The purpose of this document is to amend the current maximum number of transactions per second (TPS) for EAMs using the API interface.

Effective November 1, 2010, these sessions will increase from 8 to 12 TPS.

Effective November 15, 2010, these sessions will increase from 12 to 16 TPS.

The amended ISE User Policy is provided below for your convenience.

**Definition of ISE Session**

**API Quoting Session (“Quoter”)**

An API Quoting Session is defined as any connection with a profile that includes the MO206 or MO207 quote transactions.

**High Throughput (“Double Session”)**

ISE offers a High Throughput Session type to accommodate terminal-based applications which are unable to utilize multiple quoting sessions per terminal.

The transaction rate for these sessions is twice the standard quoting session transaction rate. Double Sessions are billed at twice the rate of standard sessions, and have a permissible quoting limit of twice that of standard sessions.

While the maximum transaction rate for a Double Session is twice the standard rate, this throughput rate is not guaranteed during peak periods. Therefore, it is preferable to use standard sessions if your system can handle multiple sessions.

Each Double Session counts as two sessions when calculating the permissible number of sessions in the API Session table below. For example, a CMM quoting in a bin with two order books may have up to three double sessions for that bin. A CMM in a bin with three order books may have up to four double sessions plus one standard session.

**Index Market Maker (“IMM”)**

The Index Market Maker is a Competitive Market Maker (CMM) that does not own or lease a seat in a particular bin, but is permitted to perform a market making role in index-based products (including ETFs) in that bin. IMMs must contact ISE Market Operations to request access to specific index-based products.
Cross-Bin Session ("XM")

The ISE permits market makers with multiple bin memberships to link API quoting sessions across bins. A cross-bin session can submit quotes in all bins attributed to that market making firm.

Order Entry

An API "Order Entry Session" is defined as any connection with a profile that includes the MO101, MO121, MO131 and MO132 regular order and combination order transactions.

Market Makers can utilize Order Entry sessions and receive a discount to the regular quoting type. This order entry session will have all the functionality of the regular full trading market maker session with one exception: this session cannot enter quotes.

Listener

An API "Listener Session" is defined as any connection with a profile that does not include order entry or quote entry capabilities.

The functionality supported by the Listener session can be used to support certain miscellaneous functions such as setting parameters, pulling quotes and performing linkage functions. Sessions that are dedicated to these functions can be configured as a "Market Maker Listener" and will be charged at the listener rate.

Rotation

An API "Rotation Session" is a non-billable session that can facilitate the opening rotation request for Primary Market Makers. This session type cannot enter orders or quotes.

FIX Session

A FIX session is defined as any order entry connection to the ISE that provides access to the FIX order routing system. The current allowable number of FIX sessions is at the discretion of the ISE management. FIX sessions are currently billed at a rate of $250.00 monthly for first two sessions and $50.00 monthly for third and additional sessions.

Capacity and Throughput

Maximum Number of API Quoting sessions per Bin

Market Making firms are allocated quoting sessions based on their bin participation. Each bin has a maximum number of sessions permitted, based on the number of order books assigned to the bin.
The ISE API Quoting Session policy for CMMs provides for three API quoting sessions per order book. To accommodate the 100% quoting obligation of Primary Market Makers (PMMs), the ISE allocates one additional quoting session per order book to PMMs. The policy also provides for two API quoting sessions per order book for Index Market Makers (IMMs).

The total number of XM sessions permitted is the sum of the respective CMM allocations for every bin in which the XM session is a member. For example, an XM session participating in three bins with an aggregate of five order books across all bins would be allocated 15 API sessions.

Please note that ISE currently does not support the XM configuration for PMM. However, IMM sessions can be accommodated with the XM configuration.

Although firms have no minimum obligation to use the number of quoting sessions allocated to them, they may not exceed their allocation limit in any given order book.

The table below lists the maximum number of API sessions permitted per bin.

<table>
<thead>
<tr>
<th>ANY BIN WITH</th>
<th>1 OB</th>
<th>2 OB</th>
<th>3 OB</th>
<th>4 OB</th>
<th>5 OB</th>
<th>6 OB</th>
<th>7 OB</th>
<th>8 OB</th>
</tr>
</thead>
<tbody>
<tr>
<td>PMM</td>
<td>4</td>
<td>8</td>
<td>12</td>
<td>16</td>
<td>20</td>
<td>24</td>
<td>28</td>
<td>32</td>
</tr>
<tr>
<td>Back-up PMM</td>
<td>3</td>
<td>6</td>
<td>9</td>
<td>12</td>
<td>15</td>
<td>18</td>
<td>21</td>
<td>24</td>
</tr>
<tr>
<td>CMM</td>
<td>3</td>
<td>6</td>
<td>9</td>
<td>12</td>
<td>15</td>
<td>18</td>
<td>21</td>
<td>24</td>
</tr>
<tr>
<td>XM</td>
<td>3</td>
<td>6</td>
<td>9</td>
<td>12</td>
<td>15</td>
<td>18</td>
<td>21</td>
<td>24</td>
</tr>
<tr>
<td>IMM</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>8</td>
<td>10</td>
<td>12</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td>Rotation</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
</tr>
</tbody>
</table>

**Maximum Number of API transactions per Session**

Listed below are ISE transaction limits per session for all membership types. These rates will be periodically adjusted to address demand, maintain competitiveness, and improve transaction processing speed.

<table>
<thead>
<tr>
<th>MEMBER TYPE</th>
<th>SESSION TYPE</th>
<th>MAX # OF TRANSACTIONS PER SECOND</th>
</tr>
</thead>
<tbody>
<tr>
<td>PMM/CMM</td>
<td>Listener/Order entry</td>
<td>8</td>
</tr>
<tr>
<td>CMM</td>
<td>Double-Session</td>
<td>32</td>
</tr>
<tr>
<td>PMM</td>
<td>Double-Session</td>
<td>36</td>
</tr>
<tr>
<td>CMM</td>
<td>Quoter</td>
<td>16</td>
</tr>
<tr>
<td>PMM</td>
<td>Quoter</td>
<td>18</td>
</tr>
<tr>
<td>PMM</td>
<td>Rotation</td>
<td>24</td>
</tr>
<tr>
<td>EAM FIX</td>
<td>FIX order entry</td>
<td>16</td>
</tr>
<tr>
<td><strong>EAM</strong></td>
<td><strong>API order entry/listener</strong></td>
<td><strong>16</strong></td>
</tr>
</tbody>
</table>
Maximum Number of Quotes per Day

Each Market Maker will receive an allocation of 1.3 million quotes per day per quoting user session. If the firm exceeds this allocation, the firm will be charged for additional sessions based on the number of quotes submitted.

Each month, the total number of quotes submitted by a market maker firm across all bins will be divided by the number of trading days to give the average quotes per day. This number will then be divided by 1.3 million and rounded up to the nearest whole number, resulting in the number of sessions based on quotes.

The number of sessions (based on quotes) = total quotes across all bins for month / (number of trading days * 1.3 million.)

Members will be invoiced for the greater of: a) the greatest number of sessions that were simultaneously logged into the system, or b) the number of sessions based on quotes. The firm is then invoiced at $950 per session.

Example: A firm with 20 sessions has an allocation of 26 million quotes per day. If the firm submits an average of 24 million quotes per day then the firm will be invoiced for 20 sessions. If the firm submits an average of 28.3 million quotes per day, the firm will be invoiced for 22 sessions.

Market Makers that exceed their allocation will receive an email on a daily basis informing them that they will incur additional session fees if the firm continues to submit in excess of the daily quote allocation per session.

Member Gateway Policy

All member firms accessing the API must connect through an ISE proprietary Gateway. All gateways must be purchased by member firms and are limited to a maximum of 8 servers per infrastructure (site). All gateway servers have two port instances and each instance can support 25 sessions, with a maximum of 50 on each server.

ISE recommends that all members load balance their sessions across instances and gateways.

Disaster Recovery Sessions

ISE offers members the option of having hot disaster recovery sessions. These sessions can log in daily without being billed by the ISE. ISE will monitor these sessions for quoting activity and will generate monthly usage reports upon request. Firms are only permitted to use these API sessions in emergency situations. Please contact the ISE Market Operations Group to establish these sessions.

Session Fees

The fee for an API Quoting Session is $950 per month.
The fee for an Order-Entry session is $750 per month.
The fee for a Listener session is $175 per month.
If your firm chooses to use additional API quoting sessions up to but not exceeding the maximum allocations described above, standard billing charges as per the Exchange’s fee schedule will apply.

**Further information**

If you have any questions about this bulletin, please contact me at 646-805-1823 or jburns@ise.com.

If you would like to request additional user sessions or create disaster recovery sessions please call Market Operations at 877-473-9989 or send an email to helpdesk@ise.com.