

DATE: April 1, 2014

TO: MIAX Members

FROM: MIAX Regulatory Department

RE: Changes to MIAX Opening Quote Width Multiplier for Long Term Options Effective April 2, 2014

The Exchange will change the maximum opening quote width to \$5.00 for options with a time to expiration of nine (9) months or greater (“Long Term Option” or “LTO”) for the following listed below, effective at the start of trading on Wednesday, April 2, 2014.

Primary Lead Market Makers (“PLMM”) are reminded of the valid width quote obligation for classes the PLMM is assigned in, including LTOs, within one (1) minute following the dissemination of a quote or trade by the market for the underlying security as stated in MIAX Rules 503(e)(5) and 603(c).

MIAX Rule 406 (Long-Term Option Contracts) does not provide an exemption to the requirements contained in MIAX Rule 503.

Please contact the MIAX Regulatory Department with any questions at Regulatory@MIAXOptions.com or (609) 897-7309.

Valid Opening Markets Range for Penny-Nickel Issues:			
Low end of range (bid)	High end of range (bid)	Valid Quote Width	Long-Term Option Maximum Width
\$0.00	\$1.99	\$0.25	\$5
\$2.00	\$5.00	\$0.40	\$5
\$5.01	\$10.00	\$0.50	\$5
\$10.01	\$20.00	\$0.80	\$5
\$20.01	+	\$1.00	\$5

Valid Opening Markets Range for Nickel-Dime Issues:			
Low end of range (bid)	High end of range (bid)	Valid Quote Width	Long-Term Option Maximum Width
\$0.00	\$1.99	\$0.25	\$5
\$2.00	\$5.00	\$0.40	\$5
\$5.01	\$10.00	\$0.50	\$5
\$10.01	\$20.00	\$0.80	\$5
\$20.01	+	\$1.00	\$5

Valid Opening Markets Range for All Penny Issues:			
Low end of range (bid)	High end of range (bid)	Valid Quote Width	Long-Term Option Maximum Width
\$0.00	\$1.99	\$0.25	\$5
\$2.00	\$5.00	\$0.40	\$5
\$5.01	\$10.00	\$0.50	\$5
\$10.01	\$20.00	\$0.80	\$5
\$20.01	+	\$1.00	\$5

Priority Quote Width Standard for Dime Issues:			
Low end of range (bid)	High end of range (bid)	Priority Quote Width	Long-Term Option Maximum Width
\$0.00	\$1.99	\$0.25	\$5
\$2.00	\$5.00	\$0.40	\$5
\$5.01	\$10.00	\$0.50	\$5
\$10.01	\$20.00	\$0.80	\$5
\$20.01	+	\$1.00	\$5

Priority Quote Width Standard Valid Opening Markets Range for Penny-Nickel Issues:			
Low end of range (bid)	High end of range (bid)	Priority Quote Width	Long-Term Option Maximum Width
\$0.00	\$1.99	\$0.25	\$5
\$2.00	\$5.00	\$0.40	\$5
\$5.01	\$10.00	\$0.50	\$5
\$10.01	\$20.00	\$0.80	\$5
\$20.01	+	\$1.00	\$5

Priority Quote Width Standard Valid Opening Markets Range for All Penny Issues:			
Low end of range (bid)	High end of range (bid)	Priority Quote Width	Long-Term Option Maximum Width
\$0.00	\$1.99	\$0.25	\$5
\$2.00	\$5.00	\$0.40	\$5
\$5.01	\$10.00	\$0.50	\$5
\$10.01	\$20.00	\$0.80	\$5
\$20.01	+	\$1.00	\$5

Option Classes Not Included in the Penny Pilot - Expanded Quote Range for Nickel-Dime Issues:			
Low end of range (bid)	High end of range (bid)	Expanded Quote Range	Long-Term Option Maximum Width
\$0.00	\$1.00	\$0.05	\$5
\$1.01	\$3.00	\$0.10	\$5
\$3.01	\$5.00	\$0.20	\$5
\$5.01	\$10.00	\$0.30	\$5
\$10.01	\$20.00	\$0.50	\$5
\$20.01	\$40.00	\$0.70	\$5
\$40.01	+	\$0.90	\$5

Option Classes Included in the Penny Pilot - Expanded Quote Range for Penny-Nickel Issues:			
Low end of range (bid)	High end of range (bid)	Expanded Quote Range	Long-Term Option Maximum Width
\$0.00	\$1.00	\$0.05	\$5
\$1.01	\$3.00	\$0.10	\$5
\$3.01	\$5.00	\$0.20	\$5
\$5.01	\$10.00	\$0.30	\$5
\$10.01	\$20.00	\$0.50	\$5
\$20.01	\$40.00	\$0.70	\$5
\$40.01	+	\$0.90	\$5

Options Overlying SPY/IWM/QQQQ Expanded Quote Range for All Penny Issues:			
Low end of range (bid)	High end of range (bid)	Expanded Quote Range	Long-Term Option Maximum Width
\$0.00	\$0.40	\$0.05	\$5
\$0.41	\$1.00	\$0.07	\$5
\$1.01	\$2.00	\$0.10	\$5
\$2.01	\$3.00	\$0.15	\$5
\$3.01	\$5.00	\$0.20	\$5
\$5.01	\$10.00	\$0.30	\$5
\$10.01	\$20.00	\$0.50	\$5
\$20.01	\$40.00	\$0.70	\$5
\$40.01	+	\$0.90	\$5