

MEMORANDUM

TO: PHLX Members, Participants, Member Organizations and Participant Organizations

FROM: Office of the Secretary

RE: Executive Committee Meeting of February 7, 2007

DATE: February 8, 2007

The Executive Committee of the Philadelphia Stock Exchange, Inc. (“Phlx” or the “Exchange”) Board of Governors convened on Wednesday, February 07, 2007 and, pursuant to delegated authority of the Board of Governors under By-Law Article X, Section 10-14(b), took the following actions:

- Approved the draft minutes of the Executive Committee Meeting of January 30, 2007.
- Approved and authorized staff to indicate to the Options Price Reporting Authority (“OPRA”) of two proposed rule filings to be submitted to the Securities and Exchange Commission (“SEC”). The two amendments seek to adopt a revised form of OPRA’s Third Party Billing Agreement and to revise the format of the OPRA Fee Schedule.
- Approved and authorized staff to file with the SEC an amendment to Phlx Rule 1080, Commentary .01, to delete references to “Auto-Quote” from the Exchange’s rules, due to the upcoming phase-out of the Auto-Quote system.
- Approved and authorized staff to file with the SEC two amendments to the Plan for the Purpose of Creating and Operating an Intermarket Option Linkage (the “Linkage Plan”), together with corresponding Exchange rules. Plan Amendment No. 21 and the corresponding amendments to Exchange Rule 1084(d) would eliminate the limitation on the submission of Principal Orders (“P Orders”) through the Linkage. Plan Amendment No. 22 and the corresponding amendments to Exchange Rules 1084(c) and (e) and Rule 1085(b)(2) would reduce the amount of time a member must wait after sending a Linkage Order to a market before that member can trade through that market; a proposed decrease from 20 seconds to 5 seconds.
- Approved and authorized a series of budgeted capital requests, including OPRA server upgrades; a disk array for storage of quotes and surveillance data; the

replacement of Data Center Liebert datawaves and removal of heat pumps; TDAS system upgrades; a new Stratus server for testing VOS-based code; a scalable disk upgrade for the PHLX XLE Development System.