



INTERNATIONAL SECURITIES EXCHANGE

Market Information Circular

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Subject: Add Liquidity Only (ALO) Orders

Starting Friday, July 27, 2012, ISE will introduce a new order type, Add Liquidity Only (ALO). An ALO is an order that is guaranteed to add liquidity ("Maker") to the order book. If the order cannot be added to the book, meaning it will be executed upon entry, the ALO will either be canceled or re-priced to a better price at which the order may rest on the book.

For example, if an incoming ALO would lock or cross either or both the ISE BBO or away BBOs, a re-price ALO would be re-priced by the exchange to a better price, in order to uncross the BBO(s) and rest on the book. An ALO designated to cancel would simply be canceled in this scenario.

ISE will initially offer this order type to members who use the Direct Trading Interface (DTI). Note that this will be available to members who connect through the ISE FIX Order Routing System (IORS) at a later date.

Additional order type information:

- ALOs can be entered for simple instruments only.
- ALOs can only be entered when the instrument is in a continuous trading state ("Regular"). If the instrument moves out of "Regular," any resting ALOs for that instrument will be canceled.
- The only allowed validity time is Day.
- The only allowed order type is Limit.
- All client categories are allowed.
- A customer or professional customer ALO will not flash, it will either be re-priced or canceled.
- ALOs can also be marked "ISO" or "IAM."
- ALOs can be canceled and modified. In addition, a non-ALO can be modified to be an ALO, and an ALO can be modified to be a non-ALO.
- Auction and cross orders cannot be marked ALO.

If you have any questions, please contact the ISE Helpdesk at 877-473-9989 or email helpdesk@ise.com.