

**NASDAQ OMX PHLX, Inc. (NASDAQ OMX PHLX)
Audit Committee Charter
APPROVED SEPTEMBER 4, 2008**

Organization

This Charter governs the operations of the Audit Committee (the "NASDAQ OMX PHLX Committee") of the Board of Directors (the "NASDAQ OMX PHLX") of NASDAQ OMX PHLX, Inc. (the "NASDAQ OMX PHLX"). The Charter will be reviewed and reassessed, at least annually, by the NASDAQ OMX PHLX Board and the NASDAQ OMX PHLX Committee. The NASDAQ OMX PHLX Committee shall be appointed by NASDAQ OMX PHLX Board in compliance with Article III, Section 5(d) of the By-Laws of the Exchange and shall consist of four or five Directors, each of whom is independent of management. Members of the Committee shall be considered independent if, in the opinion of the Board of Directors, they have no relationship that may interfere with the exercise of their independence in carrying out the responsibilities of a director*. All Committee members will be able to read and understand fundamental financial statements, including a balance sheet, income statement, and cash flow statement. At least one member must have past employment experience in finance or accounting, requisite professional certification in accounting or any other comparable experience or background that results in the individual's financial sophistication, including service as a Chief Executive Officer, Chief Financial Officer, or other senior officer with financial oversight responsibilities or otherwise satisfy standards for financial expertise required for audit committees of companies listed on the NASDAQ OMX PHLX.

Statement of Policy

The primary responsibility of the NASDAQ OMX PHLX Committee will be to assist the NASDAQ OMX PHLX Board in fulfilling its oversight responsibilities in assessing controls that mitigate risks associated with operating an exchange. These would be principally related to regulatory and operational risks.

In so doing, it is the responsibility of the NASDAQ OMX PHLX Committee to maintain free and open communication with independent auditors, internal

* Directors shall meet the standards for independence set forth in Section 10A (m) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the rules promulgated by the Securities and Exchange Commission (the "SEC") and Nasdaq Stock Market Rule 4200(a), as amended. The composition and responsibilities of the Committee also will be consistent with SEC guidance and in particular with the SEC Order set forth in Release No. 34-37538. Industry and Non-Industry Directors are not disqualified from serving on the Committee solely because they are employees or officers of a member firm or listed company as long as the Board of Directors determines that such Directors are independent of management according to the standards set forth above.

auditors, and management of the NASDAQ OMX PHLX and its affiliates. Where feasible the NASDAQ OMX PHLX Committee shall leverage the same independent auditors, internal auditors and overall risk management framework as The NASDAQ OMX Group (the "NASDAQ OMX"). The NASDAQ OMX PHLX Committee shall have the ability to engage outside resources as needed to fulfill their responsibilities. In discharging their oversight role, the NASDAQ OMX PHLX Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the NASDAQ OMX PHLX and its affiliates and the power to retain independent counsel, or other experts, and funding sufficient for this purpose.

Responsibilities and Processes

The primary responsibility of the NASDAQ OMX PHLX Committee is to oversee the effectiveness of the control processes for the operation of the NASDAQ OMX PHLX. These are primarily but not exclusively related to mitigating regulatory and operational risk resulting from the operation of a national securities exchange. The NASDAQ OMX PHLX Committee shall report the results of their efforts to the NASDAQ OMX PHLX Board. NASDAQ OMX PHLX management is responsible for the quality of controls at the NASDAQ OMX PHLX and for mitigating risk. The NASDAQ OMX PHLX Committee in carrying out its responsibilities believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The NASDAQ OMX PHLX Committee should take the appropriate actions to oversee overall corporate policy for quality activities and reporting of a self-regulatory organization, sound business risk management practices, and ethical behavior.

The following shall be the principal recurring processes of the NASDAQ OMX PHLX Committee in carrying out its responsibilities. The processes are set forth as a guide with the understanding that the Committee may supplement them as appropriate. The responsibilities and processes of the Committee shall be consistent with the Exchange Act and the rules and regulations adopted by the SEC.

1. The NASDAQ OMX PHLX Committee shall discuss with the internal auditors and the independent auditors the overall scope and plans for their respective audits at the NASDAQ OMX PHLX including the adequacy of staffing, compensation, and resources. Also, the Committee shall discuss with management, the internal auditors, and the independent auditors the adequacy and effectiveness the NASDAQ OMX PHLX's internal controls, including the system to monitor and manage regulatory and operational risk, and legal and ethical compliance programs. Included in this assessment are regulatory services that are outsourced. Further, the Committee shall meet separately with the internal auditors and the independent auditors, with and without management present, to discuss the results of their examinations. The internal auditors shall report directly to the Committee and have free and open access to information deemed necessary by them to perform their

assessments. The Committee shall provide oversight over the system of internal controls, relying upon management's and the internal and independent auditors representations and assessments of the controls.

2. As it relates to the activities of the NASDAQ OMX PHLX the Committee shall assist the Regulatory Oversight Committee of the NASDAQ OMX PHLX Board in overseeing the adequacy and effectiveness of NASDAQ OMX PHLX's self-regulatory organization responsibilities; assessing NASDAQ OMX PHLX's regulatory performance with regard to membership and trading activity and the regulatory compliance of its broker/dealer subsidiaries; and assisting the NASDAQ OMX PHLX Board and other committees of the NASDAQ OMX PHLX Board in reviewing the regulatory plan and the overall effectiveness of NASDAQ OMX PHLX's regulatory functions

3. An annual performance appraisal of the NASDAQ OMX PHLX Committee.

Independent Public Auditor Services

For the NASDAQ OMX PHLX the independent auditor is prohibited from performing any of the following services for NASDAQ OMX or its affiliates:

- bookkeeping or other services related to the accounting records or financial statements of the audit client;
- financial information systems design and implementation;
- appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
- actuarial services;
- internal audit outsourcing services;
- management or human resources functions;
- broker or dealer, investment adviser, or investment banking services;
- legal services and expert services unrelated to the audit; and
- any other service that the Public Company Accounting Oversight Board determines, by regulation, is impermissible.

All audit and allowable non-audit services must be approved in advance by the Audit Committee of NASDAQ OMX. However, the Chairman of the Audit Committee of NASDAQ OMX has authority to approve in advance non-audit services by the independent auditor to support business development, consulting on accounting issues (subject to the prohibitions above) or tax

consulting to the extent permitted by SEC rules, if such non-audit services do not exceed \$300,000 in the aggregate between meetings of the Audit Committee of NASDAQ OMX PHLX and the Audit Committee of NASDAQ OMX PHLX is informed of such pre-approval by the Chairman at the Committee's next meeting.