

MEMORANDUM

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

FROM: Office of the Secretary

RE: Executive Committee Meeting of July 19, 2007

DATE: July 23, 2007

The Executive Committee of the Philadelphia Stock Exchange, Inc. (“Phlx” or the “Exchange”) Board of Governors convened on Thursday, July 19, 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 July 10, 2007.
- Approved and authorized a proposed extension, for filing with the Securities and Exchange Commission (“SEC”), of a pilot program concerning Linkage Option Transaction Charge Principal (“P”) and Principal Acting as Agent (“P/A”) Orders currently scheduled to expire on July 31, 2007, for a one year period, until July 31, 2008. Additionally, the Committee approved the extension of this pilot program on an annual basis at the rates currently charged, as well as the related pilot program regarding the Specialist Options Transaction Charge Credit.
- Approved and authorized a proposal from Susquehanna International Group (SIG), for filing with the SEC, to list and trade cash-settled index options on the SIG Gaming Index (SGV). The Index was developed and is to be maintained by SIG. Phlx will calculate and disseminate the new index across the PBOT Market Data Network.
- Approved and authorized staff to file to adopt with the SEC, proposed amendments to Commentary .02 of Rule 507, Application for Approval as an SQT or RSQT and Assignment in Options, to increase the maximum number of participants that may be assigned in a particular equity option at any one time.

- Approved and authorized staff to file to adopt with the SEC, a proposed extension of a pilot that permits certain options to be quoted and traded in increments of \$0.01. The pilot, currently effective on a six-month basis, is scheduled to expire on July 26, 2007. This proposal would extend the pilot through September 27, 2007.

- Approved and authorized staff to file to adopt with the SEC, an amendment to the Plan for the Purpose of Creating and Operating an Intermarket Option Linkage (the “Plan”), to permit pre-opening Linkage P/A Orders in an option series to be sent by a Linkage participant to another exchange when the sending exchange has not opened trading in that series.