, or to effect transactions with competitors shall not constitute acceptable reasons for granting excused withdrawal status.

(d) Excused withdrawal status may be granted to an Equities Market Maker that fails to maintain a clearing arrangement with a registered clearing agency or with a Member of such an agency, thereby terminating its registration as an Equities Market Maker. Provided however, that if the Exchange finds that the Equities Market Maker's failure to maintain a clearing arrangement is voluntary, the withdrawal of quotations will be considered voluntary and unexcused pursuant to Exchange Rule 2607 and Chapter XXVI governing MIAX Pearl Equities. Equities Market Makers that fail to maintain a clearing relationship will have their Exchange system status set to "suspend" and be thereby prevented from entering, or executing against, any quotes/orders in the System.

(e) The Exchange Appeals Committee shall have jurisdiction over proceedings brought by Equities Market Makers seeking review of the denial of an excused withdrawal pursuant to this Exchange Rule, or the conditions imposed on their re-entry.

(f) An Equities Market Maker that wishes to reinstate its quotations in a security after an excused withdrawal pursuant to this Exchange Rule 2607 shall notify the Exchange of its intention to be reinstated.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2608. Voluntary Termination of Registration

(a) An Equities Market Maker may voluntarily terminate its registration in a security by withdrawing its two-sided quotation from the Exchange. An Equities Market Maker that voluntarily terminates its registration in a security may not re-register as an Equities Market Maker in that security for one (1) business day. Withdrawal from participation as an Equities Market Maker in MIAX Pearl Equities shall constitute termination of registration as an Equities Market Maker in that security for purposes of this Exchange Rule; provided, however, that an Equities Market Maker that fails to maintain a clearing arrangement with a registered clearing agency or with a Member of such an agency and is withdrawn from participation in the MIAX Pearl Equities and thereby terminates its registration as an Equities Market Maker may register as an Equities Market Maker at any time after a clearing arrangement has been reestablished unless the Exchange finds that the Equities Market Maker's failure to maintain a clearing arrangement is voluntary, in which case the withdrawal of quotations will be considered voluntary and unexcused.

(b) Notwithstanding the above, an Equities Market Maker that accidentally withdraws as an Equities Market Maker may be reinstated if:

(1) The Equities Market Maker notified Exchange Regulation of the accidental withdrawal as soon as practicable under the circumstances, but within at least one hour of such withdrawal, and immediately thereafter provided written notification of the withdrawal and reinstatement request; and

(2) It is clear that the withdrawal was inadvertent and the Equities Market Maker was not attempting to avoid its market making obligations.

(c) Factors that the Exchange will consider in granting a reinstatement under paragraph (b) of this Exchange Rule include, but are not limited to:

(1) The number of accidental withdrawals by the Equities Market Maker in the past, as compared with Equities Market Makers making markets in a comparable number of stocks;

(2) The similarity between the symbol of the stock that the Equities Market Maker intended to withdraw from and the symbol of the stock that the Equities Market Maker actually withdrew from;

(3) Market conditions at the time of the withdrawal;

(4) Whether, given the market conditions at the time of the withdrawal, the withdrawal served to reduce the exposure of the Member's position in the security at the time of the withdrawal to market risk; and

(5) The timeliness with which the Equities Market Maker notified Regulation of the error.

(d) For purposes of paragraph (a) of this Exchange Rule, an Equities Market Maker shall not be deemed to have voluntarily terminated its registration in a security by voluntarily withdrawing its two-sided quotation from the Exchange if the Equities Market Maker's two-sided quotation in the subject security is withdrawn by MIAX Pearl Equities' systems due to issuer corporate action related to a dividend, payment or distribution, or due to a trading halt, and one of the following conditions is satisfied:

(1) The Equities Market Maker enters a new two-sided quotation prior to the close of the Regular Trading Session on the same day when MIAX Pearl Equities' systems withdrew such a quotation;

(2) The Equities Market Maker enters a new two-sided quotation on the day when trading resumes following a trading halt, or, if the resumption of trading occurs when the market is not in regular session, the Equities Market Maker enters a new two-sided quotation prior to the opening of the next Regular Trading Hours; or

(3) Upon request from the Equities Market Maker, Exchange Regulation authorizes the Equities Market Maker to enter a new two-sided quotation, provided that Exchange Regulation receives the Market Maker's request prior to the close of Regular Trading Hours on the next regular trading day after the day on which the Equities Market Maker became eligible to reenter a quotation pursuant to subparagraph (d)(1) or (d)(2) hereof and determines that the Equities Market Maker was not attempting to avoid its market making obligations by failing to re-enter such a quotation earlier.

(e) The Exchange Appeals Committee shall have jurisdiction over proceedings brought by Equities Market Makers seeking review of their denial of a reinstatement pursuant to paragraphs (b) or (d) of this Exchange Rule.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2609. Suspension and Termination of Quotations

The Exchange may, pursuant to the procedures set forth in Chapter IX, suspend, condition, limit, prohibit or terminate the authority of an Equities Market Maker or Equity Member to enter quotations in one or more authorized securities for violations of applicable requirements or prohibitions.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2610. Units of Trading

The unit of trading in stocks is one (1) share. 100 shares constitutes a "round lot," unless specified by the primary listing market to be fewer than 100 shares. Any amount less than a round lot shall constitute an "odd lot," and any amount greater than a round lot that is not a multiple of a round lot shall constitute a "mixed lot."

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2611. Odd and Mixed Lots

(a) **Order Types**. Exchange Rule 2614 specifies whether an order may not be entered as an odd lot or mixed lot.

(b) **Ranking and Execution**. Round lot, mixed lot and odd lot sized orders are treated in the same manner on the Exchange.

(c) For an order that is partially routed to an away market on arrival, if any returned quantity of the order joins resting odd lot quantity of the original order and the returned and resting quantity, either alone or together with other odd lot sized orders, would be displayed as a new BBO, both the returned and resting quantity will be assigned a new timestamp in accordance Exchange Rules 2616 and 2617(b)(6).

[Adopted: August 14, 2020 (SR-PEARL-2020-03), amended December 23, 2020; implemented June 21, 2021 (SR-PEARL-2020-28)]

Rule 2612. Minimum Price Variations

(a) Bids, offers, orders or indications of interests in securities traded on the Exchange shall not be made in an increment smaller than:

(1) $0.01 if those bids, offers or indications of interests are priced equal to or greater than $1.00 per share; or

(2) $0.0001 if those bids, offers or indications of interests are priced less than $1.00 per share and the security is an NMS stock pursuant to Rule 600(b)(48) of Regulation NMS and is trading on the Exchange; or

(3) Any other increment established by the Commission for any security which has been granted an exemption from the minimum price increments requirements of Rule 612(a) or 612(b) of Regulation NMS.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2613. Usage of Data Feeds

(a) The Exchange utilizes the following data feeds for the handling, execution and routing of orders in equity securities, as well as for surveillance necessary to monitor compliance with applicable securities laws and Exchange Rules:

Market Center	Primary Source	Secondary Source
Cboe BYX Exchange, Inc.	Direct Feed	CQS/UQDF
Cboe BZX Exchange, Inc.	Direct Feed	CQS/UQDF
Cboe EDGA Exchange, Inc.	Direct Feed	CQS/UQDF
Cboe EDGX Exchange, Inc.	Direct Feed	CQS/UQDF
FINRA ADF	CQS/UQDF	n/a
Investors Exchange LLC	CQS/UQDF	n/a
Long Term Exchange, Inc.	CQS/UQDF	n/a
The Nasdaq Stock Market LLC	Direct Feed	CQS/UQDF
MEMX, LLC	Direct Feed	CQS/UQDF
Nasdaq BX, Inc.	Direct Feed	CQS/UQDF
Nasdaq PHLX LLC	Direct Feed	CQS/UQDF
New York Stock Exchange LLC	Direct Feed	CQS/UQDF
NYSE American LLC	Direct Feed	CQS/UQDF
NYSE ARCA, Inc.	Direct Feed	CQS/UQDF
NYSE Chicago, Inc.	CQS/UQDF	n/a
NYSE National, Inc.	CQS/UQDF	n/a

(b) The Exchange may adjust its calculation of the PBBO and NBBO based on information about orders sent to other venues with Protected Quotations, execution reports received from those venues, and certain orders received by the Exchange.

(c) **SIP Trade and Administrative Data**. The responsible single plan processor is the Primary Source of trade and administrative messages such as Limit-up Limit-Down Price Bands, Market-Wide Circuit Breaker decline and status messages, Regulation SHO state messages, halts and resumes, and last sale information.

[Adopted: August 14, 2020 (SR-PEARL-2020-03); amended September 23, 2020 (SR-PEARL-2020-11); amended July 7, 2022; operative December 21, 2022 (SR-PEARL-2022-27)]

Rule 2614. Orders and Order Instructions

Users may enter into the System the types of orders listed in this Exchange Rule 2614, subject to the limitations set forth in this Exchange Rule or elsewhere in these Rules. Order, instruction, and parameter combinations which are disallowed by the Exchange or incompatible by their terms, will be rejected, ignored, or overridden by the Exchange, as determined by the Exchange to facilitate the most orderly handling of User instructions.

(a) **General Order Types.**

(1) **Limit Order**. An order to buy or sell a stated amount of a security at a specified price or better. A "marketable" Limit Order to buy (sell) will trade with all orders to sell (buy) priced at or below (above) the PBO (PBB)

for the security. Once no longer marketable, the Limit Order will be ranked on the MIAX Pearl Equities Book pursuant to Exchange Rule 2616. An incoming Limit Order may be designated as ISO.

(A) A Limit Order will be displayed on the MIAX Pearl Equities Book unless the User elects that the Limit Order be non-displayed. A Limit Order may be designated as Attributable.

(i) A displayed Limit Order may include a Reserve Quantity. A displayed Limit Order with a Reserve Quantity must include a replenishment instruction and a replenishment amount.

(B) A Limit Order may include a time-in-force of IOC or RHO. A Limit Order with a time-in-force of RHO is eligible to participate in the Opening Process under Exchange Rule 2615. A Limit Order is eligible to participate in the Regular Trading Session.

(C) A Limit Order may be entered as an odd lot, round lot, or mixed lot. A non-displayed Limit Order may include a Minimum Execution Quantity instruction.

(D) A Limit Order may be designated as Post Only or Do Not Route. Unless designated as Post Only or Do Not Route, a marketable Limit Order to buy (sell) will be eligible to be routed away to prices equal to or higher (lower) than the PBO (PBB) pursuant to Exchange Rule 2617(b) only after trading with orders to sell (buy) on the MIAX Pearl Equities Book at each price point.

(E) **Re-Pricing to Comply with Rule 610 of Regulation NMS**.

(i) A non-routable Limit Order to buy (sell) that, if displayed at its limit price on the MIAX Pearl Equities Book upon entry, would lock or cross the PBO (PBB) of an away Trading Center will be re-priced pursuant to the Display Price Sliding Process, unless the User affirmatively elects to have the order immediately cancelled.

(ii) A non-routable Limit Order to buy (sell) with a limit price that would cross the PBO (PBB) of an away Trading Center upon entry will not execute at a price that is higher (lower) than the PBO (PBB).

(F) **Re-Pricing to Comply with Rule 201 of Regulation SHO**. During a Short Sale Period, as defined in Exchange Rule 2614(g)(3)(A), a Limit Order to sell that is designated as short and cannot be executed or displayed on the MIAX Pearl Equities Book at its limit price pursuant to Rule 201 of Regulation SHO will be re-priced to a Permitted Price, as defined in Exchange Rule 2614(g)(3)(A), pursuant to the Short Sale Price Sliding Process, unless the User affirmatively elects to have the order immediately cancelled.

During a Short Sale Period, as defined in Exchange Rule 2614(g)(3)(A), the System will immediately cancel any portion of an incoming Limit Order designated as ISO and short that includes a time-in-force instruction RHO that cannot be executed or displayed at its limit price at the time of entry pursuant to Rule 201 of Regulation SHO.

(G) **Re-Pricing of Non-Displayed Limit Orders**. A non-displayed Limit Order to buy (sell) that, if posted to the MIAX Pearl Equities Book, would cross the PBO (PBB) of an away Trading Center will be re-priced pursuant to the Non-Displayed Order Price Sliding Process.

(H) **Limit Up-Limit Down**. A Limit Order to buy (sell) that is priced above (below) the Upper (Lower) Price Band shall be re-priced pursuant to Exchange Rule 2622(h), unless the User affirmatively elects to have the order immediately cancelled.

(I) **Limit Order Price Protection**.

(i) **Acceptance of Orders**. A Limit Order to buy (sell) will be rejected if it is priced at or above (below) the greater of a specified dollar and percentage away from the following:

(a) PBO for Limit Orders to buy, the PBB for Limit Orders to sell;

(b) if (a) is unavailable, consolidated last sale price disseminated during the Regular Trading Hours on trade date; or

(c) if neither (a) or (b) are available, the prior day's Official Closing Price identified as such by the primary listing exchange, adjusted to account for events such as corporate actions and news events.

(ii) **Specified Percentage Elections**. Equity Members may customize the specified dollar and percentage values on an MPID and/or per session basis. If an Equity Member does not provide MIAX Pearl Equities specified dollar and percentage values for their order(s), default specified dollar and percentage values established by the Exchange will be applied. The default specified dollar and percentage values will be posted to the Exchange's website and the Exchange will announce in advance any changes to those dollar and percentage values via a Regulatory Circular.

(iii) **Applicability**. Limit Order Price Protection will be applied when an order is first eligible to trade. A Limit Order entered before the Regular Trading Session that becomes eligible to trade in the Regular Trading Session will become subject to Limit Order Price Protection when the Regular Trading Session begins. Limit Order Price Protection will not be applied if the prices listed under paragraphs (a)(1)(I)(i)(a), (b), or (c) of this Exchange Rule 2614 are unavailable or if the price listed under paragraph (a)(1)(I)(i)(c) is to be applied and a regulatory halt has been declared by the primary listing market during that trading day.

(iv) Limit Order Price Protection thresholds for an order to buy (sell) that is not in the minimum price variation ("MPV") for the security, as defined in Exchange Rule 2616, will be rounded down (up) to the nearest price at the applicable MPV.

(2) **Market Order**. An order to buy (sell) a stated amount of a security that is to be executed at the PBO (PBB) or better. A Market Order shall not trade through a Protected Quotation.

(A) A Market Order may be entered as an odd lot, round lot, or mixed lot. A Market Order may include a Minimum Execution Quantity instruction.

(B) A Market Order may include a time-in-force of IOC. A Market Order may only include a time-in-force of RHO when it is to be routed pursuant to the PAC routing option under Rule 2617(b)(5)(B) below. All other Market Orders that include a time-in-force of RHO will be rejected. A Market Order is not eligible to participate in the Opening Process under Exchange Rule 2615. A Market Order is eligible to participate in the Regular Trading Session.

(C) A Market Order may be designated as Do Not Route. For a Market Order that is not designated as Do Not Route, any portion of that Market Order that cannot be executed in accordance with Exchange Rule 2617(a)(4) upon entry will be eligible to be routed away pursuant to Exchange Rule 2617(b). Any return quantity of a routed Market Order will be immediately cancelled. A Market Order that is designated as Post Only will be rejected.

(D) A Market Order that is designated as Do Not Route will be cancelled if, upon entry, it cannot be executed on the System in accordance with Exchange Rule 2617(a)(4). Equity Members may elect that their Market Order to buy (sell) be cancelled if, upon entry, the PBO (PBB) of an away Trading Center is not available.

(E) **Short Sales.** During a Short Sale Period, as defined in Exchange Rule 2614(g)(3)(A), a Market Order to sell that is marked short will be cancelled upon entry if it cannot be executed at a Permitted Price or better, as defined in Exchange Rule 2614(g)(3)(A).

(F) **Limit Up-Limit Down.** Any portion of a Market Order to buy (sell) will be cancelled upon entry if it cannot be executed because at the time it is received by the System the PBO (PBB) is greater (less) than the Upper (Lower) Price Band.

(3) **Pegged Orders.** A Pegged Order is an order that is automatically re-priced in response to changes in the PBBO. A Pegged Order receives a new timestamp each time its working price changes in response to changes in the PBBO.

(A) Types of Pegged Orders.

(i) Midpoint Peg Order. A non-displayed Limit Order that is assigned a working price pegged to the midpoint of the PBBO.

(a) A Midpoint Peg Order to buy (sell) with a limit price that is equal to or higher (lower) than the midpoint of the PBBO will be assigned a working price at the midpoint of the PBBO and may execute at the midpoint of the PBBO or better subject to its limit price. A Midpoint Peg Order to buy (sell) with a limit price that is lower (higher) than the midpoint of the PBBO will be assigned a working price equal to its limit price and may execute at its limit price or better.

(b) An Aggressing Midpoint Peg Order to buy (sell) will trade with resting orders to sell (buy) with a working price at or below (above) the midpoint of the PBBO at the working price of the resting orders. Resting Midpoint Peg Orders to buy (sell) will trade at the midpoint of the PBBO against all Aggressing Orders to sell (buy) priced at or below (above) the midpoint of the PBBO.

(ii) Primary Peg Order. A Limit Order to buy (sell) that is assigned a working price pegged to the PBB (PBO), subject to its limit price. For purposes of determining the working price of a Primary Peg Order to buy (sell), the Exchange will not take into account a displayed Primary Peg Order to buy (sell) resting on the MIAX Pearl Equities Book.

(a) A Primary Peg Order to buy (sell) with a limit price that is equal to or higher (lower) than its pegged price will be assigned a working price equal to its pegged price and may execute up (down) to and including its pegged price subject to its limit price. A Primary Peg Order to buy (sell) with a limit price that is lower (higher) than its pegged price will be assigned a working price equal to its limit price and may execute up (down) to its limit price.

(b) An Aggressing Primary Peg Order to buy (sell) will trade with resting orders to sell (buy) with a working price at or below (above) its working price. A resting Primary Peg Order to buy (sell) will trade at its working price against all Aggressing Orders to sell (buy) priced at or below (above) its working price.

(c) A User may, but is not required to, select an offset equal to or greater than one minimum price variation ("MPV") for the security, as defined in Exchange Rule 2612 ("Primary Offset Amount"). The

Primary Offset Amount for a non-displayed Primary Peg Order may be above or below the PBB or PBO that the order is pegged to. The Primary Offset Amount for a displayed Primary Peg Order to buy (sell) must result in the working price of such order being inferior to or equal to the PBB (PBO). A Primary Offset Amount for an order to buy (sell) that is not in the applicable MPV for the security will be rounded down (up) to the nearest price at the applicable MPV.

(d) A Primary Peg Order will be non-displayed on the MIAX Pearl Equities Book, unless the User elects that the order be displayed. A displayed Primary Peg Order may be designated as Attributable.

(e) Re-Pricing to Comply with Rule 610 of Regulation NMS. A Primary Peg Order to buy (sell) that, if displayed at its pegged price on the MIAX Pearl Equities Book, would lock or cross the PBO (PBB) of an away Trading Center will be re-priced multiple times pursuant to the Display Price Sliding Process.

(f) Re-Pricing to Comply with Rule 201 of Regulation SHO. During a Short Sale Period, as defined in Exchange Rule 2614(g)(3)(A), a Primary Peg Order to sell that is designated as short and cannot be executed or displayed on the MIAX Pearl Equities Book at its pegged price pursuant to Rule 201 of Regulation SHO will be re-priced multiple times to a Permitted Price, as defined in Exchange Rule 2614(g)(3)(A), pursuant to the Short Sale Price Sliding Process.

(g) Re-Pricing of Non-Displayed Primary Peg Order. A non-displayed Primary Peg Order to buy (sell) that, if posted to the MIAX Pearl Equities Book, would cross the PBO (PBB) of an away Trading Center will be re-priced pursuant to the Non-Displayed Order Price Sliding Process.

(h) Limit Up-Limit Down. A Primary Peg Order to buy (sell) that is priced above (below) the Upper (Lower) Price Band shall be re-priced pursuant to Exchange Rule 2622(h).

(B) A Midpoint Peg Order will be accepted but will not be eligible for execution when the PBB and/or PBO is not available. A Primary Peg Order will be accepted but will not be eligible for execution when the PBB or PBO it is pegged to is not available. All Pegged Orders will be accepted but will not be eligible for execution when the PBBO is crossed, and, if instructed by the User, when the PBBO is locked. A Pegged Order that is eligible for execution when the PBBO is locked will be executable at the locking price. A Pegged Order will become eligible for execution and receive a new timestamp when the PBBO uncrosses. A Pegged Order that was not eligible for execution during a locked market will become eligible for execution and receive a new timestamp when the PBBO unlocks. A Primary Peg Order will become eligible for execution and receive a new timestamp when the PBB or PBO it is pegged to becomes available. A Midpoint Peg Order will become eligible for execution and receive a new timestamp when a new midpoint of the PBBO is established. In each of the above cases, pursuant to Exchange Rule 2616, all such Pegged Orders will retain their priority as compared to each other based upon the time priority of such orders immediately prior to being deemed not eligible for execution as set forth in this subparagraph (B).

(C) A Pegged Order may include a time-in-force of IOC or RHO. A Pegged Order with a time-in-force of RHO is eligible to participate in the Opening Process under Exchange Rule 2615. A Pegged Order is eligible to participate in the Regular Trading Session.

(D) A Pegged Order may be entered as an odd lot, round lot, or mixed lot. A non-displayed Pegged Order may include a Minimum Execution Quantity instruction.

(E) Pegged Orders are not eligible for routing pursuant to Exchange Rule 2617(b). A Pegged Order may be designated as Post Only.

(b) **Time-in-Force Instructions.** Orders must have one of the following time-in-force terms.

(1) **Immediate-or-Cancel ("IOC").** An order that is to be executed in whole or in part as soon as such order is received. The portion not executed immediately on the Exchange or another Trading Center is treated as cancelled and is not posted to the MIAX Pearl Equities Book. Limit Orders with a time-in-force of IOC that are not designated as "Do Not Route" and that cannot be executed in accordance with Rule 2613(a)(4) on the System when reaching the Exchange will be eligible for routing away pursuant to Exchange Rule 2617(b).

(2) **Regular Hours Only ("RHO")**. An order that is designated for execution only during Regular Trading Hours, which includes the Opening Process for equity securities. An order with a time-in-force of RHO entered into the System before the opening of business on the Exchange as determined pursuant to Exchange Rule 2600 will be accepted but not eligible for execution until the start of Regular Trading Hours.

(c) **Order Instructions.**

(1) **Do Not Route**. An order designated as Do Not Route is a non-routable order that will be ranked and executed on the MIAX Pearl Equities Book pursuant to Exchange Rules 2616 and 2617(a)(4) or cancelled. Unless otherwise instructed by the User, an order designated as Do Not Route will be subject to the price sliding processes set forth in paragraph (g) of this Exchange Rule 2614 and paragraph (e) of Exchange Rule 2622 below.

(2) **Post Only**. An order designated as Post Only is a non-routable order that will be ranked and executed on the MIAX Pearl Equities Book pursuant to Exchange Rules 2616 and 2617(a)(4).

(A) An order designated as Post Only will only remove liquidity from the MIAX Pearl Equities Book when:

(i) the order is for a security priced below $1.00; or

(ii) the value of such execution when removing liquidity equals or exceeds the value of such execution if the order instead posted to the MIAX Pearl Equities Book and subsequently provided liquidity including the applicable fees charged or rebates provided. To determine at the time of a potential execution whether the value of such execution when removing liquidity equals or exceeds the value of such execution if the order instead posted to the MIAX Pearl Equities Book and subsequently provided liquidity, the Exchange will use the highest possible rebate paid and highest possible fee charged for such executions on the Exchange.

(B) Unless otherwise instructed by the User, an order designated as Post Only will be subject to the price sliding processes set forth in paragraph (g) this Exchange Rule 2614 and Exchange Rule 2622(h) below.

(3) **Displayed**. An instruction the User may attach to an order stating that the order is to be displayed by the System on the MIAX Pearl Equities Book. Unless the User elects otherwise, all orders eligible to be displayed on the MIAX Pearl Equities Book will be automatically defaulted by the System to Displayed.

(4) **Non-Displayed**. An instruction the User may attach to an order stating that any part of the order is not to be displayed by the System on the MIAX Pearl Equities Book.

(5) **Attributable**. An instruction to include the User's MPID with an order that is designated for display (price and size) on an Exchange proprietary data feed.

(6) **Non-Attributable**. An instruction on an order that is designated for display (price and size) on an Exchange proprietary data feed to display that order on an anonymous basis.

(7) **Minimum Execution Quantity**. An instruction a User may attach to a non-displayed order requiring the System to execute the order only to the extent that a minimum quantity can be satisfied.

(A) **Upon Entry**. Upon entry, an order with the Minimum Execution Quantity instruction will execute against individual orders resting on the MIAX Pearl Equities Book that each satisfy the order's minimum quantity condition. If there are orders that satisfy the minimum quantity condition, but there are also orders that do not satisfy the minimum quantity condition, the order with the Minimum Execution Quantity instruction will execute against orders resting on the MIAX Pearl Equities Book in accordance with Rule 2616, Priority of Orders, until it reaches an order that does not satisfy the minimum quantity condition, and then the remainder of the order will be posted to the MIAX Pearl Equities Book or cancelled in accordance with the terms of the order.

(i) A User may alternatively specify that the incoming order's minimum quantity condition need not be satisfied by each individual resting order and that the order's minimum quantity condition be satisfied by one or multiple orders resting on the MIAX Pearl Equities Book that in the aggregate satisfy the order's minimum quantity condition.

(B) **When Resting**. Where there is insufficient size to satisfy an incoming order's minimum quantity condition, that incoming order with a Minimum Execution Quantity instruction with a time-in-force of RHO will not trade and will be posted on the MIAX Pearl Equities Book.

(i) When posted on the MIAX Pearl Equities Book, the order may only execute against individual incoming orders with a size that satisfies the minimum quantity condition.

(1) An order with the Minimum Execution Quantity instruction cedes execution priority when it would lock or cross an order against which it would otherwise execute if it were not for the minimum quantity condition.

(2) If a resting non-displayed sell (buy) order did not meet the minimum quantity condition of a same-priced resting order to buy (sell) with a Minimum Execution Quantity instruction, a subsequently arriving sell (buy) order that meets the minimum quantity condition will trade ahead of such resting non-displayed sell (buy) order at that price.

(ii) Where there is insufficient size to satisfy the minimum quantity condition of an incoming order to buy (sell) and that incoming order, if posted at its limit price, would cross a displayed order to sell (buy) resting on the MIAX Pearl Equities Book, the order to buy (sell) with the Minimum Execution Quantity instruction will have a working price equal to the price of the displayed order to sell (buy).

(iii) An order to buy (sell) with a Minimum Execution Quantity instruction that is posted to the MIAX Pearl Equities Book will not be eligible to trade:

(1) at a price equal to or above (below) any sell (buy) displayed orders that have a ranked price equal to or below (above) the price of such order with a Minimum Execution Quantity instruction; or

(2) at a price above (below) any sell (buy) non-displayed order that has a ranked price below (above) the price of such order with a Minimum Execution Quantity instruction.

(iv) An order with a Minimum Execution Quantity instruction that crosses an order on the MIAX Pearl Equities Book may execute at a price less aggressive than its ranked price against an incoming order so long as such execution is consistent with the above restrictions.

(C) **Partial Executions**. Upon entry and when resting on the MIAX Pearl Equities Book, an order with a Minimum Execution Quantity instruction may be partially executed so long as the execution size of the individual order or aggregate size of multiple orders, as applicable, is equal to or exceeds the minimum quantity condition provided in the instruction.

(i) Any shares remaining after a partial execution will continue to be executed at a size that is equal to or exceeds the minimum quantity condition provided in the instruction.

(ii) Where the number of shares remaining are less than the minimum quantity condition provided in the instruction, the minimum quantity condition shall be equal to the number of shares remaining.

(D) **Routing**. An order that includes a Minimum Execution Quantity instruction is not eligible to be routed to an away Trading Center in accordance with Rule 2617(b).

(8) **Reserve Quantity**. An instruction a User may attach to an order where a portion of the order is displayed ("Displayed Quantity") and with a portion of the order non-displayed ("Reserve Quantity"). Upon entry, both the Displayed Quantity and the Reserve Quantity are eligible to trade with resting interest on the MIAX Pearl Equities Book or route to away markets. When resting, both the Displayed Quantity and Reserve Quantity are available for execution against incoming and Aggressing orders.

(A) **Replenishment Amounts**. A User must select the initial Displayed Quantity ("Max Floor") when entering an order with a Reserve Quantity. The Max Floor is also used to determine the replenishment amount. The Max Floor must be entered in round lots. If the Displayed Quantity is reduced to less than a round lot, the System will replenish the Displayed Quantity from the Reserve Quantity using one of the following replenishment options in accordance with the User's instruction.

(i) **Replenishment Options**.

(1) **Random Replenishment**. An instruction where replenishment quantities are randomly determined by the System within a replenishment range established by the User. The User entering an order into the System subject to the Random Replenishment instruction must select a replenishment value and a Max Floor. The initial Displayed Quantity and replenishment quantities will be determined by the System by randomly selecting a number of shares within a replenishment range that is between: (i) the Max Floor minus the replenishment value; and (ii) the Max Floor plus the replenishment value.

(2) **Fixed Replenishment**. An instruction where System will replenish the Displayed Quantity to equal the Max Floor designated by the User.

(ii) **Default Replenishment Option**. An order will be subject to Fixed Replenishment unless the User affirmatively elects Random Replenishment.

(iii) If after a partial execution the remainder of the order is less than the replenishment amount, the Exchange will replenish the Displayed Quantity to equal the remaining size of the entire order.

(B) **Priority**.

(i) The Displayed Quantity of the order is provided displayed priority pursuant to Exchange Rule 2616(a)(2)(A)(i) and the Reserve Quantity is provided non-displayed priority pursuant to Exchange Rule 2616(a)(2)(A)(ii).

(ii) Each time the Displayed Quantity is replenished from the Reserve Quantity, a new time stamp is created for the Displayed Quantity, while the Reserve Quantity retains its time stamp.

(C) **Re-pricing**. The Reserve Quantity's working price will be adjusted pursuant to the Non-Displayed Price Sliding Process as provided for in paragraph (g)(2) of this Rule.

(D) **Routing**. Any quantity of an order with a Reserve Quantity that is returned unexecuted will join the Reserve Quantity. If there is no Reserve Quantity to join, the returned quantity will be assigned a new time stamp as the Reserve Quantity. In either case, such Reserve Quantity will replenish the Displayed Quantity as provided for in paragraph (c)(8)(A)(i) of this Rule.

(d) **Intermarket Sweep Orders**. The System will accept incoming Intermarket Sweep Orders ("ISO") (as such term is defined in Rule 600(b)(31) of Regulation NMS). To be eligible for treatment as an ISO, the order must be: (A) a Limit Order under paragraph (a)(1) of this Exchange Rule 2614; (B) marked "ISO"; and (C) the User entering the order must simultaneously route one or more additional Limit Orders marked "ISO," as necessary, to away Trading Centers to execute against the full displayed size of any Protected Quotation for the security as set forth below. Such orders, if they meet the requirements of the foregoing sentence, may be immediately executed at one or multiple price levels in the System without regard to Protected Quotations at away Trading Centers consistent with Regulation NMS (i.e., may trade through such quotations and will not be rejected or cancelled if it would lock, cross, or be marketable against an away Trading Center). ISOs are not eligible for routing pursuant to Exchange Rule 2617(b).

(1) An ISO may include a time-in-force of IOC or RHO.

(A) An ISO that includes a time-in-force of IOC will immediately trade with contra-side interest on the MIAX Pearl Equities Book up to its full size and limit price and any unexecuted quantity will be immediately cancelled. A User entering a ISO with a time-in-force of IOC represents that such User has simultaneously routed one or more additional Limit Orders marked "ISO," if necessary, to away Trading Centers to execute against the full displayed size of any Protected Quotation for the security with a price that is superior to the limit price of the ISO entered in the System.

(B) An ISO that includes a time-in-force of RHO, if marketable on arrival, will immediately trade with contra-side interest on the MIAX Pearl Equities Book up to its full size and limit price. Any unexecuted quantity of an ISO with a time-in-force of RHO will be displayed at its limit price on the MIAX Pearl Equities Book and may lock or cross a Protected Quotation of an away Trading Center that was displayed at the time of arrival of the RHO ISO. A User entering an ISO with a time-in-force of RHO represents that such User has simultaneously routed one or more additional Limit Orders marked "ISO," if necessary, to away Trading Centers to execute against the full displayed size of any Protected Quotation for the security with a price that is superior or equal to the limit price of the ISO entered in the System.

(2) The Exchange relies on the marking of an order as ISO when handling such order, and thus, it is the entering Equity Member's responsibility, not the Exchange's responsibility, to comply with the requirements of Regulation NMS relating to ISOs.

(e) **Cancel/Replace Messages**. A User may, by appropriate entry in the System, cancel or replace an existing order entered by the User, subject to the following limitations.

(1) Orders may only be cancelled or replaced if the order has a time-in-force term other than IOC and if the order has not yet been executed.

(2) If an order has been routed to another Trading Center, the order will be placed in a "Pending" state until the routing process is completed. Executions that are completed when the order is in the "Pending" state will be processed normally.

(3) Only the price, sell long, sell short, or short exempt indicator, and size terms of the order may be changed by a Cancel/Replace Message. If a User desires to change any other terms of an existing order the existing order must be cancelled and a new order must be entered.

(4) Notwithstanding anything to the contrary in these Exchange Rules, no cancellation or replacement of an order will be effective until such message has been received and processed by the System.

(f) **Self-Trade Protection ("STP") Modifiers**. Any order designated with an STP modifier will be prevented from executing against a contra-side order also designated with an STP modifier and originating from the same MPID, Exchange Member identifier, ~~or~~ trading group identifier, or Equity Member Affiliate identifier (any such identifier, a "Unique Identifier"). For purposes of this rule, the term "Equity Member Affiliate" shall mean an Equity Member that is affiliated with another Equity Member pursuant to Exchange Rule 100. The STP modifier on the order with the most recent timestamp controls the interaction between two orders marked with STP modifiers.

(1) **Cancel Newest**. An order marked with the Cancel Newest modifier will not execute against a contra-side order marked with any STP modifier originating from the same Unique Identifier. The order with the most recent timestamp marked with the Cancel Newest modifier will be cancelled back to the originating User(s). The contra-side order with the older timestamp marked with an STP modifier will remain on the MIAX Pearl Equities Book.

(2) **Cancel Oldest**. An order marked with the Cancel Oldest modifier will not execute against a contra-side order marked with any STP modifier originating from the same Unique Identifier. The order with the older timestamp marked with the STP modifier will be cancelled back to the originating User(s). The contra-side order with the most recent timestamp marked with the STP modifier will remain on the MIAX Pearl Equities Book.

(3) **Decrement and Cancel**. An order marked with the Decrement and Cancel modifier will not execute against contra-side interest marked with any STP modifier originating from the same Unique Identifier. If both orders are equivalent in size, both orders will be cancelled back to the originating User(s). If both orders are not equivalent in size, the equivalent size will be cancelled back to the originating User(s) and the larger order will be decremented by the size of the smaller order, with the balance remaining on the MIAX Pearl Equities Book.

(4) **Cancel Both**. An order marked with the Cancel Both modifier will not execute against contra-side interest marked with any STP modifier originating from the same Unique Identifier. The entire size of both orders will be cancelled back to the originating User(s).

(g) **Re-Pricing Processes to Comply with Regulatory Requirements.** The System will process orders, subject to a User's instructions, pursuant to the price sliding processes, as defined below.

(1) **Display Price Sliding Process.**

(A) An order to buy (sell) designated as Displayed that, if displayed at its limit price on the MIAX Pearl Equities Book upon entry, would create a violation of Rule 610(d) of Regulation NMS by locking or crossing the PBO (PBB) of an away Trading Center will be assigned a working price equal to the PBO (PBB) and a displayed price one (1) minimum price variation below (above) the current PBO (PBB). A User may elect to have the System only apply the Display Price Sliding Process to the extent a display-eligible order to buy (sell) at the time of entry would create a violation of Rule 610(d) of Regulation NMS by locking the PBO (PBB) of an away Trading Center. For Users that select this order handling, any order to buy (sell) will be cancelled if, upon entry, such order would create a violation of Rule 610(d) of Regulation NMS by crossing the PBO (PBB) of an away Trading Center.

(B) An order subject to the Display Price Sliding Process will retain its original limit price irrespective of the working and displayed price assigned to the order. In the event the PBBO changes such that an order to buy (sell) subject to the Display Price Sliding Process would no longer lock or cross the PBO (PBB) of an away Trading Center, the order will receive a new timestamp and will be assigned a working and displayed price at the most aggressive permissible price. All orders that are assigned new working and displayed prices pursuant to the Display Price Sliding Process will retain their priority as compared to other orders subject to the Display Price Sliding Process based upon the time such orders were initially received by the Exchange. Following the initial ranking and display of an order subject to the Display Price Sliding Process, an order will only be assigned a new working and displayed price to the extent it achieves a more aggressive price, provided, however, that the Exchange will assign an order a working price equal to the displayed price of the order in the event such order's displayed price is locked or crossed by a Protected Quotation of an away Trading Center. Such event will not result in a change in priority for the order at its displayed price.

(C) The working and displayed prices of an order subject to the Display Price Sliding Process may be adjusted once or multiple times depending upon the instructions of a User and changes to the prevailing PBBO. Unless otherwise instructed by the User, the System will only adjust the working and displayed prices of an order upon entry and then the displayed price one additional time following a change to the prevailing PBBO. The working and displayed prices of orders subject to the optional multiple price sliding process will be adjusted, as permissible, based on changes to the prevailing PBBO.

(D) Any display-eligible order to buy (sell) designated as Post Only that locks or crosses the PBO (PBB) displayed by the Exchange upon entry will be executed as set forth in Exchange Rule 2614(c)(2) or cancelled. Depending on User instructions, a display-eligible order to buy (sell) designated as Post Only that locks or crosses the PBO (PBB) displayed by an away Trading Center upon entry will be subject to the Display Price Sliding Process described in this paragraph (g)(1). In the event the PBBO changes such that an order designated as Post Only subject to the Display Price Sliding Process would be assigned a working price at which it could remove displayed liquidity from the MIAX Pearl Equities Book, the order will be executed as set forth in Exchange Rule 2614(c)(2) or cancelled.

(E) Orders to buy (sell) designated as Post Only will be permitted to post and be displayed opposite the working price of orders to sell (buy) subject to the Display Price Sliding Process. In the event an order subject to the Display Price Sliding Process is ranked on the MIAX Pearl Equities Book with a working price equal to an opposite side order displayed by the Exchange, it will be subject to processing as set forth in Exchange Rule 2617(a)(4).

(2) **Non-Displayed Price Sliding Process.** To avoid potentially trading through Protected Quotations of an away Trading Center, a non-displayed, non-routable order to buy (sell) that, upon entry, would cross the PBO (PBB)

of an away Trading Center will be assigned a working price by the System equal to the PBO (PBB). In the event the PBO (PBB) changes such that the working price of a non-displayed order to buy (sell) resting on the MIAX Pearl Equities Book would again cross the PBO (PBB) of an external market, the working price of the non-displayed order to buy (sell) will be adjusted by the System to be equal to the updated PBO (PBB) and will receive new timestamp. In the event a non-displayed order to buy (sell) has been re-priced by the System pursuant to this subparagraph (2), such non-displayed order to buy (sell) will not be re-priced by the System unless it again crosses the PBO (PBB) of an away Trading Center or it achieves a more aggressive price due to an update in the PBO (PBB) of an away Trading Center.

(3) **Short Sale Price Sliding Process.**

(A) A short sale order that, at the time of entry, could not be executed or displayed at its limit price due to a short sale price test restriction under Rule 201 of Regulation SHO ("Short Sale Period") will be assigned a working and displayed price by the System equal to one (1) minimum price variation above the current NBB ("Permitted Price"). Unless otherwise instructed by the User, the System will only adjust the working and displayed price of a short sale order upon entry. To reflect declines in the NBB during a Short Sale Period, a User may elect that the System continue to adjust the working and displayed price of a displayed short sale order to the Permitted Price down to the order's original limit price.

(B) In the event the NBB changes during a Short Sale Period such that the working price of a non-displayed short sale order would lock or cross the NBB, the order will be assigned a working price by the System equal to the Permitted Price and receive a new timestamp. To reflect changes in the NBB during a Short Sale Period, the System will continue to adjust the working price of a non-displayed short sale order subject to the order's limit price.

(C) During a Short Sale Period, a short sale order will be executed and displayed without regard to price if, at the time of initial display of the short sale order, the order was at a price above the then current NBB. Short sale orders that are entered into the Exchange prior to the Short Sale Period but are not displayed will be adjusted to a Permitted Price.

(D) Short sale orders marked "short exempt" will not be subject to the Short Sale Price Sliding Process.

(E) **Applicability of the Short Sale Price Sliding Process**. During a Short Sale Period, a short sale order will be subject to the Short Sale Price Sliding Process, even if such order is also eligible for the Display Price Sliding Process.

[Adopted: August 14, 2020 (SR-PEARL-2020-03); amended March 31, 2021 (SR-PEARL-2021-07); amended April 22, 2021 (SR-PEARL-2021-09); amended November 2, 2021 (SR-PEARL-2021-35); amended February 15, 2022 (SR-PEARL-2022-06); amended April 6, 2022, implemented June 27, 2022 (SR-PEARL-2022-13); amended September 7, 2022, implemented December 5, 2022 (SR-PEARL-2022-34); amended November 2, 2022; implemented December 5, 2022 (SR-PEARL-2022-43); amended November 7, 2022; implemented December 5, 2022 (SR-PEARL-2022-48)]

Rule 2615. Opening Process for Equity Securities

(a) **Order Entry and Cancellation before the Opening Process**. Prior to the beginning of Regular Trading Hours, Users who wish to participate in the Opening Process may enter orders to buy or sell that are designated as RHO. Orders cancelled before the Opening Process will not participate in the Opening Process.

(1) Only orders that include a time-in-force of RHO may participate in the Opening Process. While orders with a time-in-force of RHO that include a Post Only or Minimum Execution Quantity instruction are accepted prior to the Opening Process pursuant to Exchange Rule 2600(a), such orders are not eligible to participate in the Opening Process. ISOs, and orders that include a time-in-force other than RHO are also not eligible to participate in the Opening Process. Limit Orders that include a time-in-force of RHO with a Reserve Quantity may participate to the full extent of their Displayed Quantity and Reserve Quantity.

(2) All STP modifiers, as defined in Exchange Rule 2614(f), will be honored during the Opening Process.

(3) MIAX Pearl Equities will open by attempting to execute all orders eligible for the Opening Process.

(b) **Performing the Opening Process**. During the Opening Process, the Exchange attempts to match eligible buy and sell orders at the midpoint of the NBBO, as described in paragraph (c) below. All orders eligible to trade at the midpoint will be processed in time sequence, beginning with the order with the oldest timestamp. The Opening Process will conclude when no remaining orders, if any, can be matched at the midpoint of the NBBO. At the conclusion of the Opening Process, the unexecuted portion of orders that were eligible to participate in the Opening Process will be placed on the MIAX Pearl Equities Book in time sequence, cancelled, executed, or routed to away Trading Centers in accordance with the terms of the order.

(c) **Determining the Price of the Opening Process**. The price of the Opening Process will be the midpoint of the NBBO, which will be determined as set forth below.

(1) When the primary listing exchange is the NYSE or NYSE American, the Opening Process will be priced at the midpoint of the: (i) first NBBO subsequent to the first reported trade and first two-sided quotation on the primary listing exchange after 9:30:00 a.m. Eastern Time; or (ii) then prevailing NBBO when the first two-sided quotation is published by the primary listing exchange after 9:30:00 a.m. Eastern Time, but before 9:45:00 a.m. Eastern Time if no first trade is reported by the primary listing exchange within one second of publication of the first two-sided quotation by the primary listing exchange.

(2) For any other primary listing exchange, the Opening Process will be priced at the midpoint of the first NBBO subsequent to the first two-sided quotation published by the primary listing exchange after 9:30:00 a.m. Eastern Time.

(d) **Contingent Open**. If the conditions to establish the price of the Opening Process set forth under paragraph (c) above do not occur by 9:45:00 a.m. Eastern Time, the Exchange will match all orders eligible to participate in the Opening Process at the midpoint of the then prevailing NBBO. If the midpoint of the NBBO is not available, all orders will be handled in time sequence, beginning with the order with the oldest timestamp, and be placed on the MIAX Pearl Equities Book, cancelled, executed, or routed to away Trading Centers in accordance with the terms of the order.

(e) **Re-Opening After a Halt**. While an equity security is subject to a halt, other than a halt initiated pursuant to Rule 2622(b)(2) following a Level 3 Market Decline, suspension, or pause in trading, the Exchange will accept orders for queuing prior to the resumption of trading in the security for participation in the Re-Opening Process.

(1) The Re-Opening Process will occur in the same manner described in paragraphs (a) through (c) above, with the following exceptions:

(A) ISOs and orders that include a time-in-force of IOC be cancelled or rejected, as applicable. Orders with a time-in-force of RHO that include a Post Only instruction or a Minimum Execution Quantity instruction will be accepted and retained during a halt but are not eligible to participate in the Re-Opening Process;

(B) the Re-Opening Process will occur at the midpoint of the: (i) first NBBO subsequent to the first reported trade and first two-sided quotation on the primary listing exchange following the resumption of trading after a halt, suspension, or pause; or (ii) NBBO when the first two-sided quotation is published by the primary listing exchange following the resumption of trading after a halt, suspension, or pause if no first trade is reported by the listing exchange within one second of publication of the first two-sided quotation by the listing exchange.

(2) Where neither of the conditions required to establish the price of the Re-Opening Process in paragraph (e)(1)(B) above have occurred, the equity security may be opened for trading at the discretion of the Exchange. In such case, all orders will be handled in time sequence, beginning with the order with the oldest timestamp, and be placed on the MIAX Pearl Equities Book, cancelled, executed, or routed to away Trading Centers in accordance with the terms of the order.

[Adopted: August 14, 2020 (SR-PEARL-2020-03); amended March 31, 2021 (SR-PEARL-2021-07); implemented July 1, 2021; amended April 18, 2022, implemented June 27, 2022 (SR-PEARL-2022-14)]

Rule 2616. Priority of Orders

(a) **Ranking.** All non-marketable orders are ranked and maintained in the MIAX Pearl Equities Book according to price-time priority in the following manner: (1) price; (2) priority category; (3) time; and (4) ranking restrictions applicable to an order or modifier condition:

(1) **Price**. All orders are ranked based on the working price of an order. Orders to buy are ranked from highest working price to lowest working price. Orders to sell are ranked from lowest working price to highest working price. If the working price of an order changes, the price priority of the order changes.

(2) **Priority Category.** Subject to the execution process described in Rule 2617(a), the following priority rules shall apply:

(A) Within each priority category, where orders to buy (sell) are entered into the System and resting in the MIAX Pearl Equities Book at the same working price, the order clearly established as the first entered into the System at such particular price shall have precedence at that price, up to the number of shares specified in the order. The System shall rank equally priced trading interest within each priority category in time priority in the following order:

(i) **Displayed Limit Orders**. Non-marketable Limit Orders for which their working price is displayed.

(ii) **Non-Displayed Orders**. Non-marketable Limit Orders for which their working price is non-displayed.

(B) For purposes of paragraph (A) above:

(i) ISOs, as defined in Exchange Rule 2614(d) are treated as Limit Orders, as defined in Rule 2614(a)(1).

(3) **Time**. Within each priority category, orders are ranked based on time priority.

(A) An order is assigned a timestamp based on its original entry time, which is the time when an order is first placed in the MIAX Pearl Equities Book.

(i) An order that is fully routed to an away Trading Center on arrival is not assigned a timestamp time unless and until any unexecuted portion of the order returns to the MIAX Pearl Equities Book.

(ii) For an order that is partially routed to an away Trading Center on arrival, the portion that is not routed is assigned a timestamp. If any unexecuted portion of the order returns to the MIAX Pearl Equities Book and joins any remaining resting portion of the original order, the returned portion of the order is assigned the same timestamp as the resting portion of the order. If the resting portion of the original order has already executed and any unexecuted portion of the order returns to the MIAX Pearl Equities Book, the returned portion of the order is assigned a new timestamp.

(B) An order is assigned a new timestamp any time the working price of an order changes.

(4) **Self-Trade Protection**. Pursuant to Exchange Rule 2614(f), Users may direct that orders entered into the System not execute against orders entered under the same Unique Identifier. In such a case, the System will not permit such orders to execute against one another, regardless of priority ranking.

(5) **Cancel/Replace Messages**. In the event an order has been modified via a Cancel/Replace message in accordance with Exchange Rule 2614(e) above, such order only retains its timestamp if such modification involves a decrease in the size of the order, a change to the Max Floor of an order with a Reserve Quantity, or when a Short Sale Period, as defined in Exchange Rule 2614(g)(3)(A), is not in effect, a change in position from (A) sell to sell short; (B) sell to sell short exempt; (C) sell short to sell; (D) sell short to sell short exempt; (E) sell short exempt to sell; and (F) sell short exempt to sell short. Any other modification to an order, including an increase in the size of the order and/or price change, will result in such order losing time priority as compared to other orders in the MIAX Pearl Equities Book and the timestamp for such order being revised to reflect the time of the modification.

(6) In the event that an order is executed against an incoming order or Aggressing Order in accordance with Exchange Rule 2617 for less than its full size, the unexecuted size of the order shall retain its timestamp and be ranked in accordance with paragraph (2) above.

(b) **Dissemination.** The best-ranked order(s) to buy and the best-ranked order(s) to sell that are displayable in the MIAX Pearl Equities Book and the aggregate displayed size of such orders associated with such prices shall be collected and made available to quotation vendors for dissemination pursuant to the requirements of Rule 602 of Regulation NMS. Pursuant to Rule 602 of Regulation NMS under the Exchange Act, MIAX Pearl Equities will transmit for display to the appropriate network processor for each System Security:

(1) the highest price to buy wherein the aggregate size of all displayed buy interest in the System greater than or equal to that price is one round lot or greater;

(2) the aggregate size of all displayed buy interest in the System greater than or equal to the price in (1), rounded down to the nearest round lot;

(3) the lowest price to sell wherein the aggregate size of all displayed sell interest in the System less than or equal to that price is one round lot or greater; and

(4) the aggregate size of all displayed sell interest in the System less than or equal to the price in paragraph (3) above, rounded down to the nearest round lot.

[Adopted: August 14, 2020 (SR-PEARL-2020-03); amended April 22, 2021 (SR-PEARL-2021-09); implemented July 1, 2021; amended November 2, 2021 (SR-PEARL-2021-35)]

Rule 2617. Order Execution and Routing *(See below for amended Rule 2617 which will be implemented on a date to be announced by the Exchange through a Regulatory Circular)*

Subject to the restrictions under these Exchange Rules or the Exchange Act and the rules and regulations thereunder, orders shall be matched for execution and routed in accordance with this Exchange Rule 2617.

(a) **Execution Against MIAX Pearl Equities Book**. For purposes of this Exchange Rule 2617 any order falling within the parameters of this paragraph shall be referred to as executable. An order will be cancelled back to the User if, based on market conditions, User instructions, applicable Exchange Rules and/or the Act and the rules and regulations thereunder, such order is not executable, cannot be routed to another Trading Center pursuant to paragraph (b) of this Exchange Rule 2617 below and cannot be posted to the MIAX Pearl Equities Book.

(1) **Compliance with Regulation SHO.** For any execution of a short sale order to occur on the Exchange during a Short Sale Period, as defined in Exchange Rule 2614(g)(3)(A), the execution price must be better than the NBB, unless the sell short order was initially displayed by the System at a price above the then current NBB or is marked “short exempt” pursuant to Rule 200(g)(2) of Regulation SHO.

(2) **Compliance with Regulation NMS and Trade-Through Protection**.

(A) **Regular Trading Hours**. For any execution to occur during Regular Trading Hours, the price of an order to buy (sell) must be equal to or lower (greater) than the PBO (PBB), unless the order is marked ISO or the execution falls within another exception set forth in Rule 611(b) of Regulation NMS.

(3) **Compliance with the Limit Up-Limit Down Plan.** For any executions to occur during Regular Trading Hours, such executions must comply with the Limit-Up Limit Down Plan, as set forth in Rule 2622(h) below.

(4) **Execution against MIAX Pearl Equities Book**. An incoming order or Aggressing Order shall first attempt to be matched for execution against orders in the MIAX Pearl Equities Book, as described below.

(A) **Buy Orders**. An Aggressing Order and an incoming order to buy will be automatically executed to the extent that it is priced at an amount that equals or exceeds any order to sell in the MIAX Pearl Equities Book and is executable. Such order to buy will be matched for execution against sell orders resting on the MIAX Pearl Equities Book according to the price-time priority ranking of the resting orders.

(B) **Sell Order**. An Aggressing Order and an incoming order to sell will be automatically executed to the extent that it is priced at an amount that equals or is less than any order to buy in the MIAX Pearl Equities Book

and is executable. Such order to sell will be matched for execution against buy orders resting on the MIAX Pearl Equities Book according to the price-time priority ranking of the resting orders.

(C) Consistent with Exchange Rule 2614, based on User instructions, certain orders are permitted to post and rest on the MIAX Pearl Equities Book at prices that lock or cross contra-side liquidity, provided, however, that the System will never display a locked or crossed market. Subject to sub-paragraph (D) below, if an Aggressing Order or an incoming order to buy (sell), pursuant to paragraph (A) or (B) above, would execute upon entry against a resting order to sell (buy) at the same or a worse price as a resting displayed order to buy (sell), the Aggressing Order or incoming order to buy (sell) will be cancelled or posted to the MIAX Pearl Equities Book and ranked in accordance with Exchange Rule 2616.

(D) For securities priced equal to or greater than $1.00 per share, in the case where a non-displayed order to sell (buy) is posted on the MIAX Pearl Equities Book at a price that locks or crosses a displayed order to buy (sell) pursuant to sub-paragraph (C) above, an Aggressing Order or an incoming order to buy (sell) described in sub-paragraphs (A) and (B) above that is a Market Order or a Limit Order priced more aggressively than the order to buy (sell) displayed on the MIAX Pearl Equities Book will execute against the non-displayed order to sell (buy) resting on the MIAX Pearl Equities Book at one-half minimum price variation greater (less) than the price of the resting displayed order to buy (sell). For bids or offers under $1.00 per share, this sub-paragraph is inapplicable.

(b) **Routing to Away Trading Centers**. Unless a User elects that the order be non-routable, if a Market Order or Marketable Limit Order has not been executed in its entirety pursuant to paragraph (a) above, the order shall be eligible for additional processing under one or more of the routing options listed under paragraph (b)(5) below.

(1) **Order Routing to Other Trading Centers.** As it does for options orders under Exchange Rule 529(a), the Exchange may automatically route orders in equity securities to away Trading Centers under certain circumstances as described below and elsewhere in the rules ("Routing Services"). In connection with such services, the following shall apply:

(A) Routing Services will be provided in conjunction with one or more routing brokers that are not affiliated with the Exchange. For each routing broker used by the Exchange, an agreement will be in place between the Exchange and the routing broker that will, among other things, restrict the use of any confidential and proprietary information that the routing broker receives to legitimate business purposes necessary for routing orders at the direction of the Exchange.

(i) The Exchange shall establish and maintain procedures and internal controls reasonably designed to adequately restrict the flow of confidential and proprietary information between the Exchange and the routing broker, and any other entity, including any affiliate of the routing broker, and, if the routing broker or any of its affiliates engages in any other business activities other than providing routing services to the Exchange, between the segment of the routing broker or affiliate that provides the other business activities and the segment of the routing broker that provides the Routing Services.

(ii) The Exchange may not use a routing broker for which the Exchange or any affiliate of the Exchange is the designated examining authority.

(iii) The Exchange will provide its Routing Services in compliance with the provisions of the Exchange Act and the rules thereunder, including, but not limited to, the requirements in Section 6(b)(4) and (5) of the Exchange Act that the rules of a national securities exchange provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities, and not be designed to permit unfair discrimination between customers, issuers, brokers or dealers.

(iv) For all Routing Services, the Exchange will determine the logic that provides when, how, and where orders are routed away to other Trading Centers.

(v) The routing broker will receive routing instructions from the Exchange, to route orders to other Trading Centers and report such executions back to the Exchange. The routing broker cannot change the terms of an order or the routing instructions, nor does the routing broker have any discretion about where to route an order.

(vi) Any bid or offer entered on the Exchange routed to another Trading Center through a routing broker that results in an execution shall be binding on the Member that entered such bid/offer.

(2) **Regulation SHO.** Unless an order is routed pursuant to the PAC routing option set forth under paragraph (b)(5) of this Rule, an order marked "short" is not eligible for routing by the Exchange during a Short Sale Period, as defined in Exchange Rule 2614(g)(3)(A). An order that is ineligible for routing during a Short Sale Period that includes a time-in-force of IOC will immediately trade with contra-side interest on the MIAX Pearl Equities Book and any unexecuted quantity will be cancelled. If an order is ineligible for routing during a Short Sale Period and such order is a Limit Order, the Exchange will post the unfilled balance of the Limit Order to the MIAX Pearl Equities Book, subject to the Short Sale Price Sliding Process as defined in Exchange Rule 2614(g)(3)(A), unless the User has elected that the order be cancelled.

(3) **The Limit-Up Limit-Down Plan.** The Exchange will handle routable orders in connection with the Limit-Up Limit-Down Plan as described in Exchange Rule 2622(h).

(4) **Routing Process.**

(A) **Routing of Market Orders.** The System will designate Market Orders that are fully or partially routed to an away Trading Center as IOC and will cause such orders to be routed for execution to one or more Trading Centers for potential execution, per the entering User's instructions, in compliance with Rule 611 under Regulation NMS, Regulation SHO, and the Limit-Up Limit-Down Plan. After the System receives responses to orders that were routed away, to the extent an order is not executed in full through the routing process, the System will cancel any unexecuted portion back to the User.

(B) **Routing of Marketable Limit Orders.** The System will designate marketable Limit Orders that are fully or partially routed to an away Trading Center as IOC and will cause such orders to be routed for execution to one or more Trading Centers for potential execution, per the entering User's instructions, in compliance with Rule 611 under Regulation NMS, Regulation SHO, and the Limit-Up Limit-Down Plan. After the System receives responses to orders that were routed away, to the extent an order is not executed in full through the routing process, the System will process the balance of such order in accordance with the parameters set by the User when the order was originally entered. As such, the System will either:

(i) cancel the unfilled balance of the order back to the User;

(ii) process the unfilled balance of an order as an order designated as Do Not Route subject to the price sliding processes described in Exchange Rule 2614(g) and Exchange Rule 2622(h); or

(iii) repeat the process described in paragraph (a)(4) above and this paragraph (b)(3) by executing against the MIAX Pearl Equities Book and/or re-routing orders to other Trading Centers until the original incoming order is executed in its entirety or its limit price is reached. If the order's limit price is reached, the order will

be posted in the MIAX Pearl Equities Book, subject to the price sliding processes set forth Exchange Rule 2614(g) and Exchange Rule 2622(h).

(C) To the extent the System is unable to access a Protected Quotation and there are no other accessible Protected Quotations at the NBBO, the System treat the order as non-routable, provided, however, that this provision will not apply to Protected Quotations published by a Trading Center against which the Exchange has declared self-help pursuant to paragraph (d) below.

(5) **Routing Options**. Routing options may be combined with all available order types and times-in-force instructions, with the exception of order types and times-in-force instructions whose terms are inconsistent with the terms of a particular routing option. The System will consider the quotations only of accessible Trading Centers. The term "System routing table" refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them. The Exchange reserves the right to maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. The System routing options are:

(A) **Order Protection**. Order Protection is a routing option under which an order checks the System for available shares and then is routed to attempt to execute against Protected Quotations at away Trading Centers. All routable orders will be defaulted to the Order Protection routing option.

(B) **Route to Primary Auction ("PAC")**. PAC is a routing option for Market Orders and displayed Limit Orders designated as RHO that the entering firm wishes to designate for participation in the opening, re-opening (following a regulatory halt, suspension, or pause), or closing process of a primary listing market (Cboe BZX, NYSE, Nasdaq, NYSE American, or NYSE Arca) if received before the opening, re-opening, or closing process of such market. The System will designate such orders routed pursuant to the PAC routing option with the time-in-force accepted by the primary listing market. Displayed Limit Orders coupled with the PAC routing option will be eligible to be routed pursuant to the PI routing option described under paragraph (b)(5)(C) of this Rule.

(1) Routing to Opening, Re-Opening, or Closing Process.

(i) **Opening and Re-Opening Process**. A displayed Limit Order or Market Order designated as RHO received before the security has opened on the primary listing market will be routed to participate in the primary listing market's opening process prior to the primary listing market's order entry cut-off time. If a displayed Limit Order or Market Order designated as RHO is received at or after the time the Exchange begins to route existing orders to participate in the primary listing exchange's opening process, but before market open, the Exchange will route such orders to participate in the primary listing market's opening process upon receipt. A displayed Limit Order designated as RHO will be routed to participate in the primary listing market's re-opening process upon the announcement of a regulatory halt, suspension, or pause. A displayed Limit Order or Market Order designated as RHO received after the announcement of a regulatory halt, suspension, or pause, but before the time of the primary listing market's re-opening process, will be routed to participate in the primary listing market's re-opening process upon receipt. A Market Order designated as RHO not received during times set forth above will be cancelled.

(a) **Limit Orders**. Any shares that remain unexecuted after attempting to execute in the primary listing market's opening or re-opening process will either be posted to the MIAX Pearl Equities Book, executed, or routed pursuant to the PI routing option described under paragraph (b)(5)(C) of this Rule.

(b) **Market Orders**. Any shares that remain unexecuted after attempting to execute in the primary listing market's opening or re-opening process will be cancelled.

(ii) **Closing Process**.

(a) **Limit Orders**. A Limit Order designated as RHO will be routed to participate in the primary listing market's closing process prior to the primary listing market's order entry cut-off time. If a Limit Order designated as RHO is received at or after the time the Exchange begins to route existing orders to participate in the primary listing exchange's closing process, but before market close, the Exchange will check the System for available shares and then route the remaining shares to participate in the primary listing market's closing process.

(b) **Market Orders**. A Market Order designated as RHO is not eligible to be routed to participate in the primary listing exchange's closing process. A Market Order designated as RHO received at or after the time the Exchange begins to route existing orders to participate in the primary listing exchange's closing process, but before market close, will be cancelled.

(2) **Continuous Trading**.

(i) **Limit Orders Designated as RHO**. If a Limit Order designated as RHO is entered after the security has opened on the primary listing market, before being routed to the primary listing market's re-opening or closing process pursuant to paragraph (1) above, the Exchange will check the System for available shares and then route the remaining shares pursuant to the PI routing option described under paragraph (b)(5)(C) of this Rule.

(a) Any shares that remain unexecuted after routing will either be posted to the MIAX Pearl Equities Book, executed, or routed pursuant to the PI routing option described under paragraph (b)(5)(C) of this Rule.

(ii) **Limit Orders Designated as IOC**. If a Limit Order designated as IOC is entered after the security has opened on the primary listing market, the Exchange will check the System for available shares and then route the remaining shares pursuant to the PI routing option described under paragraph (b)(5)(C) of this Rule. Any shares that remain unexecuted after routing will be cancelled in accordance with the terms of the order.

(a) A Limit Order designated as IOC received during the time when the Exchange is in the process of routing orders to the primary listing market's re-opening process pursuant to paragraph (1) above will be rejected.

(iii) **Market Orders Designated as RHO**. A Market Order designated as RHO that is entered after the security has opened on the primary listing market will be handled in accordance with paragraph (1) above.

(iv) **Market Orders Designated as IOC**. A Market Order designated as IOC that is entered after the security has opened on the primary listing market will be cancelled.

(C) Price Improvement ("PI") is a routing option that will route a displayed Limit Order coupled with the PAC routing option to multiple destinations simultaneously at a single price level. PI is not an independent routing option and may not be selected individually upon order entry.

(1) **Limit Orders Designated as RHO**. A displayed Limit Order designated as RHO that is coupled with the PAC routing option described under paragraph (B)(1) above will automatically be coupled by the System with the PI routing option.

(2) **Limit Orders Designated as IOC**. A Limit Order designated as IOC that is coupled with the PAC routing option described under paragraph (B)(2) above received during continuous trading will be automatically defaulted by the System to the PI routing option. Such Limit Orders are not eligible to be routed pursuant the PAC routing option.

(6) **Priority of Routed Orders**.

(A) Orders routed by the System to other Trading Centers are not ranked and maintained in the MIAX Pearl Equities Book pursuant to Rule 2616, and therefore are not available for execution against incoming orders and Aggressing Orders pursuant to paragraph (a) above.

(B) Once routed by the System, an order becomes subject to the rules and procedures of the destination Trading Center.

(C) The request to cancel an order routed to another Trading Center will not be processed unless and until all or a portion of the order returns unexecuted.

(D) For an order that is partially routed to another Trading Center on arrival, the portion that is not routed is assigned a timestamp. If any unexecuted portion of the order returns to the MIAX Pearl Equities Book and joins any remaining resting portion of the original order, the returned portion of the order is assigned the same timestamp as the resting portion of the order. If the resting portion of the original order has already executed and any unexecuted portion of the order returns to the Exchange Book, the returned portion of the order is assigned a new timestamp.

(E) Following the routing process described above, unless the terms of the order direct otherwise, any unfilled portion of the order shall be ranked in the MIAX Pearl Equities Book in accordance with the terms of such order under Exchange Rule 2616 and such order shall be eligible for execution under this Exchange Rule 2617.

(c) **Display of Automated Quotations**. The System will be operated as an "automated market center" within the meaning of Regulation NMS, and in furtherance thereof, will display "automated quotations" within the meaning of Regulation NMS at all times except in the event that a systems malfunction renders the System incapable of displaying automated quotations. The Exchange shall communicate to Users its procedures concerning a change from automated to "manual quotations" (as defined in Regulation NMS).

(d) **Self-Help.** Pursuant to the self-help provisions of Regulation NMS, the System may execute a transaction that would constitute a trade-through of a Protected Quotation displayed on another Trading Center if such Trading Center is experiencing a failure, material delay, or malfunction of its systems or equipment. If another Trading Center publishing a Protected Quotation repeatedly fails to respond within one (1) second to orders sent by the System to access the Trading Center's Protected Quotation, the System may disregard those Protected Quotations when routing, displaying, canceling or executing orders on the Exchange. When invoking self-help, the Exchange will:

(1) Notify the non-responding Trading Center immediately after (or at the same time as) electing self-help; and

(2) Assess whether the cause of the problem lies with the System and, if so, taking immediate steps to resolve the problem instead of invoking self-help.

[Adopted: August 14, 2020 (SR-PEARL-2020-03); amended February 15, 2022 (SR-PEARL-2022-06); amended April 6, 2022, implemented June 27, 2022 (SR-PEARL-2022-13); amended November 7, 2022 (SR-PEARL-2022-50)]

The following Rule will be implemented on a date to be announced by the Exchange through a Regulatory Circular. Text to be deleted is ~~struckthrough~~. Text to be added is underlined.

Rule 2617. Order Execution and Routing

Subject to the restrictions under these Exchange Rules or the Exchange Act and the rules and regulations thereunder, orders shall be matched for execution and routed in accordance with this Exchange Rule 2617.

*(a) **Execution Against MIAX Pearl Equities Book**. For purposes of this Exchange Rule 2617 any order falling within the parameters of this paragraph shall be referred to as executable. An order will be cancelled back to the User if, based on market conditions, User instructions, applicable Exchange Rules and/or the Act and the rules and regulations thereunder, such order is not executable, cannot be routed to another Trading Center pursuant to paragraph (b) of this Exchange Rule 2617 below and cannot be posted to the MIAX Pearl Equities Book.*

*(1) **Compliance with Regulation SHO.** For any execution of a short sale order to occur on the Exchange during a Short Sale Period, as defined in Exchange Rule 2614(g)(3)(A), the execution price must be better than the NBB, unless the sell short order was initially displayed by the System at a price above the then current NBB or is marked "short exempt" pursuant to Rule 200(g)(2) of Regulation SHO.*

*(2) **Compliance with Regulation NMS and Trade-Through Protection**.*

*(A) **Regular Trading Hours**. For any execution to occur during Regular Trading Hours, the price of an order to buy (sell) must be equal to or lower (greater) than the PBO (PBB), unless the order is marked ISO or the execution falls within another exception set forth in Rule 611(b) of Regulation NMS.*

*(3) **Compliance with the Limit Up-Limit Down Plan.** For any executions to occur during Regular Trading Hours, such executions must comply with the Limit-Up Limit Down Plan, as set forth in Rule 2622(h) below.*

*(4) **Execution against MIAX Pearl Equities Book**. An incoming order or Aggressing Order shall first attempt to be matched for execution against orders in the MIAX Pearl Equities Book, as described below.*

*(A) **Buy Orders**. An Aggressing Order and an incoming order to buy will be automatically executed to the extent that it is priced at an amount that equals or exceeds any order to sell in the MIAX Pearl Equities Book and is executable. Such order to buy will be matched for execution against sell orders resting on the MIAX Pearl Equities Book according to the price-time priority ranking of the resting orders.*

*(B) **Sell Order**. An Aggressing Order and an incoming order to sell will be automatically executed to the extent that it is priced at an amount that equals or is less than any order to buy in the MIAX Pearl Equities Book and is executable. Such order to sell will be matched for execution against buy orders resting on the MIAX Pearl Equities Book according to the price-time priority ranking of the resting orders.*

(C) Consistent with Exchange Rule 2614, based on User instructions, certain orders are permitted to post and rest on the MIAX Pearl Equities Book at prices that lock or cross contra-side liquidity, provided, however, that the System will never display a locked or crossed market. Subject to sub-paragraph (D) below, if an Aggressing Order or an incoming order to buy (sell), pursuant to paragraph (A) or (B) above, would execute upon entry against a resting order to sell (buy) at the same or a worse price as a resting displayed order to buy (sell), the Aggressing Order or incoming order to buy (sell) will be cancelled or posted to the MIAX Pearl Equities Book and ranked in accordance with Exchange Rule 2616.

(D) For securities priced equal to or greater than $1.00 per share, in the case where a non-displayed order to sell (buy) is posted on the MIAX Pearl Equities Book at a price that locks or crosses a displayed order to buy (sell) pursuant to sub-paragraph (C) above, an Aggressing Order or an incoming order to buy (sell) described in sub-paragraphs (A) and (B) above that is a Market Order or a Limit Order priced more aggressively than the order to buy (sell) displayed on the MIAX Pearl Equities Book will execute against the non-displayed order to sell (buy) resting on the MIAX Pearl Equities Book at one-half minimum price variation greater (less) than the price of the resting displayed order to buy (sell). For bids or offers under $1.00 per share, this sub-paragraph is inapplicable.

(b) ***Routing to Away Trading Centers****. Unless a User elects that the order be non-routable, if a Market Order or Marketable Limit Order has not been executed in its entirety pursuant to paragraph (a) above, the order shall be eligible for additional processing under one or more of the routing options listed under paragraph (b)(5) below.*

(1) ***Order Routing to Other Trading Centers.*** *As it does for options orders under Exchange Rule 529(a), the Exchange may automatically route orders in equity securities to away Trading Centers under certain circumstances as described below and elsewhere in the rules ("Routing Services"). In connection with such services, the following shall apply:*

(A) Routing Services will be provided in conjunction with one or more routing brokers that are not affiliated with the Exchange. For each routing broker used by the Exchange, an agreement will be in place between the Exchange and the routing broker that will, among other things, restrict the use of any confidential and proprietary information that the routing broker receives to legitimate business purposes necessary for routing orders at the direction of the Exchange.

(i) The Exchange shall establish and maintain procedures and internal controls reasonably designed to adequately restrict the flow of confidential and proprietary information between the Exchange and the routing broker, and any other entity, including any affiliate of the routing broker, and, if the routing broker or any of its affiliates engages in any other business activities other than providing routing services to the Exchange, between the segment of the routing broker or affiliate that provides the other business activities and the segment of the routing broker that provides the Routing Services.

(ii) The Exchange may not use a routing broker for which the Exchange or any affiliate of the Exchange is the designated examining authority.

(iii) The Exchange will provide its Routing Services in compliance with the provisions of the Exchange Act and the rules thereunder, including, but not limited to, the requirements in Section 6(b)(4) and (5) of the Exchange Act that the rules of a national securities exchange provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities, and not be designed to permit unfair discrimination between customers, issuers, brokers or dealers.

(iv) For all Routing Services, the Exchange will determine the logic that provides when, how, and where orders are routed away to other Trading Centers.

(v) The routing broker will receive routing instructions from the Exchange, to route orders to other Trading Centers and report such executions back to the Exchange. The routing broker cannot change the terms of an order or the routing instructions, nor does the routing broker have any discretion about where to route an order.

(vi) Any bid or offer entered on the Exchange routed to another Trading Center through a routing broker that results in an execution shall be binding on the Member that entered such bid/offer.

*(2) **Regulation SHO.** Unless an order is routed pursuant to the PAC routing option set forth under paragraph (b)(5) of this Rule, an order marked "short" is not eligible for routing by the Exchange during a Short Sale Period, as defined in Exchange Rule 2614(g)(3)(A). An order that is ineligible for routing during a Short Sale Period that includes a time-in-force of IOC will immediately trade with contra-side interest on the MIAX Pearl Equities Book and any unexecuted quantity will be cancelled. If an order is ineligible for routing during a Short Sale Period and such order is a Limit Order, the Exchange will post the unfilled balance of the Limit Order to the MIAX Pearl Equities Book, subject to the Short Sale Price Sliding Process as defined in Exchange Rule 2614(g)(3)(A), unless the User has elected that the order be cancelled.*

*(3) **The Limit-Up Limit-Down Plan.** The Exchange will handle routable orders in connection with the Limit-Up Limit-Down Plan as described in Exchange Rule 2622(h).*

*(4) **Routing Process.***

*(A) **Routing of Market Orders.** The System will designate Market Orders that are fully or partially routed to an away Trading Center as IOC and will cause such orders to be routed for execution to one or more Trading Centers for potential execution, per the entering User's instructions, in compliance with Rule 611 under Regulation NMS, Regulation SHO, and the Limit-Up Limit-Down Plan. After the System receives responses to orders that were routed away, to the extent an order is not executed in full through the routing process, the System will cancel any unexecuted portion back to the User.*

*(B) **Routing of Marketable Limit Orders.** The System will designate marketable Limit Orders that are fully or partially routed to an away Trading Center as IOC and will cause such orders to be routed for execution to one or more Trading Centers for potential execution, per the entering User's instructions, in compliance with Rule 611 under Regulation NMS, Regulation SHO, and the Limit-Up Limit-Down Plan. After the System receives responses to orders that were routed away, to the extent an order is not executed in full through the routing process, the System will process the balance of such order in accordance with the parameters set by the User when the order was originally entered. As such, the System will either:*

(i) cancel the unfilled balance of the order back to the User;

(ii) process the unfilled balance of an order as an order designated as Do Not Route subject to the price sliding processes described in Exchange Rule 2614(g) and Exchange Rule 2622(h); or

(iii) repeat the process described in paragraph (a)(4) above and this paragraph (b)(3) by executing against the MIAX Pearl Equities Book and/or re-routing orders to other Trading Centers until the original incoming order is executed in its entirety or its limit price is reached. If the order's limit price is reached, the order will be posted in the MIAX Pearl Equities Book, subject to the price sliding processes set forth Exchange Rule 2614(g) and Exchange Rule 2622(h).

(C) To the extent the System is unable to access a Protected Quotation and there are no other accessible Protected Quotations at the NBBO, the System treat the order as non-routable, provided, however, that this provision will not apply to Protected Quotations published by a Trading Center against which the Exchange has declared self-help pursuant to paragraph (d) below.

*(5) **Routing Options**. Routing options may be combined with all available order types and times-in-force instructions, with the exception of order types and times-in-force instructions whose terms are inconsistent with the terms of a particular routing option. The System will consider the quotations only of accessible Trading Centers. The term "System routing table" refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them. The Exchange reserves the right to maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. The System routing options are:*

*(A) **Order Protection**. Order Protection is a routing option under which an order checks the System for available shares and then is routed to attempt to execute against Protected Quotations at away Trading Centers. All routable orders will be defaulted to the Order Protection routing option.*

*(B) **Route to Primary Auction ("PAC")**. PAC is a routing option for Market Orders and displayed Limit Orders designated as RHO that the entering firm wishes to designate for participation in the opening, re-opening (following a regulatory halt, suspension, or pause), or closing process of a primary listing market (Cboe BZX, NYSE, Nasdaq, NYSE American, or NYSE Arca) if received before the opening, re-opening, or closing process of such market. The System will designate such orders routed pursuant to the PAC routing option with the time-in-force accepted by the primary listing market. Displayed Limit Orders coupled with the PAC routing option will be eligible to be routed pursuant to the PI routing option described under paragraph (b)(5)(C) of this Rule.*

(1) Routing to Opening, Re-Opening, or Closing Process.

*(i) **Opening and Re-Opening Process**. A displayed Limit Order or Market Order designated as RHO received before the security has opened on the primary listing market will be routed to participate in the primary listing market's opening process upon receipt. A displayed Limit Order designated as RHO will be routed to participate in the primary listing market's re-opening process upon the announcement of a regulatory halt, suspension, or pause. A displayed Limit Order or Market Order designated as RHO received after the announcement of a regulatory halt, suspension, or pause, but before the time of the primary listing market's re-opening process, will be routed to participate in the primary listing market's re-opening process upon receipt. A Market Order designated as RHO not received during times set forth above will be cancelled.*

*(a) **Limit Orders**. Any shares that remain unexecuted after attempting to execute in the primary listing market's opening or re-opening process will either be posted to the MIAX Pearl Equities Book, executed, or routed pursuant to the PI routing option described under paragraph (b)(5)(C) of this Rule.*

*(b) **Market Orders**. Any shares that remain unexecuted after attempting to execute in the primary listing market's opening or re-opening process will be cancelled.*

*(ii) **Closing Process**.*

*(a) **Limit Orders**. A Limit Order designated as RHO will be routed to participate in the primary listing market's closing process prior to the primary listing market's order entry cut-off time. If a Limit Order designated as RHO is received at or after the time the Exchange begins to route existing orders to participate in the primary listing ~~exchange~~market's closing process, but before market close, the Exchange will check*

the System for available shares and then route the remaining shares to participate in the primary listing market's closing process.

(b) ***Market Orders****. A Market Order designated as RHO is not eligible to be routed to participate in the primary listing ~~exchange~~market's closing process~~.~~, unless such Market Order is: (i) entered at or after 3:50 p.m. Eastern Time, but before market close, (ii) the primary listing market has declared a regulatory halt; and (iii) the primary listing market is to conduct its closing process according to their applicable rules. All other~~A~~ Market Order designated as RHO received at or after the time the Exchange begins to route existing orders to participate in the primary listing ~~exchange~~market's closing process, but before market close, will be cancelled.*

(2) ***Continuous Trading****.*

(i) ***Limit Orders Designated as RHO****. If a Limit Order designated as RHO is entered after the security has opened on the primary listing market, before being routed to the primary listing market's re-opening or closing process pursuant to paragraph (1) above, the Exchange will check the System for available shares and then route the remaining shares pursuant to the PI routing option described under paragraph (b)(5)(C) of this Rule.*

(a) Any shares that remain unexecuted after routing will either be posted to the MIAX Pearl Equities Book, executed, or routed pursuant to the PI routing option described under paragraph (b)(5)(C) of this Rule.

(ii) ***Limit Orders Designated as IOC****. If a Limit Order designated as IOC is entered after the security has opened on the primary listing market, the Exchange will check the System for available shares and then route the remaining shares pursuant to the PI routing option described under paragraph (b)(5)(C) of this Rule. Any shares that remain unexecuted after routing will be cancelled in accordance with the terms of the order.*

(a) A Limit Order designated as IOC received during the time when the Exchange is in the process of routing orders to the primary listing market's re-opening process pursuant to paragraph (1) above will be rejected.

(iii) ***Market Orders Designated as RHO****. A Market Order designated as RHO that is entered after the security has opened on the primary listing market will be handled in accordance with paragraph (1) above.*

(iv) ***Market Orders Designated as IOC****. A Market Order designated as IOC that is entered after the security has opened on the primary listing market will be cancelled.*

(C) Price Improvement ("PI") is a routing option that will route a displayed Limit Order coupled with the PAC routing option to multiple destinations simultaneously at a single price level. PI is not an independent routing option and may not be selected individually upon order entry.

(1) ***Limit Orders Designated as RHO****. A displayed Limit Order designated as RHO that is coupled with the PAC routing option described under paragraph (B)(1) above will automatically be coupled by the System with the PI routing option.*

(2) ***Limit Orders Designated as IOC****. A Limit Order designated as IOC that is coupled with the PAC routing option described under paragraph (B)(2) above received during continuous trading will be*

automatically defaulted by the System to the PI routing option. Such Limit Orders are not eligible to be routed pursuant the PAC routing option.

*(6) **Priority of Routed Orders**.*

(A) Orders routed by the System to other Trading Centers are not ranked and maintained in the MIAX Pearl Equities Book pursuant to Rule 2616, and therefore are not available for execution against incoming orders and Aggressing Orders pursuant to paragraph (a) above.

(B) Once routed by the System, an order becomes subject to the rules and procedures of the destination Trading Center.

(C) The request to cancel an order routed to another Trading Center will not be processed unless and until all or a portion of the order returns unexecuted.

(D) For an order that is partially routed to another Trading Center on arrival, the portion that is not routed is assigned a timestamp. If any unexecuted portion of the order returns to the MIAX Pearl Equities Book and joins any remaining resting portion of the original order, the returned portion of the order is assigned the same timestamp as the resting portion of the order. If the resting portion of the original order has already executed and any unexecuted portion of the order returns to the Exchange Book, the returned portion of the order is assigned a new timestamp.

(E) Following the routing process described above, unless the terms of the order direct otherwise, any unfilled portion of the order shall be ranked in the MIAX Pearl Equities Book in accordance with the terms of such order under Exchange Rule 2616 and such order shall be eligible for execution under this Exchange Rule 2617.

*(c) **Display of Automated Quotations**. The System will be operated as an "automated market center" within the meaning of Regulation NMS, and in furtherance thereof, will display "automated quotations" within the meaning of Regulation NMS at all times except in the event that a systems malfunction renders the System incapable of displaying automated quotations. The Exchange shall communicate to Users its procedures concerning a change from automated to "manual quotations" (as defined in Regulation NMS).*

*(d) **Self-Help.** Pursuant to the self-help provisions of Regulation NMS, the System may execute a transaction that would constitute a trade-through of a Protected Quotation displayed on another Trading Center if such Trading Center is experiencing a failure, material delay, or malfunction of its systems or equipment. If another Trading Center publishing a Protected Quotation repeatedly fails to respond within one (1) second to orders sent by the System to access the Trading Center's Protected Quotation, the System may disregard those Protected Quotations when routing, displaying, canceling or executing orders on the Exchange. When invoking self-help, the Exchange will:*

(1) Notify the non-responding Trading Center immediately after (or at the same time as) electing self-help; and

(2) Assess whether the cause of the problem lies with the System and, if so, taking immediate steps to resolve the problem instead of invoking self-help.

[Adopted: August 14, 2020 (SR-PEARL-2020-03); amended February 15, 2022 (SR-PEARL-2022-06); amended April 6, 2022, implemented June 27, 2022 (SR-PEARL-2022-13); amended July 13, 2022 (SR-PEARL-2022-29)]

Rule 2618. Risk Settings and Trading Risk Metrics *(See below for amended Rule 2618 which will be implemented on a date to be announced by the Exchange through a Regulatory Circular)*

(a) **Risk Settings.**

(1) MIAX Pearl Equities offers certain risk settings applicable to an Equity Member's activities on MIAX Pearl Equities. The risk settings offered by MIAX Pearl Equities include:

(A) controls related to the size of an order (including restrictions on the maximum notional value per order and maximum shares per order);

(B) controls related to the price of an order (including percentage-based and dollar-based controls);

(C) controls related to the order types or modifiers that can be utilized (including short sales and ISOs);

(D) controls to prohibit duplicative orders;

(E) controls preventing the entry of orders placed in a Principal or Riskless Principal capacity;

(F) controls preventing the entry of an order or order modification request with a size that exceeds the average daily trading volume of the security multiplied by a percentage selected by the Equity Member when the average daily trading volume of the security is greater than a specified minimum average daily trading volume selected by the Equity Member;

(G) controls related to orders in securities on the Equity Member's restricted securities list; and

(H) controls related to the frequency at which orders and/or Cancel/Replace messages are entered.

(2) MIAX Pearl Equities offers certain risk settings applicable to an Equity Member's activities on MIAX Pearl Equities that are available to either the Equity Member or to its Clearing Member, as defined in Rule 2620, as set forth below:

(A) The "Gross Notional Trade Value" is a pre-established maximum daily dollar amount for purchases and sales across all symbols, where both purchases and sales are counted as positive values. For purposes of calculating the Gross Notional Trade Value, only executed orders are included.

(B) The "Net Notional Trade Value" is a pre-established maximum daily dollar amount for purchases and sales across all symbols, where purchases are counted as positive values and sales are counted as negative values. For purposes of calculating the Net Notional Trade Value, only executed orders are included.

(C) The "Gross Notional Open Value" is a pre-established maximum daily dollar amount for open buy and sell orders across all symbols, where both open orders to buy and sell are counted as positive values. For purposes of calculating the Gross Notional Open Value, only unexecuted orders are included.

(D) The "Net Notional Open Value" is a pre-established maximum daily dollar amount for open buy and sell orders across all symbols, where open orders to buy are counted as positive values and open orders to sell

are counted as negative values. For purposes of calculating the Net Notional Open Value, only unexecuted orders are included.

(3) **Establishing and Adjusting Limits.** An Equity Member may set limits for the risk settings provided in paragraph (a)(1) of this Rule 2618. Either an Equity Member or its Clearing Member, if allocated such responsibility pursuant to paragraph (a)(4) of this Rule 2618, may set limits for the risk settings provided in paragraph (a)(2) of this Rule 2618.

(A) Limits may be set at the MPID, session, and firm level.

(B) Limits may be established or adjusted before the beginning of a trading day or during the trading day.

(4) An Equity Member that does not self-clear may allocate the responsibility for establishing and adjusting the risk settings identified in paragraph (a)(2) of this Rule 2618 to a Clearing Member that clears transactions on behalf of the Equity Member, if designated in a manner prescribed by the Exchange. An Equity Member that chooses to allocate responsibility to its Clearing Member may view any risk settings established by the Clearing Member pursuant to paragraph (a)(2) of this Rule 2618, and may be notified of any action taken by the Exchange with respect to its trading activity. By allocating responsibility to its Clearing Member, the Equity Member consents to the Exchange taking action with respect to the Equity Member's trading activity as provided in paragraph (a)(6) of this Rule 2618. An Equity Member may revoke responsibility allocated to its Clearing Member pursuant to this paragraph at any time, if designated in a manner prescribed by the Exchange.

(5) **Alerts.** For the risk settings identified in paragraph (a)(1) of this Rule 2618, the Equity Member may enable alerts to signal when the Equity Member is approaching designated limits. For the risk settings identified in paragraph (a)(2) of this Rule 2618, both the Equity Member and the Clearing Member may enable alerts to signal when the Equity Member is approaching designated limits.

(6) **Breach.** If a risk setting identified in paragraphs (a)(1) and (a)(2) of this Rule 2618 is breached, the Exchange will automatically block new orders submitted and cancel open orders, as applicable, until such time that the applicable risk control is adjusted to a higher limit by: (i) the Equity Member for risk settings identified in paragraph (a)(1); or (ii) the Equity Member or Clearing Member with the responsibility of establishing and adjusting the risk settings identified in paragraph (a)(2).

(7) (A) In addition to the risk settings enumerated above, MIAX Pearl Equities also offers risk functionality that permits Equity Members to block new orders submitted, to cancel all open orders, or to both block new orders and cancel all open orders. Furthermore, MIAX Pearl Equities offers risk functionality that automatically cancels an Equity Member's orders to the extent theEquity Member loses its connection to MIAX Pearl Equities.

(B) A "Purge Port" is a dedicated port that permits an Equity Member to simultaneously cancel all or a subset of its orders across multiple logical ports by requesting the Exchange to effect such cancellation. An Equity Member initiating such a request may also request that the Exchange block all or a subset of its new inbound orders across multiple logical ports. The block will remain in effect until the earlier of the time at which the Equity Member requests the Exchange remove the block or the end of the current trading day.

(b) **Trade Risk Metrics.**

(1) **Trading Collar**. Except for orders that are eligible for the Opening Process under Exchange Rule 2615, the Trading Collar prevents incoming orders, including those marked ISO, from executing at a price outside the

Trading Collar price range, i.e. prevents buy orders from trading or routing at prices above the collar and prevents sell orders from trading or routing at prices below the collar. The Trading Collar price range is calculated using the greater of numerical guidelines for clearly erroneous executions or a specified dollar value established by the Exchange. Executions are permitted at prices within the Trading Collar price range, inclusive of the boundaries. Upon entry, any portion of an order to buy (sell) that would execute at a price above (below) the Trading Collar Price is cancelled, unless the price listed under paragraph (A)(ii) below is to be applied and a regulatory halt has been declared by the primary listing market during that trading day.

(A) The Trading Collar Reference Price is equal to the following:

(i) consolidated last sale price disseminated during the Regular Trading Hours on trade date; or

(ii) if (i) is not available, the prior day's Official Closing Price identified as such by the primary listing exchange, adjusted to account for events such as corporate actions and news events.

(B) In the absence of a Trading Collar Reference Price, the Exchange will suspend the Trading Collar function, in the interest of maintaining a fair and orderly market in the impacted security.

(C) The Exchange calculates the Trading Collar price range for a security by applying the Numerical Guideline and reference price (see table below) to the Trading Collar Reference Price, as defined in paragraph (A) above. The result is added to the Trading Collar Reference Price to determine the Trading Collar Price for buy orders, while the result is subtracted from the Trading Collar Reference Price to determine the Trading Collar Price for sell orders. The Trading Collar Price for an order to buy (sell) that is not in the minimum price variation ("MPV") for the security, as defined in Exchange Rule 2612, will be rounded down (up) to the nearest price at the applicable MPV. The appropriate Trading Collar Price is assigned to all orders upon entry. The Trading Collar Price is not enforced throughout the life of the order nor updated once the order is resting on the MIAX Pearl Equities Book.

(D) The Numerical Guideline used in the Trading Collar Price calculation is based on the table below:

Trading Collar Reference Price	Regular Trading Hours Numerical Guidelines
Greater than $0.00 up to and including $25.00	10%
Greater than $25.00 up to and including $50.00	5%
Greater than $50.00	3%

These percentages are based upon the numerical guidelines for clearly erroneous executions under Exchange Rule 2621. The specified dollar values will be posted to the Exchange's website and the Exchange will announce in advance any changes to the dollar value via a Regulatory Circular.

(E) For Market Orders only, an Equity Member may select a dollar value lower than the specified percentages and dollar values described under paragraph (D) on an order by order basis. In such case, the dollar value selected by the Equity Member will override the dollar values and specific percentages set forth under paragraph (D) above.

[Adopted: August 14, 2020 (SR-PEARL-2020-03); amended September 14, 2020 (SR-PEARL-2020-16); amended December 14, 2020 (SR-PEARL-2020-26); amended November 2, 2022, implemented December 5, 2022 (SR-PEARL-2022-43)]

The following Rule will be implemented on a date to be announced by the Exchange through a Regulatory Circular. Text to be deleted is ~~struckthrough~~. Text to be added is underlined.

Rule 2618. Risk Settings and Trading Risk Metrics

(a) ***Risk Settings.***

(1) MIAX Pearl Equities offers certain risk settings applicable to an Equity Member's activities on MIAX Pearl Equities. The risk settings offered by MIAX Pearl Equities include:

(A) controls related to the size of an order (including restrictions on the maximum notional value per order and maximum shares per order);

(B) controls related to the price of an order (including percentage-based and dollar-based controls);

(C) controls related to the order types or modifiers that can be utilized (including short sales and ISOs);

(D) controls to prohibit duplicative orders;

(E) controls preventing the entry of orders placed in a Principal or Riskless Principal capacity;

(F) controls preventing the entry of an order or order modification request with a size that exceeds the average daily trading volume of the security multiplied by a percentage selected by the Equity Member when the average daily trading volume of the security is greater than a specified minimum average daily trading volume selected by the Equity Member;

(G) controls related to orders in securities on the Equity Member's restricted securities list; and

(H) controls related to the frequency at which orders and/or Cancel/Replace messages are entered.

(2) MIAX Pearl Equities offers certain risk settings applicable to an Equity Member's activities on MIAX Pearl Equities that are available to either the Equity Member or to its Clearing Member, as defined in Rule 2620, as set forth below:

(A) The "Gross Notional Trade Value" is a pre-established maximum daily dollar amount for purchases and sales across all symbols, where both purchases and sales are counted as positive values. For purposes of calculating the Gross Notional Trade Value, only executed orders are included.

(B) The "Net Notional Trade Value" is a pre-established maximum daily dollar amount for purchases and sales across all symbols, where purchases are counted as positive values and sales are counted as negative values. For purposes of calculating the Net Notional Trade Value, only executed orders are included.

(C) The "Gross Notional Open Value" is a pre-established maximum daily dollar amount for open buy and sell orders across all symbols, where both open orders to buy and sell are counted as positive values. For purposes of calculating the Gross Notional Open Value, only unexecuted orders are included.

(D) The "Net Notional Open Value" is a pre-established maximum daily dollar amount for open buy and sell orders across all symbols, where open orders to buy are counted as positive values and open orders to sell

are counted as negative values. For purposes of calculating the Net Notional Open Value, only unexecuted orders are included.

(E) The "Gross Notional Open and Trade Value" is a pre-established maximum daily dollar amount for purchases and sales, as well as open buy and sell orders across all symbols, where purchases, sales, open orders to buy, and open orders to sell are counted as positive values. For purposes of calculating the Gross Notional Open and Trade Value, executed and unexecuted orders are included.

(F) The "Net Notional Open and Trade Value" is a pre-established maximum daily dollar amount for purchases and sales, as well as open buy and sell orders across all symbols, where purchases and open orders to buy are counted as positive values, and sales and open orders to sell are counted as negative values. For purposes of calculating the Net Notional Open and Trade Value, executed and unexecuted orders are included.

*(3) **Establishing and Adjusting Limits.** An Equity Member may set limits for the risk settings provided in paragraph (a)(1) of this Rule 2618. Either an Equity Member or its Clearing Member, if allocated such responsibility pursuant to paragraph (a)(4) of this Rule 2618, may set limits for the risk settings provided in paragraph (a)(2) of this Rule 2618.*

(A) Limits may be set at the MPID, session, and firm level.

(B) Limits may be established or adjusted before the beginning of a trading day or during the trading day.

(4) An Equity Member that does not self-clear may allocate the responsibility for establishing and adjusting the risk settings identified in paragraph (a)(2) of this Rule 2618 to a Clearing Member that clears transactions on behalf of the Equity Member, if designated in a manner prescribed by the Exchange. An Equity Member that chooses to allocate responsibility to its Clearing Member may view any risk settings established by the Clearing Member pursuant to paragraph (a)(2) of this Rule 2618, and may be notified of any action taken by the Exchange with respect to its trading activity. By allocating responsibility to its Clearing Member, the Equity Member consents to the Exchange taking action with respect to the Equity Member's trading activity as provided in paragraph (a)(6) of this Rule 2618. An Equity Member may revoke responsibility allocated to its Clearing Member pursuant to this paragraph at any time, if designated in a manner prescribed by the Exchange.

*(5) **Alerts.** For the risk settings identified in paragraph (a)(1) of this Rule 2618, the Equity Member may enable alerts to signal when the Equity Member is approaching designated limits. For the risk settings identified in paragraph (a)(2) of this Rule 2618, both the Equity Member and the Clearing Member may enable alerts to signal when the Equity Member is approaching designated limits.*

*(6) **Breach.** If a risk setting identified in paragraphs (a)(1) and (a)(2) of this Rule 2618 is breached, the Exchange will automatically block new orders submitted and cancel open orders, as applicable, until such time that the applicable risk control is adjusted to a higher limit by: (i) the Equity Member for risk settings identified in paragraph (a)(1); or (ii) the Equity Member or Clearing Member with the responsibility of establishing and adjusting the risk settings identified in paragraph (a)(2).*

(7) (A) In addition to the risk settings enumerated above, MIAX Pearl Equities also offers risk functionality that permits Equity Members to block new orders submitted, to cancel all open orders, or to both block new orders and cancel all open orders. Furthermore, MIAX Pearl Equities offers risk functionality that automatically cancels an Equity Member's orders to the extent theEquity Member loses its connection to MIAX Pearl Equities.

(B) A "Purge Port" is a dedicated port that permits an Equity Member to simultaneously cancel all or a subset of its orders across multiple logical ports by requesting the Exchange to effect such cancellation. An Equity Member initiating such a request may also request that the Exchange block all or a subset of its new inbound orders across multiple logical ports. The block will remain in effect until the earlier of the time at which the Equity Member requests the Exchange remove the block or the end of the current trading day.

(b) ***Trade Risk Metrics.***

(1) ***Trading Collar****. Except for orders that are eligible for the Opening Process under Exchange Rule 2615, the Trading Collar prevents incoming orders, including those marked ISO, from executing at a price outside the Trading Collar price range, i.e. prevents buy orders from trading or routing at prices above the collar and prevents sell orders from trading or routing at prices below the collar. The Trading Collar price range is calculated using the greater of numerical guidelines for clearly erroneous executions or a specified dollar value established by the Exchange. Executions are permitted at prices within the Trading Collar price range, inclusive of the boundaries. Upon entry, any portion of an order to buy (sell) that would execute at a price above (below) the Trading Collar Price is cancelled, unless the price listed under paragraph (A)(ii) below is to be applied and a regulatory halt has been declared by the primary listing market during that trading day.*

(A) The Trading Collar Reference Price is equal to the following:

(i) consolidated last sale price disseminated during the Regular Trading Hours on trade date; or

(ii) if (i) is not available, the prior day's Official Closing Price identified as such by the primary listing exchange, adjusted to account for events such as corporate actions and news events.

(B) In the absence of a Trading Collar Reference Price, the Exchange will suspend the Trading Collar function, in the interest of maintaining a fair and orderly market in the impacted security.

(C) The Exchange calculates the Trading Collar price range for a security by applying the Numerical Guideline and reference price (see table below) to the Trading Collar Reference Price, as defined in paragraph (A) above. The result is added to the Trading Collar Reference Price to determine the Trading Collar Price for buy orders, while the result is subtracted from the Trading Collar Reference Price to determine the Trading Collar Price for sell orders. The Trading Collar Price for an order to buy (sell) that is not in the minimum price variation ("MPV") for the security, as defined in Exchange Rule 2612, will be rounded down (up) to the nearest price at the applicable MPV. The appropriate Trading Collar Price is assigned to all orders upon entry. The Trading Collar Price is not enforced throughout the life of the order nor updated once the order is resting on the MIAX Pearl Equities Book.

(D) The Numerical Guideline used in the Trading Collar Price calculation is based on the table below:

Trading Collar Reference Price	***Regular Trading Hours Numerical Guidelines***
Greater than $0.00 up to and including $25.00	*10%*
Greater than $25.00 up to and including $50.00	*5%*
Greater than $50.00	*3%*

These percentages are based upon the numerical guidelines for clearly erroneous executions under Exchange Rule 2621. The specified dollar values will be posted to the Exchange's website and the Exchange will announce in advance any changes to the dollar value via a Regulatory Circular.

(E) For Market Orders only, an Equity Member may select a dollar value lower than the specified percentages and dollar values described under paragraph (D) on an order by order basis. In such case, the dollar value selected by the Equity Member will override the dollar values and specific percentages set forth under paragraph (D) above.

[Adopted: August 14, 2020 (SR-PEARL-2020-03); amended September 14, 2020 (SR-PEARL-2020-16); amended December 14, 2020 (SR-PEARL-2020-26); amended November 2, 2022, implemented December 5, 2022 (SR-PEARL-2022-43); amended February 13, 2023 (SR-PEARL-2023-03)]

Rule 2619. Trade Execution and Reporting

(a) Executions occurring as a result of orders matched against the MIAX Pearl Equities Book shall be reported by the Exchange to an appropriate consolidated transaction reporting system to the extent required by the Exchange Act and the rules and regulations thereunder. Executions occurring as a result of orders routed away from the System shall be reported to an appropriate consolidated transaction reporting system by the relevant reporting Trading Center. The Exchange shall promptly notify Users of all executions of their orders as soon as such executions take place.

(b) The Exchange shall identify all trades executed pursuant to an exception or exemption from Rule 611 of Regulation NMS in accordance with specifications approved by the operating committee of the relevant national market system plan for an NMS stock. If a trade is executed pursuant to both the ISO exception of Rule 611(b)(5) of Regulation NMS and the self-help exception of Rule 611(b)(1) of Regulation NMS, such trade shall be identified as executed pursuant to the ISO exception.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2620. Clearance and Settlement; Anonymity

(a) All transactions through MIAX Pearl Equities shall be cleared and settled through a Qualified Clearing Agency using a continuous net settlement system. This requirement may be satisfied by direct participation, use of direct clearing services, or by entry into a correspondent clearing arrangement with another Equity Member that clears trades through a Qualified Clearing Agency. If an Equity Member clears transactions through another Equity Member that is a member of a Qualified Clearing Agency ("Clearing Member"), such Clearing Member shall affirm to the Exchange in writing, through letter of authorization, letter of guarantee or other agreement acceptable to the Exchange, its agreement to assume responsibility for clearing and settling any and all trades executed by the Equity Member designating it as its clearing firm. The rules of any such clearing agency shall govern with respect to the clearance and settlement of any transactions executed by the Equity Member on the Exchange.

(b) Notwithstanding paragraph (a), transactions may be settled "ex-clearing" provided that both parties to the transaction agree.

(c) Each transaction executed within the System is executed on a locked-in basis and shall be automatically processed for clearance and settlement.

(d) The transaction reports produced by the System will indicate the details of transactions executed in the System but shall not reveal contra party identities. Except as set forth in paragraph (e) below, transactions executed in the System will also be cleared and settled anonymously.

(e) Except as required by any Qualified Clearing Agency, the Exchange will reveal the identity of an Equity Member or Equity Member's clearing firm in the following circumstances:

(1) for regulatory purposes or to comply with an order of a court or arbitrator; or

(2) when a Qualified Clearing Agency ceases to act for an Equity Member or the Equity Member's clearing firm, and determines not to guarantee the settlement of the Equity Member's trades.

(f) The Exchange may share any of a User's risk settings specified in Exchange Rule 2618(a) with the Clearing Member that clears transactions on behalf of the User.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2621. Clearly Erroneous Executions

(a) **Definition.** For purposes of this Exchange Rule, the terms of a transaction executed on the Exchange are "clearly erroneous" when there is an obvious error in any term, such as price, number of shares or other unit of trading, or identification of the security. A transaction made in clearly erroneous error and cancelled by both parties or determined by the Exchange to be clearly erroneous will be removed from the Consolidated Tape.

(b) **Request and Timing of Review.** A Member that receives an execution on an order that was submitted erroneously to the Exchange for its own or customer account may request that the Exchange review the transaction under this Exchange Rule. An Officer of the Exchange or such other employee designee of the Exchange ("Official") shall review the transaction under dispute and determine whether it is clearly erroneous, with a view toward maintaining a fair and orderly market and the protection of investors and the public interest. Such request for review shall be made in writing via e-mail or other electronic means specified from time to time by the Exchange in a circular distributed to Members.

(1) **Requests for Review**. Requests for review must be received by the Exchange within thirty (30) minutes of execution time and shall include information concerning the time of the transaction(s), security symbol(s), number of shares, price(s), side (bought or sold), and factual basis for believing that the trade is clearly erroneous. Upon receipt of a timely filed request that satisfies the guidelines set forth in this Exchange Rule, the counterparty to the trade, if any, shall be notified by the Exchange as soon as practicable, but generally within thirty (30) minutes. An Official may request additional supporting written information to aid in the resolution of the matter. If requested, each party to the transaction shall provide any supporting written information as may be reasonably requested by the Official to aid resolution of the matter within thirty (30) minutes of the Official's request. Either party to the disputed trade may request the supporting written information provided by the other party on the matter.

(2) **Routed Executions**. Other market centers will generally have an additional thirty (30) minutes from receipt of their participant's timely filing, but no longer than sixty (60) minutes from the time of the execution at issue, to file with the Exchange for review of transactions routed to the Exchange from that market center and executed on the Exchange.

(c) **Clearly Erroneous Review**:

(1) **Review of transactions occurring during Regular Trading Hours**. If the execution time of the transaction(s) under review is during Regular Trading Hours, the transaction will not be reviewable as clearly erroneous unless the transaction:

(A) is in an NMS Stock that is not subject to the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act (the "Limit Up-Limit Down Plan" or "LULD Plan"). In such case, the Numerical Guidelines set forth in paragraph (c)(2) of this Rule will be applicable to such NMS Stock;

(B) was executed at a time when Price Bands under the LULD Plan were not available, or is the result of an Exchange technology or systems issue that results in the transaction occurring outside of the applicable LULD Price Bands pursuant to paragraph (g), or is executed after the primary listing market for the security declares a regulatory trading halt, suspension, or pause pursuant to paragraph (i). A transaction subject to review pursuant to this paragraph shall be found to be clearly erroneous if the price of the transaction to buy (sell) that is the subject of the complaint is greater than (less than) the Reference Price, described in paragraph (d) below, by an amount that equals or exceeds the applicable Percentage Parameter defined in Appendix A to the LULD Plan ("Percentage Parameters"); or

(C) involved, in the case of (1) a corporate action or new issue or (2) a security that enters a Trading Pause pursuant to the LULD Plan and resumes trading without an auction, a Reference Price that is determined to be erroneous by an Officer of the Exchange because it clearly deviated from the theoretical value of the security. In such circumstances, the Exchange may use a different Reference Price pursuant to paragraph (d)(2) of this Rule. A transaction subject to review pursuant to this paragraph shall be found to be clearly erroneous if the price of the transaction to buy (sell) that is the subject of the complaint is greater than (less than) the new Reference Price, described in paragraph (d)(2) below, by an amount that equals or exceeds the Numerical Guidelines or Percentage Parameters, as applicable depending on whether the security is subject to the LULD Plan.

(2) **Numerical Guidelines**. **Review of transactions eligible for review pursuant to paragraph (c)(1)(A).**

(A) Subject to the additional factors described in paragraph (c)(2) below, a transaction eligible for review pursuant to paragraph (c)(1)(A), shall be found to be clearly erroneous if the price of the transaction to buy (sell) that is the subject of the complaint is greater than (less than) the Reference Price by an amount that equals or exceeds the Numerical Guidelines set forth below.

Reference Price, Circumstance or Product	Regular Trading Hours Numerical Guidelines (Subject transaction's % difference from the Reference Price):
Greater than $0.00 up to and including $25.00	10%
Greater than $25.00 up to and including $50.00	5%
Greater than $50.00	3%
Multi-Stock Event – Filings involving five or more, but less than twenty, securities whose executions occurred within a period of five minutes or less	10%
Multi-Stock Event – Filings involving twenty or more securities whose executions occurred within a period of five minutes or less	30%, subject to the terms of paragraph (c)(2) below
Leveraged ETF/ETN Securities	N/A

(B) **Multi-Stock Events Involving Twenty or More Securities**. Multi-Stock Events involving twenty or more securities may be reviewable as clearly erroneous if they are eligible for review pursuant to paragraph (c)(1)(A). During Multi-Stock Events, the number of affected transactions may be such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest. In such circumstances, the Exchange may use a Reference Price other than consolidated last sale. To ensure consistent

application across market centers when this paragraph is invoked, the Exchange will promptly coordinate with the other market centers to determine the appropriate review period, which may be greater than the period of five minutes or less that triggered application of this paragraph, as well as select one or more specific points in time prior to the transactions in question and use transaction prices at or immediately prior to the one or more specific points in time selected as the Reference Price. The Exchange will nullify as clearly erroneous all transactions that are at prices equal to or greater than 30% away from the Reference Price in each affected security during the review period selected by the Exchange and other markets consistent with this paragraph.

(C) **Additional Factors.** Except in the context of a Multi-Stock Event involving five or more securities, an Official may also consider additional factors to determine whether an execution is clearly erroneous, provided the execution is eligible for review pursuant to paragraph (c)(1)(A). Such additional factors include but are not limited to, system malfunctions or disruptions, volume and volatility for the security, derivative securities products that correspond to greater than 100% in the direction of a tracking index, news released for the security, whether trading in the security was recently halted/resumed, whether the security is an initial public offering, whether the security was subject to a stock-split, reorganization, or other corporate action, overall market conditions, validity of the consolidated tape trades and quotes, consideration of primary market indications, and executions inconsistent with the trading pattern in the stock. Each additional factor shall be considered with a view toward maintaining a fair and orderly market and the protection of investors and the public interest.

(D) **Outlier Transactions.** In the case of an Outlier Transaction eligible for review pursuant to paragraph (c)(1)(A), an Official may, in his or her sole discretion, and on a case-by-case basis, consider requests received pursuant to paragraph (b) of this Exchange Rule after thirty (30) minutes, but not longer than sixty (60) minutes after the transaction in question, depending on the facts and circumstances surrounding such request.

(i) An "Outlier Transaction" means a transaction where the execution price of the security is greater than three times the current Numerical Guidelines set forth in paragraph (c)(2) of this Exchange Rule.

(ii) If the execution price of the security in question is not within the Outlier Transaction parameters set forth in paragraph (c)(2)(D)(i) of this Exchange Rule but breaches the 52-week high or 52-week low, the Exchange may consider Additional Factors as outlined in paragraph (c)(2)(C), in determining if the transaction qualifies for further review or if the Exchange shall decline to act.

(d) **Reference Price**. The Reference Price referred to in paragraphs (c)(1) and (c)(2) above will be equal to the consolidated last sale immediately prior to the execution(s) under review except for:

(1) in the case of Multi-Stock Events involving twenty or more securities, as described in paragraph (c)(2)(B) above;

(2) in the case of an erroneous Reference Price, as described in paragraph (c)(1)(C) above. In the case of (c)(1)(C)(1), the Exchange would consider a number of factors to determine a new Reference Price that is based on the theoretical value of the security, including but not limited to, the offering price of the new issue, the ratio of the stock split applied to the prior day's closing price, the theoretical price derived from the numerical terms of the corporate action transaction such as the exchange ratio and spin-off terms, and for an OTC up-listing, the price of the security as provided in the prior day's FINRA Trade Dissemination Service final closing report. In the case of (c)(1)(C)(2), the Reference Price will be the last effective Price Band that was in a limit state before the Trading Pause; or

(3) in other circumstances, such as, for example, relevant news impacting a security or securities, periods of extreme market volatility, sustained illiquidity, or widespread system issues, where use of a different

Reference Price is necessary for the maintenance of a fair and orderly market and the protection of investors and the public interest, provided that such circumstances are eligible for review pursuant to paragraph (c)(1)(A).

(e) **Review Procedures.**

(1) **Determination by Official.** Unless both parties to the disputed transaction agree to withdraw the initial request for review, the transaction under dispute shall be reviewed, and a determination shall be rendered by the Official. If the Official determines that the transaction is not clearly erroneous, the Official shall decline to take any action in connection with the completed trade. In the event that the Official determines that the transaction in dispute is clearly erroneous, the Official shall declare the transaction null and void. A determination shall be made generally within thirty (30) minutes of receipt of the complaint, but in no case later than the start of Regular Trading Hours on the following trading day. The parties shall be promptly notified of the determination.

(2) **Appeals**. If a Member affected by a determination made under this Exchange Rule so requests within the time permitted below, the Clearly Erroneous Execution Panel ("CEE Panel") will review decisions made by the Official under this Exchange Rule, including whether a clearly erroneous execution occurred and whether the correct determination was made; provided however that the CEE Panel will not review decisions made by an Officer under paragraph (g) of this Rule regarding transactions that occurred outside of the applicable Price Bands disseminated pursuant to the LULD Plan, and further provided that with respect to rulings made by the Exchange in conjunction with one or more additional market centers, the number of affected transactions is similarly such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest and, hence, are also non-appealable.

(A) The CEE Panel will be comprised of the Exchange's Chief Regulatory Officer ("CRO"), or a designee of the CRO, and representatives from two (2) Members.

(B) The Exchange shall designate at least ten (10) representatives of Members to be called upon to serve on the CEE Panel as needed. In no case shall a CEE Panel include a person affiliated with a party to the trade in question. To the extent reasonably possible, the Exchange shall call upon the designated representatives to participate on a CEE Panel on an equally frequent basis.

(C) A request for review on appeal must be made in writing via e-mail or other electronic means specified from time to time by the Exchange in a circular distributed to Members within thirty (30) minutes after the party making the appeal is given notification of the initial determination being appealed. The CEE Panel shall review the facts and render a decision as soon as practicable, but generally on the same trading day as the execution(s) under review. On requests for appeal received between 3:00 p.m. Eastern Time and the close of trading, a decision will be rendered as soon as practicable, but in no case later than the trading day following the date of the execution under review.

(D) The CEE Panel may overturn or modify an action taken by the Official under this Exchange Rule. All determinations by the CEE Panel shall constitute final action by the Exchange on the matter at issue.

(E) If the CEE Panel votes to uphold the decision made pursuant to paragraph (e)(1) above, the Exchange will assess a $500.00 fee against the Member(s) who initiated the request for appeal. In addition, in instances where the Exchange, on behalf of a Member, requests a determination by another market center that a transaction is clearly erroneous, the Exchange will pass any resulting charges through to the relevant Member.

(F) Any determination by an Official or by the CEE Panel shall be rendered without prejudice as to the rights of the parties to the transaction to submit their dispute to arbitration.

(f) **Officer Acting on Own Motion.** An Officer of the Exchange or senior level employee designee, acting on his or her own motion, may review potentially erroneous transactions are eligible for review pursuant to paragraph (c)(1) and declare trades null and void or shall decline to take any action in connection with the completed trade(s). In such events, the Officer of the Exchange or such other senior level employee designee will rely on the provisions of paragraph (c)(1) and (c)(2) of this Exchange Rule. Absent extraordinary circumstances, any such action of the Officer of the Exchange or other senior level employee designee shall be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Officer of the Exchange or other senior level employee designee must be taken by no later than the start of Regular Trading Hours on the trading day following the date of execution(s) under review. When such action is taken independently, each party involved in the transaction shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2) above.

(g) **Transactions Occurring Outside of LULD Plan Price Bands**. If as a result of an Exchange technology or systems issue any transaction occurs outside of the applicable Price Bands disseminated pursuant to the LULD Plan, an Officer of the Exchange or senior level employee designee, acting on his or her own motion or at the request of a third party, shall review and declare any such trades null and void. Absent extraordinary circumstances, any such action of the Officer of the Exchange or other senior level employee designee shall be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction. When extraordinary circumstances exist, any such action of the Officer of the Exchange or other senior level employee designee must be taken by no later than the start of Regular Trading Hours on the trading day following the date on which the execution(s) under review occurred. Each Member involved in the transaction shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2) above. In the event that a single plan processor experiences a technology or systems issue that prevents the dissemination of Price Bands, the Exchange will make the determination of whether to nullify transactions based on paragraph (c)(1)(B) above.

(h) **Multi-Day Event.** A series of transactions in a particular security on one or more trading days may be viewed as one event if all such transactions were effected based on the same fundamentally incorrect or grossly misinterpreted issuance information resulting in a severe valuation error for all such transactions (the "Event"). An Officer of the Exchange or senior level employee designee, acting on his or her own motion, shall take action to declare all transactions that occurred during the Event null and void not later than the start of trading on the day following the last transaction in the Event. If trading in the security is halted before the valuation error is corrected, an Officer of the Exchange or senior level employee designee shall take action to declare all transactions that occurred during the Event null and void prior to the resumption of trading. Notwithstanding the foregoing, no action can be taken pursuant to this paragraph with respect to any transactions that have reached settlement date or that result from an initial public offering of a security. To the extent transactions related to an Event occur on one or more other market centers, the Exchange will promptly coordinate with such other market center(s) to ensure consistent treatment of the transactions related to the Event, if practicable. Any action taken in connection with this paragraph will be taken without regard to the Percentage Parameters or Numerical Guidelines set forth in this Exchange Rule. Each Member involved in a transaction subject to this paragraph shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2) above.

(i) **Trading Halts.** In the event of any disruption or malfunction in the operation of the electronic communications and trading facilities of the Exchange, another market center or responsible single plan processor in connection with the transmittal or receipt of a regulatory trading halt, suspension or pause, an Officer of the Exchange or senior level employee designee, acting on his or her own motion, shall nullify any transaction in a security that occurs after the primary listing market for such security declares a regulatory trading halt, suspension or pause with respect to such security and before such regulatory trading halt, suspension or pause with respect to such security has officially

ended according to the primary listing market. In addition, in the event a regulatory trading halt, suspension or pause is declared, then prematurely lifted in error and is then re-instituted, an Officer of the Exchange or senior level employee designee shall nullify transactions that occur before the official, final end of the halt, suspension or pause according to the primary listing market. Any action taken in connection with this paragraph shall be taken in a timely fashion, generally within thirty (30) minutes of the detection of the erroneous transaction and in no circumstances later than the start of Regular Trading Hours on the trading day following the date of execution(s) under review. Any action taken in connection with this paragraph will be taken without regard to the Percentage Parameters or Numerical Guidelines set forth in this Exchange Rule. Each Member involved in a transaction subject to this paragraph shall be notified as soon as practicable by the Exchange, and the party aggrieved by the action may appeal such action in accordance with the provisions of paragraph (e)(2) above.

[Adopted: August 14, 2020 (SR-PEARL-2020-03); amended September 23, 2022; implemented October 1, 2022 (SR-PEARL-2022-41)]

Rule 2622. Limit Up-Limit Down Plan and Trading Halts *(See below for amended Rule 2622, which will become operative on March 30, 2023.)*

(a) The Exchange shall halt trading in all stocks and shall not reopen for the time periods specified in this Exchange Rule if there is a Level 1, 2, or 3 Market Decline.

(1) For purposes of this Exchange Rule, a Market Decline means a decline in price of the S&P 500 Index between 9:30 a.m. and 4:00 p.m. on a trading day as compared to the closing price of the S&P 500 Index for the immediately preceding trading day. The Level 1, Level 2, and Level 3 Market Declines that will be applicable for the trading day will be publicly disseminated before 9:30 a.m.

(2) A “Level 1 Market Decline” means a Market Decline of 7%.

(3) A “Level 2 Market Decline” means a Market Decline of 13%.

(4) A “Level 3 Market Decline” means a Market Decline of 20%.

(b) **Halts in Trading.**

(1) If a Level 1 Market Decline or a Level 2 Market Decline occurs after 9:30 a.m. and up to and including 3:25 p.m., or in the case of an early scheduled close, 12:25 p.m., the Exchange shall halt trading in all stocks for 15 minutes after a Level 1 or Level 2 Market Decline. The Exchange shall halt trading based on a Level 1 or Level 2 Market Decline only once per trading day. The Exchange will not halt trading if a Level 1 Market Decline or a Level 2 Market Decline occurs after 3:25 p.m., or in the case of an early scheduled close, 12:25 p.m.

(2) If a Level 3 Market Decline occurs at any time during the trading day, the Exchange shall halt trading in all stocks for the remainder of the trading day.

(c) If a primary listing market halts trading in all stocks, the Exchange will halt trading in all stocks until trading has resumed on the primary listing market or notice has been received from the primary listing market that trading may resume. If the primary listing market does not reopen a security within 15 minutes following the end of the 15-minute halt period, the Exchange may resume trading in that security.

(d) Nothing in this Exchange Rule 2622 should be construed to limit the ability of the Exchange to otherwise halt, suspend, or pause the trading in any stock or stocks traded on the Exchange pursuant to any other Exchange rule or policy.

(e) **Market-Wide Circuit Breaker ("MWCB") Testing.**

(1) The Exchange will participate in all industry-wide tests of the MWCB mechanism. Equity Member designated pursuant to Chapter III of these Rules to participate in Exchange Back-up Systems and Mandatory Testing are required to participate in at least one industry-wide MWCB test each year and to verify their participation in that test by attesting that they are able to or have attempted to:

(A) receive and process MWCB halt messages from the securities information processors ("SIPs");

(B) receive and process resume messages from the SIPs following a MWCB halt;

(C) receive and process market data from the SIPs relevant to MWCB halts; and

(D) send orders following a Level 1 or Level 2 MWCB halt in a manner consistent with their usual trading behavior.

(2) To the extent that an Equity Member participating in a MWCB test is unable to receive and process any of the messages identified in paragraph (e)(1)(A)-(D) of this Rule, its attestation should notify the Exchange which messages it was unable to process and, if known, why.

(3) Equity Members not designated pursuant to standards established in Chapter III of these Rules are permitted to participate in any MWCB test.

(f) In the event that a halt is triggered under this Rule following a Level 1, Level 2, or Level 3 Market Decline, the Exchange, together with other SROs and industry representatives (the "MWCB Working Group"), will review such event. The MWCB Working Group will prepare a report that documents its analysis and recommendations and will provide that report to the Commission within 6 months of the event.

(g) In the event that there is (1) a Market Decline of more than 5%, or (2) an SRO implements a rule that changes its reopening process following a MWCB Halt, the Exchange, together with the MWCB Working Group, will review such event and consider whether any modifications should be made to this Rule. If the MWCB Working Group recommends that a modification should be made to this Rule, the MWCB Working Group will prepare a report that documents its analysis and recommendations and provide that report to the Commission.

(h) **Limit Up-Limit Down Mechanism.**

(1) **Definitions**.

(A) The term "Plan" or "Limit Up-Limit Down Plan" means the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Exchange Act, as amended from time to time.

(B) All capitalized terms not otherwise defined in this paragraph (e) shall have the meanings set forth in the Plan or Exchange rules, as applicable.

(2) **Exchange Participation in the Plan**. The Exchange is a Participant in, and subject to the applicable requirements of, the Plan, which establishes procedures to address extraordinary volatility in NMS Stocks.

(3) **Member Compliance**. Equity Members shall comply with the applicable provisions of the Plan.

(4) **Exchange Compliance with the Plan**. The System shall not display or execute buy (sell) interest above (below) the Upper (Lower) Price Bands, unless such interest is specifically exempted under the Plan.

(5) **Re-pricing and Cancellation of Interest**. Depending on a User's instructions, the System shall re-price and/or cancel buy (sell) interest that is priced or could be executed above (below) the Upper (Lower) Price Band. When re-pricing resting orders because such orders are above (below) the Upper (Lower) Price Band, the Exchange will provide new timestamps to such orders. The Exchange will also provide new timestamps to resting orders at the less aggressive price to which such orders are re-priced. Any resting interest that is re-priced pursuant to this Exchange Rule shall maintain priority ahead of interest that was originally less aggressively priced, regardless of the original timestamps for such orders.

(A) **Market Orders and orders Designated IOC**. The System will only execute Market Orders and orders designated IOC at or within the Price Bands.

(B) **Limit-Priced Interest**. Limit-priced interest will be cancelled if a User has entered instructions not to use the re-pricing process under this paragraph (e) and such interest to buy (sell) is priced above (below) the Upper (Lower) Price Band. If re-pricing is permitted based on a User's instructions, both displayable and non-displayable incoming limit-priced interest to buy (sell) that is priced above (below) the Upper (Lower) Price Band shall be re-priced to the Upper (Lower) Price Band. The System shall re-price resting limit-priced interest to buy (sell) to the Upper (Lower) Price Band if Price Bands move such that the price of resting limit-priced interest to buy (sell) would be above (below) the Upper (Lower) Price Band. If the Price Bands move again and a User has opted into the Exchange's optional multiple price sliding process, as described in Exchange Rule 2614(g)(1)(C), the System shall reprice such limit-priced interest to the most aggressive permissible price up to the order's limit price. All other displayed and non-displayed limit interest repriced pursuant to this paragraph (e) will remain at its new price unless the Price Bands move such that the price of resting limit-priced interest to buy (sell) would again be above (below) the Upper (Lower) Price Band.

(C) **Routable Orders**. If routing is permitted based on a User's instructions, orders shall be routed away from the Exchange pursuant to Exchange Rule 2617(b), provided that the System shall not route buy (sell) interest at a price above (below) the Upper (Lower) Price Band.

(D) **Sell Short Orders**. During a Short Sale Period, as defined in Exchange Rule 2614(g)(3)(A), short sale orders not marked short exempt priced below the Lower Price Band shall be repriced to the higher of the Lower Price Band or the Permitted Price, as defined in Exchange Rule 2614(g)(3)(A).

(6) **Re-opening of Trading following a Trading Pause**. At the end of the Trading Pause, the Exchange shall re-open the security pursuant to the procedures set forth in Exchange Rule 2615.

(i) On the occurrence of any trading halt pursuant to this Exchange Rule, except where a User has designated that its orders be cancelled, all outstanding orders in the System will remain on the MIAX Pearl Equities Book.

(j) All times referenced in this Exchange Rule 2622 shall be Eastern Time.

[Adopted: August 14, 2020 (SR-PEARL-2020-03); amended October 6, 2020 (SR-PEARL-2020-20); amended October 12, 2021 (SR-PEARL-2021-50); amended March 17, 2022 (SR-PEARL-2022-08); amended April 6, 2022 (SR-PEARL-2022-13)]

The following rule will become operative on March 30, 2023. Text to be deleted is ~~struckthrough~~. Text to be added is underlined.

Rule 2622. Limit Up-Limit Down Plan and Trading Halts

(a) The Exchange shall halt trading in all stocks and shall not reopen for the time periods specified in this Exchange Rule if there is a Level 1, 2, or 3 Market Decline.

(1) For purposes of this Exchange Rule, a Market Decline means a decline in price of the S&P 500 Index between 9:30 a.m. and 4:00 p.m. on a trading day as compared to the closing price of the S&P 500 Index for the immediately preceding trading day. The Level 1, Level 2, and Level 3 Market Declines that will be applicable for the trading day will be publicly disseminated before 9:30 a.m.

(2) A "Level 1 Market Decline" means a Market Decline of 7%.

(3) A "Level 2 Market Decline" means a Market Decline of 13%.

(4) A "Level 3 Market Decline" means a Market Decline of 20%.

(b) ***Halts in Trading.***

(1) If a Level 1 Market Decline or a Level 2 Market Decline occurs after 9:30 a.m. and up to and including 3:25 p.m., or in the case of an early scheduled close, 12:25 p.m., the Exchange shall halt trading in all stocks for 15 minutes after a Level 1 or Level 2 Market Decline. The Exchange shall halt trading based on a Level 1 or Level 2 Market Decline only once per trading day. The Exchange will not halt trading if a Level 1 Market Decline or a Level 2 Market Decline occurs after 3:25 p.m., or in the case of an early scheduled close, 12:25 p.m.

(2) If a Level 3 Market Decline occurs at any time during the trading day, the Exchange shall halt trading in all stocks for the remainder of the trading day.

(c) If a primary listing market halts trading in all stocks, the Exchange will halt trading in all stocks until trading has resumed on the primary listing market or notice has been received from the primary listing market that trading may resume. If the primary listing market does not reopen a security within 15 minutes following the end of the 15-minute halt period, the Exchange may resume trading in that security.

(d) Nothing in this Exchange Rule 2622 should be construed to limit the ability of the Exchange to otherwise halt, suspend, or pause the trading in any stock or stocks traded on the Exchange pursuant to any other Exchange rule or policy.

(e) ***Market-Wide Circuit Breaker ("MWCB") Testing.***

(1) The Exchange will participate in all industry-wide tests of the MWCB mechanism. Equity Member designated pursuant to Chapter III of these Rules to participate in Exchange Back-up Systems and Mandatory Testing are required to participate in at least one industry-wide MWCB test each year and to verify their participation in that test by attesting that they are able to or have attempted to:

(A) receive and process MWCB halt messages from the securities information processors ("SIPs");

(B) receive and process resume messages from the SIPs following a MWCB halt;

(C) receive and process market data from the SIPs relevant to MWCB halts; and

(D) send orders following a Level 1 or Level 2 MWCB halt in a manner consistent with their usual trading behavior.

(2) To the extent that an Equity Member participating in a MWCB test is unable to receive and process any of the messages identified in paragraph (e)(1)(A)-(D) of this Rule, its attestation should notify the Exchange which messages it was unable to process and, if known, why.

(3) Equity Members not designated pursuant to standards established in Chapter III of these Rules are permitted to participate in any MWCB test.

(f) In the event that a halt is triggered under this Rule following a Level 1, Level 2, or Level 3 Market Decline, the Exchange, together with other SROs and industry representatives (the "MWCB Working Group"), will review such event. The MWCB Working Group will prepare a report that documents its analysis and recommendations and will provide that report to the Commission within 6 months of the event.

(g) In the event that there is (1) a Market Decline of more than 5%, or (2) an SRO implements a rule that changes its reopening process following a MWCB Halt, the Exchange, together with the MWCB Working Group, will review such event and consider whether any modifications should be made to this Rule. If the MWCB Working Group recommends that a modification should be made to this Rule, the MWCB Working Group will prepare a report that documents its analysis and recommendations and provide that report to the Commission.

(h) ***Limit Up-Limit Down Mechanism.***

(1) ***Definitions****.*

~~*(A) The term "Plan" or "Limit Up-Limit Down Plan" means the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Exchange Act, as amended from time to time.*~~

~~*(B) All capitalized terms not otherwise defined in this paragraph (e) shall have the meanings set forth in the Plan or Exchange rules, as applicable.*~~

(A) A "UTP Exchange Traded Product" means one of the following Exchange Traded Products that trades on the Exchange pursuant to unlisted trading privileges: Equity Linked Notes, Investment Company Units, Index Fund Shares, NextShares, Index-Linked Exchangeable Notes, Equity Gold Shares, Equity Index-Linked Securities, Commodity- Linked Securities, Currency-Linked Securities, Fixed-Income Index-Linked Securities, Futures-Linked Securities, Multifactor-Index-Linked Securities, Trust Certificates, Currency and Index Warrants, Portfolio Depository Receipts, Trust Issued Receipts, Commodity-Based Trust Shares, Currency Trust Shares, Commodity Index Trust Shares, Commodity Futures Trust Shares, Partnership Units, Paired Trust Shares, Trust Units, Managed Fund Shares, and Managed Trust Securities.

(i) The term "Trust Shares" means a security (a) that is based on a unit investment trust ("Trust") which holds the securities which comprise an index or portfolio underlying a series of Trust Shares; (b) that

is issued by the Trust in a specified aggregate minimum number in return for a "Portfolio Deposit" consisting of specified numbers of shares of stock plus a cash amount; (c) that, when aggregated in the same specified minimum number, may be redeemed from the Trust which will pay to the redeeming holder the stock and cash then comprising the "Portfolio Deposit"; and (d) that pays holders a periodic cash payment corresponding to the regular cash dividends or distributions declared with respect to the component securities of the stock index or portfolio of securities underlying the Trust Shares, less certain expenses and other charges as set forth in the Trust prospectus.

(ii) The term "Index Fund Shares" means a security (a) that is issued by an open- end management investment company based on a portfolio of stocks that seeks to provide investment results that correspond generally to the price and yield performance of specified foreign or domestic stock index; (b) that is issued by such an open-end management investment company in a specified aggregate minimum number in return for a deposit of specified numbers of shares of stock and/or a cash amount with a value equal to the next determined net asset value; and (c) that, when aggregated in the same specified minimum number, may be redeemed at a holder's request by such open-end investment company which will pay to the redeeming holder the stock and/or cash with a value equal to the next determined net asset value.

(iii) The term "Managed Fund Shares" means a security that (a) represents an interest in a registered investment company ("Investment Company") organized as an open-end management investment company or similar entity, that invests in a portfolio of securities selected by the Investment Company's investment adviser consistent with the Investment Company's investment objectives and policies; (b) is issued in a specified aggregate minimum number in return for a deposit of a specified portfolio of securities and/or a cash amount with a value equal to the next determined net asset value; and (c) when aggregated in the same specified minimum number, may be redeemed at a holder's request, which holder will be paid a specified portfolio of securities and/or cash with a value equal to the next determined net asset value.

(iv) The term "Trust Issued Receipts" means a security (a) that is issued by a trust ("Trust") which holds specified securities deposited with the Trust; (b) that, when aggregated in some specified minimum number, may be surrendered to the Trust by the beneficial owner to receive the securities; and (c) that pays beneficial owners dividends and other distributions on the deposited securities, if any are declared and paid to the trustee by an issuer of the deposited securities.

(B) "Extraordinary Market Activity" means a disruption or malfunction of any electronic quotation, communication, reporting, or execution system operated by, or linked to, the Processor or a Trading Center or a member of such Trading Center that has a severe and continuing negative impact on quoting, order, or trading activity or on the availability of market information necessary to maintain a fair and orderly market. For purposes of this definition, a severe and continuing negative impact on quoting, order, or trading activity includes (i) a series of quotes, orders, or transactions at prices substantially unrelated to the current market for the security or securities; (ii) duplicative or erroneous quoting, order, trade reporting, or other related message traffic between one or more Trading Centers or their members; or (iii) the unavailability of quoting, order, transaction information, or regulatory messages for a sustained period.

(C) "Operating Committee" has the same meaning as in the Nasdaq UTP Plan.

(D) "Operational Halt" has the same meaning as in the Nasdaq UTP Plan.

(E) "Post-Market Session" means the trading session that begins after Regular Trading Hours at approximately 4:00 p.m., and that continues until 5:00 p.m.

(F) "Pre-Market Session" means the trading session that begins at 8:00 a.m. and continues until 9:30 a.m.

(G) "Primary Listing Market" has the same meaning as in the Nasdaq UTP Plan.

(H) "Processor" or "SIP" have the same meaning as the term "Processor" in the Nasdaq UTP Plan or in the Consolidated Tape Association Plan, as is applicable.

(I) "Regulatory Halt" has the same meaning as in Section X.A.10 of the Nasdaq UTP Plan.

(J) "Regular Trading Hours" has the same meaning as in the Nasdaq UTP Plan.

(K) "SIP Halt" has the same meaning as in the Nasdaq UTP Plan.

(L) "SIP Halt Resume Time" has the same meaning as in the Nasdaq UTP Plan.

(M) "SIP Plan" means the national market system plan governing the SIP.

(2) Regulatory Halts

(A) Authority to Implement a Regulatory Halt

(i) The Exchange shall implement a Regulatory Halt in the following circumstances, as applicable:

(a) Implementing a Trading Pause Declared by a Primary Listing Market Pursuant to the Limit Up-Limit Down Mechanism.

Definitions for purposes of the Limit Up-Limit Down Mechanism.

1. The term "Plan" or "Limit Up-Limit Down Plan" means the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Exchange Act, as amended from time to time.

2. All capitalized terms not otherwise defined in this Rule shall have the meanings set forth in the LULD Plan or Exchange rules, as applicable.

(b) Exchange Participation in the LULD Plan. The Exchange is a Participant in, and subject to the applicable requirements of, the LULD Plan, which establishes procedures to address extraordinary volatility in NMS Stocks.

(c) Member Compliance. Members shall comply with the applicable provisions of the LULD Plan.

(d) Exchange Compliance with the LULD Plan. Exchange systems shall not display or execute buy (sell) interest above (below) the Upper (Lower) Price Bands, unless such interest is specifically exempted under the LULD Plan.

*(e) Repricing and Cancellation **of Interest**. Depending on a User's instructions, the System shall re-price and/or cancel buy (sell) interest that is priced or could be executed above (below) the Upper (Lower) Price Band. When re-pricing resting orders because such orders are above (below) the Upper (Lower) Price Band, the Exchange will provide new timestamps to such orders. The Exchange will also provide new timestamps to resting orders at the less aggressive price to which such orders are re-priced. Any resting interest that is re-priced pursuant to this Exchange Rule shall maintain priority ahead of interest that was originally less aggressively priced, regardless of the original timestamps for such orders.*

1. Market Orders and orders Designated IOC. The System will only execute Market Orders and orders designated IOC at or within the Price Bands.

2. Limit-Priced Interest. Limit-priced interest will be cancelled if a User has entered instructions not to use the re-pricing process under this paragraph (e) and such interest to buy (sell) is priced above (below) the Upper (Lower) Price Band. If re-pricing is permitted based on a User's instructions, both displayable and non-displayable incoming limit-priced interest to buy (sell) that is priced above (below) the Upper (Lower) Price Band shall be re-priced to the Upper (Lower) Price Band. The System shall re-price resting limit-priced interest to buy (sell) to the Upper (Lower) Price Band if Price Bands move such that the price of resting limit-priced interest to buy (sell) would be above (below) the Upper (Lower) Price Band. If the Price Bands move again and a User has opted into the Exchange's optional multiple price sliding process, as described in Exchange Rule 2614(g)(1)(C), the System shall reprice such limit-priced interest to the most aggressive permissible price up to the order's limit price. All other displayed and non-displayed limit interest repriced pursuant to this paragraph (e) will remain at its new price unless the Price Bands move such that the price of resting limit-priced interest to buy (sell) would again be above (below) the Upper (Lower) Price Band.

3. Routable Orders. If routing is permitted based on a User's instructions, orders shall be routed away from the Exchange pursuant to Exchange Rule 2617(b), provided that the System shall not route buy (sell) interest at a price above (below) the Upper (Lower) Price Band.

4. Sell Short Orders. During a Short Sale Period, as defined in Exchange Rule 2614(g)(3)(A), short sale orders not marked short exempt priced below the Lower Price Band shall be repriced to the higher of the Lower Price Band or the Permitted Price, as defined in Exchange Rule 2614(g)(3)(A).

(ii) The Exchange shall implement a trading halt due to extraordinary market volatility, as set forth in paragraph (a) of this Rule.

(iii) Implementing Regulatory Halts Initiated by Other Markets

(a) Start Time

1. The start time of a Regulatory Halt is when the Primary Listing Market declares the halt, regardless of whether an issue with communications impacts the dissemination of the notice.

2. The Exchange will halt trading for any securities traded on the Exchange when the Primary Listing Market declares a Regulatory Halt for any such securities.

3. The Exchange may halt trading in UTP Exchange Traded Products on the Exchange:

(A) Regular Trading Hours. During the Regular Trading Hours, if a temporary interruption occurs in the calculation or wide dissemination of the applicable IIV or value of the underlying index by a major market data vendor and the listing market halts trading in the UTP Exchange Traded Product, the Exchange, upon notification by the primary listing market of such halt due to such temporary interruption, also shall immediately halt trading in the UTP Exchange Traded Product on the Exchange.

(B) Resumption of Trading After a Regulatory Halt

(i) Resumption of Trading After a Regulatory Halt Other Than a SIP Halt

(a) The Exchange may resume trading after the Exchange receives notification from the Primary Listing Market that the Regulatory Halt has been terminated.

(ii) Resumption of Trading After a SIP Halt

(a) For securities subject to a SIP Halt initiated by another exchange that is the Primary Listing Market, during Regular Trading Hours, the Exchange may resume trading after trading has resumed on the Primary Listing Market or notice has been received from the Primary Listing Market that trading may resume. During Regular Trading Hours, if the Primary Listing Market does not open a security within the amount of time specified by the rules of the Primary Listing Market after the SIP Halt Resume Time, the Exchange may resume trading in that security.

(iii) At the end of a SIP Halt, the Exchange shall re-open the security pursuant to the procedures set forth in Exchange Rule 2615.

(3) Operational Halts

(A) Authority to Initiate an Operational Halt. The Exchange may declare an Operational Halt for any security trading on the Exchange:

(i) if it is experiencing Extraordinary Market Activity on the Exchange; or

(ii) when otherwise necessary to maintain a fair and orderly market or in the public interest.

(B) Initiating an Operational Halt. The Exchange will notify the SIP if it has concerns about its ability to collect and transmit Quotation Information or Transaction Reports (as those terms are defined in the Nasdaq UTP Plan), or if it has declared an Operational Halt or suspension of trading in one or more Eligible Securities (as that term is defined in the Nasdaq UTP Plan), pursuant to the procedures adopted by the Operating Committee.

(C) Resumption of Trading After an Operational Halt

(i) When the Exchange determines that trading may resume on its market in a fair and orderly manner and in accordance with its Rules it shall resume trading following an Operational Halt.

(ii) During any Operational Halt, orders entered will not be accepted, unless subject to instructions that the order will be routed to an away Trading Center as described in Exchange Rule 2617.

(iii) Communications. Trading in a halted security shall resume at the time specified by the Exchange in a notice. The Exchange will notify all other Plan participants and the SIP using such protocols and other

emergency procedures as may be mutually agreed to between the Operating Committee and the Exchange. If the SIP is unable to disseminate notice of an Operational Halt or the Exchange is not open for trading, the Exchange will take reasonable steps to provide notice of an Operational Halt, which shall include both the type and start time of the Operational Halt. Each Plan participant shall continuously monitor communication protocols established by the Operating Committee and the Processor during market hours to disseminate notice of an Operational Halt, and the failure of a participant to do so shall not prevent the Exchange from initiating an Operational Halt in accordance with the procedures specified herein.

*(2) **Exchange Participation in the Plan**. The Exchange is a Participant in, and subject to the applicable requirements of, the Plan, which establishes procedures to address extraordinary volatility in NMS Stocks.*

*(3) **Member Compliance**. Equity Members shall comply with the applicable provisions of the Plan.*

*(4) **Exchange Compliance with the Plan**. The System shall not display or execute buy (sell) interest above (below) the Upper (Lower) Price Bands, unless such interest is specifically exempted under the Plan.*

*(5) **Re-pricing and Cancellation of Interest**. Depending on a User's instructions, the System shall re-price and/or cancel buy (sell) interest that is priced or could be executed above (below) the Upper (Lower) Price Band. When re-pricing resting orders because such orders are above (below) the Upper (Lower) Price Band, the Exchange will provide new timestamps to such orders. The Exchange will also provide new timestamps to resting orders at the less aggressive price to which such orders are re-priced. Any resting interest that is re-priced pursuant to this Exchange Rule shall maintain priority ahead of interest that was originally less aggressively priced, regardless of the original timestamps for such orders.*

*(A) **Market Orders and orders Designated IOC**. The System will only execute Market Orders and orders designated IOC at or within the Price Bands.*

*(B) **Limit-Priced Interest**. Limit-priced interest will be cancelled if a User has entered instructions not to use the re-pricing process under this paragraph (e) and such interest to buy (sell) is priced above (below) the Upper (Lower) Price Band. If re-pricing is permitted based on a User's instructions, both displayable and non-displayable incoming limit-priced interest to buy (sell) that is priced above (below) the Upper (Lower) Price Band shall be re-priced to the Upper (Lower) Price Band. The System shall re-price resting limit-priced interest to buy (sell) to the Upper (Lower) Price Band if Price Bands move such that the price of resting limit priced interest to buy (sell) would be above (below) the Upper (Lower) Price Band. If the Price Bands move again and a User has opted into the Exchange's optional multiple price sliding process, as described in Exchange Rule 2614(g)(1)(C), the System shall reprice such limit-priced interest to the most aggressive permissible price up to the order's limit price. All other displayed and non-displayed limit interest repriced pursuant to this paragraph (e) will remain at its new price unless the Price Bands move such that the price of resting limit-priced interest to buy (sell) would again be above (below) the Upper (Lower) Price Band.*

*(C) **Routable Orders**. If routing is permitted based on a User's instructions, orders shall be routed away from the Exchange pursuant to Exchange Rule 2617(b), provided that the System shall not route buy (sell) interest at a price above (below) the Upper (Lower) Price Band.*

*(D) **Sell Short Orders**. During a Short Sale Period, as defined in Exchange Rule 2614(g)(3)(A), short sale orders not marked short exempt priced below the Lower Price Band shall be repriced to the higher of the Lower Price Band or the Permitted Price, as defined in Exchange Rule 2614(g)(3)(A).*

~~*(6) **Re-opening of Trading following a Trading Pause**. At the end of the Trading Pause, the Exchange shall re-open the security pursuant to the procedures set forth in Exchange Rule 2615.*~~

(i) On the occurrence of any trading halt pursuant to this Exchange Rule, except where a User has designated that its orders be cancelled, all outstanding orders in the System will remain on the MIAX Pearl Equities Book.

(j) All times referenced in this Exchange Rule 2622 shall be Eastern Time.

[Adopted: August 14, 2020 (SR-PEARL-2020-03); amended October 6, 2020 (SR-PEARL-2020-20); amended October 12, 2021 (SR-PEARL-2021-50); amended March 17, 2022 (SR-PEARL-2022-08); amended April 6, 2022 (SR-PEARL-2022-13); amended March 9, 2023 (SR-PEARL-2023-11)]

Rule 2623. Short Sales

All short sale orders shall be identified as "short" or "short exempt" when entered into the System. If marked "short exempt," the Exchange shall execute, display and/or route a short sale order marked "short exempt" without regard to any short sale price test restriction in effect during a Short Sale Period, as defined in Exchange Rule 2614(g)(3)(A). The Exchange relies on the marking of an order as "short exempt" when handling such order, and thus, it is the entering Member's responsibility, not the Exchange's responsibility, to comply with the requirements of Regulation SHO relating to marking of orders as "short exempt."

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2624. Locking or Crossing Quotations in NMS Stocks

(a) **Definitions**. For purposes of this Exchange Rule 2624, the following definitions shall apply:

(1) The terms Automated Quotation, Effective National Market System Plan, Intermarket Sweep Order, Manual Quotation, NMS stock, Protected Quotation, Regular Trading Hours, and Trading Center shall have the meanings set forth in Rule 600(b) of Regulation NMS.

(2) The term Crossing Quotation shall mean the display of a bid for an NMS stock during Regular Trading Hours at a price that is higher than the price of an offer for such NMS stock previously disseminated pursuant to an Effective National Market System Plan, or the display of an offer for an NMS stock during Regular Trading Hours at a price that is lower than the price of a bid for such NMS stock previously disseminated pursuant to an Effective National Market System Plan.

(3) The term Locking Quotation shall mean the display of a bid for an NMS stock during Regular Trading Hours at a price that equals the price of an offer for such NMS stock previously disseminated pursuant to an Effective National Market System Plan, or the display of an offer for an NMS stock during Regular Trading Hours at a price that equals the price of a bid for such NMS stock previously disseminated pursuant to an Effective National Market System Plan.

(b) **Prohibition**. Except for quotations that fall within the provisions of paragraph (d) of this Exchange Rule, the System shall not make available for dissemination, and Users shall reasonably avoid displaying, and shall not engage in a pattern or practice of displaying, any quotations that lock or cross a Protected Quotation, and any Manual Quotations that lock or cross a quotation previously disseminated pursuant to an Effective National Market System Plan.

(c) **Manual quotations**. If a User displays a Manual Quotation that locks or crosses a quotation previously disseminated pursuant to an Effective National Market System Plan, such User shall promptly either withdraw the Manual Quotation or route an Intermarket Sweep Order to execute against the full displayed size of the Locked or Crossed Quotation.

(d) **Exceptions.**

(1) The Locking or Crossing Quotation was displayed at a time when the Trading Center displaying the Locked or Crossed Quotation was experiencing a failure, material delay, or malfunction of its systems or equipment.

(2) The Locking or Crossing Quotation was displayed at a time when a protected bid was higher than a protected offer in the NMS stock.

(3) The Locking or Crossing quotation was an Automated Quotation, and the User displaying such Automated Quotation simultaneously routed an Intermarket Sweep Order to execute against the full displayed size of any Locked or Crossed Protected Quotation.

(4) The Locking or Crossing Quotation was a Manual Quotation that locked or crossed another Manual Quotation, and the User displaying the locking or crossing Manual Quotation simultaneously routed an Intermarket Sweep Order to execute against the full displayed size of the locked or crossed Manual Quotation.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2625. Proprietary Data Products

The Exchange offers the following data products:

(a) **Depth of Market Feed**. The Depth of Market Feed is data feed that contains the displayed price and displayed size of each order in an equity security entered into the System, as well as order execution information, order cancellations, order modifications, order identification numbers, and administrative messages.

(b) **Top of Market Feed**. The Top of Market Feed is a data feed that contains the displayed price and aggregate size of displayed top of book quotations, order execution information, and administrative messages for equity securities entered into the System.

(c) **Historical Data**. Historical Data is a data product that offers historical equity security data for orders entered into the System upon request.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2626. Retail Order Attribution Program

(a) **Definitions.**

(1) **Retail Member Organization**. A “Retail Member Organization” or “RMO” is an Equity Member (or a division thereof) that has been approved by the Exchange under this Exchange Rule to submit Retail Orders.

(2) **Retail Order**. A “Retail Order” is an agency or riskless principal order that meets the criteria of FINRA Rule 5320.03 that originates from a natural person and is submitted to the Exchange by a Retail Member

Organization, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology.

(b) **Retail Member Organization Qualifications and Application.**

(1) To qualify as a Retail Member Organization, an Equity Member must conduct a retail business or route retail orders on behalf of another broker-dealer. For purposes of this Exchange Rule, conducting a retail business shall include carrying retail customer accounts on a fully disclosed basis.

(2) To become a Retail Member Organization, a Member must submit:

(A) an application form;

(B) supporting documentation, which may include sample marketing literature, website screenshots, other publicly disclosed materials describing the Equity Member's retail order flow, and any other documentation and information requested by the Exchange in order to confirm that the applicant's order flow would meet the requirements of the Retail Order definition; and

(C) an attestation, in a form prescribed by the Exchange, that substantially all orders submitted as Retail Orders will qualify as such under this Exchange Rule.

(3) After an applicant submits the application form, supporting documentation, and attestation, the Exchange shall notify the applicant of its decision in writing.

(4) A disapproved applicant may: (A) request an appeal of such disapproval by the Exchange as provided in paragraph (d) below; and/or (B) reapply for Retail Member Organization status 90 days after the disapproval notice is issued by the Exchange.

(5) A Retail Member Organization may voluntarily withdraw from such status at any time by giving written notice to the Exchange.

(6) A Retail Member Organization must have written policies and procedures reasonably designed to assure that it will only designate orders as Retail Orders if all requirements of a Retail Order are met. Such written policies and procedures must require the Member to: (i) exercise due diligence before entering a Retail Order to assure that entry as a Retail Order is in compliance with the requirements of this Exchange Rule, and (ii) monitor whether orders entered as Retail Orders meet the applicable requirements. If a Retail Member Organization does not itself conduct a retail business but routes Retail Orders on behalf of another broker-dealer, the Retail Member Organization's supervisory procedures must be reasonably designed to assure that the orders it receives from such other broker-dealer that are designated as Retail Orders meet the definition of a Retail Order. The Retail Member Organization must: (i) obtain an annual written representation, in a form acceptable to the Exchange, from each other broker-dealer that sends the Retail Member Organization orders to be designated as Retail Orders that entry of such orders as Retail Orders will be in compliance with the requirements of this Exchange Rule; and (ii) monitor whether Retail Order flow routed on behalf of such other broker-dealers meets the applicable requirements.

(c) **Failure of RMO to Abide by Retail Order Requirements.**

(1) If a Retail Member Organization designates orders submitted to the Exchange as Retail Orders and the Exchange determines, in its sole discretion, that such orders fail to meet any of the requirements set forth in paragraph

(a) of this Exchange Rule, the Exchange may disqualify an Equity Member from its status as a Retail Member Organization.

(2) **Disqualification Determinations**. The Exchange shall determine if and when an Equity Member is disqualified from its status as a Retail Member Organization. When disqualification determinations are made, the Exchange shall provide a written disqualification notice to the Equity Member.

(3) **Appeal and/or Reapplication for Retail Member Organization Status**. A Retail Member Organization that is disqualified under this paragraph (c) may: (A) appeal such disqualification as provided in paragraph (d) below; and/or (B) reapply for Retail Member Organization status 90 days after the date of the disqualification notice from the Exchange.

(d) **Appeal of Disapproval or Disqualification.**

(1) If an Equity Member disputes the Exchange's decision to disapprove it under paragraph (b) above or disqualify it under paragraph (c) above, the Member ("appellant") may request, within five business days after notice of the decision is issued by the Exchange, that the Retail Attribution Panel (the "Panel") review the decision to determine if it was correct.

(2) The Panel shall consist of the Exchange's Chief Regulatory Officer ("CRO"), or a designee of the CRO, and two officers of the Exchange designated by the Chief Information Officer ("CIO").

(3) The Panel shall review the facts and render a decision within the time frame prescribed by the Exchange.

(4) The Panel may overturn or modify an action taken by the Exchange under this Exchange Rule. A determination by the Panel shall constitute final action by the Exchange.

(e) [Reserved.]

(f) **Attribution**. A Retail Member Organization may designate a Retail Order to be identified as Retail on the Exchange's proprietary data feeds on an order-by-order basis. A Retail Member Organization may also instruct the Exchange to identify all its Retail Orders as Retail on a port-by-port basis. A Retail Member Organization that instructs the Exchange to identify all its Retail Orders as Retail on a particular port will be able to override such setting and designate any individual Retail Order from that port as Attributable or as Non-Attributable, as set forth in Exchange Rule 2614(c)(6).

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Chapter XXVII. Trading Practice Rules

Rule 2700. Market Manipulation

(a) No Equity Member shall execute or cause to be executed or participate in an account for which there are executed purchases of any security at successively higher prices, or sales of any security at successively lower prices, or otherwise engage in activity, for the purpose of creating or inducing a false, misleading or artificial appearance of activity in such security on MIAX Pearl Equities or for the purpose of unduly or improperly influencing the market price for such security or for the purpose of establishing a price which does not reflect the true state of the market in such security.

(b) All orders must be entered for the purpose of executing bona fide transactions, including, without limitation:

(1) No Equity Member shall enter or cause to be entered, an order with the intent, at the time of order entry, to cancel the order before execution, or to modify the order to avoid execution.

(2) No Equity Member shall enter or cause to be entered an executable or non-executable order or orders with the intent to mislead other market participants.

(3) No Equity Member shall enter or cause to be entered an executable or non-executable order with the intent to overload, delay, or disrupt the performance of the systems of the Exchange, its Members, other exchanges, National Market System Plans, or market participants.

(4) No Equity Member shall enter or cause to be entered executable or non-executable orders with intent to disrupt the orderly conduct of trading or the fair execution of transactions on the Exchange or elsewhere in the National Market System.

(5) These provisions shall apply at all times the System is available to Equity Members without exception.

Additionally, all non-executable orders must be entered in good faith for legitimate purposes.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2701. Fictitious Transactions

(a) No Equity Member, for the purpose of creating or inducing a false or misleading appearance of activity in a security traded on MIAX Pearl Equities or creating or inducing a false or misleading appearance with respect to the market in such security shall:

(1) execute any transaction in such security which involves no change in the beneficial ownership thereof, or

(2) enter any order or orders for the purchase of such security with the knowledge that an order or orders of substantially the same size, and at substantially the same price, for the sale of such security, has been or will be entered by or for the same or different parties, or

(3) enter any order or orders for the sale of any such security with the knowledge that an order or orders of substantially the same size, and at substantially the same price, for the purchase of such security, has been or will be entered by or for the same or different parties.

(b) Transactions in a security resulting from the unintentional interaction of orders originating from the same firm that involve no change in the beneficial ownership of the security, ("self-trades") generally are bona fide transactions for purposes of this Exchange Rule; however, Equity Members must have policies and procedures in place that are reasonably designed to review their trading activity for, and prevent, a pattern or practice of self-trades resulting from orders originating from a single algorithm or trading desk, or related algorithms or trading desks. Transactions resulting from orders that originate from unrelated algorithms or separate and distinct trading strategies within the same firm would generally be considered bona fide self-trades. Algorithms or trading strategies within the most discrete unit of an effective system of internal controls at a member firm are presumed to be related. This subsection (b) does not change Equity Members' existing obligations under Exchange Rules 2100 and 2300.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2702. Excessive Sales by an Equity Member

No Equity Member shall execute purchases or sales in any equity security traded on MIAX Pearl Equities for any account in which such Equity Member is directly or indirectly interested, which purchases or sales are excessive in view of the Equity Member's financial resources or in view of the market for such security.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2703. Manipulative Transactions

(a) No Equity Member shall participate or have any interest, directly or indirectly, in the profits of a manipulative operation or knowingly manage or finance a manipulative operation.

(b) Any pool, syndicate or joint account organized or used intentionally for the purpose of unfairly influencing the market price of a security shall be deemed to be a manipulative operation.

(c) The solicitation of subscriptions to or the acceptance of discretionary orders from any such pool, syndicate or joint account shall be deemed to be managing a manipulative operation.

(d) The carrying on margin of a position in such security or the advancing of credit through loans to any such pool, syndicate or joint account shall be deemed to be financing a manipulative operation.

(e) No Equity Member shall offer that a transaction or transactions to buy or sell a designated security will influence the closing transaction in that security.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2704. Dissemination of False Information

No Equity Member shall make any statement or circulate and disseminate any information concerning any equity security traded on MIAX Pearl Equities which such Equity Member knows or has reasonable grounds for believing is false or misleading or would improperly influence the market price of such equity security.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2705. Prohibition Against Trading Ahead of Customer Orders

(a) Except as provided herein, an Equity Member that accepts and holds an order in an equity security from its own customer or a customer of another broker-dealer without immediately executing the order is prohibited from trading that security on the same side of the market for its own account at a price that would satisfy the customer order, unless it immediately thereafter executes the customer order up to the size and at the same or better price at which it traded for its own account.

(b) An Equity Member must have a written methodology in place governing the execution and priority of all pending orders that is consistent with the requirements of this Exchange Rule. An Equity Member also must ensure that this methodology is consistently applied.

(c) **Large Orders and Institutional Account Exceptions**. With respect to orders for customer accounts that meet the definition of an "institutional account" or for orders of 10,000 shares or more (unless such orders are less than $100,000 in value), an Equity Member is permitted to trade a security on the same side of the market for its own account at a price that would satisfy such customer order, provided that the Equity Member has provided clear and comprehensive written disclosure to such customer at account opening and annually thereafter that:

(1) discloses that the Equity Member may trade proprietarily at prices that would satisfy the customer order, and

(2) provides the customer with a meaningful opportunity to opt in to the Rule 2705 protections with respect to all or any portion of its order.

If the customer does not opt in to the Rule 2705 protections with respect to all or any portion of its order, the Equity Member may reasonably conclude that such customer has consented to the Equity Member trading a security on the same side of the market for its own account at a price that would satisfy the customer's order.

In lieu of providing written disclosure to customers at account opening and annually thereafter, an Equity Member may provide clear and comprehensive oral disclosure to and obtain consent from the customer on an order-by-order basis, provided that the Equity Member documents who provided such consent and such consent evidences the customer's understanding of the terms and conditions of the order.

For purposes of this Exchange Rule, "institutional account" shall mean the account of:

(A) a bank savings and loan association, insurance company or registered investment company;

(B) an investment adviser registered either with the Commission under Section 203 of the Investment Advisers Act or with a state securities commission (or any agency or office performing like functions); or

(C) any other person (whether a natural person, corporation, partnership, trust or otherwise) with total assets of at least $50 million.

(d) **No-Knowledge Exception**

(1) With respect to NMS stocks (as defined in Rule 600 of Regulation NMS), if an Equity Member implements and utilizes an effective system of internal controls, such as appropriate information barriers, that operate to prevent one trading unit from obtaining knowledge of customer orders held by a separate trading unit, those other trading units trading in a proprietary capacity may continue to trade at prices that would satisfy the customer orders held by the separate trading unit. An Equity Member that structures its order handling practices in NMS stocks to permit its proprietary and/or market-making desk to trade at prices that would satisfy customer orders held by a separate trading unit must disclose in writing to its customers, at account opening and annually thereafter, a description of the manner in which customer orders are handled by the Equity Member and the circumstances under which the Equity Member may trade proprietarily at its proprietary and/or market-making desk at prices that would satisfy the customer order.

(2) If an Equity Member implements and utilizes appropriate information barriers in reliance on this exception, the Equity Member must uniquely identify such information barriers in place at the department within the Equity Member where the order was received or originated. Appropriate information barriers must, at minimum, comply with the requirements set forth in Rule 303.

(3) Members must maintain records that indicate which orders rely on the No-Knowledge Exception and submit these records to the Exchange upon request.

(e) **Riskless Principal Exception.** The obligations under this Exchange Rule shall not apply to an Equity Member's proprietary trade if such proprietary trade is for the purposes of facilitating the execution, on a riskless principal basis, of an order from a customer (whether its own customer or the customer of another broker-dealer) (the "facilitated order"), provided that the Equity Member:

(1) submits a report, contemporaneously with the execution of the facilitated order, identifying the trade as riskless principal to the Exchange (or another self-regulatory organization if not required under Exchange rules); and

(2) has written policies and procedures to ensure that riskless principal transactions for which the Equity Member is relying upon this exception comply with applicable Exchange rules. At a minimum these policies and procedures must require that the customer order was received prior to the offsetting principal transaction, and that the offsetting principal transaction is at the same price as the customer order exclusive of any markup or markdown, commission equivalent or other fee and is allocated to a riskless principal or customer account in a consistent manner and within 60 seconds of execution.

An Equity Member must have supervisory systems in place that produce records that enable the Equity Member and the Exchange to reconstruct accurately, readily, and in a time-sequenced manner all facilitated orders for which the Equity Member relies on this exception.

(f) **ISO Exception.** An Equity Member shall be exempt from the obligation to execute a customer order in a manner consistent with this Exchange Rule with regard to trading for its own account that is the result of an ISO routed in compliance with Rule 600(b)(31)(ii) of Regulation NMS where the customer order is received after the Equity Member routed the ISO. Where an Equity Member routes an ISO to facilitate a customer order and that customer has consented to not receiving the better prices obtained by the ISO, the Member also shall be exempt with respect to any trading for its own account that is the result of the ISO with respect to the consenting customer's order.

(g) **Odd Lot and Bona Fide Error Transaction Exceptions.** The obligations under this Exchange Rule shall not apply to an Equity Member's proprietary trade that is (1) to offset a customer order that is in an amount less than a normal unit of trading; or (2) to correct a bona fide error. Equity Members are required to demonstrate and document the basis upon which a transaction meets the bona fide error exception. For purposes of this Exchange Rule, a bona fide error is:

(1) the inaccurate conveyance or execution of any term of an order, including, but not limited to, price, number of shares or other unit of trading; identification of the security; identification of the account for which securities are purchased or sold; lost or otherwise misplaced order tickets; short sales that were instead sold long or vice versa; or the execution of an order on the wrong side of a market;

(2) the unauthorized or unintended purchase, sale, or allocation of securities or the failure to follow specific client instructions;

(3) the incorrect entry of data into relevant systems, including reliance on incorrect cash positions, withdrawals, or securities positions reflected in an account; or

(4) a delay, outage, or failure of a communication system used to transmit market data prices or to facilitate the delivery or execution of an order.

(h) **Minimum Price Improvement Standards.** The minimum amount of price improvement necessary for an Equity Member to execute an order on a proprietary basis when holding an unexecuted Limit Order in that same security, and not be required to execute the held Limit Order is as follows:

(1) For customer Limit Orders priced greater than or equal to $1.00, the minimum amount of price improvement required is $0.01 for NMS stocks;

(2) For customer Limit Orders priced greater than or equal to $0.01 and less than $1.00, the minimum amount of price improvement required is the lesser of $0.01 or one-half (1/2) of the current inside spread;

(3) For customer Limit Orders priced less than $0.01 but greater than or equal to $0.001, the minimum amount of price improvement required is the lesser of $0.001 or one-half (1/2) of the current inside spread;

(4) For customer Limit Orders priced less than $0.001 but greater than or equal to $0.0001, the minimum amount of price improvement required is the lesser of $0.0001 or one-half (1/2) of the current inside spread;

(5) For customer Limit Orders priced less than $0.0001 but greater than or equal to $0.00001, the minimum amount of price improvement required is the lesser of $0.00001 or one-half (1/2) of the current inside spread;

(6) For customer Limit Orders priced less than $0.00001, the minimum amount of price improvement required is the lesser of $0.000001 or one-half (1/2) of the current inside spread; and

(7) For customer Limit Orders priced outside the best inside market, the minimum amount of price improvement required must either meet the requirements set forth above or the Equity Member must trade at a price at or inside the best inside market for the security.

In addition, if the minimum price improvement standards above would trigger the protection of a pending customer Limit Order, any better-priced customer Limit Order(s) must also be protected under this Exchange Rule, even if

those better-priced limit orders would not be directly triggered under the minimum price improvement standards above.

(i) **Order Handling Procedures.** An Equity Member must make every effort to execute a marketable customer order that it receives fully and promptly. An Equity Member that is holding a customer order that is marketable and has not been immediately executed must make every effort to cross such order with any other order received by the Equity Member on the other side of the market up to the size of such order at a price that is no less than the best bid and no greater than the best offer at the time that the subsequent order is received by the Equity Member and that is consistent with the terms of the orders. In the event that an Equity Member is holding multiple orders on both sides of the market that have not been executed, the Equity Member must make every effort to cross or otherwise execute such orders in a manner that is reasonable and consistent with the objectives of this Exchange Rule and with the terms of the orders. An Equity Member can satisfy the crossing requirement by contemporaneously buying from the seller and selling to the buyer at the same price.

(j) **Trading Outside Normal Market Hours**. Equity Members generally may limit the life of a customer order to the period of Regular Trading Hours of 9:30 a.m. to 4:00 p.m. Eastern Time. However, if the customer and Member agree to the processing of the customer's order outside Regular Trading Hours, the protections of this Exchange Rule shall apply to that customer's order at all times the customer order is executable by the Equity Member.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2706. Joint Activity

(a) No Equity Member, directly or indirectly, shall hold any interest or participation in any joint account for buying or selling in an equity security traded on MIAX Pearl Equities, unless such joint account is promptly reported to the Exchange. The report should contain the following information for each account:

(1) the name of the account, with names of all participants and their respective interests in profits and losses;

(2) a statement regarding the purpose of the account;

(3) the name of the Equity Member carrying and clearing the account; and

(4) a copy of any written agreement or instrument relating to the account.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2707. Influencing the Consolidated Tape

No Equity Member shall attempt to execute a transaction or transactions to buy or sell an equity security for the purpose of influencing any report appearing on the Consolidated Tape.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2708. Trade Shredding

No Equity Member or associated person of an Equity Member may engage in "trade shredding". Trade shredding is conduct that has the intent or effect of splitting any order into multiple smaller orders for execution or any execution into multiple smaller executions for the primary purpose of maximizing a monetary or in-kind amount to be received

by the Equity Member or associated person of an Equity Member as a result of the execution of such orders or the transaction reporting of such executions. For purposes of this Exchange Rule 2708, "monetary or in-kind amount" shall be defined to include, but not be limited to, any credits, commissions, gratuities, payments for or rebates of fees, or any other payments of value to the Equity Member or associated person of an Equity Member.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2709. Options

(a) No Equity Member shall initiate the purchase or sale on MIAX Pearl Equities for its own account, or for any account in which it is directly or indirectly interested, of any stock of any issuer in which it holds or has granted any put, call, straddle or option; provided, however, that this prohibition shall not be applicable in respect of any option issued by The Options Clearing Corporation.

(b) No Equity Member acting as an odd-lot dealer shall become interested directly or indirectly, in a pool dealing or trading in the stock of any issuer in which it is an odd-lot dealer, nor shall it acquire or grant directly or indirectly, any option to buy or sell, receive or deliver shares of stock of any issuer in which such Equity Member is an odd-lot dealer, unless such option is issued by The Options Clearing Corporation.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2710. Best Execution and Interpositioning

(a) **Best Execution.**

(1) In any transaction for or with a customer or a customer of another broker-dealer, an Equity Member and persons associated with an Equity Member shall use reasonable diligence to ascertain the best market for the subject security and buy or sell in such market so that the resultant price to the customer is as favorable as possible under prevailing market conditions. Among the factors that will be considered in determining whether an Equity Member has used "reasonable diligence" are:

(A) the character of the market for the security (e.g., price, volatility, relative liquidity, and pressure on available communications);

(B) the size and type of transaction;

(C) the number of markets checked;

(D) accessibility of the quotation; and

(E) the terms and conditions of the order which result in the transaction, as communicated to the Member and persons associated with the Equity Member.

(2) In any transaction for or with a customer or a customer of another broker-dealer, no Equity Member or person associated with an Equity Member shall interject a third party between the Equity Member and the best market for the subject security in a manner inconsistent with paragraph (a)(1) of this Exchange Rule.

(b) When an Equity Member cannot execute directly with a market but must employ a broker's broker or some other means in order to ensure an execution advantageous to the customer, the burden of showing the acceptable circumstances for doing so is on the Equity Member.

(c) Failure to maintain or adequately staff a department assigned to execute customers' orders cannot be considered justification for executing away from the best available market; nor can channeling orders through a third party as described above as reciprocation for service or business operate to relieve an Equity Member of its obligations under this Exchange Rule.

(d) An Equity Member through which an order is channeled and that knowingly is a party to an arrangement whereby the initiating Member has not fulfilled its obligations under this Exchange Rule, will also be deemed to have violated this Exchange Rule.

(e) The obligations described in paragraphs (a) through (d) above exist not only where the Equity Member acts as agent for the account of its customer but also where transactions are executed as principal.

(f) **Execution of Marketable Customer Orders.** An Equity Member must make every effort to execute a marketable customer order that it receives fully and promptly.

(g) **Definition of "Market".** For purposes of this Exchange Rule, the term "market" or "markets" is to be construed broadly, and it encompasses a variety of different venues, including, but not limited to, trading centers that are trading a particular security. This expansive interpretation is meant to both inform broker-dealers as to the breadth of the scope of venues that must be considered in the furtherance of their best execution obligations and to promote fair competition among broker-dealers, exchange markets, and markets other than exchange markets, as well as any other venue that may emerge, by not mandating that certain trading venues have less relevance than others in the course of determining a firm's best execution obligations.

(h) **Best Execution and Executing Brokers.** An Equity Members duty to provide best execution in any transaction "for or with a customer of another broker-dealer" does not apply in instances when another broker-dealer is simply executing a customer order against the Equity Member's quote. The duty to provide best execution to customer orders received from other broker-dealers arises only when an order is routed from the broker-dealer to the Equity Member for the purpose of order handling and execution. This clarification is intended to draw a distinction between those situations in which the Equity Member is acting solely as the buyer or seller in connection with orders presented by a broker-dealer against the Equity Member's quote, as opposed to those circumstances in which the Equity Member is accepting order flow from another broker-dealer for the purpose of facilitating the handling and execution of such orders.

(i) **Use of a Broker's Broker.** Paragraph (b) of this Exchange Rule provides that when an Equity Member cannot execute directly with a market but must employ a broker's broker or some other means in order to ensure an execution advantageous to the customer, the burden of showing the acceptable circumstances for doing so is on the Equity Member. Examples of acceptable other side, or where the identity of the firm, if known, would likely cause undue price movements adversely affecting the cost or proceeds to the customer.

(j) **Orders Involving Securities with Limited Quotations or Pricing Information.** Although the best execution requirements in this Exchange Rule apply to orders in all securities, markets for securities differ dramatically. One of the areas in which an Equity Member must be especially diligent in ensuring that it has met its best execution obligations is with respect to customer orders involving securities for which there is limited pricing information or quotations available. Each Equity Member must have written policies and procedures in place that address how the Equity Member will determine the best inter-dealer market for such a security in the absence of pricing information or

multiple quotations and must document its compliance with those policies and procedures. For example, an Equity Member should analyze pricing information based on other data, such as previous trades in the security, to determine whether the resultant price to the customer is as favorable as possible under prevailing market conditions. In these instances, an Equity Member should generally seek out other sources of pricing information or potential liquidity, which may include obtaining quotations from other sources (e.g., other firms that the Equity Member previously has traded within the security).

(k) **Customer Instructions Regarding Order Handling.** If an Equity Member receives an unsolicited instruction from a customer to route that customer's order to a particular market for execution, the Equity Member is not required to make a best execution determination beyond the customer's specific instruction. Equity Members are, however, still required to process that customer's order promptly and in accordance with the terms of the order and its instructions. Where a customer has directed that an order be routed to another specific broker-dealer that is also a FINRA Member, the receiving broker-dealer to which the order was directed would be required to meet the requirements of FINRA Rule 5310 with respect to its handling of the order.

(l) **Regular and Rigorous Review of Execution Quality.** No Equity Member can transfer to another person its obligation to provide best execution to its customers' orders. An Equity Member that routes customer orders to other broker-dealers for execution on an automated, non-discretionary basis, as well as an Equity Member that internalizes customer order flow, must have procedures in place to ensure the Equity Member periodically conducts regular and rigorous reviews of the quality of the executions of its customers' orders if it does not conduct an order-by-order review. The review must be conducted on a security-by-security, type-of-order basis (e.g., limit order, market order, and market on open order). At a minimum, an Equity Member must conduct such reviews on a quarterly basis; however, Equity Members should consider, based on the firm's business, whether more frequent reviews are needed.

(m) In conducting its regular and rigorous review, an Equity Member must determine whether any material differences in execution quality exist among the markets trading the security and, if so, modify the Equity Member's routing arrangements or justify why it is not modifying its routing arrangements. To assure that order flow is directed to markets providing the most beneficial terms for their customers' orders, the Equity Member must compare, among other things, the quality of the executions the Equity Member is obtaining via current order routing and execution arrangements (including the internalization of order flow) to the quality of the executions that the Equity Member could obtain from competing markets.

In reviewing and comparing the execution quality of its current order routing and execution arrangements to the execution quality of other markets, an Equity Member should consider the following factors:

(1) price improvement opportunities (i.e., the difference between the execution price and the best quotes prevailing at the time the order is received by the market);

(2) differences in price disimprovement (i.e., situations in which a customer receives a worse price at execution than the best quotes prevailing at the time the order is received by the market);

(3) the likelihood of execution of limit orders;

(4) the speed of execution;

(5) the size of execution;

(6) transaction costs;

(7) customer needs and expectations; and

(8) the existence of internalization or payment for order flow arrangements.

(n) An Equity Member that routes its order flow to another Equity Member that has agreed to handle that order flow as agent for the customer (e.g., a clearing firm or other executing broker-dealer) can rely on that an Equity Member's regular and rigorous review as long as the statistical results and rationale of the review are fully disclosed to the Equity Member and the Equity Member periodically reviews how the review is conducted, as well as the results of the review.

Interpretations and Policies:

.01 **Best Execution and Information Leakage.**

In FINRA Regulatory Notice 15-46, FINRA provides guidance, among other things, on best execution obligations in equity markets. FINRA notes that in conducting a review of execution quality in any security, a firm should consider a variety of relevant factors. For a firm that routines routes a customer order to multiple trading centers, one such factor that is highlighted is information leakage and the impact of information leakage on execution quality. In particular, FINRA notes that: "[f]irms should consider the risk of information leakage by routing orders to a particular venue in light of the fill rates achieved at that venue and carefully assess whether the risks outweigh the potential for an execution."

The Exchange's order execution and routing methodology are designed to substantially reduce potential information leakage related to executions on MIAX Pearl Equities.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2711. Publication of Transactions and Changes

(a) The Exchange shall cause to be disseminated for publication on the Consolidated Tape all last sale price reports of transactions executed through the facilities of MIAX Pearl Equities pursuant to the requirements of an effective transaction reporting plan approved by the Commission.

(b) To facilitate the dissemination of such last sale price reports, each Equity Member shall cause to be reported to MIAX Pearl Equities, as promptly as possible after execution, all information concerning each transaction required by the effective transaction reporting plan.

(c) An official of the Exchange shall approve any corrections to reports transmitted over the Consolidated Tape. Any such corrections shall be made within one day after detection of the error.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2712. Trading Ahead of Research Reports

Equity Members shall comply with MIAX Rule 320, Trading Ahead of Research Reports, as if such rule were part of the MIAX Pearl Equities' Rules.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2713. Obligation to Honor System Trades

If an Equity Member, or clearing member acting on an Equity Member's behalf, is reported by the System, or shown by the activity reports generated by the System, as constituting a side of a System trade, such Equity Member, or clearing member acting on its behalf, shall honor such trade on the scheduled settlement date.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2714. Front Running of Block Transactions

(a) Equity Members and persons associated with an Equity Member shall comply with FINRA Rule 5270 as if such Rule were part of the Exchange's rules.

(b) **Front Running of Non-Block Transactions**. Although the prohibitions in FINRA Rule 5270 are limited to imminent block transactions, the front running of other types of orders that place the financial interests of the Equity Member or persons associated with an Equity Member ahead of those of its customer or the misuse of knowledge of an imminent customer order may violate other Exchange rules, including Exchange Rules 2100 and 2705, or provisions of the federal securities laws.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2715. Disruptive Quoting and Trading Activity Prohibited

Equity Members shall comply with MIAX Rule 322, Disruptive Quoting and Trading Activity Prohibited, as if such rule were part of the MIAX Pearl Equities' Rules.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Chapter XXVIII. Miscellaneous Provisions

Rule 2800. Comparison and Settlement Requirements

(a) Every Equity Member who is a Member of a qualified clearing agency shall implement comparison and settlement procedures under the rules of such entity.

(b) For purposes of this Exchange Rule, a qualified clearing agency shall mean a clearing agency (as defined in the Exchange Act) which has agreed to supply the Exchange with data reasonably requested in order to permit the Exchange to enforce compliance by its Members and Member organizations with the provisions of the Exchange Act, the rules and regulations thereunder, and the Rules of the Exchange.

(c) Anything contained in paragraph (a) to the contrary notwithstanding, the Board may extend or postpone the time of the delivery of a MIAX Pearl Equities transaction whenever, in its opinion, such action is called for by the public interest, by just and equitable principles of trade or by the need to meet unusual conditions. In such case, delivery shall be effected at such time, place and manner as directed by the Board.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2801. Failure to Deliver and Failure to Receive

Borrowing and deliveries shall be effected in accordance with Rule 203 of Regulation SHO, under the Exchange Act. The Exchange incorporates by reference Rules 200 and 203 of Regulation SHO, to Exchange Rule 2801, as if they were fully set forth herein.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2802. Forwarding of Proxy and Other Issuer-Related Materials

Equity Members shall comply with Exchange Rule 319, Forwarding of Proxy and Other Issuer-Related Materials, as if such rule were part of the MIAX Pearl Equities' Rules.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2803. Assigning of Registered Securities in Name of a Member or Member Organization

An Equity Member may authorize one or more persons who are its employees to assign registered securities in the name of such Equity Member and to guarantee assignments of registered securities with the same effect as if the name of such Equity Member had been signed under like circumstances by one of the partners of the Equity Member firm or by one of the authorized officers of the Equity Member corporation by executing and filing with the Exchange, in a form prescribed by it, a separate Power of Attorney for each person so authorized.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2804. Commissions

Nothing in the Exchange Rules, the By-Laws or the Exchange practices shall be construed to require, authorize or permit any Equity Member, or any person associated with an Equity Member, to agree or arrange, directly or indirectly, for the charging of fixed rates of commission for transactions effected on, or effected by the use of the facilities of, MIAX Pearl Equities.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2805. Off-Exchange Transactions

No Rule, stated policy or practice of this Exchange shall prohibit or condition, or be construed to prohibit or condition or otherwise limit, directly or indirectly, the ability of any Equity Member to effect any transaction otherwise than on this Exchange with another person in any security listed on this Exchange or to which unlisted trading privileges on this Exchange have been extended.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2806. Regulatory Services Agreement

The Exchange may enter into one or more agreements with another self-regulatory organization to provide regulatory services to the Exchange to assist the Exchange in discharging its obligations under Section 6 and Section 19(g) of the Exchange Act. Any action taken by another self-regulatory organization, or its employees or authorized agents, acting on behalf of the Exchange pursuant to a regulatory services agreement shall be deemed to be an action taken by the Exchange; provided, however, that nothing in this provision shall affect the oversight of such other self-regulatory organization by the Commission. Notwithstanding the fact that the Exchange may enter into one or more regulatory services agreements, the Exchange shall retain ultimate legal responsibility for, and control of, its self-regulatory responsibilities, and any such regulatory services agreement shall so provide.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2807. Transactions Involving Exchange Employees

(a) When an Equity Member has actual notice that an Exchange employee has a financial interest in, or controls trading in, an account, the Equity Member shall promptly obtain and implement an instruction from the employee directing that duplicate account statements be provided by the Equity Member to Exchange.

(b) No Equity Member shall directly or indirectly make any loan of money or securities to any Exchange employee. Provided, however, that this prohibition does not apply to loans made in the context of disclosed, routine banking and brokerage agreements, or loans that are clearly motivated by a personal or family relationship.

(c) Notwithstanding the annual dollar limitation set forth in Exchange Rule 2118, no Equity Member shall directly or indirectly give, or permit to be given, anything of more than nominal value to any Exchange employee who has responsibility for a regulatory matter that involves the Equity Member. For purposes of this subsection, the term “regulatory matter” includes, but is not limited to, examinations, disciplinary proceedings, membership applications, listing applications, delisting proceedings, and dispute-resolution proceedings that involve the Equity Member.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Rule 2808. Ex-Dividend or Ex-Rights Dates

Transactions in equity securities traded "regular" shall be "ex-dividend" or "ex-rights" as the case may be, on the business day preceding the record date fixed by the company or the date of the closing of transfer books, except when the Board of Directors rules otherwise. Should such record date or such closing of transfer books occur upon a day other than a business day this Exchange Rule shall apply for the second preceding business day.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Chapter XXIX. Securities Traded

Rule 2900. Unlisted Trading Privileges

(a) The Exchange may extend unlisted trading privileges ("UTP") to any security that is an NMS Stock that is listed on another national securities exchange or with respect to which unlisted trading privileges may otherwise be extended in accordance with Section 12(f) of the Exchange Act and any such security shall be subject to all Exchange rules applicable to trading on the Exchange, unless otherwise noted.

(b) **UTP Exchange Traded Product.** Any UTP security that is a UTP Exchange Traded Product, as defined in Rule 1901, will be subject to the additional following rules:

(1) **Information Circular.** The Exchange will distribute an information circular prior to the commencement of trading in each such UTP Exchange Traded Product that generally includes the same information as is contained in the information circular provided by the listing exchange, including (a) the special risks of trading the new Exchange Traded Product, (b) the Exchange Rules that will apply to the new Exchange Traded Product, and (c) information about the dissemination of value of the underlying assets or indices.

(2) **Product Description.**

(A) **Scope of Product Description Requirements.** The provisions of this subparagraph (2) apply only to UTP Exchange Traded Products that are the subject of an order by the Commission exempting such series from certain prospectus delivery requirements under Section 24(d) of the Investment Company Act of 1940 and are not otherwise subject to prospectus delivery requirements under the Securities Act of 1933.

(B) **Written Description of Terms and Conditions.** The Exchange will inform Equity Members of the application of the provisions of this subparagraph to UTP Exchange Traded Products by means of an information circular. The Exchange requires that Equity Members provide each purchaser of UTP Exchange Traded Products a written description of the terms and characteristics of those securities, in a form approved by the Exchange or prepared by the open-ended management company issuing such securities, not later than the time a confirmation of the first transaction in such securities is delivered to such purchaser. In addition, Members will include a written description with any sales material relating to UTP Exchange Traded Products that is provided to customers or the public. Any other written materials provided by an Equity Member to customers or the public making specific reference to the UTP Exchange Traded Products as an investment vehicle must include a statement substantially in the following form:

> "A circular describing the terms and characteristics of [the UTP Exchange Traded Products] has been prepared by the [open-ended management investment company name] and is available from your broker. It is recommended that you obtain and review such circular before purchasing [the UTP Exchange Traded Products]."

An Equity Member carrying an omnibus account for a non-Member is required to inform such non-Member that execution of an order to purchase UTP Exchange Traded Products for such omnibus account will be deemed to constitute an agreement by the non-Member to make such written description available to its customers on the same terms as are directly applicable to the Equity Member under this Rule.

(C) **Customer Requests for a Prospectus**. Upon request of a customer, an Equity Member will also provide a prospectus for the particular UTP Exchange Traded Product.

(3) **Trading Halts.** The Exchange will halt trading in a UTP Exchange Traded Product as provided for in Exchange Rule 2622. Nothing in this Rule will limit the power of the Exchange under the Rules or procedures of the Exchange with respect to the Exchange's ability to suspend trading in any securities if such suspension is necessary for the protection of investors or in the public interest.

(4) **Equities Market Maker Restrictions**. The following restrictions will apply to each Equity Member acting as a registered Equities Market Maker on the Exchange in a UTP Exchange Traded Product that derives its value from one or more currencies, commodities, or derivatives based on one or more currencies or commodities, or is based on a basket or index composed of currencies or commodities (collectively, "Reference Assets"):

(A) The Equity Member acting as a registered Equities Market Maker on the Exchange in a UTP Exchange Traded Product must file with the Exchange, in a manner prescribed by the Exchange, and keep current a list identifying all accounts for trading the underlying physical asset or commodity, related futures or options on futures, or any other related derivatives (collectively with Reference Assets, "Related Instruments"), which the Equity Member acting as a registered Equites Market Maker on the Exchange may have or over which it may exercise investment discretion. No Equity Member acting as a registered Equities Market Maker on the Exchange in the UTP Exchange Traded Product will trade in the underlying physical asset or commodity, related futures or options on futures, or any other related derivatives, in an account in which an Equity Member acting as a registered Equities Market Maker on the Exchange, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to the Exchange as required by this Rule.

(B) An Equities Market Maker on the Exchange will, in a manner prescribed by the Exchange, file with the Exchange and keep current a list identifying any accounts ("Related Instrument Trading Accounts") for which Related Instruments are traded:

(i) in which the Equities Market Maker holds an interest;

(ii) over which it has investment discretion; or

(iii) in which it shares in the profits and/or losses.

An Equities Market Maker on the Exchange may not have an interest in, exercise investment discretion over, or share in the profits and/or losses of a Related Instrument Trading Account that has not been reported to the Exchange as required by this Rule.

(C) In addition to the existing obligations under Exchange rules regarding the production of books and records, an Equities Market Maker on the Exchange will, upon request by the Exchange, make available to the Exchange any books, records, or other information pertaining to any Related Instrument Trading Account or to the account of any registered or non-registered employee affiliated with the Equities Market Maker on the Exchange for which Related Instruments are traded.

(D) An Equities Market Maker on the Exchange will not use any material nonpublic information in connection with trading a Related Instrument.

(5) **Surveillance**. The Exchange will enter into comprehensive surveillance sharing agreements with markets that trade components of the index or portfolio on which the UTP Exchange Traded Product is based to the same

extent as the listing exchange's rules require the listing exchange to enter into comprehensive surveillance sharing agreements with such markets.

[Adopted: August 14, 2020 (SR-PEARL-2020-03)]

Chapter XXX. Dues, Fees, Assessments and Other Charges; Effective Date

Rule 3000. Authority to Prescribe Dues, Fees, Assessments and Other Charges

(a) **Generally.** The Exchange may prescribe such reasonable dues, fees, assessments or other charges as it may, in its discretion, deem appropriate for the use of MIAX Pearl Equities. Such dues, fees, assessments and charges may include membership dues, transaction fees, communication and technology fees, regulatory charges, listing fees, and other fees and charges as the Exchange may determine. All such dues, fees and charges shall be equitably allocated among Equity Members, issuers and other persons using the Exchange's facilities.

(b) **Regulatory Transaction Fee.** Under Section 31 of the Exchange Act, the Exchange must pay certain fees to the Commission. To help fund the Exchange's obligations to the Commission under Section 31 of the Exchange Act, a Regulatory Transaction Fee is assessed to Members. To the extent there may be any excess monies collected under this Exchange Rule, the Exchange may retain those monies to help fund its general operating expense. Each Equity Member engaged in executing transactions on MIAX Pearl Equities shall pay, in such manner and at such times as the Exchange shall direct, a Regulatory Transaction Fee equal to (i) the rate determined by the Commission to be applicable to covered sales occurring on the Exchange in accordance with Section 31 of the Exchange Act multiplied by (ii) the Equity Member's aggregate dollar amount of covered sales occurring on MIAX Pearl Equities during any computational period.

(c) **Schedule of Fees.** The Exchange will provide Members with notice of all relevant dues, fees, assessments and charges of the Exchange for use of MIAX Pearl Equities. Such notice may be made available to Equity Members on the Exchange's website or by any other method deemed reasonable by the Exchange.

(d) **Cross-Connection Pass Through Fees.** To the extent the Exchange is charged a fee by a third party that results directly from an Equity Member cross-connecting its trading hardware to the Exchange's System from another Trading Center's system that is located in the same data center as the Exchange, the Exchange will pass that fee on, in full, to the Equity Member.

[Adopted: January 9, 2020 (SR-PEARL-2020-01); amended August 14, 2020 (SR-PEARL-2020-03)]

Rule 3001. Regulatory Revenue

Any revenues received by the Exchange from fees derived from its regulatory function or regulatory fines related to MIAX Pearl Equities will not be used for non-regulatory purposes or distributed to the stockholder, but rather, shall be applied to fund the legal and regulatory operations of the Exchange (including surveillance and enforcement activities), or, as the case may be, shall be used to pay restitution and disgorgement of funds intended for customers (except in the event of liquidation of the Exchange, which case Miami International Holdings, Inc. will be entitled to the distribution of the remaining assets of the Exchange).

[Adopted: January 9, 2020 (SR-PEARL-2020-01); amended August 14, 2020 (SR-PEARL-2020-03)]

Rule 3002. Collection of Exchange Fees and Other Claims and Billing Policy

(a) Each Equity Member, and all applicants for registration as such, shall be required to provide a clearing account number for an account at the National Securities Clearing Corporation ("NSCC") for purposes of permitting the Exchange to debit any undisputed or final fees, fines, charges and/or other monetary sanctions or other monies due and owing to the Exchange or other charges pursuant to Exchange Rule 3000, including the Exchange Fee Schedule thereto; Regulatory Transaction Fees pursuant to Exchange Rule 3000(b); dues, assessments and other charges pursuant to Rules 1202 and 1203 to the extent the Exchange were to determine to charge such fees; and fines, sanctions and other charges pursuant to Chapters IX, X, and XI of the Exchange Rulebook which are due and owing to the Exchange.

(b) All disputes concerning fees, dues or charges assessed by the Exchange must be submitted to the Exchange in writing and must be accompanied by supporting documentation. All disputes related to fees, dues or other charges must be submitted to the Exchange no later than sixty (60) days after the date of the monthly invoice. All Exchange invoices are due in full on a timely basis and payable in accordance with paragraph (a) of this Exchange Rule 3002. Any disputed amount resolved in the Member's favor will be subsequently credited to the clearing account number for an account at the NSCC.

Interpretations and Policies:

.01 **Fees Collected by FINRA**. The Exchange will not debit fees due to FINRA pursuant to Rule 3002(a), which are collected and retained by FINRA.

[Adopted: January 9, 2020 (SR-PEARL-2020-01); amended August 14, 2020 (SR-PEARL-2020-03)]

Chapter XXXI. Registration, Qualification and Continuing Education

Rule 3100. Registration Requirements

Each person engaged in the securities business of a Member shall be registered with the Exchange as a representative or principal in each category of registration appropriate to his or her functions and responsibilities as specified in Rule 3101, unless exempt from registration pursuant to Rule 3102. Such person shall not be qualified to function in any registered capacity other than that for which the person is registered, unless otherwise stated in the rules.

Interpretations and Policies:

.01 **Minimum Number of Registered Principals.** Each Member, except a Member with only one associated person, shall have at least two officers or partners who are registered as General Securities Principals pursuant to Rule 3101(b)(1), provided that a Member that is limited in the scope of its activities may instead have two officers or partners who are registered in a principal category under Rule 3101(b) that corresponds to the scope of the Member's activities; and provided further that a proprietary trading firm with 25 or fewer registered representatives shall only be required to have one officer or partner who is registered as a principal. The requirement that a Member have a minimum of two principals shall apply to persons seeking admission as Members and existing Members.

The Exchange may waive the requirement that a Member have a minimum of two principals in situations that indicate conclusively that only one person associated with an applicant for membership or existing Member should be required to register as a principal.

.02 **Permissive Registrations.** A Member may make application for or maintain the registration as a representative or principal, pursuant to Rule 3101, of any associated person of the Member and any individual engaged in the securities business of a foreign securities affiliate or subsidiary of the Member. Individuals maintaining such permissive registrations shall be considered registered persons and subject to all Exchange rules, to the extent relevant to their activities.

Consistent with the requirements of the Exchange's supervision rules, Members shall have adequate supervisory systems and procedures reasonably designed to ensure that individuals with permissive registrations do not act outside the scope of their assigned functions. With respect to an individual who solely maintains a permissive registration(s), the individual's direct supervisor shall not be required to be a registered person. However, for purposes of compliance with the Exchange's supervision rules, a Member shall assign a registered supervisor who shall be responsible for periodically contacting such individual's direct supervisor to verify that the individual is not acting outside the scope of his or her assigned functions. If such individual is permissively registered as a representative, the registered supervisor shall be registered as a representative or principal. If the individual is permissively registered as a principal, the registered supervisor shall be registered as a principal. Moreover, the registered supervisor of an individual who solely maintains a permissive registration(s) shall not be required to be registered in the same representative or principal registration category as the permissively-registered individual.

.03 **Qualification Examinations and Waivers of Examinations.** Before the registration of a person as a representative can become effective under Rule 3100, such person shall pass the Securities Industry Essentials ("SIE") and an appropriate representative qualification examination as specified in Rule 3101(c). Before the

registration of a person as a principal can become effective under Rule 3100, such person shall pass an appropriate principal qualification examination as specified in Rule 3101(b).

If the job functions of a registered representative change so as to require the person to register in another representative category, the person shall not be required to pass the SIE. Rather, the registered person would need to pass only an appropriate representative qualification examination as specified in Rule 3101(c). All associated persons shall be eligible to take the SIE. In addition, individuals who are not associated persons shall be eligible to take the SIE. However, passing the SIE alone shall not qualify an individual for registration with the Exchange. To be eligible for registration with the Exchange, an individual shall pass an applicable representative or principal qualification examination as specified in Rule 3101 and satisfy all other applicable prerequisite registration requirements.

The Exchange may, in exceptional cases and where good cause is shown, waive the applicable qualification examination(s) and accept other standards as evidence of an applicant's qualifications for registration. Age or disability will not individually of themselves constitute sufficient grounds to waive a qualification examination. Experience in fields ancillary to the securities business may constitute sufficient grounds to waive a qualification examination. The Exchange shall only consider waiver requests submitted by a Member for individuals associated with the Member who are seeking registration in a representative or principal registration category. Moreover, the Exchange shall consider waivers of the SIE alone or the SIE and the applicable representative and principal examination(s) for such individuals. The Exchange shall not consider a waiver of the SIE for individuals who are not associated persons or for associated persons who are not registering with the Exchange as representatives or principals.

.04 **Requirements for Registered Persons Functioning as Principals for a Limited Period.** Subject to the requirements of Rule 3101, Interpretation and Policy .03, a Member may designate any person currently registered, or who becomes registered, with the Member as a representative to function as a principal for a period of 120 calendar days prior to passing an appropriate principal qualification examination as specified under Rule 3101(b), provided that such person has at least 18 months of experience functioning as a registered representative within the five-year period immediately preceding the designation and has fulfilled all applicable prerequisite registration, fee and examination requirements prior to designation as a principal. However, in no event may such person function as a principal beyond the initial 120 calendar day period without having successfully passed an appropriate principal qualification examination as specified under Rule 3101(b). The requirements above apply to designations to any principal category, including those categories that are not subject to a prerequisite representative registration requirement.

Subject to the requirements of Rule 3101, Interpretation and Policy .03, a Member may designate any person currently registered, or who becomes registered, with the Member as a principal to function in another principal category for a period of 120 calendar days prior to passing an appropriate qualification examination as specified under Rule 3101. However, in no event may such person function in such other principal category beyond the initial 120 calendar day period without having successfully passed an appropriate qualification examination as specified under Rule 3101.

.05 **Rules of Conduct for Taking Examinations and Confidentiality of Examinations.** Associated persons taking the SIE shall be subject to the SIE Rules of Conduct. Associated persons taking any representative or principal examination shall be subject to the Rules of Conduct for representative and principal examinations. A violation of the SIE Rules of Conduct or the Rules of Conduct for representative and principal examinations by an associated person shall be deemed to be a violation of Exchange rules requiring observance of high standards of commercial honor or just and equitable principles of trade. If the Exchange determines that an associated person has violated the SIE Rules of Conduct or the Rules of Conduct for representative and principal examinations, the associated person may

forfeit the results of the examination and may be subject to disciplinary action by the Exchange. The Exchange considers all of the qualification examinations content to be highly confidential. The removal of examination content from an examination center, reproduction, disclosure, receipt from or passing to any person, or use for study purposes of any portion of such qualification examination or any other use that would compromise the effectiveness of the examinations and the use in any manner and at any time of the questions or answers to the examinations shall be prohibited and shall be deemed to be a violation of Exchange rules requiring observance of high standards of commercial honor or just and equitable principles of trade. An applicant cannot receive assistance while taking the examination and shall certify that no assistance was given to or received by him or her during the examination.

.06 **Waiting Periods for Retaking a Failed Examination.** Any person who fails to pass a qualification examination prescribed by the Exchange shall be permitted to take that examination again after a period of 30 calendar days has elapsed from the date of such person's last attempt to pass that examination, except that any person who fails to pass an examination three or more times in succession within a two-year period shall be prohibited from again taking that examination until a period of 180 calendar days has elapsed from the date of such person's last attempt to pass that examination. The waiting periods for retaking a failed examination shall apply to the SIE and the representative and principal examinations specified under Rule 3101.

.07 **All Registered Representatives and Principals Must Satisfy the Regulatory Element of Continuing Education.** All registered representatives and principals, including those individuals who solely maintain permissive registrations pursuant to Rule 3100, Interpretation and Policy .02, shall satisfy the Regulatory Element of continuing education for each representative or principal registration category that they hold as specified in Rule 3103(a). If a person registered with a Member has a continuing education deficiency with respect to that registration as provided under Rule 3103(a), such person shall not be permitted to be registered in another registration category with the Exchange under Rule 3101 with that Member or to be registered in any registration category with the Exchange under Rule 3101 with another Member, until the person has satisfied the deficiency.

.08 **Lapse of Registration and Expiration of SIE.** Any person who was last registered in a representative registration category two or more years immediately preceding the date of receipt by the Exchange of a new application for registration in that registration category shall be required to pass a representative qualification examination appropriate to that registration category as specified in Rule 3101(c), unless the person has maintained his or her qualification status for that registration category in accordance with Rule 3103(c) or as otherwise permitted by the Exchange. Any person who last passed the SIE or who was last registered as a representative, whichever occurred last, four or more years immediately preceding the date of receipt by the Exchange of a new application for registration as a representative shall be required to pass the SIE in addition to a representative qualification examination appropriate to his or her category of registration as specified in Rule 3101(c).

Any person who was last registered in a principal registration category two or more years immediately preceding the date of receipt by the Exchange of a new application for registration in that registration category shall be required to pass a principal qualification examination appropriate to that registration category as specified in Rule 3101(b), unless the person has maintained his or her qualification status for that registration category in accordance with Rule 3103(c) or as otherwise permitted by the Exchange. Any person whose registration has been revoked pursuant to Rule 1011 and any person who has a continuing education deficiency for a period of two years as provided under Rule 3103(a) shall be required to pass a representative or principal qualification examination appropriate to his or her category of registration as specified in Rule 3101(b) or Rule 3101(c), respectively, to be eligible for registration with the Exchange. For purposes of Interpretation and Policy .08 of this Rule, an application shall not be considered to have been received by the Exchange if that application does not result in a registration.

.09 **Waiver of Examinations for Individuals Working for a Financial Services Industry Affiliate of a Member.** Upon request by a Member, the Exchange shall waive the applicable qualification examination(s) for an individual

designated with the Exchange as working for a financial services industry affiliate of a Member if the following conditions are met: (i) prior to the individual's initial designation, the individual was registered as a representative or principal for a total of five years within the most recent 10-year period, including for the most recent year with the Member that initially designated the individual; (ii) the waiver request is made within seven years of the individual's initial designation; (iii) the initial designation and any subsequent designation(s) were made concurrently with the filing of the individual's related Form U5; (iv) the individual continuously worked for the financial services industry affiliate(s) of a Member since the individual's last Form U5 filing; (v) the individual has complied with the Regulatory Element of continuing education as specified in Rule 3103(a); and (vi) the individual does not have any pending or adverse regulatory matters, or terminations, that are reportable on the Form U4, and has not otherwise been subject to a statutory disqualification as defined in Section 3(a)(39) of the Exchange Act while the individual was designated as eligible for a waiver.

As used in Interpretation and Policy .09 of this Rule, a "financial services industry affiliate of a Member" is a legal entity that controls, is controlled by or is under common control with a Member and is regulated by the SEC, Commodity Futures Trading Commission, state securities authorities, federal or state banking authorities, state insurance authorities, or substantially equivalent foreign regulatory authorities.

Effective July 1, 2022, the Exchange will not accept any new initial designations for individuals under the waiver program set forth in Interpretation and Policy .09 of this Rule.

.10 **Status of Persons Serving in the Armed Forces of the United States.** The following provisions address the status of current and former registered persons serving in active duty in the Armed Forces of the United States:

(a) **Inactive Status of Currently Registered Persons.** A registered person of a Member who volunteers for or is called into active duty in the Armed Forces of the United States shall be placed, after proper notification to the Exchange, on inactive status and need not be re-registered by such Member upon his or her return to active employment with the Member. Such person shall remain eligible to receive transaction-related compensation, including continuing commissions. The employing Member also may allow such person to enter into an arrangement with another registered person of the Member to take over and service the person's accounts and to share transaction-related compensation based upon the business generated by such accounts. However, because such persons are inactive, they may not perform any of the functions and responsibilities performed by a registered person.

A registered person who is placed on inactive status pursuant to this paragraph (a) shall not be included within the scope of fees, if any, charged by the Exchange with respect to registered persons. In addition, a registered person who is placed on inactive status pursuant to this paragraph (a) shall not be required to complete either the Regulatory Element or Firm Element set forth in Rule 3103 during the pendency of such inactive status. The relief provided in this paragraph (a) shall be available to a registered person who is placed on inactive status pursuant to this paragraph (a) during the period that such person remains registered with the Member with which he or she was registered at the beginning of active duty in the Armed Forces of the United States, regardless of whether the person returns to active employment with another Member upon completion of his or her active duty in the Armed Forces of the United States. The relief described in this paragraph (a) shall be provided only to a person registered with a Member and only while the person remains on active military duty. Further, the Member with which such person is registered shall promptly notify the Exchange in such manner as the Exchange may specify of such person's return to active employment with the Member.

(b) **Inactive Status of Sole Proprietorships.** A Member that is a sole proprietor who temporarily closes his or her business by reason of volunteering for or being called into active duty in the Armed Forces of the United States, shall be placed, after proper notification to the Exchange, on inactive status while the Member remains on active military duty. A sole proprietor Member placed on inactive status as set forth in this paragraph (b) shall not be required to pay

dues or assessments during the pendency of such inactive status and shall not be required to pay an admission fee upon return to active participation in the securities business. The relief described in this paragraph (b) shall be provided only to a sole proprietor Member and only while the person remains on active military duty. Further, the sole proprietor shall promptly notify the Exchange in such manner as the Exchange may specify of his or her return to active participation in the securities business.

(c) **Status of Formerly Registered Persons.** If a person who was formerly registered with a Member volunteers for or is called into active duty in the Armed Forces of the United States at any time within two years after the date the person ceased to be registered with a Member, the Exchange shall defer the lapse of registration requirements set forth in Rule 3100, Interpretation and Policy .08 (i.e., toll the two-year expiration period for representative and principal qualification examinations) and the lapse of the SIE (i.e., toll the four-year expiration period for the SIE). The Exchange shall defer the lapse of registration requirements and the SIE commencing on the date the person begins actively serving in the Armed Forces of the United States, provided that the Exchange is properly notified of the person's period of active military service within 90 days following his or her completion of active service or upon his or her re-registration with a Member, whichever occurs first. The deferral will terminate 90 days following the person's completion of active service in the Armed Forces of the United States. Accordingly, if such person does not re-register with a Member within 90 days following his or her completion of active service in the Armed Forces of the United States, the amount of time in which the person must become re-registered with a Member without being subject to a representative or principal qualification examination or the SIE shall consist of the standard two-year period for representative and principal qualification examinations or the standard four-year period for the SIE, whichever is applicable, as provided in Rule 3100, Interpretation and Policy .08, reduced by the period of time between the person's termination of registration and beginning of active service in the Armed Forces of the United States.

If a person placed on inactive status while serving in the Armed Forces of the United States ceases to be registered with a Member, the Exchange shall defer the lapse of registration requirements set forth in Rule 3100, Interpretation and Policy .08 (i.e., toll the two-year expiration period for representative and principal qualification examinations) and the lapse of the SIE (i.e., toll the four-year expiration period for the SIE) during the pendency of his or her active service in the Armed Forces of the United States. The Exchange shall defer the lapse of registration requirements based on existing information in the CRD system, provided that the Exchange is properly notified of the person's period of active military service within two years following his or her completion of active service or upon his or her re-registration with a Member, whichever occurs first. The deferral shall terminate 90 days following the person's completion of active service in the Armed Forces of the United States. Accordingly, if such person does not re-register with a Member within 90 days following his or her completion of active service in the Armed Forces of the United States, the amount of time in which the person must become re-registered with a Member without being subject to a representative or principal qualification examination or the SIE shall consist of the standard two-year period for representative and principal qualification examinations or the standard four-year period for the SIE, whichever is applicable, as provided in Rule 3100, Interpretation and Policy .08.

.11 **Impermissible Registrations.** Members shall not register or maintain the registration of any person unless consistent with the requirements of Rule 3100.

.12 **Application for Registration and Jurisdiction**

(a) **Application for Registration.** (1) Application by any person for registration with the Exchange, properly signed by the applicant, shall be made to the Exchange on Form U4 via the CRD system, and shall contain: (i) an agreement to comply with the federal securities laws, the rules and regulations thereunder, the Exchange Rules, and all rulings, orders, directions, and decisions issued and sanctions imposed under the Exchange Rules; and (ii) such other reasonable information with respect to the applicant as the Exchange may require. (2) The Exchange shall not approve an application for registration of any person who is not eligible to be an associated person of an Exchange

Member under Exchange Rules. (3) Every application for registration filed with the Exchange shall be kept current at all times by supplementary amendments to Form U4 via the CRD system. Such amendments to the application shall be filed with the Exchange not later than 30 days after the applicant learns of the facts or circumstances giving rise to the amendment. If such amendment involves a statutory disqualification, such amendment shall be filed not later than ten days after such disqualification occurs.

(b) **Notification by Member to the Exchange and Associated Person of Termination; Amendment to Notification.** (1) Following the termination of the association with an Exchange Member of a person who is registered with it, such Exchange Member shall, not later than 30 days after such termination, give notice of the termination of such association to the Exchange via the CRD system using Form U5, and concurrently shall provide to the person whose association has been terminated a copy of said notice as filed with the Exchange. An Exchange Member that does not submit such notification and provide a copy to the person whose association has been terminated, within the time period prescribed, shall be assessed any late filing fee that is specified by Exchange Rules. Termination of registration of such person associated with an Exchange Member shall not take effect so long as any complaint or action under the Exchange Rules is pending against an Exchange Member and to which complaint or action such person associated with an Exchange Member is also a respondent, or so long as any complaint or action is pending against such person individually under the Exchange Rules. The Exchange, however, may in its discretion declare the termination effective at any time. (2) The Exchange Member shall notify the Exchange, via the CRD system, by means of an amendment to the notice filed pursuant to paragraph (1) in the event that the Exchange Member learns of facts or circumstances causing any information set forth in said notice to become inaccurate or incomplete. Such amendment shall be filed with the Exchange via the CRD system, and a copy provided to the person whose association with the Exchange Member has been terminated not later than 30 days after the Exchange Member learns of the facts or circumstances giving rise to the amendment.

(c) No Exchange Member shall permit any person associated with the Exchange Member to engage in the securities business unless the Exchange Member determines that such person satisfies the qualification requirements established by the Exchange Board and is not subject to statutory disqualification.

.13 **Temporary Extension of the Limited Period for Registered Persons to Function as Principals.** Any person who was designated to function as a principal under Interpretation and Policy .04 of this Rule prior to March 3, 2021 may continue to function as a principal without having successfully passed an appropriate qualification examination until June 30, 2021.

[Adopted: January 9, 2020 (SR-PEARL-2020-01); amended December 28, 2020 (SR-PEARL-2020-36); amended April 21, 2021 (SR-PEARL-2021-18); amended June 28, 2022 (SR-PEARL-2022-25)]

Rule 3101. Registration Categories

(a) **Definitions.**

Actively Engaged in the Management of the Member's Securities Business
The term **"actively engaged in the management of the Member's securities business"** means the management of, and the implementation of corporate policies related to, such business. The term "actively engaged in the management of the Member's securities business" also includes managerial decision-making authority with respect to the Member's securities business and management-level responsibilities for supervising any aspect of such business, such as serving as a voting member of the Member's executive, management or operations committees.

Financial and Operations Principal
The term "**Financial and Operations Principal**" shall mean a person associated with a Member whose duties include (i) final approval and responsibility for the accuracy of financial reports submitted to any duly established securities industry regulatory body; (ii) final preparation of such reports; (iii) supervision of individuals who assist in the preparation of such reports; (iv) supervision of and responsibility for individuals who are involved in the actual maintenance of the Member's books and records from which such reports are derived; (v) supervision and/or performance of the Member's responsibilities under all financial responsibility rules promulgated pursuant to the provisions of the Act; (vi) overall supervision of and responsibility for the individuals who are involved in the administration and maintenance of the Member's back office operations; and (vii) any other matter involving the financial and operational management of the Member.

Principal
The term "**principal**" means any person associated with a Member, including, but not limited to, sole proprietor, officer, partner, manager of office of supervisory jurisdiction, director or other person occupying a similar status or performing similar functions, who is actively engaged in the management of the Member's securities business, such as supervision, solicitation, conduct of business in securities or the training of persons associated with a Member for any of these functions. Such persons shall include, among other persons, a Member's chief executive officer and chief financial officer (or equivalent officers). The term "**principal**" also includes any other person associated with a Member who is performing functions or carrying out responsibilities that are required to be performed or carried out by a principal under Exchange rules.

Representative
The term "**representative**" means any person associated with a Member, including assistant officers other than principals, who is engaged in the Member's securities business, such as supervision, solicitation, conduct of business in securities or the training of persons associated with a Member for any of these functions.

(b) **Principal Registration Categories.**

(1) **General Securities Principal.**

(i) **Requirements.** Each principal as defined in paragraph (a) of this Rule shall be required to register with the Exchange as a General Securities Principal, subject to the following exceptions:

(A) if a principal's activities are limited to the functions of a Compliance Official, a Financial and Operations Principal, a Securities Trader Principal, a Securities Trader Compliance Officer, or a Registered Options Principal as specified in paragraph (b) of this Rule, then such person shall appropriately register in one or more of those categories;

(B) [Reserved.]

(C) if a principal's activities are limited solely to the functions of a General Securities Sales Supervisor as specified in paragraph (b)(9) of this Rule, then such person may appropriately register in that category in lieu of registering as a General Securities Principal, provided, however, that if such person is engaged in options sales activities, such person shall be required to register with the Exchange as a Registered Options Principal as specified in paragraph (b)(7) of this Rule or as a General Securities Sales Supervisor as specified in paragraph (b)(9) of this Rule; and

(D) [Reserved.]

(ii) **Qualifications.** All individuals registering as General Securities Principals after October 1, 2018 shall, prior to or concurrent with such registration, become registered pursuant to paragraph (b)(1) of this Rule as a General Securities Representative and pass the General Securities Principal qualification exam.

(2) **Compliance Official.**

(i) **Requirements.** Subject to the exception in paragraph (b)(2)(iii) of this Rule, each person designated as a Chief Compliance Officer on Schedule A of Form BD shall be required to register with the Exchange as a General Securities Principal, provided that such person may instead register as a Compliance Official if his or her duties do not include supervision of trading.

(ii) **Qualifications.** All individuals registering as Compliance Official shall, prior to or concurrent with such registration, pass the Compliance Official qualification examination.

(iii) **Exception. Principals.** An individual designated as a Chief Compliance Officer on Schedule A of Form BD of a Member that is engaged in limited securities business may be registered in a principal category under Rule 3101(b) that corresponds to the limited scope of the Member's business.

(iv) **Exception. Securities Trader Compliance Officer.** An individual designated as a Chief Compliance Officer on Schedule A of Form BD may register and qualify as a Securities Trader Compliance Officer if, with respect to transactions in equity, preferred or convertible debt securities, or options such person is engaged in proprietary trading, the execution of transactions on an agency basis, or the direct supervision of such activities other than a person associated with a Member whose trading activities are conducted principally on behalf of an investment company that is registered with the SEC pursuant to the Investment Company Act and that controls, is controlled by, or is under common control with a Member. All individuals registering as Securities Trader Compliance Officers shall become registered pursuant to paragraph (c)(3) of this Rule as a Securities Trader and pass the Compliance Official qualification exam.

(3) **Financial and Operations Principal.**

(i) **Requirements.** Every Member of the Exchange that is operating pursuant to the provisions of SEC Rule 15c3-1(a)(1)(ii), (a)(2)(i) or (a)(8), shall designate at least one Financial and Operations Principal who shall be responsible for performing the duties described in paragraph (a) of this Rule. Each person associated with a Member who performs such duties shall be required to register as a Financial and Operations Principal with the Exchange. The requirements of paragraph (b)(3)(i) of this Rule shall not apply to a Member that is exempt from the requirement to designate a Financial and Operations Principal.

(ii) **Qualifications.** All individuals registering as a Financial and Operations Principal shall pass the Financial and Operations Principal qualification examination before such registration may become effective.

(iii) A person registered solely as a Financial and Operations Principal shall not be qualified to function in a principal capacity with responsibility over any area of business activity not described in paragraph (a) of this Rule for a Financial and Operations Principal.

(4) **Investment Banking Principal.** [Reserved.]

(5) **Research Principal.** [Reserved.]

(6) **Securities Trader Principal.**

(i) **Requirements.** Each principal as defined in paragraph (a) of this Rule who is responsible for supervising the securities trading activities specified in paragraph (c)(3) of this Rule shall be required to register with the Exchange as a Securities Trader Principal.

(ii) **Qualifications.** Each person seeking to register as a Securities Trader Principal shall, prior to or concurrent with such registration, become registered pursuant to paragraph (c)(3) of this Rule as a Securities Trader and pass the General Securities Principal qualification examination.

(7) **Registered Options Principal.**

(i) **Requirements.** Each Member that is engaged in transactions in options with the public shall have at least one Registered Options Principal. In addition, each principal as defined in paragraph (a) of this Rule who is responsible for supervising a Member's options sales practices with the public shall be required to register with the Exchange as a Registered Options Principal, subject to the following exception. If a principal's options activities are limited solely to those activities that may be supervised by a General Securities Sales Supervisor, then such person may register as a General Securities Sales Supervisor pursuant to paragraph (b)(9) of this Rule in lieu of registering as a Registered Options Principal.

(ii) **Qualifications.** Subject to the lapse of registration provisions in Rule 3100, Interpretation and Policy .08, each person registered as a Registered Options Principal on October 1, 2018 and each person who was registered as a Registered Options Principal within two years prior to October 1, 2018 shall be qualified to register as a Registered Options Principal without passing any additional qualification examinations. All other individuals registering as Registered Options Principals after October 1, 2018 shall, prior to or concurrent with such registration, become registered pursuant to paragraph (c)(1) of this Rule as a General Securities Representative and pass the Registered Options Principal qualification examination.

(8) **Government Securities Principal.** [Reserved.]

(9) **General Securities Sales Supervisor.**

(i) **Principals Engaged in Limited Activities.** Each principal as defined in paragraph (a) of this Rule may register with the Exchange as a General Securities Sales Supervisor if his or her supervisory responsibilities in the securities business of a Member are limited to the securities sales activities of the Member, including the approval of customer accounts, training of sales and sales supervisory personnel and the maintenance of records of original entry or ledger accounts of the Member required to be maintained in branch offices by Exchange Act record-keeping rules. A person registered solely as a General Securities Sales Supervisor shall not be qualified to perform any of the following activities: (i) supervision of market making commitments; (ii) supervision of the custody of broker-dealer or customer funds or securities for purposes of Exchange Act Rule 15c3-3; or (iii) supervision of overall compliance with financial responsibility rules for broker-dealers promulgated pursuant to the provisions of the Exchange Act.

(ii) **Qualifications.** Each person seeking to register as a General Securities Sales Supervisor shall, prior to or concurrent with such registration become registered pursuant to paragraph (c)(1) of this Rule as a General Securities Representative and pass the General Securities Sales Supervisor qualification examinations.

(10) **Investment Company and Variable Contracts Products Principal.** [Reserved.]

(11) **Direct Participation Programs Principal.** [Reserved.]

(12) **Private Securities Offerings Principal.** [Reserved.]

(13) **Supervisory Analyst.** [Reserved.]

(c) **Representative Registration Categories.**

(1) **General Securities Representative.**

(i) **Requirements.** Each representative as defined in paragraph (a) of this Rule shall be required to register with the Exchange as a General Securities Representative, subject to the following exception: if a representative's activities include the functions of a Securities Trader, as specified in this Rule, then such person shall appropriately register as a Securities Trader.

(ii) **Qualifications.** Subject to the lapse of registration provisions in Rule 3100, Interpretation and Policy .08, each person registered as a General Securities Representative on October 1, 2018 and each person who was registered as a General Securities Representative within two years prior to October 1, 2018 shall be qualified to register as a General Securities Representative without passing any additional qualification examinations. All other individuals registering as General Securities Representatives after October 1, 2018 shall, prior to or concurrent with such registration, pass the SIE and the General Securities Representative qualification examination.

(2) **Operations Professional**. [Reserved.]

(3) **Securities Trader.**

(i) **Requirements.** Each representative as defined in paragraph (a) of this Rule shall be required to register with the Exchange as a Securities Trader if, with respect to transactions in equity, preferred or convertible debt securities, or options such person is engaged in proprietary trading, the execution of transactions on an agency basis, or the direct supervision of such activities other than a person associated with a Member whose trading activities are conducted principally on behalf of an investment company that is registered with the Commission pursuant to the Investment Company Act of 1940 and that controls, is controlled by, or is under common control with a Member. In addition, each person associated with a Member who is: (i) primarily responsible for the design, development or significant modification of an algorithmic trading strategy relating to equity, preferred or convertible debt securities or options; or (ii) responsible for the day-to-day supervision or direction of such activities shall be required to register with the Exchange as a Securities Trader. For purposes of paragraph (c)(3) of this Rule, an "algorithmic trading strategy" is an automated system that generates or routes orders (or order-related messages) but shall not include an automated system that solely routes orders received in their entirety to a market center.

(ii) **Qualifications.** Subject to the lapse of registration provisions in Rule 3100, Interpretation and Policy .08, each person registered as a Securities Trader on October 1, 2018 and each person who was registered as a Securities Trader within two years prior to October 1, 2018 shall be qualified to register as a Securities Trader without passing any additional qualification examinations. All other individuals registering as Securities Traders after October 1, 2018 shall, prior to or concurrent with such registration, pass the SIE and the Securities Trader qualification examination.

(4) **Investment Banking Representative.** [Reserved.]

(5) **Research Analyst.** [Reserved.]

(6) **Investment Company and Variable Products Representative.** [Reserved.]

(7) **Direct Participation Programs Representative.** [Reserved.]

(8) **Private Securities Offerings Representative.** [Reserved.]

Interpretations and Policies:

.01 **Foreign Registrations.** Persons who are in good standing as a representative with the Financial Conduct Authority in the United Kingdom or with a Canadian stock exchange or securities regulator shall be exempt from the requirement to pass the SIE.

.02 **Additional Qualification Requirements for Persons Engaged in Security Futures Activities.** Each person who is registered with the Exchange as a General Securities Representative, Registered Options Principal or General Securities Sales Supervisor shall be eligible to engage in security futures activities as a representative or principal, as applicable, provided that such individual completes a Firm Element program as set forth in Rule 3103 that addresses security futures products before such person engages in security futures activities.

.03 **Members With One Registered Options Principal.** A Member that has one Registered Options Principal shall promptly notify the Exchange in the event such person is terminated, resigns, becomes incapacitated or is otherwise unable to perform the duties of a Registered Options Principal. Following receipt of such notification, the Exchange shall require the Member to agree, in writing, to refrain from engaging in any options-related activities that would necessitate the prior or subsequent approval of a Registered Options Principal until such time as a new Registered Options Principal has been qualified. Members failing to qualify a new Registered Options Principal within two weeks following the loss of their sole Registered Options Principal, or by the earliest available date for administration of the Registered Options Principal examination, whichever is longer, shall be required to cease doing an options business; provided, however, they may effect closing transactions in options to reduce or eliminate existing open options positions in their own account as well as the accounts of their customers.

.04 **Scope of General Securities Sales Supervisor Registration Category.** The General Securities Sales Supervisor category is an alternate category of registration designed to lessen the qualification burdens on principals of general securities firms who supervise sales. Without this category of limited registration, such principals would be required to separately qualify pursuant to the rules of multiple exchanges. While persons may continue to separately qualify with all relevant self-regulatory organizations, the General Securities Sales Supervisor examinations permit qualification as a supervisor of sales of all securities through one registration category. Persons registered as General Securities Sales Supervisors may also qualify in any other category of principal registration. Persons who are already qualified in one or more categories of principal registration may supervise sales activities of all securities by also qualifying as General Securities Sales Supervisors. Any person required to be registered as a principal who supervises sales activities in corporate, municipal and option securities, investment company products, variable contracts, direct participation program securities and security futures may be registered solely as a General Securities Sales Supervisor. In addition to branch office managers, other persons such as regional and national sales managers may also be registered solely as General Securities Sales Supervisors as long as they supervise only sales activities.

.05 **Scope of Operations Professional Requirement.** [Reserved.]

.06 **Eliminated Registration Categories.** Subject to the lapse of registration provisions in Rule 3100, Interpretation and Policy .08, each person who is registered with the Exchange in any capacity recognized by the Exchange immediately prior to October 1, 2018, and each person who was registered with the Exchange in such categories within two years prior to October 1, 2018, shall be eligible to maintain such registrations with the Exchange. However,

if persons registered in such categories subsequently terminate such registration(s) with the Exchange and the registration remains terminated for two or more years, they shall not be eligible to re-register in such categories.

.07 **Summary of Qualification Requirements.** The following sets forth the qualification requirements for each of the required registration categories described in Rule 3101:

Category of Registration	Qualification Beginning October 1, 2018
General Securities Principal (GP) *	Registration and qualification as a General Securities Representative and pass the General Securities Principal qualification examination (Series 24)
Compliance Official (CO) *	Pass the Compliance Official Exam (Series 14)
Financial/Operations Principal (FN) *	Pass the Financial and Operations Principal qualification examination (Series 27)
Securities Trader Principal (TP) *	Registration and qualification as a Securities Trader and pass the General Securities Principal qualification examination (Series 24)
Registered Options Principal (OP) *	Registration and qualification as a General Securities Representative and pass the Registered Options Principal qualification examination (Series 4)
General Securities Sales Supervisor (SU)	Registration and qualification as a General Securities Representative and pass the General Securities Sales Supervisor qualification examinations (Series 9 and Series 10)
General Securities Representative (GS)	Pass the SIE and the General Securities Representative qualification examination (Series 7)
Securities Trader (TD)	Pass the SIE and the Securities Trader qualification examination (Series 57)
Securities Trader Compliance Officer (CT)	Registration and qualification as a Securities Trader and pass the Compliance Official qualification exam (Series 14)

* A Member may designate a person registered with the Member as a representative to function as a principal for a period of 120 calendar days prior to passing an appropriate principal qualification examination subject to the conditions of Rule 3100, Interpretation and Policy .04.

[Adopted: January 9, 2020 (SR-PEARL-2020-01)]

Rule 3102. Associated Persons Exempt from Registration

The following persons associated with a Member are not required to be registered with the Exchange:

(a) Persons associated with a Member whose functions are solely and exclusively clerical or ministerial;

(b) Persons associated with a Member whose functions are related solely and exclusively to:

(1) effecting transactions on the floor of another national securities exchange and who are appropriately registered with such exchange;

(2) transactions in municipal securities;

(3) transactions in commodities;

(4) transactions in security futures, provided that any such person is registered with FINRA or a registered futures association;

(5) transactions in variable contracts and insurance premium funding programs and other contracts issued by an insurance company;

(6) transactions in direct participation programs;

(7) [Reserved;]

(8) transactions in government securities; or

(9) effecting sales as part of a primary offering of securities not involving a public offering pursuant to Section 3(b), 4(2), or 4(6) of the Securities Act of 1933 and the rules and regulations thereunder; or

(c) Persons associated with a Member that are not citizens, nationals, or residents of the United States or any of its territories or possessions and that will conduct all of their securities activities in areas outside the jurisdiction of the United States and will not engage in any securities activities with or for any citizen, national or resident of the United States.

Interpretations and Policies:

.01 **Registration Requirements for Associated Persons Who Accept Customer Orders**. The function of accepting customer orders is not considered a clerical or ministerial function. Each person associated with a Member who accepts customer orders under any circumstances shall be registered in an appropriate registration category pursuant to Rule 3101. An associated person shall not be considered to be accepting a customer order where occasionally, when an appropriately registered person is unavailable, the associated person transcribes the order details submitted by a customer and the registered person contacts the customer to confirm the order details before entering the order.

[Adopted: January 9, 2020 (SR-PEARL-2020-01)]

Rule 3103. Continuing Education

This Rule prescribes requirements regarding the continuing education of registered persons. The requirements shall consist of a Regulatory Element and a Firm Element as set forth below. This Rule also sets forth continuing education programs through which specified persons may maintain their qualification in a representative or principals registration category following the termination of that registration category.

(a) **Regulatory Element.**

(1) **Requirements**. All covered persons shall comply with the requirement to complete the Regulatory Element. Each covered person registered with the Exchange in a representative or principal registration category immediately preceding January 1, 2023 shall complete the Regulatory Element for the registration category annually by December 31 of 2023 and by December 31 of every year thereafter in which the person remains registered, or as

otherwise prescribed by the Exchange. Each covered person registering with the Exchange in a representative or principal registration category for the first time on or after January 1, 2023 shall complete the Regulatory Element for the registration category annually by December 31 of the subsequent calendar year following the calendar year in which the person becomes registered and by December 31 of every year thereafter in which the person remains registered, or as otherwise prescribed by the Exchange. Nothing in this paragraph (a)(1) shall prohibit a member from requiring its covered persons to complete their Regulatory Element for their registration categories at any time during the calendar year. The content of the Regulatory Element shall be appropriate to each representative or principal registration category. A covered person shall complete Regulatory Element content for each registration category that he or she holds. The content of the Regulatory Element for a covered person designated as eligible for a waiver pursuant to Rule 3100, Interpretation and Policy .09, shall be determined based on the person's most recent registration(s), and the Regulatory Element shall be completed based on the same annual cycle had the person remained registered.

(2) **Failure to Complete**. Unless otherwise determined by the Exchange, as provided in this paragraph (a)(2), any covered person, other than a covered person designated as eligible for a waiver pursuant to Rule 3100, Interpretation and Policy .09, who has not completed the Regulatory Element within the prescribed calendar year in which the Regulatory Element is due will have his or her registration(s) deemed inactive until such time as he or she completes all required Regulatory Element, including any Regulatory Element that becomes due while his or her registration(s) is deemed inactive. Any covered person, other than a covered person designated as eligible for a waiver pursuant to Rule 3100, Interpretation and Policy .09, whose registration(s) has been deemed inactive under this paragraph (a)(2) shall cease all activities as a registered person and is prohibited from performing any duties and functioning in any capacity requiring registration. Further, such covered person may not accept or solicit business or receive any compensation for the purchase or sale of securities. However, such covered person may receive trail or residual commissions resulting from transactions completed before the inactive status, unless the Member with which such covered person is associated has a policy prohibiting such trail or residual commissions. A registration that remains inactive for a period of two consecutive years will be administratively terminated by the Exchange. A person whose registration(s) is so terminated or who otherwise fails to complete required Regulatory Element for two consecutive years may reactivate the registration(s) only by reapplying for registration and meeting the qualification requirements of the applicable provisions of Rules 3100 and 3101. The two-year period under this paragraph (a)(2) is calculated from the date a person's registration(s) is deemed inactive. If a covered person designated as eligible for a waiver pursuant to Rule 3100, Interpretation and Policy .09, fails to complete the Regulatory Element within the prescribed time frames, the person shall no longer be eligible for such a waiver. The Exchange may, upon written application, with supporting documentation, and a showing of good cause, allow for additional time for a covered person to satisfy the Regulatory Element requirements.

(3) **Disciplinary Actions**. A covered person, other than a covered person designated as eligible for a waiver pursuant to Interpretation and Policy .09, may be required to complete assigned continuing education as prescribed by the Exchange in the event such person:

(i) is subject to any statutory disqualification as defined in Section 3(a)(39) of the Exchange Act;

(ii) is subject to suspension or to the imposition of a fine of $5,000 or more for violation of any provision of any securities law or regulation, or any agreement with or rule or standard of conduct of any securities governmental agency, securities self-regulatory organization, or as imposed by any such regulatory or self-regulatory organization in connection with a disciplinary proceeding; or

(iii) is ordered as a sanction in a disciplinary action to complete continuing education by any securities governmental agency or self-regulatory organization.

Such covered person must complete any continuing education required under this paragraph (a)(3) within 120 days of the covered person becoming subject to the statutory disqualification, in the case of (i) above, or the disciplinary action becoming final, in the case of (ii) and (iii) above.

(4) **Reregistration**. Any covered person who reregisters with the Exchange in a representative or principal registration category shall complete the Regulatory Element content for the registration category annually by December 31 of the subsequent calendar year following the calendar year in which the person becomes reregistered and by December 31 of every year thereafter in which the person remains registered, or as otherwise prescribed by the Exchange, provided that he or she has already completed Regulatory Element content for that registration category for the calendar year in which he or she is reregistering, he or she is reregistering by having passed an examination for that registration category or he or she is reregistering by having obtained an unconditional examination waiver for that registration category.

Any covered person who is reregistering with the Exchange in a representative or principal registration category without having completed any Regulatory Element content for that registration category for the calendar year in which he or she is reregistering or without having passed an examination for that registration category or without having obtained an unconditional examination waiver for that registration category shall complete the Regulatory Element content for that registration category annually by December 31 of the calendar year in which he or she reregisters and by December 31 of every year thereafter in which he or she remains registered, or as otherwise prescribed by the Exchange.

If a covered person has not completed any Regulatory Element content for a registration category in the calendar year(s) prior to reregistering, the Exchange would not approve a registration request for that category until he or she completes that Regulatory Element content or he or she passes an examination for that registration category or he or she obtains an unconditional examination waiver for that registration category, whichever is applicable.

Nothing in this paragraph (a)(4) shall prohibit a Member from requiring covered persons, other than a covered person designated as eligible for a waiver pursuant to Rule 3100, Interpretation and Policy .09, to complete their Regulatory Element for their registration categories at any time during the calendar year.

(5) **Definition of Covered Person**. For purposes of this Rule, the term "covered person" means any person registered, or registering, with the Exchange as a representative or principal as specified in Rule 3101, including any person who is permissively registered as such pursuant to Rule 3100, Interpretation and Policy .02, and any person who is designated as eligible for a waiver pursuant to Rule 3100, Interpretation and Policy .09.

(6) **Delivery of the Regulatory Element**. The Regulatory Element shall be administered through Web-based delivery or such other technological manner and format as specified by the Exchange.

(7) **Regulatory Element Contact Person**. Each Member shall designate and identify (by name and e-mail address) an individual or individuals responsible for receiving e-mail notifications regarding a covered person's completion of his or her Regulatory Element. Each Member shall identify, review, and, if necessary, update the information regarding its Regulatory Element contact person(s) in the manner prescribed by Exchange Rules.

(b) **Firm Element.**

(1) **Persons Subject to the Firm Element**. The requirements of this paragraph (b) shall apply to any person registered with a Member, including any person who is permissively registered as a representative or principal pursuant to Rule 3100, Interpretation and Policy .02.

(2) **Standards for the Firm Element**.

(i) Each Member must maintain a continuing and current education program for its registered persons to enhance their securities knowledge, skill, and professionalism. At a minimum, each Member shall at least annually evaluate and prioritize its training needs and develop a written training plan. The plan must take into consideration the Member's size, organizational structure, and scope of business activities, as well as regulatory developments and the performance of registered persons in the Regulatory Element. If a Member's analysis establishes the need for supervisory training for persons with supervisory responsibilities, such training must be included in the Member's training plan.

(ii) **Minimum Standards for Training Programs**. Programs used to implement a Member's training plan must be appropriate for the business of the Member and, at a minimum must cover training topics related to the role, activities or responsibilities of the registered person and to professional responsibility.

(iii) **Administration of Continuing Education Program**. A Member must administer its continuing education programs under this paragraph (b) in accordance with its annual evaluation and written plan and must maintain records documenting the content of the programs and completion of the programs by registered persons.

(iv) **Participation in Other Required Training**. A Member may consider a registered person's participation in the Member's anti-money laundering compliance training under Rule 315(e) and a registered person's participation in the Member's annual compliance training toward satisfying the registered person's continuing education requirement under this paragraph (b).

(3) **Participation in the Firm Element**. Registered persons of a Member must take all appropriate and reasonable steps to participate in continuing education programs under this paragraph (b) as required by the Member.

(4) **Specific Training Requirements**. The Exchange may require a Member, individually or as part of a larger group, to provide specific training to its registered persons in such areas as the Exchange deems appropriate. Such a requirement may stipulate the class of registered persons for which it is applicable, the time period in which the requirement must be satisfied and, where appropriate, the actual training content.

(c) **Continuing Education Program for Persons Maintaining Their Qualification Following the Termination of a Registration Category**.

A person who terminates any of his or her representative or principal registration categories with the Exchange may maintain his or her qualification for any of the terminated registration categories for a period of five years following the termination of the registration category, subject to the following conditions:

(1) The person was registered in the registration category for at least one year immediately preceding the termination of the registration category and the person was not subject to a statutory disqualification as defined in Section 3(a)(39) of the Exchange Act during this registration period;

(2) The person elects to participate in the continuing education program under this paragraph (c) at the time of his or her Form U5 submission or at a later date within two years from the termination of his or her registration category, provided that if the person commences at the later date the person completes within two years from the termination of his or her registration category any continuing education that was due under the program between the time of his or her Form U5 submission and the later date he or she commences participating in the program;

(3) The person completes annually by December 31 of the calendar year in a manner specified by the Exchange all prescribed continuing education during his or her participation in the program under this paragraph (c), provided that the Exchange may, upon written application by the person, with supporting documentation, and a showing of good cause, allow for additional time for the person to complete the prescribed continuing education;

(4) The person does not have a continuing education deficiency with respect to his or her Regulatory Element for two consecutive years as provided in paragraph (a)(2) of this Rule;

(5) The person does not become subject to a continuing education deficiency with respect to his or her Regulatory Element for two consecutive years as provided in paragraph (a)(2) of this Rule while participating in the program under this paragraph (c); and

(6) The person does not become subject to a statutory disqualification as defined in Section 3(a)(39) of the Exchange Act following the termination of his or her registration category or while participating in the program under this paragraph (c).

Interpretations and Policies:

.01 **Eligibility of Other Persons to Participate in the Continuing Education Program Specified in Paragraph (c) of this Rule**. A person registered in a representative or principal registration category with the Exchange within two years immediately preceding July 1, 2022 shall be eligible to participate in the continuing education program under paragraph (c) of this Rule, provided that he or she satisfies the conditions set forth in paragraphs (c)(1) and (c)(3) through (c)(6) of this Rule. In addition, a person participating in the Financial Services Affiliate Waiver Program under Rule 3100, Interpretation and Policy .09 immediately preceding July 1, 2022 shall be eligible to participate in the continuing education program under paragraph (c) of this Rule, provided that he or she satisfies the conditions set forth in paragraphs (c)(3), (c)(5) and (c)(6) of this Rule. Persons eligible under this Interpretation and Policy .01 shall make their election to participate in the continuing education program under paragraph (c) of this Rule by July 1, 2022. If such persons elect to participate in the continuing education program, the Exchange shall adjust their participation period by deducting from that period the amount of time that has lapsed between the date that such persons terminated their registration categories and July 1, 2022.

.02 **Re-Eligibility to Participate in the Continuing Education Program Specified in Paragraph (c) of this Rule**. A person who previously participated in the continuing education program under paragraph (c) of this Rule may become re-eligible to participate in the program if he or she reregisters with a Member firm and subsequently satisfies the conditions set forth in paragraphs (c)(1) and (c)(4) of this Rule. In such an event, the person may elect to again participate in the program subject to satisfying the remaining conditions set forth in paragraph (c) of this Rule.

[Adopted: January 9, 2020 (SR-PEARL-2020-01); amended June 28, 2022 (SR-PEARL-2022-25)]

Rule 3104. Electronic Filing Requirements for Uniform Forms

(a) **Filing Requirement.** All forms required to be filed under the Exchange's registration rules including the Rule 3100 Series shall be filed through an electronic process or such other process as the Exchange may prescribe to the Central Registration Depository.

(b) **Supervisory Requirements.**

(1) In order to comply with the supervisory procedures requirements in the Exchange's rules, each Member shall identify a Registered Principal(s) or corporate officer(s) who has a position of authority over registration functions, to be responsible for supervising the electronic filing of appropriate forms pursuant to this Rule.

(2) The Registered Principal(s) or corporate officer(s) who has or have the responsibility to review and approve the forms filed pursuant to this Rule shall be required to acknowledge, electronically, that he or she is filing this information on behalf of the Member and the Member's associated persons.

(c) **Form U4 Filing Requirements.**

(1) Except as provided in paragraphs (c)(2) and (c)(3) below, every initial and transfer electronic Form U4 filing and any amendments to the disclosure information on Form U4 shall be based on a signed Form U4 provided to the Member or applicant for membership by the person on whose behalf the Form U4 is being filed. As part of the Member's recordkeeping requirements, it shall retain the person's signed Form U4 or amendments to the disclosure information on Form U4 in accordance with Exchange Act Rule 17a-4(e)(1) and make them available promptly upon regulatory request. An applicant for membership also shall retain in accordance with Exchange Act Rule 17a-4(e)(1) every signed Form U4 it receives during the application process and make them available promptly upon regulatory request.

(2) A Member may file electronically amendments to the disclosure information on Form U4 without obtaining the subject associated person's signature on the form, provided that the Member shall use reasonable efforts to:

(i) provide the associated person with a copy of the amended disclosure information prior to filing; and

(ii) obtain the associated person's written acknowledgment (which may be electronic) prior to filing that the information has been received and reviewed. As part of the Member's recordkeeping requirements, the Member shall retain this acknowledgment in accordance with Exchange Act Rule 17a-4(e)(1) and make it available promptly upon regulatory request.

(3) In the event a Member is not able to obtain an associated person's signature or written acknowledgement of amended disclosure information on Form U4 prior to filing of such information pursuant to paragraph (c)(1) or (2), the Member is obligated to file the disclosure information as to which it has knowledge in accordance with Exchange Rule 3101. The Member shall use reasonable efforts to provide the associated person with a copy of the amended disclosure information that was filed.

(4) A Member may file electronically amendments to administrative data on Form U4 without obtaining the subject associated person's signature on the form. The Member shall use reasonable efforts to provide the associated person with a copy of the amended administrative information that was filed.

(d) **Fingerprint Information.** Upon filing an electronic Form U4 on behalf of a person applying for registration, a Member shall promptly submit fingerprint information for that person. The Exchange may make a registration effective pending receipt of the fingerprint information. If a Member fails to submit the fingerprint information within 30 days after filing of an electronic Form U4, the person's registration shall be deemed inactive. In such case, the person must immediately cease all activities requiring registration and is prohibited from performing any duties and functioning in any capacity requiring registration. The Exchange shall administratively terminate a registration that is inactive for a period of two years. A person whose registration is administratively terminated may reactivate the registration only

by reapplying for registration and meeting the qualification requirements of the applicable provisions of Exchange Rule 3101. Upon application and a showing of good cause, the Exchange may extend the 30-day period.

(e) **Form U5 Filing Requirements.** Initial filings and amendments of Form U5 shall be submitted electronically. As part of the Member's recordkeeping requirements, it shall retain such records for a period of not less than three years, the first two years in an easily accessible place, in accordance with Exchange Act Rule 17a-4, and make such records available promptly upon regulatory request.

Interpretations and Policies:

.01 **Delegation of Filing Functions.** The designated registered principal(s) or corporate officer(s) required by paragraph (b)(1) to supervise the Member's electronic filings may delegate to an associated person (who need not be registered) the electronic filing of the Member's appropriate forms via Web CRD. The registered principal(s) or corporate officer(s) responsible for supervising the Member's electronic filings may also delegate to the associated person making the electronic filings the requirement in paragraph (b)(2) to acknowledge, electronically, that he is making the filing on behalf of the Member and the Member's associated persons. However, the registered principal(s) or corporate officer(s) may not delegate any of the supervision, review, and approval responsibilities mandated in paragraphs (b)(1) and (2) and shall take reasonable and appropriate action to ensure that all delegated electronic filing functions are properly executed and supervised.

.02 **Third Party Agreements.** A Member may enter into an agreement with a third party pursuant to which the third party agrees to file the required forms electronically on behalf of the Member and the Member's associated persons. Notwithstanding the existence of such an agreement, the Member remains responsible for complying with the requirements of this Rule.

.03 **Filing of Amendments Involving Disclosure Information.** In the event a Member is not able to obtain an associated person's signature or written acknowledgement of amended disclosure information on that person's Form U4 prior to filing of such amendment reflecting the information pursuant to paragraph (c)(3) (examples of reasons why a Member may not be able to obtain the signature or written acknowledgement may include, but are not limited to, the associated person refuses to acknowledge such information, is on active military service or otherwise is unavailable during the period provided for filing of such amendments under Exchange Rule 3101), the Member shall enter "Representative Refused to Sign/Acknowledge" or "Representative Not Available" or a substantially similar entry in the electronic Form U4 field for the associated person's signature.

.04 **Filing of Amendments Involving Administrative Information.** For purposes of paragraph (c)(4) of the Rule, administrative data includes such items as the addition of state or self-regulatory organization registrations, exam scheduling, and updates to residential, business and personal history.

[Adopted: January 9, 2020 (SR-PEARL-2020-01); amended June 28, 2022 (SR-PEARL-2022-25)]

miaxoptions.com