

### Quote Meter Policy For Network A and Network B data

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This document has been developed to serve as a policy for market data vendors that are required to have an audit/review of their quote meter software.

- **New Quote Meter Vendors:** An audit/review must be performed within the first 90 days of service by an external audit firm acceptable to the NYSE. Your next audit will be due the following calendar year and every 2 years after that.
- **Existing Quote Meter Vendors:** You are required to perform an audit/review every 2 years. This audit is due on the 31<sup>th</sup> of December. Broker/dealers and banks may use internal audit departments to conduct their quote meter audit/review, so long as both the audit and its findings are signed by the Chief Compliance Officer of the firm, a member of the firm's Audit Committee or an individual deemed acceptable by NYSE
- If a Vendor does not perform the audit and submit the audit results to NYSE on or prior to December 31st of the year in which the audit is required in accordance with the instructions set forth above, NYSE will charge the Vendor \$3,000 for each applicable Network for each month the audit is past due..

All audit/reviews are at the expense of the Vendor.

- For vendors that offer a quote meter service for both Network A and Network B data, the audit should identify both market centers and perform all tests for each market center.
- The audit/review should include detailed documentation to support the testing procedures for each of the requirements below and the description should demonstrate how the audit validation process was completed. Incomplete testing procedures or description of the validation process could result in non-compliance of this policy.
  1. Recognize and count a "quote-packet", which is defined as any data element, or all data elements, for a single issue. (For example, open, high, low, last, volume, net change, bid, offer, size are data elements. "IBM" is a single issue.) An ETF value also qualifies as an issue, such as DIA.
  2. Verify that metering of quote packets is being done for all metered services. (For example, snap-quote, order entry, etc.). Additionally, ensure that non-metered services are being excluded.
  3. Verify that "capping" of non-professionals at the non-professional rate is being metered properly, and that the "capped" accounts are being reported as non-professionals and their usage removed from the usage report, at a unique user ID.
  4. Document the sign-up process for the quote meter service. If the vendor is capping non-professional users, explain the verification process that is followed by the vendor to qualify the non-professional users.

5. A copy of the Exhibit B for the quote meter sign up process should be included in the audit report. The report should review the details provided by the customer in the Exhibit B, to ensure that all questions are answered and that the vendor is capturing and storing the information properly.
  6. For data disseminated in respect of a list of issues in a portfolio format or set up as a market minder service, each quote packet displayed for each issue is subject to the fee. (For example, a portfolio with five issues translates to 5 quote packets.)
  7. Verify that the meter can count fee liable quotes according to where the security is primarily listed, (NYSE, NYSE American, NYSE Arca and NASDAQ,) not the regional exchange where the last sale may have taken place (Philadelphia Exchange, Boston Stock Exchange, etc.)
  8. Confirm that the quote meter is counting fee liable quotes (i.e., less than 15 minutes old) only during NYSE market hours, currently 9:30 am through 4:15 pm, (excluding weekends and holidays.)
  9. Validate that the quote counting software is able to generate monthly reports showing the total number of quotes accessed for each exchange, and that these report totals are consistent with the total number of quotes counted by the meter. The audit should verify that the total quotes counted by the meter are the same count that was reported to NYSE.
- The audit shall specify the period covered by the review and at a minimum randomly select 2 months for each year for verification.
  - A report should be submitted to the NYSE at the conclusion of the audit/review that summarizes the procedures performed and attests that the quote meter functions as described above.
  - A vendor's right to provide a quote meter service is conditioned upon its compliance with this audit requirement.

