



Charter of the Regulatory and Compliance Committee of Automated Equity Finance Markets, Inc. ("AQS")

Purpose

The Regulatory and Compliance Committee ("the Committee") is charged with: (i) forecasting the future regulatory direction of the financial markets as a whole, and assessing the potential impact of regulation specifically as it relates to the AQS market; and (ii) providing input on compliance initiatives, direction and strategy.

Committee Membership

The Committee will consist of no fewer than five (5) members including at least one representative from each of the following institutions or AQS membership groups:

- The Options Clearing Corporation
- Primary Liquidity Providers
- Clearing Members
- Electronic Participants

In addition to the four members identified above, the Committee may include up to 16 additional members selected from AQS participant firms and industry organizations representing different segments of the financial services industry. Members shall serve two-year terms, and AQS reserves the right to appoint and terminate Committee members at its sole discretion. The Committee chairperson will be appointed by AQS, and no individual from any single firm may serve on more than one committee.

Meetings

The Committee will meet at least two times annually and more frequently as circumstances dictate. The Committee chairperson, in conjunction with AQS, will establish the agenda for each Committee meeting. A representative from AQS will act as meeting facilitator and organizer. A quorum of the Committee consists of a majority of the members. Members may participate in a meeting in person or through a conference telephone call or similar arrangement allowing two-way communication. The Committee may act through unanimous written consent in lieu of a meeting.

Responsibilities and Duties

The Committee's goals are to: (i) review proposed changes in relevant regulation, and make recommendations as to the potential impact of the proposed regulation on the AQS model; (ii) identify and address any participant concerns regarding existing and proposed AQS policies, (iii) provide input as to consequences of instances of non-compliance with AQS policies.