

SUMMARY OF CTA/UTP GENERAL SESSION OF FEBRUARY 12, 2015

Operating Committee Participants: *Present:* BATS Exchange, Inc., BATS-Y Exchange, Inc., Chicago Board Options Exchange, Incorporated, Chicago Stock Exchange, Inc., EDGA Exchange, Inc., EDGX Exchange, Inc., Financial Industry Regulatory Authority, Inc., International Securities Exchange LLC, NASDAQ OMX BX, Inc., NASDAQ OMX PHLX, Inc., NASDAQ Stock Market LLC, National Stock Exchange, New York Stock Exchange LLC, NYSE Arca, Inc., and NYSE MKT LLC

Advisory Committee Members: *Present:* Retail Representative (Richard Urian, Ameritrade), Institutional Representative (Bill Lee, JP Morgan Chase), Investor Representative (Thomas Jordan, Jordan & Jordan), Vendor Representative (Kerry Baker-Relf, Thomson Reuters), ATS Representative (Ed Flynn, Morgan Stanley)

Security Information Processors (SIPs): *Present:* CTA SIP (SIAC), UTP SIP

Securities & Exchange Commission (SEC): *Present:* Yes

Proceedings:

1. **Network Administrator Reports.** The network administrators reviewed changes in professional devices, nonprofessional subscriber populations and the number of per-query inquiries received during the quarter. These trends are available in the quarterly metrics reports, which are publicly available on the websites (<https://www.utpplan.com> and <https://cta.nyxdata.com/CTA>).
2. **SIP Reports.** The SIPs reported on their performance and activities since the August meeting. They addressed capacity, peak usage, system availability and latency statistics, operational activities, production issues, SIP governance and resiliency/performance activities, enhanced statistics reports, and recent development activities, including capacity planning. Metrics on SIP performance are publicly available in a quarterly report on the websites (<https://www.utpplan.com> and <https://cta.nyxdata.com/CTA>).
3. **Advisory Committee Comments.** Advisory Committee representatives asked for consistency between policies under the UTP Plan and policies under the CTA and CQ Plans. Participant representatives undertook to look into harmonizing policies more closely and to respond to specific Advisory Committee policy-interpretation questions. The Advisory Committee specifically requested a review of the nonprofessional subscriber policy. It also asked the Participants to consider expanding the current net reporting program offered under the UTP Plan to see if a manageable administrative process can be adopted for the net reporting of external subscribers, despite the difficulties related to indirect billing.
4. **Status of Plan Amendments.** CTA, CQ and UTP Plan amendments to establish non-display use fees, reduce professional subscriber device fees and make other changes to existing fees have been filed and the changes became effective on January 1, 2015. The administrators notified the industry about the non-display use fees and the other fee changes. CTA and UTP Plan amendments to reduce trade-reporting requirements to 10 seconds are close to being filed. A CTA Plan amendment to impose a non-compliance fee for failure to comply with

requirements relating to the display of cumulative volume alongside unconsolidated quotes and trades is in process.

5. Inactive Markets. The Participants discussed two proposals relating to the treatment of Participants whose markets have become inactive.
6. Vote for Chairman. After 10 years, Tom Knorring, CBOE, steps down as Chair of CTA and the CQ Plan Operating Committee. The Participants unanimously elect Emily Kasparov, CHX, to succeed him.
7. Consolidated Volume Policy. The CTA consolidated real-time volume display statement policy was discussed. The policy is intended to ensure that “main street investors” are clearly advised of differences in data sources when consolidated real-time volume is displayed on the same vendor screen as unconsolidated trade prices and bid-ask quotes. The non-compliance fee (\$3,000 per month for each network) is intended to motivate vendors to adhere to the policy. The meeting discussed the language of a notice posted at <https://www.ctaplan.com/cta/popup/news/2529>. Advisory Committee representatives requested clear notice to vendors before application of the non-compliance fee. The meeting discussed whether to require the display statement for displays of delayed consolidated volume on the same screens as unconsolidated prices and quotes. [Note: The Participants voted to add delayed consolidated display statements to the policy on February 27, 2015.]
8. Interest Rate Proposal. The UTP Plan administrator proposed reducing the contractual interest rate for late payments under the UTP Plan from the current 18 percent.
9. Potential UTP Plan Fee Changes. The UTP Plan administrator discussed possible future fee changes, include "white label" fees, the reduction or elimination of the indirect access fees and, per Advisory Committee input, possible changes to net reporting procedures.
10. CTC Plan and UTP Plan Processor. The status of negotiations of a processor agreement with Nasdaq and of the crafting of an updated UTP Plan (to be called the "CTC Plan") was discussed.
11. Capacity Plan. A revised capacity plan that requires the Plan processors to calculate each market's capacity based on prior capacity needs was reviewed and approved.
12. Transparency and the Role of the SIPs. The meeting discussed recent efforts to provide the industry with more and better information as an educational tool and to improve transparency. Summaries of the last Operating Committees' general session, additional facts about the networks and the SIPs, and enhanced metrics, addressing such matters as system availability, capacity, peak messages per second and per 100 milliseconds, peak total messages in a given day and system latency, have recently been posted on the Plan websites. Advisory Committee representatives asked how the public could raise Plan data-related questions. The Participants responded that individuals can call or e-mail the service desks (NYSE: service.desk@nyse.com, 866-873-7422; Nasdaq: admin@utpplan.com or the administrators (CTA: 877-462-8891; Nasdaq: +1-301-978-5307) or use the e-mail addresses provided on invoices marketdataglobaladmin@theice.com or billing @nasdaq.com and Plan websites www.ctaplan.com or www.utpplan.com.

13. Timestamps. As requested by the SEC, the SIPs will modify the Message Header formats to support new Participant Timestamp information. Implementation is now scheduled for July 27, 2015 for Nasdaq and CQS and July 30 for CTS. For each order or trade, the timestamps will allow Data Recipients to compare the current Multicast Output Timestamp and the Participant's matching engine timestamp.

Two new timestamps will be added. (Both timestamps will be expressed in the number of microseconds since midnight Eastern Time.) The "Timestamp 1" field in the new Participant Expanded Message Header will provide the matching engine publication time for exchange Participants, and in the case of FINRA, the time shall be the time of execution that a FINRA member reports to a FINRA trade reporting facility. FINRA shall convert times that its members report to it in seconds or milliseconds to microseconds and shall furnish such times to the Processor in microseconds.

In addition, if the FINRA trade reporting facility provides a proprietary feed of its trades, the "Timestamp 2" field will provide the time that the trade reporting facility publishes the data on the facility's proprietary feed.

To access the related CTA and UTP Plan notices, please go to <https://www.ctaplan.com/cta/popup/news/2513> and http://www.utpplan.com/utp_plan

Executive Session Agenda

1. Approval of the Minutes	
2. Compliance & Administrator Report <ul style="list-style-type: none">• Network A & B Administrator Report• Network C Administrator Report	
3. Subcommittee Updates <ul style="list-style-type: none">• CTC LLC Subcommittee• SIP Timestamps• Capacity Planning• UTP/CTA Policy Subcommittee• UTP Consolidated Volume Policy	
4. UTP Interest Proposal	
5. UTP Vendor Alert/Clarification on API/DDE usage	
6. UTP 2016 Fee Change Options	
7. UTP SIP Separation Update	