

NASDAQ OMX PHLX, INC.

Business Conduct Committee

2009

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NASDAQ OMX PHLX, INC.

Business Conduct Committee Charter

Approved July 30, 2009

Purpose: The primary function of the Business Conduct Committee (“BCC” or the “Committee”) is to monitor compliance with the Exchange Act, the rules and regulations thereunder, the By-Laws and rules of the Exchange, and the rules, regulations, resolutions and stated policies of the Board of Governors or any committee of the Exchange. The Business Conduct Committee or its designee (including a Hearing Panel) shall impose appropriate sanctions of expulsion, suspension, fine, censure or any other fitting sanction where the Business Conduct Committee or its designee (including a Hearing Panel) finds that a violation within the disciplinary jurisdiction of the Exchange has been committed.

Goals and Objectives: The BCC shall:

- Examine into the business conduct and financial condition of Members, participants, Member Organizations and participant organizations and associated persons.
- Authorize the initiation of any disciplinary actions or proceedings brought by the Exchange.

Composition: The Business Conduct Committee shall consist of not less than five (5) nor more than nine (9) members, as established by the Board of Governors. The majority of committee members shall be Non-Industry members; and the remaining committee members shall be Industry members. Not less than one (1) member who conducts options business at the Exchange shall be on the Business Conduct Committee. Members of the Business Conduct Committee shall serve for one (1) year terms and shall be reassessed on an annual basis.

Meetings: The Committee shall meet on a quarterly basis or as-needed, as circumstances dictate, and such meetings shall be requested by the Chief Regulatory Officer. The frequency of meetings should not be overly burdensome but conducted only as necessary to transact business.

Responsibilities and Duties:

To fulfill its goals and objectives, the BCC shall:

- Impose appropriate sanctions of expulsion, suspension, fine, censure or any other fitting sanction.
- Direct a general partner(s) or an executive officer(s) of such Member Organization to appear before the Business Conduct Committee or its designee (including a Hearing Panel) for examination upon forty-eight (48) hours notice, either oral or in writing and, after such examination, such Committee or Committee's designee (including a Hearing Panel) shall have authority to suspend such Member Organization until the requirements of Rule 703 are fully met.

July 30, 2009

- Prescribe regulations for the carrying of securities on margin by Members, participants and Member Organizations and participant organizations for customers; and it may also make such regulations in regard to the segregation or hypothecation of securities carried in customers' accounts as it deems advisable.
- Prohibit trading by a Member, participant or Member Organization or participant organization which is excessive in view of such person's or organization's capital.
- Require or request detailed financial reports or such other operational reports as it deems necessary.
- Supervise the advertising of Members, participants and Member Organizations and participant organizations.