

Form of Certification

[Date]

The Options Clearing Corporation
One North Wacker Drive, Suite 500
Chicago, IL 60606
Attn: []

Re: Certification Relating to Exchange Risk Controls Standards

Dear []:

[Insert Exchange Name] (“Exchange”), a participant exchange of The Options Clearing Corporation (“OCC”), hereby certifies to OCC that it has established and implemented risk controls that meet OCC’s approved exchange risk controls standards (“Standards”) as specified below:

i. Price reasonability checks:

- These checks are mandatory, not optional. See: [identify rule or other means that describes the checks and indicates that they are mandatory]
- These checks apply to quotes. See: [identify rule or other means by which the checks apply to quotes]
- These checks apply to limit orders. See: [identify rule or other means by which the checks apply to limit orders]
- These checks apply to complex orders. See: [identify rule or other means by which the checks apply to complex orders]
- These checks apply to all trading sessions (although not necessarily in a uniform manner), including market openings. See: [identify rule or other means by which the checks apply to all trading sessions, including market openings]
- If these checks do not prevent the display and execution of quotes, the Exchange has other means by which it mitigates the risks associated with the display and execution of quotes outside the specified threshold. See: [identify rule or other means by which the risks are mitigated]

ii. Drill-through protections:

- These protections are mandatory, not optional, and include reasonably quantifiable limits. See: [identify rule or other means that describes the protections (including the reasonably quantifiable limits) and indicates that they are mandatory]
- These protections cover all orders, including market, limit and complex orders. See: [identify rule or other means by which the protections cover all orders, including market, limit and complex orders]
- These protections apply to all trading sessions (although not necessarily in a uniform manner), including market openings. See: [identify rule or other means by which the protections apply to all trading sessions, including market openings]

iii. Activity-based protections:

- These protections apply to and across all traded products. See: [identify rule or other means that describes the protections and indicates that they apply to and across all traded products]
- Use of these protections is mandatory where such use is consistent with sound risk management practice. See: [identify rule or other means that indicates whether available activity-based protections are mandatory]
- These protections include a maximum number of contracts and/or orders that can be entered and/or executed over a set period of time. See: [identify rule or other means by which the protections limit the number of contracts and/or orders that can be entered and/or executed over a set period of time]

iv. Kill-switch protections:

- These protections provide participants on the Exchange the ability to “cancel-on-disconnect” (*i.e.*, cancel all orders or quotes in the event the participant disconnects from the Exchange). See: [identify rule or other means that describes the protections and indicates that they are available to market participants]
- These protections include “heartbeat monitors” that periodically send a signal to each participant anticipating a response, which allow the Exchange to cancel all quotes or orders for any participant that does not respond, and are mandatory in the case of market makers. See: [identify rule or other means that describes the protections, indicates that they are available to market participants, and indicates that they are mandatory in the case of market makers]
- These protections include the ability for a participant on the Exchange to cancel all quotes and/or orders with a single message to the Exchange, with availability of backup alternative messaging systems. See: [identify rule or other means that describes this aspect of these protections]
- These protections restrict automated re-entry to trading after the activation of a kill-switch protection in order to prevent repeated triggering of the kill-switch.

See: [identify rule or other means by which the protections restrict automated re-entry to trading after the activation of a kill-switch protection]

Please contact [OCC contact information] with any question you may have regarding this certification.

Sincerely,

[Exchange]

By: [Name]
Its: [Title*]

*Note: Certification must be executed by an executive officer of the exchange.