SPIKES Options Incentive Program for Q3 2024

MIAX® is offering an incentive program for market makers that are members of the exchange. This is an extension of the previous program for SPIKES Options and contains two reward pools. See details below.

Duration

July 1st through September 30th, 2024, results evaluated and incentives paid monthly.

Two Segments

1. Minimum Qualifications Pool
2. Market Quality Pool

Requirements

- The Member must be a registered MIAX Market Maker to participate in the Program
- No specific sign-up needed
- Applicable to the 1st **two** monthly expirations. The expiry will **roll** on the Monday prior to the SPIKES expiration

Program Qualifications

1. Quoting 70% of time in market (TIM) applicable to a set of Program Options (PO)[1] measured over the entire month
2. Average quote size requirement of **25** contracts in each PO during TIM. (Average of bid and offer size for each individual PO)
3. ITM POs require a maximum bid/ask spread of **150 Bps** to count towards TIM
4. OTM POs require a maximum bid/ask spread of **100 Bps** to count towards TIM

*Note: [bps = {(Ask$-Bid$)/Future price}*10,000] where ITM and OTM are determined by:*

   a. ITM call = Strikes where, {SPK(t)-Strike(t)} is >= 0, plus the 1st Call where SPK(t)-Strike < 0
   b. OTM call = all remaining strikes
   c. ITM put = Strikes where {Strike(t)-SPK(t)} is >= 0, plus the 1st Put where SPK(t)-Strike < 0
   d. OTM call= all remaining strikes where, SPK(t)=live SPK "Mid" price for the future with same expiration date

Measurements

1. A "Snapshot" will be recorded each second (randomly within this second) during Regular Trading Hours (RTH), generally 9:30-4:15 ET
2. For each Snapshot:
   a. Each PO will be measured for width and size
   b. A PO where the market width is equal to or less than the maximum spread AND has an average bid & ask size equal to or greater than the minimum size is a Qualifying PO (QPO)
3. The sum of QPOs in the month divided by the total number of POs in the month will determine if the 70% threshold has been achieved

Pool One	Pool Two

Minimum Qualifications Pool
 	
1. Member must meet the four qualifications, per monthly calculation, to participate
2. $40,000 pool capped at $10,000 per Member
3. If more than four Members qualify, the pool will be equally distributed among the Members
	Market Quality Pool
	
	1. Available to all Members who qualify for the Minimum Qualifications Pool
	2. A Member's final score for the Market Quality Pool determined as:
	   a. (Average of the BPS measurement from all ITM QPOs)*25% + (Average of the BPS measurement from all OTM QPOs)*75%
	   b. Subtract the result from the requirement "score" of 112.50, where maximum= (150bps*25% + 100bps*75%) =112.50.
	   c. This is the Member's Improvement Value (MIV))
	3. Average the sum of the results in 2.c. for all the Members who qualify for the Minimum Qualifications Pool
	4. Multiply the result of 3. by $5,000 to determine the total pool size, capped at $100,000
	5. Distribute the pool to each Member based on their MIV on a pro-rata basis
	   a. For each Qualifying Member, divide the MIV by the total of all qualifying Members' Improvement Values to determine their percentage of the pool
	   b. Multiply this result by the total pool size
	   c. The result, capped at $25,000 per Member, is the Member's earn-out

Note: Strikes used for the Program Options (PO) determined as:

a. Maximum strike range within 65%-400% of the equivalent month's future, F_{mth}. The maximum range begins with 23 business days remaining until expiry and thereafter
b. Range will linearly tighten as expiration approaches with a minimum range of 85%-150% on the expiries' last business day before roll, or 3 business days
c. Fixed strikes that are within the percentage band will be evaluated
d. See the "Range table" on the following page for reference

SPIKES Options: Incentive Program

Range Table

Remaining Biz Days	Lower Strike	Higher Strike	Growth Increment
1	N/A	N/A	0.01
2	N/A	N/A	0.125
3	85%	150%	
4	84%	163%	
5	83%	175%	
6	82%	188%	
7	81%	200%	
8	80%	213%	
9	79%	225%	
10	78%	238%	
11	77%	250%	
12	76%	263%	
13	75%	275%	
14	74%	288%	
15	73%	300%	
16	72%	313%	
17	71%	325%	
18	70%	338%	
19	69%	350%	
20	68%	363%	
21	67%	375%	
22	66%	388%	
23	65%	400%	
24	65%	400%	
25	65%	400%	
26	65%	400%	
27	65%	400%	
28	65%	400%	
29	65%	400%	
30	65%	400%	
31	65%	400%	
32	65%	400%	
33	65%	400%	
34	65%	400%	
35	65%	400%	
Etc.	65%	400%	

DISCLAIMER

This MIAX Options SPIKES Market Maker Incentive Program description provides a summary of the MIAX Options SPIKES Market Maker Incentive Program. The complete and official MIAX Options SPIKES Market Maker Incentive Program will be described in a filing to be submitted to the Securities and Exchange Commission (the "Commission") subject to Commission approval and will be posted on the MIAX Options Exchange website. The complete, official, and current MIAX Options Fee schedule is available at: https://www.miaxglobal.com/markets/us-options/miax-options/fees

Please visit **www.miaxglobal.com/spikes** for more information and additional resources. For direct questions relating to SPIKES Options, please contact **spikes@miaxglobal.com** - **609-897-8177**