Clearing Member Assessments



Assessments

What are Assessments and when do they apply?

- Assessments, found in MIAX Futures Rule 2110.00., are a form of recovery tool available to MIAX Futures in the event of a Clearing Member Default or Defaults.
- Assessments only apply after funds have been exhausted in accordance with the default waterfalls described in MIAX Futures Rule 2109.03.
- The balance of any losses remaining after applying the default waterfall shall be assessed against Clearing Members (excluding any involvement or defaulting Clearing Members) in direct proportion to the Clearing Members' total security deposit requirement for that tranche.
- A Clearing Member that has provided the maximum assessment amount in respect of a Cooling Off Period pursuant to MIAX
 Futures Rule 2110.00. shall not be liable for any further assessment contributions in respect of any default(s) occurring or
 declared during such Cooling Off Period.



Default Waterfalls (MIAX Futures Rule 2109.03.)

MIAX Futures Products Only Member Default

Defaulting member excess funds, security deposit, and margin

Full amount of MIAX Futures skin in the game (\$6,000,000)

Security Deposits of non-defaulting members authorized to trade MIAX Futures Products only

MIAX Futures working capital reserves

Security Deposits of non-defaulting members authorized to trade only Bitnomial Products

Bitnomial Products Only Member Default

Defaulting member excess funds, security deposit, and margin

MIAX Futures skin in the game funds dedicated to the Bitnomial Products tranche (\$2,000,000)

Security Deposits of non-defaulting members authorized to trade Bitnomial Products only

MIAX Futures remaining skin in the game (\$4,000,000)

Security deposits of non-defaulting members authorized to trade only MIAX Futures Products

MIAX Futures working capital reserves

MIAX Futures Products + Bitnomial Products Member Default

Defaulting member excess funds, security deposit, and margin

Full amount of MIAX Futures skin in the game (\$6,000,000)

Security deposits of non-defaulting members authorized to trade MIAX Futures Products and Bitnomial Products, proportionally by product tranche. If the loss in one tranche exceeds the resources available for that tranche, MIAX Futures will apply the remaining security deposits of the other tranche.

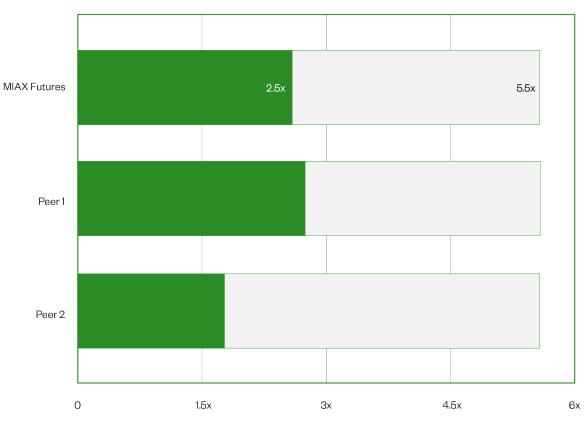
MIAX Futures working capital reserves



Assessment Authority (MIAX Futures 2110.00.)

- Each member is subject to an assessment up to 2.5 times the member's total security deposit at the time of default for one default.
- If multiple defaults occur within a pre-defined period, each member is subject to assessments up to 5.5 times the member's total security deposit.
- MIAX Futures' assessment authority is currently comparable with other Derivatives Clearing Organizations.

Assessment Authority



Assessment of member's total security deposit

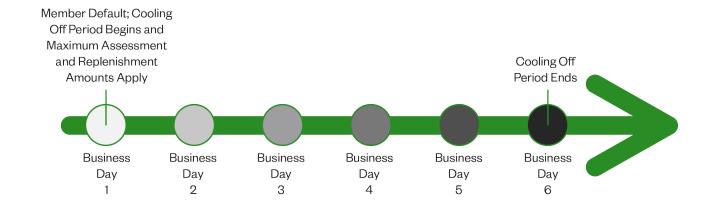
Assessment Authority for One Default

Assessment Authority for Multiple Defaults in One Cooling Off Period

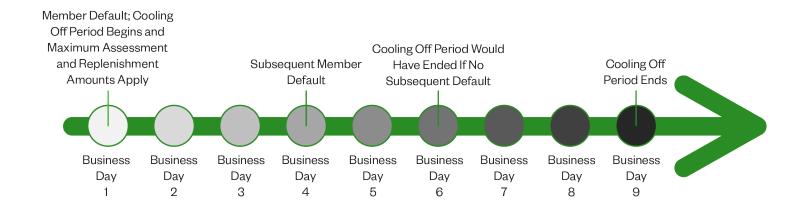


Cooling Off Period and Multiple Defaults

Single Member Default



Multiple Member Default





Paying Assessments (MIAX Futures Rule 2110.00.)

- Each Clearing Member shall pay any assessments made by wire or other method acceptable to MIAX Futures within two (2) hours of the notice of the assessment being delivered.
- If wire transfer service is not open or operational at the time of notice, payment is due within one (1) hour on the next business day that the wire transfer service is open and operations.
- Any Clearing Member that does not satisfy an assessment shall be in default.
- If the amount of assessments received exceeds the amount of the Loss, the Clearing House will return such excess funds as soon as practicable.

