

International Securities Exchange, Inc. Corporate Governance Committee Charter

Membership

The Corporate Governance Committee ("Committee") shall consist of all non-industry members of the Board of Directors ("Board") of the International Securities Exchange, Inc. ("ISE" or the "Company"). Each such member shall satisfy the applicable independence requirements of the New York Stock Exchange and any other applicable rules and regulations. The Chairperson of the Board of Directors shall serve as Committee Chairperson. The terms of each Committee member is coterminous with that member's term on the Board.

Structure and Meetings

A quorum of the Committee consists of a majority of the members. Members can participate in a meeting in person or through a conference telephone call or similar communications arrangement allowing all persons participating in the meeting to hear each other at the same time. An act of the majority of the Committee members present at a meeting at which a quorum is present shall be the act of the Committee. The Committee also may act through unanimous written consent.

The Committee may establish one or more subcommittees to focus on specific aspects of its duties and responsibilities and may delegate any of its responsibilities to any such subcommittee if it so chooses. However, any subcommittee decisions must be presented to the full Committee for ratification at its next scheduled meeting.

The Committee shall meet as often as is necessary or appropriate in its judgment, but at least twice a year, and shall report regularly to the Board. The chairperson of the Committee shall ensure that the agenda for each meeting, together with any other relevant materials, is circulated to each Committee member as soon as reasonably practicable in advance of the meeting. Meetings of the Committee may be called by the chairperson or the Secretary of the Company at the request of any Committee member.

Goals, Duties and Responsibilities

The Committee's goals are: (i) to identify individuals qualified to become non-industry director nominees (including the public representatives as defined in Section 3.2 of the Company's Constitution) and thus stand for election at each annual meeting of the Company's stockholders; (ii) to develop and recommend to the Board a set of Corporate Governance Principles ("Principles") for the Company; (iii) to oversee the evaluation of the Board and management; (iv) to oversee the ISE's regulatory activities; and (v) to evaluate annually the

performance of the Committee. In order for the Committee to meet these goals, it is charged with the following duties and responsibilities:

- 1) Identifying non-industry candidates, including public representatives, to stand for election to the Board as follows:
 - a) The Committee will review potential candidates and select nominees from those qualified candidates based on criteria developed in accordance with the Principles, as well as the following:
 - i) Expertise in the financial, business, academic or legal communities;
 - ii) Knowledge and understanding of the financial markets and the ISE's current business and potential business opportunities;
 - iii) Diversity of perspectives;
 - iv) Potential to contribute to the growth and development of the ISE; and
 - v) Enthusiasm and dedication towards advancing the interests of the ISE;
 - b) The Committee will develop and implement a policy with regard to its consideration of non-industry director candidates recommended by the Company's stockholders;
 - c) The Committee will nominate a slate of non-industry director candidates, including public representatives to stand for election at the Company's annual meeting of stockholders;
 - d) The Committee will consider and recommend qualified candidates for Board membership as non-industry directors to fill any mid-term vacancies arising on the Board for any reason;
 - e) The Committee will develop appropriate criteria and make recommendations to the Board regarding the independence of the non-industry directors and nominees under applicable rules and regulations;
- 2) Developing, recommending to the Board, reviewing and updating the Principles, covering:
 - a) The structure of the Board, and qualifications for serving on the Board;
 - b) Board meetings, including the number of meetings and the use of executive sessions;
 - c) Director responsibilities, including attendance at meetings and review of materials;

- d) The use of Board committees, including membership qualifications for such committees, rotation of Board members on committees, and rotation of chairmanships of committees;
 - e) The structure of officers for the ISE, including the roles of the Chief Executive Officer and Chief Operating Officer, and succession planning and management development;
 - f) The assessment of Board and committee performance;
 - g) Board compensation;
 - h) Access of Board members to the ISE's management, other Board members, and independent advisors; and
 - i) The ISE's ethics policies.
- 3) Reviewing developments related to corporate governance issues, generally advising the Board (as a whole) on corporate governance matters, reviewing regularly and reassessing the adequacy of the Principles and recommending to the Board any changes to such Principles;
- 4) Developing and recommending to the Board a Code of Business Conduct and Ethics, regularly reviewing and assessing the adequacy thereof and monitoring that the principles described in such Code are being incorporated in the Company's business practices;
- 5) Conducting an annual performance evaluation of the Board to be discussed with the Board, and, in that connection, soliciting and considering observations, suggestions and comments of individual Board members;
- 6) Monitoring the ISE's relationship with the Securities and Exchange Commission ("SEC");
- 7) Overseeing the ISE's regulatory program by:
- a) Receiving a report, on at least an annual basis, from the Chief Regulatory Officer ("CRO") regarding the ISE's regulatory program, covering, at a minimum:
 - i) The ISE's Surveillance System ("ISESS"), including performance of the system, material changes to the system and the level of support received for maintaining and enhancing the system;
 - ii) Summary statistical information on surveillance and regulatory matters;
 - iii) Material regulatory actions the ISE has brought against Members, including the outcome of those actions;

- iv) Staffing of the Regulatory Department, including the CRO's opinion as to whether the department is adequately staffed; and
 - v) All SEC inspections regarding the regulatory program;
 - b) Recommending to the Board any changes to the regulatory program that the Committee believes to be appropriate; and
 - c) Taking whatever other action the Committee deems appropriate to ensure that the ISE is fulfilling its regulatory responsibilities as a self-regulatory organization;
- 8) Investigating and making recommendations to the Board concerning any allegations of improper conduct on the part of any director;
 - 9) Maintaining an orientation program for new directors and a continuing education program for all directors;
 - 10) Annually reviewing and reassessing the adequacy of this Charter and recommending any proposed changes to the Board for approval; and
 - 11) Performing any other activities consistent with this Charter, the Company's Constitution and applicable laws, rules and regulations as the Committee or the Board deems appropriate.

Performance Evaluation

The Committee shall conduct an annual performance self-evaluation.

Committee Resources

The Committee shall have the authority to obtain advice and seek assistance from internal or external legal, accounting or other advisors. The Committee shall have the sole authority to retain and terminate any external consulting firms or any search firm to be used to identify non-industry director candidates, including sole authority to approve the fees and other retention terms of any such consulting firm or search firm, and the Company shall provide appropriate funding as determined by the Committee.

Disclosure

This Charter will be made available on the Company's website. The Company shall include a statement in its Annual Report on Form 10-K filed with the SEC indicating that a copy of this Charter is available on its website and in print to any stockholder who requests a copy.

Adopted: May 22, 2003.

Last amended: March 9, 2005.