

As of 1/31/06

SCHEDULE OF FEES AND CHARGES FOR EXCHANGE SERVICES

ARCHIPELAGO EXCHANGE: TRADE RELATED CHARGES

EXCHANGE TRANSACTIONS

ETP HOLDERS¹

Round Lots

NYSE Listed Securities (other than ETFs)	No transaction fee for orders executed in the Book against inbound orders \$0.001 per share for orders that take liquidity from the Book \$0.001 per share for orders routed outside the Book
NYSE Listed ETF Securities	\$0.003 per share (applicable to inbound orders executed against orders residing in the Book)
Listed Securities (except NYSE Listed Securities)	\$0.003 per share (applicable to inbound orders executed against orders residing in the Book)
Nasdaq Securities	\$0.003 per share (applicable to inbound orders executed against orders residing in the Book)
Routing Services	\$0.004 per share (applicable to orders in listed, except NYSE Non-ETF Listed Securities, and Nasdaq securities routed away and executed by another market center or participant)

Odd Lots

Listed Securities	\$0.003 per share (applicable to all odd-lot orders executed against orders residing in the Book)
Nasdaq Securities	\$0.004 per share (applicable to all odd-lot orders executed against orders residing in the Book)
Routing Service	

¹ These transaction fees do not apply to: (1) Directed Orders, regardless of account type, that are matched within the Directed Order Process; (2) Directed Orders for the account of a retail public customer that are executed partially or in their entirety via the Directed Order, Display Order, Working Order, and Tracking Order processes (however, any unfilled or residual portion of a retail customer's order that is routed away and executed by another market center or participant will incur this transaction fee); (3) orders executed in the Opening Auction, Market Order Auction, and the Closing Auction; (4) Cross Orders; (5) commitments received through ITS; and (6) participants in the Nasdaq UTP Plan that transmit orders via telephone.

As of 1/31/06

Listed Securities	\$0.03 per share (applicable to odd-lot orders routed away and executed by another market center or participant)
Nasdaq Securities	\$0.004 per share (applicable to odd-lot orders routed away and executed by another market center or participant)

ARCHIPELAGO EXCHANGE: ETP FEES AND CHARGES

Monthly ETP Fee	Waived
ETP Application Fees	
Initial Processing Fee	Waived
Investigation Fee	\$125 fee per individual for registration as an ETP Holder (includes any Allied Person ² or Approved Person ³ listed on Schedule A or B of Form BD or Market Maker Authorized Trader for whom required information is not available on Web CRD ®)

ARCHIPELAGO EXCHANGE: MARKET MAKER FEES AND CHARGES

Market Maker Transaction Credits

Round Lots

NYSE Listed Securities	\$0.001 per share (credit) (applicable to Q orders executed against other participants' orders)
Listed Securities (other than NYSE Listed) and Nasdaq Securities	\$.002 per share (credit) (applicable to Q orders executed against other participants' orders)

Odd Lots

Listed Securities/ETFs/ADRs	\$0.02 per share (credit) (applicable to any market maker that executes against an odd-lot order in the Odd Lot Tracking Order Process, as defined in PCXE Rule 7.31(g))
Nasdaq Securities	\$0.02 per share (credit) (applicable to any market maker that executes against an odd-lot order in the Odd Lot Tracking Order Process, as defined in PCXE Rule 7.31(g))

Lead Market Maker Transaction Fees and Credits

Round Lots

² As defined by PCXE Rule 1.1(c)

³ As defined by PCXE Rule 1.1(d)

As of 1/31/06

ArcaEx Primary Listed Securities ⁴	\$0.004 per share (credit) for orders that provide liquidity to the Book in securities for which they are registered as the LMM
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	\$0.0025 per share for orders that take liquidity from the Book
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Odd Lots

ArcaEx Primary Listed Securities	\$0.02 per share (credit)
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ARCHIPELAGO EXCHANGE: OTHER FEES AND CHARGES

Connectivity Fees

Line Connection	(Variable pass-through charge for each line installation)
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RealTick Interface	\$300 per month for each workstation
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ETP Holder Transaction Credit

Round Lots

Listed Securities (except NYSE non-ETF Listed Securities)	\$.002 per share (credit) (applicable to limit orders residing in the Book that execute against inbound marketable orders)
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Nasdaq Securities	\$.002 per share (credit) (applicable to limit orders residing in the Book against inbound marketable orders)
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Market Data Revenue Sharing Credit⁵

Tape A Non-ETF Securities

Cross Order	50% tape revenue credit per qualifying trade (applicable to any Cross Order, as defined in PCXE Rule 7.31(s), where the ETP Holder or Sponsored Participant represents all of one side of the transaction and all or a portion of the other side).
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Tape B Securities

Liquidity Provider Credit ⁶	50% tape revenue credit per qualifying trade
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⁴ No transaction fee or credit for orders executed as Directed Orders against a Directed Fill

⁵ For exchange-listed securities, an ETP Holder that submits a Tracking Order instruction that subsequently matches against an inbound marketable order will not be entitled to receive the Liquidity Provider Credit. LMMs will not be eligible for a market data revenue credit in securities for which they are registered as the LMM except for executions against Directed Fills

	(applicable to limit orders that are residing in the Book and that execute against inbound marketable orders)
Directed Order	50% tape revenue credit per qualifying trade (applicable to any market maker that executes against a Directed Order within the Directed Order Process, as defined in PCXE Rule 7.37(a))
Cross Order	50% tape revenue credit per qualifying trade (applicable to any Cross Order, as defined in PCXE Rule 7.31(s), where the ETP Holder or Sponsored Participant represents all of one side of the transaction and all or a portion of the other side)
<u>Tape C Securities</u>	
Cross Order	A percentage of ETP Operating Revenue (“ETPOR”) associated with Cross Orders in Tape C Securities shall be eligible for sharing with ETP Holders. ETPOR is defined as operating revenue that is generated by ETP Holders and consists of transaction fees and market data revenue that is attributable to ETP Holders’ Cross Order executions. ETPOR shall not include any investment income or regulatory monies. The sharing of ETPOR shall be based on each ETP Holder’s pro rata contribution to ETPOR and the amount shared shall not exceed ETPOR.
“Drop Copy” ⁷ Processing Fee	\$.001 per share (applicable to off-board trades in listed and Nasdaq securities)
Late Payment of Dues, Fees, Fines and Charges ⁸	
<u>Number of Times Late Within Previous Twelve Months</u>	<u>Amount of Charge</u>
1	\$250 or 1.0% of Invoice Amount, Whichever is Greater
2	\$500 or 1.5% of Invoice Amount, Whichever is Greater

⁶ ETP Holders who qualify under the criteria below will be eligible for participation in the Estimated Rebate Program and will be eligible to receive Liquidity Provider Credits on a monthly basis. To qualify initially, an ETP Holder must satisfy the Initial Qualification standard by executing at least 250 million Tape B shares through ArcaEx. To maintain eligibility for the Program, the ETP Holder must execute at least 500 million Tape B shares during each successive, continuous three-month period thereafter. ETP Holders who do not qualify for Estimated Rebates will receive payment on a quarterly basis.

⁷ A “drop copy” is an electronic report of a transaction for an ETP Holder’s account that is executed on another market center and that has been prepared for informational purposes (e.g., Market Maker inventory tracking, surveillance audit trail). Market Maker transactions that are subject to this fee will not be eligible to receive the Market Maker Transaction Credit or ETP Holder Transaction Credit.

⁸ Transaction fees are excluded from the late payment of dues, fees, fines and charges.

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