

Boston Options Exchange Facility

Fee Schedule

(as of June 2008)

Sec. 1 Trading Fees For Public Customer Accounts

\$0.15 per executed contract of an Improvement Order for a Public Customer that is not submitted as a Customer Price Improvement Period Order (“CPO”) for a Price Improvement Period (“PIP”) auction - (“non-CPO”).

There are no trading fees for any other Public Customer Orders which may be executed, including CPOs and Public Customer orders on the Book, except for the charges and credits contained within the Liquidity Make or Take pricing structure as described in Section 7 of this Fee Schedule.

Sec. 2 Trading Fees For Broker Dealer Proprietary Accounts

- a. \$ 0.20 per contract traded;

-or-

- b. If the class is contained in the Liquidity Make or Take pricing structure, charges and credits as described in Section 7 of this Fee Schedule;
- c. Plus, where applicable, any surcharge for options on indices that are passed through by BOX. The applicable surcharges are as follows:
 - 1) \$0.15 per contract for options on the Russell® 2000 Index (RUT).
 - 2) \$0.16 per contract for options on the Nasdaq-100® Index (NDX).
 - 3) \$0.16 per contract for options on the Mini-NDX® Index (MNX).

Sec. 3 Market Maker Trading Fees

a. Per contract trade execution fee:

- 1) \$ 0.20 per contract traded in assigned classes;
- 2) \$ 0.20 per contract traded in unassigned classes;

- or -

- 3) If the class is contained in the Liquidity Make or Take pricing structure, charges and credits as described in Section 7 of this Fee

Schedule;

- 4) Plus, where applicable, any surcharge for options on ETFs that are passed through by BOX. For a list of applicable ETF surcharges, see Section 2(b), above.

b. Volume discount on total volume traded across all assigned classes (calculated on monthly basis)

BOX will provide volume discounts to Market Makers who are particularly active on BOX. This discount is calculated monthly for the previous calendar month's total trading volume across all the classes that the Market Maker holds an appointment as follows:

Average daily volume as appointed Market Maker	Per Contract
For all contracts up to a volume of 25,000 contracts	0
For the contracts traded between 25,000 and 50,000 (First Discount Threshold)	\$0.03
For the contracts traded above a total of 50,000 (Second Discount Threshold)	\$0.05

Example: Suppose that, in a given month which had twenty (20) trading days, a BOX Market Maker executed 1.2 million contracts. Of this total, 1.1 million executions were in the 100 classes for which he holds a market maker appointment; the total trading fees due to BOX before discount is \$ 220,000 (\$.20 multiplied by 1.2 million contracts).

The total volume across his appointments is an average daily volume ("ADV") of 55,000 contracts per day. 25,000 of these contracts (the excess over the first "threshold" of 25,000 ADV up to the second threshold of 50,000 ADV) are subject to a discount of \$0.03; an additional 5,000 of these contracts are subject to the second tier discount of \$0.05.

- First threshold discount: $25,000 \times \$ 0.03 \times 20 \text{ days} = \$ 15,000$
- Second threshold discount: $5,000 \times \$ 0.05 \times 20 \text{ days} = \$ 5,000$
- Total discount: \$ 20,000
- Net trading fees due to BOX for month: \$ 200,000 (\$220,000 - \$20,000)
- "Implied" trading fee per contract for Market Maker in assigned classes: $\$ 200,000 / 1,100,000 = \$ 0.1818$

Sec. 4 InterMarket Linkage

Except for the classes contained in the Liquidity Make or Take pricing structure, which are outlined in Section 7 of this Fee Schedule; the following fees are in effect on a Pilot basis, to expire on July 31, 2009.

a. Per contract , billed to BOX Participant

1. BOX trade triggered by an away market Satisfaction (“S”) request. Billed to BOX Participant having executed the offending side of the trade subject to the S request.	\$.40
2. Routing by BOX of PA and P orders, and S requests to away market	Free

b. Per contract, billed to clearing firm of away market Member

1. S request received from away market and executed on BOX.	Free
2. Inbound P and PA orders. This charge is the same as that which is applicable to a BOX Participant under Section 2. These orders are also subject to any additional pass-through surcharge fees specified in Section 2(b), as applicable.	\$.20

Sec. 5 Technology Fees

a. Point of Presence (“PoP”) Connection Fee

BOX’s Points of Presence are the sites where BOX Participants connect to the BOX network for communication with the BOX Trading Host. Each of these PoPs is operated by a third party supplier under contract to BOX. The amount to be paid by each BOX Participant is variable based on his particular configuration, the determining factors being the number of physical connections a BOX Participant has and the bandwidth associated with each.

- “**Installation**” and “**Hosting**” costs are related to the physical installation of equipment (generally routers though possibly other hardware) at the PoP site. BOX Participants will be required to pay this fee only if they have physical installations at the BOX PoP and for which BOX incurs fees from its own service suppliers
- “**Cross Connect**” fees are per physical connection and vary by size from the smallest (T-1) to the largest (CAT 5)

Setup (one time charge, not applicable for BOX Participants connected prior to

launch)

Installation	\$ 350
Cross connect per T-1	\$ 250
Cross connect T-3	\$ 350
Cross connect per CAT 5	\$ 500

Monthly (applicable only after launch)

Hosting	\$ 200
Cross connect per T-1	\$ 100
Cross connect T-3	\$ 200
Cross connect per CAT 5	\$ 250

b. CMS Order Routing Service

This service is optional for BOX Participants and is offered as an alternative to the FIX and proprietary gateways to the BOX Trading Host.

The CMS Gateway is a service provided by BOX to those BOX Participants who use the CMS protocol for routing orders. CMS may only be used for agency activities (and not for proprietary orders and market maker activities).

Monthly (applicable only after launch)

Per firm	\$ 250
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c. Back Office Trade Management Software (“TMS”)

TMS is optional software which BOX Participants may subscribe to in order to manage their BOX trades prior to their transmission by BOX to OCC.

Monthly per user within the same BOX Participant (applicable only after launch)

Users 1 to 5	\$ 300
Users 6 to 10	\$ 250
Users 11 and up	\$ 200

d. Testing/Support for Third Party Service Providers

Third Party Service Providers, generally either Independent Software Vendors (“ISVs”) who provide “front end” trading software systems or service bureaus which provide and operate order routing systems for broker dealers, may connect to the BOX Trading Host test platform. This is necessary both to establish initial compatibility of their software as well as to maintain this connectivity as the BOX Trading Host implements upgrades and evolutions. This fee is charged directly to the Third Party Service Provider, not the Options Participant, and is not charged to BOX Participants who connect their proprietary software systems to the BOX

Trading Host.

One time (not applicable for providers connected prior to launch)

Connection setup	\$ 10,000
Disconnection	\$500

Monthly (applicable only after launch)

Maintenance Fee	\$500
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Sec. 6 Compliance and Regulatory Fees

a. Compliance Examination Assessment

Monthly

Firms for which BOX assumes examination responsibilities	\$ 1,500
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b. Regulatory Fees

FINRA fees that will be imposed in connection with participation in Web CRD:

1. FINRA CRD Processing Fee - \$85.00
2. FINRA Disclosure Processing Fee - \$95.00
3. FINRA Annual System Processing Fee - \$30.00
4. Fingerprinting Fees - vary depending on the submission:
 - A. First card submission - \$30.25;
 - B. Second card submission - \$13.00;
 - C. Third card submission- \$30.25;
 - D. Processing fingerprint results where the member had prints processed through a self-regulatory organization other than FINRA: \$13.00;
5. Individual CRD registration fee - \$60.00
6. Individual CRD transfer fee - \$40.00
7. Individual CRD renewal fee - \$50.00
8. Individual CRD termination fee - \$30.00

Sec. 7 Liquidity Make or Take Pricing Structure

a. Liquidity Make or Take Pricing Structure:

The Liquidity Make or Take pricing structure shall apply to all classes participating in the Penny Pilot as referenced in Section 33 of Chapter V of the BOX Rules.

Under the Liquidity Make or Take pricing structure, orders that make liquidity to the BOX Book will receive a transaction credit upon execution. Any order, including an order with a Fill and Kill designation, which executes against an order which is being exposed before being placed on the BOX Book, will be considered to make liquidity. Orders which add liquidity will receive a credit according to the following table:

Credit for Making Liquidity
in Tier 1 Classes

Order on behalf of	Credit Amount (per contract)
Market Maker	\$0.30
Firm	\$0.25
Public Customer	\$0.25

Credit for Making Liquidity
in Tier 2 Classes

Order on behalf of	Credit Amount (per contract)
Market Maker	\$0.15
Firm	\$0.10
Public Customer	\$0.10

Any order, including an order with a Fill and Kill designation, which takes liquidity by trading immediately upon entry to the BOX Book or following its exposure as part of NBBO filtering will be charged a transaction fee according to the following table:

Transaction Fee for Taking Liquidity
in Tier 1 Classes

Order on behalf of	Fee (per contract)
Market Maker	\$0.45
Firm	\$0.45
Public Customer	\$0.45

Transaction Fee for Taking Liquidity
in Tier 2 Classes

Order on behalf of	Fee (per contract)
Market Maker	\$0.30
Firm	\$0.30
Public Customer	\$0.30

b. Exempt Transactions:

The following transactions will be exempt from the Liquidity Make or Take pricing structure, as they are deemed to neither “make” or “take” liquidity: transactions which occur on the opening or re-opening of trading and transactions on both sides of a PIP, with the exception of unrelated orders that interact with an Improvement Auction, which will be charged a ‘take’ fee. Transactions which are exempt from the Liquidity Make or Take pricing structure will be subject to the standard transaction fees, as listed below:

Transaction Fee for Exempt Orders

Order on behalf of	Transaction Fee (per contract)
Market Maker	\$0.20
Firm	\$0.20
Public Customer	\$0.00

c. Intermarket Linkage Transactions:

The charge for inbound Linkage Orders in instruments which are contained in the Liquidity Make or Take pricing structure will be the applicable 'take' fee for classes included in the Liquidity Make or Take pricing structure.