

MEMORANDUM

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

FROM: Office of the Secretary

RE: Executive Committee Meeting of March 29, 2007

DATE: March 29, 2007

The Executive Committee of the Philadelphia Stock Exchange, Inc. (“Phlx” or the “Exchange”) Board of Governors convened on Thursday, March 29, 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 March 19, 2007.
- Approved and authorized staff to file with the Securities and Exchange Commission (“SEC”) to amend the equity option and index option Floor Brokerage Assessment fee schedule to change the levels of the monthly net floor brokerage income and corresponding assessment and to reduce the fee cap from \$100,000 per month to \$10,000 per month. This proposal is scheduled to become effective for trades settling on or after April 2, 2007.
- Approved and authorized staff to file with the SEC to extend, expand or make permanent the \$1 strike price pilot program found in Commentary .05(a) of Phlx Rule 1012 (“\$1 Strike Price Pilot”), which is currently set to expire on June 5, 2007. The Exchange selected and has been listing five options classes (TYC, MU, ORQ, UBF, and JUP) pursuant to this pilot and has been multiply listing in excess of twenty options classes that were listed by other exchanges pursuant to their \$1 pilot programs.