PARTIAL AMENDMENT

The Philadelphia Stock Exchange, Inc. (“Exchange” or “Phlx”) hereby submits this Partial Amendment constituting Amendment No. 3 to its rule filing Phlx-2005-93 filed on December 30, 2005. The purpose of this Partial Amendment is to implement a new structure to the Nominating, Elections and Governance Committee in order to ensure compliance with the requirements of fair representation. To accomplish this, Phlx is revising the text of Section 10-19 (a) of the By-Laws, providing an insert to the Purpose section and an insert to the Statutory Basis section reflecting the same.

The insert to the Purpose section, and the insert to the Statutory Basis section, and the changes to the Rule text are being marked against what was provided in Amendment No. 2. Additions are underlined and bolded; Deletions are bracketed and bolded.

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3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

   a. Purpose

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Other Minor Modifications

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   • The Nominating and Elections Committee will be renamed the Nominating, Elections and Governance Committee. The purpose of this change is to have the Committee’s name more properly reflect the existing role and function of this Committee. There are no substantive changes in the Committee’s function. The Nominating and Elections Committee is currently composed of the following: the Chairman (who must be a Non-Industry Public Governor); three (3) Non-Industry
Governors; one (1) Off-Floor Member (who may be a Governor); one (1) On-Floor Equity Governor; and one (1) On-Floor Equity Options Governor. The amendments will modify the composition to the following: [four (4)] three (3) Independent Governors ([one of whom must serve as the chairman of the committee and] one who must be a Designated Independent Governor); [two (2)] one (1) Stockholder Governor[s]; and one (1) Member Governor. The Nominating, Elections and Governance Committee shall select its Chairman from among the members of such Committee who are Independent Governors. Constituted in this manner, the interests of the Members of the Exchange, by virtue of the Member Governor and the Designated Independent Governor who are both elected by the Members, would be represented by at least 20% of the Committee in compliance with the requirements of fair representation of Section 6(b)(3) of the Securities Exchange Act of 1934.

b. Statutory Basis

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The Exchange further believes that its proposal is consistent with Section 6(b) of the Act\(^1\) in general, and furthers the objectives of Section 6(b)(3) of the Act\(^2\) in particular, in that it is designed to assure a fair representation of its Members.

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\(^1\) 15 U.S.C. 78f(b).

members in the selection of its directors and administration of its affairs because the

Nominating, Elections and Governance Committee will consist of three Independent
Governors (one of whom must be a Designated Independent Governor), one

Stockholder Governor, and one Member Governor, with the Designated

Independent Governor elected by the Members, ensuring greater Member

representation.

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BY-LAWS OF PHILADELPHIA STOCK EXCHANGE, INC.

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Nominating, [and] Elections and Governance Committee

SEC. 10-19.(a) The Nominating, [and] Elections and Governance Committee
shall consist of [seven (7)] five (5) persons as follows: [four (4)] three (3) [non-industry]
Independent Governors, (one of whom must be a Designated Independent Governor)
[at least two (2) of whom shall be Public Governors; one (1) Off-Floor member, who may
be a] [two (2)] one (1) Stockholder Governor[s]; and one (1) [On-Floor Equity] Member
Governor [; and one (1) On-Floor Equity Options Governor]. The Nominating, [and]
Elections and Governance Committee shall select its Chairman from among the members
of such Committee who are [Public] Independent Governors.

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