



CULVERT CAPITAL

BCP STATEMENT

MAY 21, 2025

CONSISTENT WITH FINRA RULE 4370, CULVERT HAS ESTABLISHED A BUSINESS CONTINUITY PLAN TO SUPPORT THE RESILIENCE OF ITS OPERATIONS.

[HTTPS://WWW.FINRA.ORG/RULES-GUIDANCE/KEY-TOPICS/BUSINESS-CONTINUITY-PLANNING/FAQ](https://www.finra.org/rules-guidance/key-topics/business-continuity-planning/faq)

BCP REQUIREMENTS

FINRA RULE 4370 REQUIRES CULVERT TO PROVIDE INFORMATION TO CLIENTS ABOUT ITS BUSINESS CONTINUITY PLANS, AND TO REVIEW AND UPDATE THOSE PLANS ON AT LEAST AN ANNUAL BASIS OR UPON MATERIAL CHANGES TO THE FIRM'S OPERATIONS.

BUSINESS OVERVIEW

CULVERT PROVIDES EQUITY OPTION ATS SERVICES TO CLIENT FINANCIAL INSTITUTIONS AND SELECT LIQUIDITY PROVIDERS, ATS-MATCHED ORDERS ARE ROUTED FOR EXECUTION TO AN OPTIONS EXCHANGE AND PROCESSED AS NORMAL BY EACH ENTITY'S DESIGNATED CLEARING HOUSE. SHOULD THERE BE DISRUPTIONS TO THE ATS THEN CLIENTS' ORDERS ROUTE DIRECTLY TO THE OPTIONS EXCHANGE, WITH NO DETRIMENTAL CLIENT IMPACT (BEYOND MISSING A POTENTIAL PRICE IMPROVEMENT OPPORTUNITY ON THE ATS). CULVERT HOLDS NO CLIENT POSITIONS AND NO CLIENT FUNDS.



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BCP

AS PART OF ITS BUSINESS CONTINUITY PLAN CULVERT HAS REVIEWED THE SYSTEMS AND VENDORS WHICH SUPPORT ITS OPERATIONS, AND - WHERE POSSIBLE - IDENTIFIED AND ESTABLISHED ALTERNATIVES SHOULD THOSE NOT BE AVAILABLE. TO RUN ITS BUSINESS CULVERT OPERATES ON A GEOGRAPHICALLY DISTRIBUTED BASIS, USING CLOUD SERVICE PROVIDERS INCLUDING SALESFORCE, MICROSOFT, GLOBAL RELAY AND AWS WHICH SUPPORT OPERATIONS FROM ANY LOCATION (AND PROVIDE FLEXIBILITY IN CASE OF CERTAIN LOCAL, REGIONAL OR NATIONAL EVENTS SUCH AS A FIRE, HURRICANE, CIVIL UNREST OR PANDEMIC).

KEY DEPENDENCIES

FOR SOME SYSTEMS CULVERT HAS IMPLEMENTED PERIODIC BACKUPS TO SUPPORT DATA ACCESS AND RECOVERY SHOULD THOSE SERVICE PROVIDERS NOT BE AVAILABLE (E.G., MICROSOFT, GITHUB). IN SOME CASES, REDUNDANCIES AND RECOVERY ARE MANAGED BY THE SINGLE-SOURCE PROVIDER. KEY CULVERT SERVICE PROVIDERS WHICH CURRENTLY DO NOT HAVE AN OPERATIONAL ALTERNATIVE INCLUDE:

- OPTIONS-IT / NY5 - SERVER HOSTING.
- DEVX - MARKET DATA.
- TRAFIX - ORDER ROUTING.
- OPTIONS EXCHANGES - FOR ORDER EXECUTION.

IN CASE OF A SUSTAINED OUTAGE, ALTERNATE PROVIDERS COULD BE DEVELOPED, BUT THAT WOULD NOT BE A RAPID TRANSITION AND SIMILARLY WOULD IMPACT MULTIPLE OTHER MARKET PARTICIPANTS.



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COMMUNICATION

SHOULD CULVERT EXPERIENCE A SEVERE BUSINESS DISRUPTION IT WILL PROMPTLY COMMUNICATE THAT EVENT TO CLIENTS BY EMAIL AND / OR PHONE CALLS, PROVIDING AN ESTIMATED IMPACT AND RECOVERY DURATION (IF KNOWN). AS APPROPRIATE, CULVERT ALSO WILL PROVIDE REGULATOR UPDATES AND (DEPENDING ON THE EVENT) MAY COORDINATE WITH OTHER FIRMS WHICH MAY BE IMPACTED SIMILARLY BY A DISRUPTION.

QUESTIONS ABOUT CULVERT'S BCP, OR ABOUT ANY EVENT WHICH MAY HAVE IMPACTED OPERATIONS, CAN BY COMMUNICATED TO MBARRY@CULVERTCAPITAL.COM, 708.227.7893, OR GLAM@CULVERTCAPITAL.COM, 647.519.4526.