

FAQ's As Of 3/10/2009

1. **Do I need to plan on participating in all 4 scripted industry tests?**
 - Minimum recommended participation is in at least one round of testing that includes OSI Phase I and Phase II tests.
 - Ideally participation will be in all 4 segments of OSI testing to ensure that issues encountered the first time around have been resolved prior to production implementation.

2. **Does scripted industry testing roll from one test into another?**
 - OSI tests do not roll from one test into another. Each test begins as a new test and data files will be made available to assist participants in loading their test environments for each test.

3. **Are actual product symbols being used during scripted industry testing?**
 - Test symbols will be used in an attempt to mitigate any production environment risk. The test symbols will be made available 3rd quarter 2009.

4. **Is OCC providing DDS data specific to the 2/12/2010 conversion event?**
 - No. Everyone will need to convert their security masters independently.

5. **Will OCC provide DDS for the ½ point strike conversion?**
 - Yes OCC will be providing DDS for ½ point strike conversion. Test data for this process will be included in the throughput testing that will take place during the July-August 2009 testing effort.

6. **Will OCC provide DDS for the consolidation events?**
 - Yes. It will be the same DDS messages that are currently received for corporate actions. The corporate action type will be "S".

7. **How do I cancel an order that was entered and not filled on 2/11/2010 on 2/12/2010?**
 - Per the Exchanges, the full OSI key will be required on 2/12/2010.
 - OCC recommends following up directly with the exchanges on all exchange related questions.

8. How will Binary Options be represented under the OSI plan?

- The exchanges have agreed to endorse the fact that post consolidation Binary Options will be nonstandard in the sense that they will be different than the underlying symbol. This is no different than they are currently handled today.

9. Will any type of consolidation take place with respect to Binary Options?

- Although Binary Options continue to have non-standard symbols beyond the consolidation process, binary options that have LEAPS® and wrap symbols will be consolidated to the root symbol of the binary option issue. For example, the primary option symbol for the SPX Binary option is BSZ. During the consolidation of this option class the two wrap symbols currently used, BSK and BSF will convert to BSZ. See the example below for the Feb 09 calls.

Current Symbol	Post Conversion	Post OSI Consolidation
BSKBP	BSK 02/20/09 C 800	BSZ 02/20/09 C 800
BSKBZ	BSK 02/20/09 C 850	BSZ 02/20/09 C 850
BSZBT	BSZ 02/20/09 C 1200	BSZ 02/20/09 C 1200
BSZBJ	BSZ 02/20/09 C 1250	BSZ 02/20/09 C 1250
BSFBA	BSF 02/20/09 C 1400	BSZ 02/20/09 C 1400
BSFBD	BSF 02/20/09 C 1450	BSZ 02/20/09 C 1450

10. Is there an OSI recommended display standard for the 21 byte key?

- No, there is not a recommended display standard. The only recommendation is to ensure that all fields are represented: Symbol, Expiration Date, P/C, Strike Price

11. How is the 21 byte OSI key represented on OCC's DDS Messages?

- OCC does not utilize a single 21 byte field to represent the OSI key. OCC's FIXML formats utilize the following tags to represent the key series components of the OSI Key.

OSI Key Element	OCC FIXML Tag	Comments
Symbol	Tag 55 - Sym	This is the traded Option Symbol which is the same as the OPRA Root.
Expiration Year	Tag 200 - MMY	Field contains explicit expiration Date In YYYYMMDD format
Expiration Month	Tag 200 - MMY	Field contains explicit expiration Date In YYYYMMDD format
Expiration Day	Tag 200 - MMY	Field contains explicit expiration Date In YYYYMMDD format
Call/Put Indicator	Tag 461 - CFI	Call/Put indicator is in the second position of the CFI Code.
Strike Dollar	Tag 202 - StrkPx	Field contains the explicit strike price
Strike Decimal	Tag 202 - StrkPx	Field contains the explicit strike price

12. On February 12, 2010, all listed option market participants (OCC, Exchanges, Members, Customers, Vendors, Service Providers, OPRA, etc.) will begin using the Options Symbology Initiative (OSI) compliant data elements for all data interfaces in production environments. How does this impact OCC's DDS Messages?

- OCC will be making several changes to the Data Distribution Services (DDS). Effective with market open on February 12, 2010, OCC's Outbound DDS messages for Options will be dropping Tag 48 - ID, Tag 22 - Source and the custom tag Strike Quote. Below is a sample message as it would look prior to February 12, 2010 and the same message as it would look effective with market open on February 12, 2010

Sample Message Prior To 2/12/2010 OSI Conversion:

Security List Update – Option Series - Add

```
<SecListUpd RptID="7071286" UpdActn="A" BizDt="2009-02-25">
```

```
<SecL>
```

```
<Instrmt Status="1" Sym="MSQ" ID="DX" Src="J"
MMY="20090418" MatDt="2009-04-18" CFI="OCASPS"
StrkPx="22.5" StrkQt="22 1/2">
```

```
<Evnt EventType="5" Dt="2009-02-26"/>
```

```
</Instrmt>
```

```
</SecL>
```

```
</SecListUpd>
```

Sample Message Effective with 2/12/2010 OSI Conversion:

Security List Update – Option Series - Add

```
<SecListUpd RptID="7071286" UpdActn="A" BizDt="2009-02-25">
```

```
<SecL>
```

```
<Instrmt Status="1" Sym="MSQ" MMY="20090418"
MatDt="2009-04-18" CFI="OCASPS" StrkPx="22.5">
```

```
<Evnt EventType="5" Dt="2009-02-26"/>
```

```
</Instrmt>
```

```
</SecL>
```

```
</SecListUpd>
```

13. What are the basic OSI terms that user's should be familiar with?

- **Conversion** - The OSI activities that will take place on February 12, 2010. The industry as a whole will process absent OPRA codes, Equity Options will be converted to decimal strikes, and all entities will utilize explicit OSI elements for communications. Please keep in mind that unique option symbols will still exist for LEAPS[®], wraps, etc. following the conversion events.
- **Consolidation** - The activities that take place when the LEAPS[®], wrap, weekly, quarterly, etc. symbols are changed from unique symbols to the base underlying stock symbol.
- **Symbol** - In the current pre-OSI environment the term symbol is used to identify the trading floor identifier of an option (i.e. DLQ) and it may also be used to identify series specific information (i.e. DLQKE which is the DLQ November Call Strike 25). In the post OSI environment symbol will represent the trading floor identifier of an option. It is one of 4 unique elements that when used together represent a unique Option Series.
- **Non-Standard Symbol** – In a Post OSI consolidation environment non-standard symbols would be those used for Binary Options, Ranges, etc. where the symbol portion of the OSI key does not equal the actual deliverable symbol.
- **Adjusted Symbol** – In a post OSI consolidation environment adjusted symbols are those resulting from a contract adjustment. A numeric value will be appended as the last character of the symbol as the identifier.

14. How will NASDAQ Stock Symbols with temporary designations be handled in the OSI environment?

- At times NASDAQ utilizes a trailing Z or V on a stock symbol to indicate a temporary condition and then they remove the Z or V. From an OSI perspective the exchange subcommittee has agreed that these temporary conditions should not be reflected in the actual option symbol. What this means is that there will be situations where the Options symbol may not be identical to the stock symbol. Take for example the underlying APCVZ, where the trailing "Z" indicates a temporary situation that can and will change. In order to prevent having to do additional symbol conversions when NASDAQ drops the Z the OSI approach during the consolidation will be for the Option Symbol to be consolidated to APCV. Although this example is specific to how we would handle the situation portrayed in the example during consolidation, this approach will be the standard practice beyond the consolidation events

15. Post consolidation, when a 5 character (non-FLEX) symbol goes through a corporate action is there a standard approach on determining what the adjusted symbol will be?

- The exchanges are in agreement that when this needs to be done the process will be to eliminate the last alpha character and replace it with the numeric. For example, if CMSCA went through a corporate action the new symbol would be CMSC1 provided CMSC1 didn't already exist.