

BY-LAWS OF PHILADELPHIA STOCK EXCHANGE, INC.

ARTICLE I

Definitions

SEC. 1-1. Unless the context requires otherwise, the terms defined in this Section shall, for all purposes of [the]these By-Laws, have the meaning herein specified:

Approved Lessor

(a) The term “approved lessor” means, with respect to a foreign currency options participation, a lessor approved by the Exchange under these By-Laws and the rules of the Exchange.

Certificate of Incorporation

(b) The term “Certificate of Incorporation” shall mean the Restated Certificate of Incorporation of the Exchange, as amended and in effect from time to time.

Common Stock

(c) The term “Common Stock” shall mean, collectively, the Class A Common Stock and the Class B Common Stock, par value \$0.01 per share, of the Exchange.

Class A Common Stock

(d) The term “Class A Common Stock” shall mean the Class A Common Stock, par value \$0.01 per share, of the Exchange.

DGCL

(e) The term “DGCL” shall mean the Delaware General Corporation Law, as amended and in effect from time to time.

Exchange

([a]f) The term “Exchange” shall mean the Philadelphia Stock Exchange, Inc.

[Member]

[(b) The term “member” means a member of the]**Exchange[.] Act**

[Member Firm]

[(c)The term “member firm” means a firm or similar organization, transacting business as a broker or a dealer in securities, at least one of whose general partners is a member of the Exchange or which has the status of a member firm by virtue of permission given to it by the Committee on Admissions pursuant to the provisions of Section 10-6 of Article X. The term “member firm” includes entities which are partnerships or any such organizations that have characteristics essentially similar to a firm, which]

(g) The term “Exchange Act” shall [include, but not be limited to, limited liability partnerships, limited liability companies or business trusts. Such entities shall be subject to the jurisdiction of the]mean the Securities Exchange [and its By-Laws and Rules to the same extent as any other member firm.]

[Member Corporation]

[(d)The term “member corporation” means a corporation transacting business as a broker or a dealer in securities, at least one of whose officers is a member of the Exchange and which has been registered as a member corporation of the Exchange, or which has the status of a member corporation by virtue of permission given to it by the Committee on Admissions pursuant to the provisions of Section 10-6 of Article X.]

[Non-member]

[(e)The term “non-member” includes any person not a member, and any organization none of whose general partners or officers are members of the Exchange.]

[Lessor]

[(f) The term “lessor” means a holder of equitable title to a membership in the Exchange, including a former member of the Exchange, who has leased legal title to his membership to a lessee and has retained equitable title to such membership.]

[Lessee]

[(g)The term “lessee” means a member of the Exchange who has leased legal title to his membership from a lessor.]

[Approved Lessor]

[(h)The term “approved lessor” means a lessor approved by the Exchange under its By-Laws and rules.]

Act of 1934, as amended.

Foreign Currency Options Participation

(h) The term “foreign currency options participation” means the foreign currency options participations issued from time to time by the Exchange.

Foreign Currency Options Participant or Participant

(i) The term “foreign currency options participant” or “participant” includes a member of the Exchange who has purchased a foreign currency options participation and a non-member who has been admitted to the Exchange as a foreign currency options participant by the [Committee on]Admissions[. Except as otherwise specifically provided therein or unless exempted therefrom by the Board of Governors, each reference to a member of the Exchange contained in Articles X, XI, XV, XVI, XVII, XVIII, Section 4-4 of Article, IV, Sections 12-5 and 12-11 of Article XII, Sections 13-5, 13-7, 13-8 and 13-9 of Article XIII, Sections 14-2 and 14-8 of Article XIV and Section 20-1 of Article XX of these By-Laws shall be deemed to pertain also to a foreign currency options participant and each provision thereof applicable to a member shall be applicable also to a foreign currency options participant] Committee.

Foreign Currency Options Participant [Firm]Organization

(j) The term “foreign currency options participant [firm” means a firm]organization” means a corporation, partnership (general or limited), limited liability partnership, limited liability company, business trust or similar organization, transacting business as a broker or a dealer in securities[, at least one of whose general partners is a foreign currency options participant or] and which has the status of a foreign currency options participant [firm]organization by virtue of (i) permission given to it by the [Committee on]Admissions Committee pursuant to the provisions of Section 10-6 of [Article X. Except as otherwise specifically provided therein or unless exempted therefrom]these By-Laws or (ii) the transitional rules adopted by the [Board of Governors, each reference]Exchange pursuant to [a member firm in Articles X, XV, XVI, XVIII, and]Section [14-2 of Article XIV of these By]12-[Laws]12 of these By-Laws. References herein to officer or partner, when used in the context of a foreign currency options participant organization, shall [be deemed to pertain also to]include any person holding a similar position in any organization other than a corporation or partnership that has the status of a foreign currency options participant [firm and each provision thereof applicable to a member firm shall be applicable also to a foreign currency options participant firm]organization.

[Foreign Currency Options Participant Corporation]

[(k)]

Governor

(k) The term “[foreign currency options participant corporation]Governor”[means] shall mean a [corporation, transacting business as a broker or dealer in securities, at least one of whose officers is a foreign currency options participant or which has the status of a foreign currency options participant corporation by virtue of permission given to it by the Committee on

Admissions pursuant to the provisions of Section 10-6 of Article X. Except as otherwise specifically provided therein or unless exempted therefrom by]Governor of the [Board of Governors, each reference to a member corporation in Articles X and XV, Section 4-4 of Article IV, Sections 13-2, 13-5, 13-6, 13-7, 13-8, 13-9 and 13-10 of Article XIII, and Section 14-2 of Article XIV of these By-Laws shall be deemed to pertain also to a foreign currency options participant corporation and each provision thereof applicable to a member corporation shall be applicable also to a foreign currency options participant corporation.]

[Foreign Currency Options Participant Organization]

[(l) The term “foreign currency options participant organization” includes a foreign currency options participant firm and a foreign currency options participant corporation. Except as otherwise specifically provided therein or unless exempted therefrom by the Board of Governors, each reference to a member organization in Article, X, XI, XV, XVII, XVIII, Section 4-4 of Article IV, Sections 12-5 and 12-11 of Article XII, and Section 14-8 of Article XIV of these By-Laws shall be deemed to pertain also to a foreign currency options participant organization and each provision thereof applicable to a member organization shall be applicable also to a foreign currency options participant organization.]

[Foreign Currency Options Participation]

[(m) The term “foreign currency options participation” means the foreign currency options counterpart to a membership in the Exchange. Except as otherwise specifically provided therein or unless exempted therefrom by the Board of Governors, each reference to an]Exchange[membership in Article XV, Section 10-8 of Article X, Sections 12-5 and 12-8 of Article XII, Section 13-7 of Article XIII, and Section 17-4 of Article XVII of these By-Laws shall be deemed to pertain also to a foreign currency options participation and each provision thereof applicable to the lease or transfer of an Exchange membership shall be applicable also to the lease or transfer of a foreign currency options participation.]

[Person].

Inactive Nominee

[(n)] The term “inactive nominee” shall mean a natural person[”,] associated with and designated as [used herein, shall be defined in]such by a member organization and who has been approved by the Admissions Committee for such status and is registered as such with the Membership Services Department. An inactive nominee shall have no rights or privileges under a permit unless and until said inactive nominee becomes admitted as a member of the Exchange pursuant to these By-Laws and the rules of the Exchange. An inactive nominee merely stands ready to exercise rights under a permit upon notice by the member organization to the Membership Services Department on an expedited basis.

Industry

[(o)m] The term “industry”, when used in the context of Governors or committee members, shall mean (a) officers, directors (or persons in similar positions in business entities that are not corporations) and employees of brokers and dealers and persons who have been employed in any such capacity at any time within the prior three years; and (b) persons who have consulting or employment relationships with or provided professional services to the Exchange and persons who had any such relationship or have provided any such services at any time within the prior three years.

Lessee

(n) The term “lessee” means a foreign currency options participant who has leased legal title to his foreign currency options participation from a lessor.

Lessor

(o) The term “lessor” means a holder of equitable title to a foreign currency options participation, including a former foreign currency options participant, who has leased legal title to his foreign currency options participation to a lessee and has retained equitable title to such foreign currency options participation.

Member

(p) The term “member” means a holder of a permit which has not been terminated in accordance with these By-Laws and the rules of the Exchange.

Member Organization

(q) The term “member organization” means a corporation, partnership (general or limited), limited liability partnership, limited liability company, business trust or similar organization, transacting business as a broker or a dealer in securities and which has the status of a member organization by virtue of (i) permission given to it by the Admissions Committee pursuant to the provisions of Section 10-6 of these By-Laws or (ii) the transitional rules adopted by the Exchange pursuant to Section 12-12 of these By-Laws. References herein to officer or partner, when used in the context of a member organization, shall include any person holding a similar position in any organization other than a corporation or partnership that has the status of a member organization.

Member Organization Representative

(r) The term “Member Organization Representative” shall mean the officer (or person in a similar position) of a member organization designated by such member organization as such member organization’s Member Organization Representative, who shall have the sole authority, with respect to the selection or removal of Designated Nominees and the On-Floor Vice Chairman of the Board of Governors, to exercise any and all rights and to take any and all actions on behalf of such member organization and each member who has designated such member organization as his primary affiliation.

Merger

(s) The term “Merger” shall mean the merger of Phlx Merger Sub, Inc., a Delaware corporation, with and into the Exchange, with the Exchange as the surviving corporation, in connection with the demutualization of the Exchange from a non-stock membership corporation to a stock corporation.

Non-[Industry]industry

([p]t) The term “non-industry” when used in the context of Governors or committee members shall mean (a) public Governors; (b) officers and employees of issuers of securities listed on the Exchange; (c) persons affiliated with brokers and dealers that operate solely to assist the securities-related activities of the business of non-member affiliates (such as brokers or dealers established to [(i)] distribute an affiliate’s securities which are issued on a continuous or regular basis, or [(ii)] process the limited buy and sell orders of the shares of employee owners of the affiliate); (d) employees of an entity that is affiliated with a broker or dealer that does not account for a material portion of the revenues of the consolidated entity, and who are primarily engaged in the business of the non-member entity; and (e) other individuals who would not be industry Governors or committee members.

Non-member

(u) The term “non-member” includes, with respect to individuals, any person who is not a member and, with respect to entities, any organization that is not a member organization.

Owner

(v) The term “owner” shall mean any person or entity who or which is a holder of equitable title to a foreign currency options participation.

Permit

(w) The term “permit” shall mean a permit of any class, series or kind established from time to time by the Board of Governors and denominated as such.

Person

(x) The term “person”, shall mean an individual, partnership (general or limited), joint-stock company, corporation, limited liability company, trust or unincorporated organization, and a government or agency or political subdivision thereof.

Public

([q]y) The term “public” when used in the context of Governors or committee members shall mean non-industry persons who have no material business relationship with a broker, dealer or the Exchange.

Securities Act

(z) The term “Securities Act” shall mean the Securities Act of 1933, as amended.

Trust Agreement

(aa) The term “Trust Agreement” shall mean the Amended and Restated Trust Agreement, dated as of [], 2003, between the Exchange and the trustee under such Trust Agreement.

Series A Preferred Stock

(bb) The term “Series A Preferred Stock” shall mean the Series A Preferred Stock, par value \$0.01 per share, of the Exchange.

Stockholder

(cc) The term “stockholder” shall mean a stockholder of the Exchange.

ARTICLE II

Offices

Registered Office and Registered Agent

SEC. 2-1. The Exchange shall maintain a registered office and registered agent within the State of Delaware, which may be changed by the Board of Governors from time to time.

Other Offices

SEC. 2-2. The Exchange shall maintain its principal office and place of business at 1900 Market Street, Philadelphia, Pennsylvania. The Exchange may also have offices at such other places, within or without the State of Delaware, as the Board of Governors may from time to time determine.

ARTICLE III

Member and Member Organization Nominations—Member and Member Organization Annual [Election] Elections—Member and Member Organization Meetings

Place of [Membership]Member and Member Organization Meetings

SEC. 3-1. All meetings of members and member organizations shall be held at such place within or without the State of Delaware as may be designated by the Board of Governors from time to time. If no such place is designated by the Board of Governors, meetings of [the

]members and member organizations shall be held at the [registered]principal office of the Exchange[in the State of Delaware].

[Annual Meeting]

Member and Member Organization Meetings

SEC. [3-2.]3-2. (a) An annual meeting of [the]members and member organizations shall be held in each calendar year on the second Monday in March[. At such annual meeting there], or at such other time as the Board of Governors shall [be elected by ballot]establish, for the [following industry Governors:]purpose of designating those nominees for On-Floor [and Off-Floor Governors in such numbers as designated for]Governor (the [respective class of Governors]“Designated Nominees”) that the holder of the Series A Preferred Stock shall be required to[be elected. The transition to a Board of Governors]_elect as[comprised in accordance with By-Law] such in accordance with Article [IV, Section 4-1 shall be implemented as follows: in 1997, the]SIXTH of the Certificate of Incorporation and the Trust Agreement. At such annual meeting of members [of the Exchange]and member organizations, the Member Organization Representatives shall[elect two (2) On-Floor and two (2) Off-Floor Governors for terms of three ()_elect the Designated Nominees in accordance with Sections 3[) years; two (2) On-Floor and two (2) Off-Floor Governors for terms of two (2) years;]-4 and [one (1) On-Floor and one (1) Off-Floor Governor for terms of one (1) year each, to be designated as the classes]3-6 of [Governors of 2001, 2000 and 1999, respectively.]these By-Laws.

[Term of Office]

[SEC. 3.3. The terms of office of the persons so elected shall commence at 4:00 p.m. on the fourth Wednesday of March after the date]

(b) Promptly after each annual meeting of stockholders, if there is a contest for the position of On-Floor Vice Chairman of the Board of [their election and]Governors, a meeting of Member Organization Representatives shall[continue, notwithstanding the periods of time specified in the By-Laws, until their respective successors are elected and qualify or until their earlier resignation or]_be held for the selection of the On-Floor Vice Chairman of the Board of Governors.

(c) Except as otherwise specifically provided by law, special meetings of the members, member organizations or Member Organization Representatives may be called at any time by the Chairman of the Board of Governors or by a majority of the Board of Governors or, only in the case of a special meeting of Member Organization Representatives for the purpose of voting on the removal[.]

[Appointment of Non-Industry] of one or more On-Floor Governors in accordance with Section 3-3 of these By-Laws, by the Member Organization Representatives representing a majority of the then issued and outstanding permits, provided that, in the event that any such meeting is proposed to be called by Member Organization Representatives, such Member Organization

Representatives shall provide the Chairman of the Board of
Governors

[SEC. 3.4. As promptly as possible after each annual meeting there shall be appointed the following non-industry]written notice prior to calling any such meeting stating in reasonable detail the basis for, and the facts and circumstances purported to warrant, such removal.

Removal of On-Floor Governors[: non-industry and public]

SEC. 3-3. (a) On-Floor Governors may be removed only for cause, unless a majority of the Board of Governors [in such numbers as designated for the respective class of]recommends that one or more On-Floor Governors [to be appointed. The transition to a Board of Governors as comprised in accordance with By-Law Article IV,]be removed in accordance with Section 4[-1 shall be implemented as follows: in 1997, the Board shall appoint four (4) non-industry Governors of whom at least two (2) shall be public Governors for terms of three (3) years; four (4) non-industry Governors of whom at least two (2) shall be public Governors for terms of two (2) years; and three (3) non-industry Governors of whom at least one (1) shall be a public Governor for terms of one (1) year each, to be designated as the classes of Governors of 2001, 2000 and 1999, respectively.]

[The terms of office of the persons so appointed shall continue, notwithstanding the periods of time specified in the By-Laws, until their respective successors are appointed and qualify or until their earlier resignation or removal.]

[Nominating and Elections Committee]

[SEC. 3-5. (a) The Nominating and Elections Committee shall submit nominations for the positions of On-]-4 of these By-Laws, in which case such On-Floor Governor or On-Floor[, and Off-Floor Governors on the Board of Governors of the Exchange to be filled at the annual elections of the Corporation]Governors may be removed without cause.

(b) At any annual meeting of members and member organizations, or at any special meeting of Member Organization Representatives called in accordance with [the provisions of By-Law Article IV,]Section [4-1. The Nominating and Elections Committee shall select all non-industry and public Governors in accordance with the provisions of By-Law Article IV, Section 4-1 and subject to the approval of the Board of Governors. The Nominating and Elections Committee also shall select all Chairmen of Standing Committees in accordance with By-Law Article X and subject to the approval of the Board of Governors.]

[(b)The Nominating and Elections Committee shall consist of seven (7) persons as follows: four (4) non-industry Governors, at least two (2)]3-2(c) of these By-Laws, one or more On-Floor Governors may be removed by the affirmative vote of the Member Organization Representatives representing not less than two-thirds of [whom shall be public Governors; one (1) Off-Floor member, who may be a Governor; one (1) On-Floor Equity Governor; and one (1) On-Floor Equity Options Governor. The Nominating and Elections Committee shall select its Chairman from among its public Governor members.]

[(c)No member]the then issued and outstanding permits; provided, however, that such removal, if so approved by the vote of the [Nominating and Elections Committee shall be appointed to serve on the Committee for more than two successive terms]Member Organization Representatives, shall be effected only by the affirmative vote of [one year each. Commencing January 1, 2000, no member]the holder of[a Nominating and Elections Committee shall be eligible for a position on the Board of Governors to be filled for the term commencing immediately after the next annual meeting of the Exchange. As promptly as possible after each annual meeting, the Board] the Series A Preferred Stock in accordance with Article SIXTH of [Governors shall appoint the Nominating and Elections Committee. The Board of Governors shall fill any vacancies created on such Committee. The Nominating and Elections Committee may submit nominations for its successors, some or all of whom may be approved by the Board of Governors.]the Certificate of Incorporation.

Nomination of On-Floor Governors

[(d)]SEC. 3-4. (a) The Nominating and Elections Committee shall submit nominations for the positions of On-Floor Governors from candidates selected in accordance with Sections 3-4 and 3-6 of these By-Laws, so that the Designated Nominees may be selected at the annual meeting of members and member organizations as contemplated by Section 3-2 of these By-Laws. The Nominating and Elections Committee shall give due consideration to the various functions and activities of the Exchange and its member and participant organizations in making its nominations.

[(e)The Nominating and Elections Committee shall have supervision over the balloting at all elections of the Exchange and at all meetings thereof to consider proposed amendments to the By-Laws or other matters. It shall administer]

(b) If On-Floor Governors are to be elected to fill vacancies differing in length, the [By-Laws and rules governing voting at all elections and meetings of]nominees with the [members and shall make or recommend for adoption such rules as it may deem necessary]largest number of votes shall be elected for the [conduct of such voting. As provided in Section 3-7 of the By-Laws, the Committee shall receive nominations for positions to be filled at the annual meeting of the members]longest terms.

SEC. 3-5. [Reserved.]

Open Meetings of Nominating and Elections Committee-Recommendations-Notice

SEC. 3-6. (a) The Nominating and Elections Committee shall hold at least two (2) open meetings during the month of January in each year for the purpose of receiving recommendations as to candidates for [all]positions [on the Board of]as On-Floor Governors. [Such recommendations]Recommendations for On-Floor Governors may be made by [members and participants or general partners or officers of]any member[and], participant [organizations]or Member Organization Representative or by any member of the Nominating and Elections Committee then in office. [They]Recommendations may be submitted in writing or they may be

presented in person. Notice of such meetings and of the period within which recommendations may be submitted in writing or presented in person shall be given by the Secretary of the Exchange to all members, participants and [member organizations of the Exchange]Member Organization Representatives.

(b) The Nominating and Elections Committee shall report in writing to all members and participants and to all Member Organization Representatives entitled to vote with respect to the election of On-Floor Governors in accordance with Section 3-15 of these By-Laws and to the Secretary of the Exchange[,] on the first Monday in February[, nominees for Governors on] (or at such other time established by the Board[. Each] of Governors) the names of its nominees to serve as On-Floor Governors; provided that, in each case, each such nominee shall be a person, who in the opinion of the Nominating and Elections Committee, is eligible for election to the position for which [he]such person is nominated.

[(c)The Nominating and Elections Committee shall nominate no person for a position on the Board of Governors if one or more other persons associated with his member or participant organization would be serving an unexpired term or terms on the Board upon the commencement of his term of office in the event of his service. The Nominating and Elections Committee shall nominate no more than one person associated with the same member or participant organization to fill vacancies on the Board of Governors and regardless of the number of vacancies to be filled. For purposes of Article III of these By-Laws, the term “person associated with the same member or participant organization” means a person who is a partner, officer, director, or holder of ten per cent or more of the outstanding shares of the same member or participant organization or of a member organization that directly controls, is controlled by or is under common control with such member organization. Participation in a joint account does not per se constitute an association with the same member or participant organization.]

[(d)A candidate who is not an incumbent officer or Governor on the Board of Governors may run for only one of the offices of On-Floor or Off-Floor Governor in any election.]

[(e)In the event of a merger, consolidation or other acquisition, which results in persons serving on the board who are associated with the same member or participant organization, as defined in By-Law Article III, Sec. 3-6(c), all but one (1) such person shall notify the Chairman of the Board of their resignation by the first day of January preceding the next annual election in order that the Nominating and Elections Committee may fill the vacancy created thereby. Such resignation shall become effective no later than the expiration of the term of the outgoing class of Governors.]

[(f) If the required number of Governors in any of the categories of Governor is not maintained because of any Governor’s change in occupational category or member or participant organization association, such governor shall notify the Chairman of the Board of his resignation by the first day of January preceding the next annual election in order that the Nominating and Elections Committee may fill the vacancy created thereby. Such resignation shall become effective no later than the expiration of the term of the outgoing class of Governors.]

[(g)The Secretary of the Exchange, on receipt of the report of the Committee, shall notify the members of the Exchange of the names of such nominees.]

**[Members May File]Independent Nominations[-
Requirements] by Members and Member
Organizations; Election of Nominees for On-Floor
Governors**

SEC. 3-7. (a) Independent nominations for the positions of On-Floor[, and Off-Floor Governors on the Board of] Governors may be made by a written petition by Member Organization Representatives filed with the Secretary of the Exchange in a sealed envelope within two (2) weeks after the posting of the report of the Nominating and Elections Committee to the Member Organization Representatives as provided by Section 3-6(b) of these By-Laws. No such nomination shall be valid unless it is signed by Member Organization Representatives representing not less than fifty (50) [members]votes. [No member]A Member Organization Representative shall not endorse more than one (1) nominee; provided, however, that Member Organization Representatives representing not less than seventy-five (75) [members]votes may, by petition, propose an entire ticket, or any portion thereof, for the vacancies of On-Floor Governors on the Board of Governors to be filled at the ensuing election.[A person is not eligible for an independent nomination for a position on the Board of Governors if one]

[(1)b][or more persons associated with his member or participant organization, as defined in By-Law Section 3-6(c), would be serving an unexpired term or terms on the Board upon the commencement of his term of office. No more than one (1) person associated with the same member or participant organization, as defined in Section 3-6(c), shall be certified by the Nominating and Elections Committee for independent nomination to a position on the Board of Governors. In the event more than one such nomination is received, the Nominating and Elections Committee shall not certify any such candidates. A person who has previously accepted nomination by the Nominating and Elections Committee for one (1) category of Governor (e.g. On-Floor or Off-Floor Governor) is not eligible to qualify as an independent candidate in any category. There may be no independent nominations of incumbent Governors whose terms do not expire following the next election.] The Nominating and Elections Committee and the Secretary of the Exchange shall open [such envelopes, and if found]the envelopes submitted by the Member Organization Representatives pursuant to Section 3-7(a) of these By-Laws, and if determined by the Nominating and Elections Committee to be eligible for election, the persons nominated by petition [conforming]in conformity with the[foregoing] provisions [shall be deemed nominees for such positions on]of these By-Laws, together with the[Board of Governors. The] names of all nominees for [membership on]On-Floor Governor selected by the [Board of Governors, whose nominations conform with]Nominating and Elections Committee pursuant to these By-[Law requirements]Laws, shall be sent to all [members of the Exchange by the Secretary]Member Organization Representatives as promptly after the third Monday of February (or at such other time established by the Board of Governors) as is reasonably possible[. The order of nominees' names on notices and on] as proposed On-Floor Governors (the [ballot shall]"Proposed On-Floor Governors") to be [determined]submitted [through]to a [drawing by lot conducted by the Nominating and Elections Committee.]vote at the annual meeting of members and member organizations referred to in Section 3-2 of these By-Laws.

[(b)The names of the persons nominated by the Nominating and Elections Committee shall be identified on the ballot by an appropriate legend or symbol.]

(c) The [ballot]ballots containing the names of the [candidates nominated for membership on the Board of]Proposed On-Floor Governors shall indicate by appropriate designation whether each such person is a member or a foreign currency options participant of the [nominee]Exchange or is a non-member or non-foreign currency options participant of the Exchange [or is a non-member or non-participant of the Exchange—]who is a general partner or executive officer (vice president or above) of a member or participant organization of [this]the Exchange. [In the event that there are more nominations of persons in the categories of On-Floor and Off-Floor Governor than there are vacancies on the Board of Governors which may be filled by such persons, the number of such persons who may be elected to membership on the Board of Governors in each category shall also be indicated on the ballot.]

(d) The number of Designated Nominees to be elected from among the Proposed On-Floor Governors at the annual meeting of members and member organizations referred to in Section 3-2 of these By-Laws shall be limited to the number of On-Floor Governors to be elected at the ensuing annual meeting of stockholders, and the order of the Proposed On-Floor Governors' names on notices and on ballots shall be determined through a drawing by lot conducted by the Nominating and Elections Committee. The Proposed On-Floor Governors receiving at such election the highest number of votes for the category of Governor for which they were nominated shall be declared the Designated Nominees for their respective positions as On-Floor Governors. In the case of a tie, the names of the Proposed On-Floor Governors involved in such tie shall be referred to the Nominating and Elections Committee, which shall make the selection as to who among such tying Proposed On-Floor Governors shall be nominated as the Designated Nominees for election by the stockholders.

Death, Withdrawal or Disqualification of [Nominee]Designated Nominees

SEC. 3-8. In the case of the death, withdrawal or disqualification at any time in advance of [an annual]any election of a nominee for On-Floor Governor proposed or certified by the Nominating and Elections Committee [or by petition, for one of the positions on the Board of Governors of the Exchange]to be filled at such[annual] election, the election for such position shall proceed at the appointed date therefor, notwithstanding such death, withdrawal or disqualification. In the event that by reason of such death, withdrawal or disqualification there are fewer candidates for such office of Governor [of the Exchange]than there are vacancies to be filled, the Nominating and Elections Committee, subject to approval by the Board of Governors, at a meeting held subsequent to such annual election, shall appoint a person to [the]each office left vacant under such circumstances, the person to be appointed to serve until the fourth Wednesday of March following the next annual [election]meeting of stockholders of the Exchange or until his successor is elected and qualified or until his earlier resignation or removal.

[Votes Required to Elect]

SEC. 3-9. [The nominees receiving at an election for membership on the Board of Governors the highest number of votes for the category of governorship for which they were nominated shall be declared elected to those offices. In the case of a tie, the names of the nominees involved shall be referred to the Board of Governors which shall make the selection][Reserved.]

SEC.

[If Governors are to be elected to fill vacancies differing in length, the largest vote shall elect for the longest term except for the election held in 1997, in which case, Governors elected to fill vacancies differing in length will be designated by the Nominating and Elections Committee as to which term they are nominated to fill and occupy.]

[Special Meetings]

[SEC.] 3-10. [Except as otherwise specifically provided by law, special meetings of the members may be called at any time:]

[(a)By the Chairman of the Board of Governors; or]

[(b)By a majority of the Board of Governors; or]

[(c)By a majority of all members entitled to vote.]

[Upon the written request of any person entitled to call a special meeting, which request shall set forth the purpose for which the meeting is desired, it shall be the duty of the Secretary to give prompt written notice of such meeting to be held at such time as the Secretary may fix, subject to the provisions of Section 3-11 hereof. If the Secretary shall fail to fix such date and give such notice within ten (10) days after receipt of such request, the person or persons making such request may do so.][Reserved.]

Notice of [Membership]Member and Member Organization Meetings

SEC. 3-11. [Written notice stating]Any notice of any meeting of members and member organizations that is required or permitted to be given under these By-Laws shall be in writing and state the place, date, hour and purpose of [any]such meeting and shall be given not less than ten (10) nor more than fifty (50) days before the date of [the]such meeting to each [member]Member Organization Representative entitled to vote at such meeting. If mailed, notice is given when deposited in the United States Mail, postage prepaid, directed to the [member]Member Organization Representative at his address as it appears on the books and records of the Exchange. Such notice may be given in the name of the Board of Governors, the Chairman of the Board of Governors, any Vice President, the Secretary or any Assistant Secretary. Whenever notice is required to be given under any provision of law or of the Certificate of Incorporation or these By-Laws[of the Exchange], a written waiver thereof, signed by the person entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to such notice. Attendance of a person at [a]any meeting [of the membership or Governors]with respect to which such person is entitled to notice shall constitute a waiver of

such notice of such meeting, except when [the member of Governor]such person attends [a]such meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any [regular or special]meeting of [the membership or Governors]members and member organizations need be specified in any written waiver of notice[unless so required by the Certificate of Incorporation].

[Right to]Vote of Member Organizations

SEC. 3-12. [Each regular member of the Exchange in good standing shall be entitled to](a) Subject to Section 3-12(c) of these By-Laws, each permit carries one vote[at any] in the election of Designated Nominees in accordance with the provisions of Section 3-6 of these By-Laws. Such right to vote shall be vested exclusively in each member's member organization with which it is primarily affiliated (as defined in the rules of the Exchange) with respect to the selection of Designated Nominees, which member organization shall act through its Member Organization Representative. Each such [member]Member Organization Representative may vote in person or by proxy under such [regulations]procedures as the Nominating and Elections Committee may establish from time to time. Except as otherwise provided in Section 3-12(c) of these By-Laws, a Member Organization Representative may cast the number of votes equal to the number of permits held by members having designated the Member Organization Representative's member organization as such members' primary affiliation with respect to the [approval]selection of Designated Nominees.

(b) All elections by members and member organizations shall be by secret written ballot unless otherwise provided in the Certificate of Incorporation. Except as otherwise specifically provided by law, all other votes may be taken by voice unless the Nominating and Elections Committee determines that it be taken by ballot, in which latter event the vote shall be taken by secret written ballot.

(c) Notwithstanding anything to the contrary contained in these By-Laws or the rules of the Exchange, in the event that any member organization at any time, directly or indirectly, possesses the right to vote more than 20% of the then outstanding permits (such permits in excess of such 20% limit being hereinafter referred to as "Excess Permits"), except as otherwise permitted by the Board of Governors, [may direct. A lessee shall not vote on any compromise, arrangement, or subsequent reorganization as set forth in Article Thirteen to the Exchange's Certificate of Incorporation.]such member organization shall have no right to vote, or to give any consent or proxy with respect to, such Excess Permits, and such Excess Permits shall be deemed not to be (i) present for the purposes of determining whether a quorum is present at any meeting or vote of the members or member organizations, or (ii) entitled to vote in determining the number of permits required for determining a quorum or to be voted for approval of or to give consent with respect to any matter presented to the members or the member organizations.

Quorum of Members and Member Organizations— Proxies

SEC. 3-13. [At]Subject to Section 3-12(c) of these By-Laws, at all meetings of [the Exchange for the transaction of business other than dealings in securities]members and member

organizations, each [member]Member Organization Representative may [vote]cast his votes in person or by proxy; provided that no action shall become effective unless there shall have been voted a majority of the number of [members participating therein exceeds one-half of the number of voting memberships]permits outstanding [and any proposed action is approved by a majority of the votes cast]at such time. The [members]Member Organization Representatives present at a duly organized meeting thereof can continue to do business until adjournment, notwithstanding the withdrawal of enough [members]votes of such Member Organization Representatives to leave less than such a [quorum]majority. If [a]an [meeting]action cannot [be]become [organized]effective because of the absence of such a [quorum]majority, those present may, except as otherwise provided by law, adjourn the meeting to such time and place as they may determine[. In the case of any], without notice other than announcement at such meeting[for the election of Governors, those members]. Those Member Organization Representatives who attend [the]a second [of such]adjourned [meetings]meeting, although less than such a [quorum as fixed in this Section]majority, shall nevertheless [constitute a quorum]be sufficient for the purpose of [electing Governors.]

[Membership List]

[SEC. 3-14. The officer who has charge of the membership list of the Exchange shall prepare and make, at least ten (10) days before every meeting of the membership, a complete list of the members entitled to vote at the meeting, arranged in alphabetical order, and showing their names and addresses. Such list shall be open to the examination of any member for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where said meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any member who is present. Upon the willful neglect or refusal of the Governors to produce such a list at any meeting for the election of Governors, they shall be ineligible for election to any office at such meeting.][At all membership meetings, members entitled to vote may attend and vote either in person or by proxy]selecting Designated Nominees. All proxies shall be executed in writing and shall be filed with the Secretary of the Exchange not later than the day on which exercised. No proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period.

[Except as otherwise specifically provided by law, all matters coming before the meeting shall be determined by a vote by the members. All elections of Governors shall be by secret written ballot unless otherwise provided in the Certificate of Incorporation. Except as otherwise specifically provided by law, all other votes may be taken by voice unless a member demands that it be taken by ballot, in which latter event the vote shall be taken by secret written ballot.]

Lists of Members and Member Organizations Entitled to Vote

SEC. 3-14. The officer who has charge of the lists of members, member organizations and Member Organization Representatives (as applicable) shall prepare and make, at least ten (10) days before every meeting of members and member organizations, a complete list of the

Member Organization Representatives entitled to vote at the meeting, arranged in alphabetical order, showing their names and addresses, the number of votes they are entitled to cast and the member or member organization on whose behalf the votes are cast and the name and address of the individual permit holder associated with each right to vote. Such list shall be open to the examination of any member or Member Organization Representative for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where said meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any member or Member Organization Representative who is present.

Determination of [Members of]Record Dates

SEC. 3-15. The Board of Governors may fix in advance a record date to determine the [members]Member Organization Representatives entitled to notice of or to vote at any meeting of [the membership]members and member organizations or any adjournment thereof, or to express consent to [corporate]any action in writing without a meeting, or for the purpose of any other lawful action. Such date shall be not more than sixty (60) nor less than ten (10) days before the date of any such meeting, nor more than sixty (60) days prior to any other action. If no record date is fixed, the record date for determining [members]the Member Organization Representatives entitled to notice of or to vote at a meeting [of the membership]thereof shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held[, and the record date for determining members for any other purpose shall be at the close of business on the day on which the Board of Governors adopts the resolution relating thereto]. A determination of [members]the Member Organization Representatives of record entitled to notice of or to vote at a meeting of [the membership]members and member organizations shall apply to any adjournment of the meeting; provided, however, that the Board of Governors may fix a new record date for the adjourned meeting.

Governance of Member and Member Organization Meetings

SEC. 3-16. The Chairman of the Board of Governors, or if there be none, or in his absence, any Vice Chairman of the Board of Governors, or if there be none, or in their absence, any person designated by resolution of the Board of Governors shall preside over all meetings of members and member organizations. To the maximum extent permitted by law, such presiding person shall have the power to administer any such meeting in accordance the procedures pertaining thereto as may be set from time to time by such presiding person and/or the Nominating and Elections Committee (in each case subject to any procedures to the contrary established by the Board of Governors), including, but not limited to, any such procedures respecting the time allotted to members, Member Organization Representatives or any other persons in attendance at such meeting to speak.

ARTICLE IV

Board of Governors

Number[-] and Composition

SEC. 4-1. The management of the business and affairs of the Exchange shall be vested in [a]the Board of Governors. The Board of Governors shall be composed of the Chairman of the Board of Governors, who shall be the individual then holding the office of Chief Executive Officer of the Exchange, and 21 Governors as hereafter provided. There shall be five (5) Governors (On-Floor Governors) consisting of: Two (2) Governors [shall]who [be]are industry Governors [who]and are members primarily engaged in business on the Exchange's Equity Floor or general partners, executive officers (vice president and above) or members associated with member organizations primarily engaged in business on the Exchange's Equity Floor (On-Floor Equity Governors); one (1) Governor [shall]who [be]is an industry Governor [who]and is a member primarily engaged in business as a specialist on the Exchange's Equity Options Floor or a general partner, executive officer (vice president and above) or a member associated with a member organization primarily engaged in specialist business on the Exchange's Equity Options Floor (On-Floor Equity Options Specialist Governor); one (1) Governor [shall]who [be]is an industry Governor [who]and is a member primarily engaged in business as a registered options trader on the Exchange's Equity Options Floor or a general partner, executive officer (vice president and above) or a member associated with a member organization primarily engaged in registered options trader business on the Exchange's Equity Options Floor (On-Floor Equity Options Registered Options Trader Governor); and one (1) Governor [shall]who [be]is an industry Governor [who]and is a member primarily engaged in business on the Exchange's Equity Options Floor as a floor broker (On-Floor Equity Options Broker Governor). There shall be five (5) Governors [shall be](Off-Floor Governors) who are industry Governors [who]and are general partners, executive officers (vice president or above), or members or participants associated with member or participant organizations which conduct a non-member or non-participant public customer business and shall individually not be primarily engaged in business activities on the Exchange Floor (Off-Floor Governors)[; and]. There shall be eleven (11) non-industry Governors, of whom at least five (5) shall be public Governors. There also shall be one (1) On-Floor and one (1) Off-Floor Vice Chairman of the Board of Governors.

Selection of Vice-Chairmen of the Board

SEC. 4-2. The On-Floor Vice Chairman of the Board of Governors shall be selected from the On-Floor Governors by the [membership]Member Organization Representatives, as promptly as possible after the annual meeting[. If] of stockholders; provided, however, that if there is no contest between or among On-Floor Governors and only one (1) candidate exists to become On-Floor Vice Chairman, the Board of Governors and not the [membership]Member Organization Representatives shall select such candidate to be the On-Floor Vice Chairman. In the event of such a contest, promptly after such annual meeting of stockholders, the Nominating and Elections Committee shall call a meeting of Member Organization Representatives for the purpose of electing the On-Floor Vice Chairman. The Off-Floor Vice Chairman shall be selected from the Off-Floor Governors by the Board of Governors, as promptly as possible after the annual meeting of stockholders. Each Vice Chairman of the Board of Governors shall be

appointed or elected for a term of one (1) year and until his successor is appointed or elected and qualifies.

Classification

SEC. 4-3. [The](a) Subject to Section 4-3(b) of these By-Laws, the industry and non-industry Governors shall be divided into three (3) classes. Each such class shall be constituted by election or appointment each year to serve for three (3) years and until their successors are elected and qualify. Except for the Chairman of the Board of Governors, Governors shall not serve more than two (2) consecutive full three (3) year terms from and after the effective date of the Merger.

(b) The Governors of the Exchange holding such positions immediately prior to the effective time of the Merger shall continue to serve as Governors from and after the Merger for the then remaining balance of their respective terms, such that those Governors whose terms would have expired at: (i) the 2004 annual meeting of members will expire at the 2004 annual meeting of stockholders; (ii) the 2005 annual meeting of members will expire at the 2005 annual meeting of stockholders; and (iii) the 2006 annual meeting of members will expire at the 2006 annual meeting of stockholders.

Duties and Powers

SEC. 4-4. (a) The Board of Governors shall be vested with all the powers necessary for the management of the business and affairs of the Exchange, the regulation of the business conduct of members[of the Exchange], participants and member and participant organizations, and for the promotion of the welfare, objects and purposes of the Exchange, and in addition to the power and authority conferred by these By-Laws, may exercise all powers of the Exchange and do all such lawful acts and things as are not by statute, these By-Laws or the Certificate of Incorporation directed or required to be exercised or done by the [membership]stockholders.

[Delegation of powers]

In the exercise of its powers it may adopt such rules, issue such orders and directions and make such decisions as it may deem appropriate.

(b) Specific Powers. Without limiting the general powers conferred by the last preceding clause and the powers conferred by the Certificate of Incorporation and [By-laws of the Exchange]these By-Laws, it is hereby expressly declared that the Board of Governors shall have the following powers:

- (i) Holidays. The Board of Governors shall have power to determine whether the [exchange facility]Exchange shall be open or closed for business on any day or days, including holidays or partial holidays, and shall have the right to fix by rule or otherwise the time for opening and closing the [exchange facility]Exchange. Provided always, however, that in times of emergency the powers conferred by this [section]Section may be exercised by the Chairman of the Board of Governors.

- (ii) Removal of Officers. The Board of Governors, by the affirmative vote of a majority of Governors then in office, may remove any officer who was either directly appointed by it or is serving with its approval and declare the office vacant whenever such officer shall fail to discharge his duties to the satisfaction of the Board of Governors.
- (iii) Procedure. The Board of Governors shall determine the manner and form by which its proceedings shall be conducted. It may dissolve all Standing and other Committees, define, alter and regulate their jurisdiction, and have original and supervisory jurisdiction over any and all subjects and matters referred to said Committees and may direct and control their actions and proceedings at any stage thereof.

Trials

It may try charges against members[of the Exchange and], participants and member and participant organizations and persons associated with or employed by member or participant organizations, and may punish such persons and organizations as may be found guilty.

Control of property and finances

It shall have control of the property and finances of the Exchange and it shall approve the compensation to be paid to officers of the Exchange.

Appoint and dismiss employees

It may appoint and dismiss employees of the Exchange and fix their duties and compensation, and may delegate such powers to Standing Committees or officers of the Exchange.

Finances

It shall pass upon the report of estimated income and expenses of the Exchange as presented to it by the Finance Committee in December of each year[, and fix the amount of dues to the Exchange for the succeeding year].

Bonds for faithful performance

It may require officers or employees of the Exchange to give good and sufficient bonds for the faithful performance of their duties.

- (iv) Penalties. The Board of Governors may prescribe penalties for the violation of rules adopted pursuant to [the] these By-Laws and for neglect or refusal to comply with orders, directions or decisions of the Board of Governors or any Standing or Special Committee, or for any offense against the Exchange the penalty for which is not specifically prescribed by [the] these By-Laws or such rules.
- (v) Rules for Dealing-Insolvency. The Board of Governors shall prescribe rules for dealing on the Exchange. It shall prescribe rules as to insolvency and as to Exchange Contracts, the performance thereof, and default thereon, and it may extend or postpone the time for

the performance of Exchange Contracts whenever in its opinion such action is called for by the public interest or by just and equitable principles of trade.

Members' contracts

It may adopt such rules as it may deem necessary or proper with respect to Members' Contracts.

- (vi) Organizations, Offices, and Employees of Members. The Board of Governors may adopt such rules as it may deem necessary or proper with respect to the formation of member organizations, the continuance thereof and the interest of members and other persons therein, the offices of members and such organizations and the employees thereof, the business connections of members and such organizations and their association with or domination by or over corporations or other persons engaged in the securities business.

Member [corporation]organizations

The Board of Governors may adopt rules prescribing the terms and conditions under which a member may qualify a member organization and a member organization may register [a corporation]as [a]member [corporation]organization of [this]the Exchange; and may impose further terms and conditions in connection with such qualification or registration whenever it may deem it advisable.

- (vii) The List. The Board of Governors may list or admit to unlisted trading privileges upon the [exchange facility,]Exchange securities, "rights"[,] and similar privileges pertaining to securities, and securities on a "when issued" and "when distributed" basis, and may in its discretion at any time and without notice, suspend dealings therein and may remove the same from listing or unlisted trading.
- (viii) Corners—Deliveries Postponed—Settlement Price. Whenever in the opinion of the Board of Governors a corner has been created in a security admitted to dealings on the [exchange facility]Exchange, or a single interest or group has acquired such control of a security so admitted that the same cannot be obtained for delivery on existing contracts except at prices and on terms arbitrarily dictated by such interest or group, the Board of Governors may postpone the time for deliveries on exchange contracts therein, and may from time to time further postpone such time or may postpone deliveries until further action by the Board of Governors, and may at any time by resolution declare that if such security is not delivered on any contract calling for delivery thereof at or before the time to which delivery has been postponed or which has been fixed by the Board of Governors for such delivery, such contract shall be settled by the payment to the party entitled to receive such security or by the credit to such party of a fair settlement price as agreed by the parties to the contract, or if the parties to any contract which is to be settled on the basis of such fair settlement price do not agree with respect thereto, such fair settlement price and the date for the payment of the same may be fixed by the Board of Governors. The Board of Governors, before fixing the same, shall give the parties to the contract which is to be settled on the basis thereof an opportunity to be heard either before the Board of Governors or before a

Special Committee appointed for the purpose. Any such Special Committee shall report the testimony together with its conclusions thereon to the Board of Governors which may act upon such report without further hearing or may accord the parties a further hearing before acting thereon.

[Registration]Qualification and registration of member [corporation]organizations

The Board of Governors (or its designee) shall receive and act upon the application of a member to qualify a member organization and the application of a member organization to register [a corporation as a member corporation]with the Exchange; also upon the application to terminate such qualification or registration.

- (ix) Applications for [Membership]Permits and Reinstatement. The Board of Governors [shall] may receive [and act upon] reports of the [Committee on]Admissions Committee in connection with applications for [membership in the Exchange]permits, applications by non-members for admission as foreign currency options participants, and applications for reinstatement of suspended [members]permits or privileges.

Removal of governors or trustees of gratuity fund and stock exchange for cause

In the event of the refusal or failure of any Governor to discharge his duties or for any [cause]reason deemed sufficient by the Board of Governors, the Board of Governors may, by the affirmative vote of a majority of Governors then in office, [remove said]recommend to the stockholders (and, in the case of an On-Floor Governor[and declare his office to], the members) that such Governor be [vacant]removed and call a special meeting of stockholders (and, in the case of an On-Floor Governor, a special meeting of the members and subsequently a special meeting of the holder of the Series A Preferred Stock, who shall be required to vote in accordance with Article SIXTH of the Certificate of Incorporation and the Trust Agreement) for the purpose of voting on such removal. The Board may, by [a]the [like]affirmative vote of a majority of Governors then in office, remove any Trustee of the Stock Exchange Fund and declare the position held by him to be vacant upon the like refusal or failure or for like cause.

- (x) Removal of Governors for Absence. If a Governor shall have been absent from three (3) regular meetings of the Board of Governors within a twelve-month period, the Executive Committee shall conduct a review of such Governor's attendance and may make a recommendation to the full Board of Governors which may, by a majority vote of the Governors then in office, [remove such]recommend to the stockholders (and, in the case of an On-Floor Governor[and declare the position held by him to], the members) that such Governor be [vacant]removed and call a special meeting of stockholders (and, in the case of an On-Floor Governor, a special meeting of the members and subsequently a special meeting of the holder of the Series A Preferred Stock, who shall be required to vote in accordance with Article SIXTH of the Certificate of Incorporation and the Trust Agreement) for the purpose of voting on such removal.

- (xi) The Board of Governors shall have the power to confer upon any officer or officers of the Exchange the power to choose, remove or suspend assistant officers, agents or servants.

- (xii) The Board of Governors shall have the power to appoint any person, firm or corporation to accept and hold in trust for the Exchange any property belonging to the Exchange or in which it is interested, and to authorize any such person, firm or corporation to execute any documents and perform any duties that may be requisite in relation to any such trust.
- (xiii) The Board of Governors shall have the power to appoint a person or persons to vote shares of another corporation held and owned by the Exchange.
- (xiv) The Board of Governors shall have the power to [fix the place, time and purpose of meetings of the membership of the Exchange.](xv) The Board of Governors shall have the power to]purchase or otherwise acquire for the Exchange any property, rights or privileges which the Exchange is authorized to acquire, at such prices, on such terms and conditions and for such consideration as it shall from time to time see fit, and, at its discretion, to pay for any property or rights acquired by the Exchange, either wholly or partly in money or in bonds, debentures or other securities of the Exchange.
- ([xvi]xv) The Board of Governors shall have the power to create, make and issue mortgages, bonds, deeds of trust, trust agreements and negotiable or transferable instruments and securities, secured by mortgage or otherwise, and to do every other act and thing necessary to effectuate the same.
- ([xvii]xvi) The Board of Governors shall have the power to appoint and remove or suspend such subordinate officers, agents or servants, permanently or temporarily, as it may from time to time think fit, and to determine their duties, and fix, and from time to time change, their salaries or emoluments, and to require security in such instances and in such amounts as it thinks fit.
- ([xviii]xvii) The Board of Governors shall have the power to determine who shall be authorized on the Exchange's behalf to sign bills, notes, receipts, acceptances, endorsements, checks, releases, contracts and documents.
- ([xix]xviii) The Board of Governors shall have the power, by resolution passed by a majority of the whole Board of Governors, to designate one (1) or more ad hoc or special committees, each to consist of two (2) or more Governors, to have such duties, powers and authority as the Board of Governors shall determine. All such committees of the Board of Governors shall have the authority to adopt their own rules of procedure. Absent the adoption of specific procedures, the procedures applicable to the Board of Governors shall also apply to such committees and standing committees of the Board of Governors.
- ([xx]xix) The Board of Governors shall have the power, by resolution, to adopt, amend or repeal such rules as it may deem necessary with respect to the initiation of disciplinary action, the procedure and conduct for disciplinary hearings and reviews therefrom, and the imposition of disciplinary sanctions, as such matters may apply to any member, [any]participant or member or participant organization[,] or any partner, officer, director (or persons in similar positions) or person employed by or associated with any member, participant or member or participant organization.

Compensation of Governors

SEC. 4-5. [Compensation] Subject to Section 6-1 of these By-Laws, compensation of Governors and reimbursement of their expenses incurred in connection with the business of the Exchange, if any, shall be as determined from time to time by resolution of the Board of Governors.

Resignations

SEC. 4-6. (a) Any Governor may resign at any time by submitting his written resignation to the Exchange. Such resignation shall take effect at the time of its receipt by the Exchange unless another time be fixed in the resignation, in which case it shall become effective at the time so fixed. The acceptance of a resignation shall not be required to make it effective.

(b) In the event of a merger, consolidation or other acquisition, which results in persons serving on the Board of Governors who are associated with the same member or participant organization, all but one (1) such person shall notify the Chairman of the Board of Governors of their resignation by the first day of January preceding the next annual meeting of stockholders in order that the vacancy created thereby may be filled by the Nominating and Elections Committee in accordance with Section 4-7 of these By-Laws or at the next annual meeting of stockholders in accordance with the nominating and election procedures set forth in Articles III and XXVIII of these By-Laws, as applicable. Such resignation shall become effective no later than the expiration of the term of the outgoing class of Governors.

(c) If the required number of Governors in any of the categories of Governor is not maintained because of any Governor's change in occupational category or member or participant organization, such Governor shall notify the Chairman of the Board of Governors of his resignation by the first day of January preceding the next annual election in order that the vacancy created thereby may be filled by the Nominating and Elections Committee in accordance with Section 4-7 of these By-Laws or at the next annual meeting of stockholders in accordance with the nominating and election procedures set forth in Articles III and XXVIII of these By-Laws, as applicable. Such resignation shall become effective no later than the expiration of the term of the outgoing class of Governors.

Vacancies

SEC. 4-7. Vacancies in the Board of Governors, including vacancies resulting from the resignation of any Governors or an increase in the number of Governors, shall be filled by the Nominating and Elections Committee, subject to approval by a majority of the Governors then in office, although less than a quorum, or by a sole remaining Governor, and each person so elected shall be a Governor until his successor is elected and qualified or until his earlier resignation or removal.

Disqualification of Governors

SEC. 4-8. (a) No Governor shall be disqualified from participating in any meeting, action or proceeding of the Board of Governors by reason of being or having been a member of a

Standing or Special Committee which has made prior inquiry, examination or investigation of the subject under consideration. Nor shall any member of any such Committee be disqualified by reason of such membership from acting as a Governor upon an appeal from a decision of any such Committee. Pursuant to the Exchange's Code of Conduct for Board Members and Committee Members, members of the Board of Governors or of any Standing or Special Committee or subcommittee shall not participate, directly or indirectly in the discussion or determination of any matter affecting their interests, or the interests of any member of their immediate family, or any matter in which their impartiality might reasonably be questioned.

(b) For the purposes of this [section]Section, the term "immediate family" shall include a spouse, a parent, a mother-in-law, a father-in-law, a brother, a sister, a child, any other person living with the individual or any person for whom the individual provides at least 50 percent of that person's financial support per year.

(c) The last sentence of [sub-section]subsection (a) of this [section]Section shall not apply when the interest of the relevant person is derived solely from being part of the general membership or of a class of members, unless their impartiality might reasonably be questioned.

Quorum

SEC. 4-9. For all purposes a majority of Governors then in office shall be necessary to constitute a quorum. Except as otherwise specifically provided, any action taken pursuant to the vote of a majority of the Governors present at a meeting shall be deemed to be the action of the Board of Governors.

Place of Meeting

SEC. 4-10. Meetings of the Board of Governors may be held at such place within the State of Delaware or elsewhere as a majority of the Governors may from time to time designate or as may be designated in the notice calling the meeting.

Regular and Annual Meetings

SEC. 4-11. [A regular]Regular meetings of the Board of Governors may be held from time to time without notice at the place, date and hour as a majority of the Board of Governors may designate. An annual meeting of the Board of Governors shall be held[annually, immediately] following [the]each annual meeting of [the membership]stockholders at the place, date and hour as the Chairman or a majority of the [newly]Board of Governors (consisting of those Governors elected [Governors may designate. At]at such annual meeting of the [Board of Governors shall elect officers of]stockholders and the [Exchange. In addition to]Governors whose terms in office do not expire upon the effectiveness of such [regular meeting, the Board of Governors shall have the power to fix by resolution the place, date and hour of other regular meetings of the Board]elections) may designate.

Action at Meetings

SEC. 4-12. The Board of Governors, except as otherwise specifically provided, may consider and take action upon any matter at any regular meeting or at any special meeting of the

Board of Governors, even though such matter has not been referred to in the notice of such meeting.

Adjourned Meetings

SEC. 4-13. Any meeting or trial may be adjourned, from time to time, by the Board of Governors in its discretion; but no Governor who shall not have been present at any meeting or trial of the Board of Governors at which evidence is taken, or at which an accused member or a person whose conduct is involved is heard, shall participate in the final decision.

Special Meetings

SEC. 4-14. [In the]Special meetings of the Board of Governors may be called by the Chairman of the Board of Governors, or if there be none, or in his absence[of both the Chairman and], a Vice Chairman of the Board of Governors designated by the Board of Governors to act as [Chairman ad]an interim[, either of] Chairman and shall be called by the [Vice Chairmen]Chairman of the Board of Governors or the Secretary of the Exchange upon the written request of at least a majority of the Governors then in office[may call a meeting of the Board of Governors].

Notices of Meetings of Board of Governors

SEC. 4-15. (a) Regular Meetings. No notice shall be required to be given of any regular meeting, unless the same be held at other than the time or place for holding such meetings as fixed in accordance with Section 4-[12]11 of these By-Laws, in which event one (1) day's notice shall be given of the time and place of such meeting.

(b) Special Meetings. At least one (1) hour's notice shall be given at the time when, place where, and purpose for which any special meeting of the Board of Governors is to be held.

Informal Action by the Board of Governors

SEC. 4-16. Any action required or permitted to be taken at any meeting of the Board of Governors or of any committee thereof may be taken without a meeting, if all members of the Board of Governors [(]or such committee[)], as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Governors [(]or such committee[)].

Interpretation of By-Laws

SEC. 4-17. The Board of Governors shall have the power to interpret [the]these By-Laws [of the Exchange]and the rules adopted pursuant [thereto]hereto. Any such interpretation made by [it]the Board of Governors shall be final, binding and conclusive.

Indemnification

SEC. 4-18. (a) Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding,

whether civil, criminal, administrative or investigative (hereinafter for the purposes of this Section 4-18, a “proceeding”), by reason of the fact that he or she is or was a Governor, officer, [or]committee member or in-house legal counsel of the Exchange or is or was serving at the request of the Exchange as an officer, director (or person in a similar position), employee or agent of another corporation or of a partnership (general or limited), limited liability company, joint venture, trust or other enterprise or business entity, including, without limitation, such service with respect to an employee benefit plan (each, hereinafter an “indemnitee”), whether the basis of such action, suit or proceeding is alleged action in an official capacity as a Governor, officer, committee member, in-house legal counsel, director (or person in a similar position), employee or agent or in any other capacity while serving as a Governor, officer, committee member, in-house legal counsel, director (or a person in a similar position), employee or agent, shall be indemnified and held harmless by the Exchange to the fullest extent authorized by the [Delaware General Corporation Law, as the same exists or may hereafter be amended]DGCL (but, in the case of any such amendment, only to the extent that such amendment permits the Exchange to provide broader indemnification rights than permitted prior thereto), from and against all expense, liability and loss (including attorneys’ fees, judgments, fines, [ERISA] excise taxes or penalties under the Employee Retirement Income Security Act of 1974, as amended, and in each case any amounts paid in settlement thereof) reasonably incurred or suffered by such indemnitee in connection therewith and such indemnification shall continue as to an indemnitee who has ceased to be a Governor, officer, committee member, in-house legal counsel, director (or person in a similar position), employee or agent and shall inure to the benefit of the indemnitee’s heirs, executors² and representatives; provided, however, that, except as provided in paragraph (c) [hereof]of this Section 4-18 with respect to actions, suits or proceedings to enforce rights to indemnification, the Exchange shall indemnify any such indemnitee in connection with [a]an action, suit or proceeding (or part thereof) initiated by such indemnitee only if such action, suit or proceeding (or part thereof) was authorized by the Board of Governors[of the Exchange].

(b) Right to Advancement of Expenses. The right to indemnification conferred in paragraph (a) of this Section 4-18 shall include the right to be paid by the Exchange the expenses incurred in defending any action, suit or proceeding for which such right to indemnification is applicable in advance of its final disposition (hereinafter an “advancement of expenses”); provided, however, that, if the [Delaware General Corporation Law]DGCL requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a Governor, officer or committee member (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Exchange of an undertaking (hereinafter an “undertaking”), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a “final adjudication”) that such indemnitee is not entitled to be indemnified for such expenses under this Section or otherwise.

(c) Right of Indemnitee to Bring Suit. The rights to indemnification and to the advancement of expenses conferred in paragraphs (a) and (b) of this Section 4-18 shall be contract rights. If a claim under either paragraph (a) or (b) of this Section is not paid in full by the Exchange within sixty (60) days after a written claim therefor has been received by the Exchange from an indemnitee, except in the case of a claim for an advancement of expenses, in

which case the applicable period shall be twenty (20) days, [the]such indemnitee may at any time thereafter bring suit against the Exchange to recover the unpaid amount of [the]such claim. If successful in whole or in part in any such suit, or in a suit brought by the Exchange to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) in any suit by the Exchange to recover an advancement of expenses pursuant to the terms of the undertaking the Exchange shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the [Delaware General Corporation Law]DGCL. Neither the failure of the Exchange (including its Board of Governors[,]_or independent legal counsel[,]_or any of its [members]stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the [Delaware General Corporation Law]DGCL, nor an actual determination by the Exchange (including its Board of Governors[,]_or independent legal counsel[,]_or any of its [members]stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or by the Exchange to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Section or otherwise shall be on the Exchange.

(d) Non-Exclusivity of Rights. The rights to indemnification and to the advancement of expenses conferred in this Section shall not be exclusive of any other right which any person may have or hereafter acquire under [any statute,]the[Exchange's] Certificate of Incorporation[,]_or these By-Laws_or any statute, agreement, vote of [members]the stockholders or_of disinterested [Governor's]Governors or otherwise.

(e) Insurance. The Exchange may maintain insurance, at its expense, to protect itself and any Governor, officer, committee member, director (or person in a similar position), employee or agent of the Exchange or another corporation, partnership (general or limited), limited liability company, joint venture, trust or other enterprise or business entity against any expense, liability or loss, whether or not the Exchange would have the power to indemnify such person against such expense, liability or loss under the [Delaware General Corporation Law]DGCL.

(f) Indemnification of Employees and Agents of the Exchange. The Exchange may, to the extent authorized from time to time by the Board of Governors, grant rights to indemnification, and to the advancement of expenses to any employee or agent of the Exchange to the fullest extent of the provisions of this Section with respect to the indemnification and advancement of expenses of Governors, officers and committee members of the Exchange.

Term of Office

SEC. 4-19. The terms of office of the persons elected to serve as Governors shall commence at 4:00 p.m. on the fourth Wednesday of March after the date of their election, or if the election is certified later in the calendar year than 4:00 p.m. on the fourth Wednesday of March, at the time of such certification, and shall continue, notwithstanding the periods of time specified in these By-Laws, until their respective successors are elected and qualify or until their earlier resignation or removal.

Exercise Rights with Respect to Stock Clearing Corporation Stock

SEC. 4-[19.]20. The Board of Governors shall exercise the rights of the Exchange as owner of the Capital Stock of Stock Clearing Corporation of Philadelphia.

Annual Financial Report

SEC. 4-[20.]21. The Board of Governors shall send to the stockholders, members, participants and member and participant organizations each year an annual financial report of the Exchange's business based upon an independent audit of its financial condition by a Certified Public Accountant. [Financial]Such financial reports shall be kept on file in the office of the Secretary of the Exchange and shall be subject to the inspection of any stockholder, member, participant and member and participant organization upon reasonable request being made to [an officer of]the [Corporation]Secretary of the Exchange.

Attendance of Meetings by Electronic Means

SEC. 4-22. Governors may participate in and hold any meeting of the Board of Governors or any committee thereof by means of a telephone conference or similar communications equipment by which each Governor participating in the meeting can hear each other, and participation in any meeting pursuant to this Section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE V

Chairman, Vice Chairmen and Officers of the Exchange

Chairman of the Board of Governors

SEC. 5-1. The Chairman of the Board of Governors shall be the individual then holding the office of Chief Executive Officer of the Exchange. The office shall be his principal occupation to which he shall devote his full time. He shall have general care of the business of the Exchange and shall be responsible for the management and administration of its affairs. He shall be the presiding officer of the Board of Governors and may preside at meetings of the Exchange whenever he shall so elect. He shall not be permitted to create a tie vote when voting

in the capacity of a Governor. It shall be his duty to uphold the By-Laws and Rules of the Exchange. The [Chairman]Chief Executive Officer of the Exchange shall be appointed by the Board of Governors pursuant to a written employment contract and for such compensation as the Board of Governors may fix subject to annual performance review by the Board of Governors or its Compensation Committee. During his incumbency, the Chairman shall not be a general or limited partner of a member or participant organization nor an employee, agent, consultant, officer, director (or person in a similar position) or stockholder of a member or participant organization.

[Special Meetings of the Board]

SEC. 5-2. [The Chairman of the Board may call special meetings of the members and the Board of Governors. He shall call special meetings of the Board of Governors upon the written request of a majority of Governors then in office.][Reserved.]

Chairman's Appointive Power

SEC. 5-3. Subject to the approval of the Board of Governors, the Chairman of the Board of Governors shall appoint the other officers of the Exchange as provided in [the]these By-Laws and such additional officers of the Exchange as he from time to time may determine are required for the efficient management and operation of the Exchange and shall fix their duties, responsibilities, and terms of employment. Subject to approval of the Board of Governors, he may also terminate officers' employment at any time. All such appointed officers shall report to the Chairman of the Board of Governors and be responsible to the Board of Governors for the proper performance of their duties.

Power and Jurisdiction of Chairman over Employees

SEC. 5-4. The Chairman of the Board of Governors shall have such power and jurisdiction over all other employees of the Exchange as may be delegated to him by the Board of Governors.

Acting Chairman and Vacancies in Office of Chairman or Vice Chairman

SEC. 5-5. During the extended absence or inability to act of the Chairman of the Board of Governors, the Board of Governors shall designate the Chief Operating Officer or another senior officer to assume the duties of the Chairman on an ad interim basis. An extended absence or inability to act of the Chairman of the Board of Governors will occur if the Chairman is unable to fulfill his or her duties for a period longer than four weeks. The Board of Governors shall select a successor to the Chairman of the Board of Governors if that office becomes permanently vacant. In case a vacancy shall occur in the office of either of the Vice Chairmen of the Board of Governors, the Nominating and Elections Committee shall select a successor to serve the remainder of the unexpired term, subject to approval by the Board.

Other Officers

SEC. 5-6. The officers of the Exchange shall be one or more Vice Presidents, a Secretary, a Treasurer, one or more Assistant Secretaries and Assistant Treasurers, a Chief Examiner, one or more Examiners, and such other officers as the Board of Governors may determine or may approve and appoint.

Powers and Duties of the Secretary

SEC. 5-7. Unless otherwise determined by the Board of Governors, the Secretary of the Exchange shall record all proceedings of the meetings of the Exchange, the Board of Governors and all committees thereof and the stockholders, in books to be kept for that purpose, and shall attend to the giving and serving of all notices for the Exchange and the Board of Governors. He shall have charge of the corporate seal, the certificate books, transfer books and [membership] list of permit holders, as compiled by the Membership Services Department of the Exchange, and stockholders and such other books and papers as the Board of Governors may direct. He may appoint a transfer agent of the Exchange, subject to the approval of the Board of Governors. He shall perform all other duties ordinarily incident to the office of Secretary and shall have such other powers and perform such other duties as may be assigned to him by the Chairman of the Board of Governors.

Powers and Duties of the Treasurer

SEC. 5-8. Unless otherwise determined by the Board of Governors, the Treasurer shall have charge of all the funds and securities of the Exchange. When necessary or proper, unless otherwise ordered by the Board of Governors, he shall endorse for collection on behalf of the Exchange checks, notes and other obligations, and shall deposit the same to the credit of the Exchange in such banks or depositories as the Board of Governors may designate and shall sign all receipts and vouchers for payments made to the Exchange. He shall sign all checks made by the Exchange, except when the Board of Governors shall otherwise direct. He shall enter regularly, in the books and records of the Exchange to be kept by him for the purpose, full and accurate account of all moneys received and paid by him on account of the Exchange. Whenever required by the Board of Governors, he shall render a statement of the financial condition of the Exchange. He shall at all reasonable times exhibit his books and accounts to any Governor of the Exchange, upon application at the office of the Secretary during business hours. He shall have such other powers and shall perform such other duties as may be assigned to him from time to time by the Chairman of the Board of Governors. He shall give such bond, if any, for the faithful performance of his duties as shall be required by the Board of Governors and any such bond shall remain in the custody of the Chairman of the Board of Governors.

Powers and Duties of Vice Presidents and Assistant Officers

SEC. 5-9. Unless otherwise determined by the Board of Governors, each Vice President and [each] assistant officer of the Exchange shall have the powers and perform the duties of his respective superior officer. Vice Presidents and assistant officers shall have such rank as shall be designated by the Chairman, subject to [Board]the approval of the Board of Governors. Vice

Presidents may be designated as having responsibility for a specific aspect of the Exchange's affairs, in which event each such Vice President shall be superior to the other Vice Presidents in relation to matters within his area of responsibility. The Chairman of the Board of Governors shall be the superior officer of the Vice Presidents. The Treasurer and the Secretary of the Exchange shall be the superior officer of the assistant treasurers and assistant secretaries, respectively.

Delegation of Office

SEC. 5-10. The Board of Governors may delegate the powers or duties of any officer of the Exchange to any other officer or to any Governor from time to time.

Resignations

SEC. 5-11. Any officer may resign at any time by submitting his written resignation to the Chairman of the Board of Governors or the Secretary of the Exchange. Such resignation shall take effect at the time of its receipt by the [Exchange,]Chairman or the Secretary unless another time be fixed in the resignation, in which case it shall become effective at the time so fixed. The acceptance of a resignation shall not be required to make it effective.

ARTICLE VI

[Vice-Chairmen of the Board]

Equity Based Compensation

Stock Incentive and Option Plans

SEC. 6-1. Without the prior approval of the holders of *[Governors]*

[Article VI. Rescinded effective August 22, 1997 (97-31).]a majority of the then outstanding shares of Common Stock, the Exchange shall not at any time adopt any stock incentive or option plan or arrangement, or any other equity based compensation plan or arrangement, for the benefit of its Governors or officers that authorizes the issuance of stock, stock options or any other securities exercisable or exchangeable for or convertible into any equity interest in the Exchange representing more than 10% of the Common Stock outstanding at such time.

ARTICLE VII

[Officers of the Corporation]

[Article VII. Rescinded effective August 22, 1997 (97-31).]

[Reserved.]

ARTICLE VIII

Presiding Floor Officials of the Exchange

SEC. 8-1. The Chairmen of the Floor Procedure Committee, Options Committee and Foreign Currency Options Committee, or their designees, shall preside over the equity trading floor, options trading floor and foreign currency options trading floor, respectively, of the [exchange facility]Exchange. They shall maintain order on the respective trading floors and the premises immediately adjacent thereto. For breaches of order, they may exclude members, participants and member and participant organizations (as applicable) and employees from the respective trading floors and the immediately adjacent premises, or may impose fines consistent with Exchange rules, or both. They shall administer the provisions of [the]these By-Laws and the Rules of the Exchange pertaining to the respective trading floors and the immediately adjacent premises of the [exchange facility]Exchange. They shall impose penalties as prescribed by the Floor Procedure Committee, Options Committee or Foreign Currency Options Committee, as applicable, for breaches of their rules or regulations relating to order, decorum, health, safety and welfare on the respective trading floors.

Delegation of powers

The Chairmen of the Committee on Floor Procedure, the Committee on Options and the Committee on Foreign Currency Options may delegate to another member or [a]subcommittee of such Committee, any of the powers and authority conferred upon them in this Section[of the By-Laws].

Nothing in this [By-Law precludes]Section shall preclude Exchange staff from imposing fines for breaches of Exchange rules or regulations relating to order, decorum, health, safety and welfare on the respective trading floors. Further, nothing in this [By-Law precludes]Section shall preclude Exchange officers from participating in the removal of members, participants, member and participant organizations and associated persons, along with the Floor Officials.

ARTICLE IX

Trustees of Stock Exchange Fund

Trustees of Stock Exchange Fund—How Appointed

SEC. 9-1. There shall be no less than six nor more than eight trustees of the Stock Exchange Fund, composed of the Chairman of the Board of Governors, two (2) members of the Board of Governors, and up to five (5) other persons who are considered to be qualified. Each of the trustees, other than the Chairman, shall be appointed by the Board of Governors to serve for three (3) years or until his successor is duly appointed.

Exercise of Power

SEC. 9-2. Four (4) of the Trustees of the Stock Exchange Fund shall be competent to act for the Trustees of the Stock Exchange Fund in all matters within their jurisdiction under [the]these By-Laws[of the Exchange].

Duties

SEC. 9-3. The Trustees of the Stock Exchange Fund shall hold such securities and other property of the Exchange, real or personal, as shall be vested in them by order of the Board of Governors, with full power to invest the same and to sell and re-invest the proceeds of such sales, as they may deem proper, without being limited in investments to so-called “legal investments”.

Transfer of Assets

SEC. 9-4. The Board of Governors shall have power and authority to direct transfers of assets of the Stock Exchange Fund, for such purposes as they may deem proper, and such direction shall be full and complete authorization for any action taken by the Trustees of the Stock Exchange Fund in compliance therewith.

Agent of Trustees

SEC. 9-5. The Trustees shall, with approval of the Board of Governors, appoint as Agents, either U.S. registered broker-dealers and/or banks (as defined in Section 3 of the [Securities]Exchange Act[of 1934,]) to hold the securities of the Exchange for safekeeping, to collect the interest, dividends and income therefrom for the Treasurer of the Exchange. Said Agents shall also, from time to time, make deliveries of securities held for the Trustees of the Stock Exchange Fund as the Trustees of the Stock Exchange Fund shall direct.

Reports

SEC. 9-6. The Trustees of the Stock Exchange Fund shall submit to the Finance Committee at least quarterly a statement of the investments of the Exchange held by them in

their capacity of Trustees of the Stock Exchange Fund. The Finance Committee shall forward that report to the Board of Governors with its recommendation.

ARTICLE X

Standing Committees

Standing Committees

SEC. 10-1. (a) The Standing Committees of the Exchange shall consist of: an Executive Committee, an Admissions Committee, an Allocation, Evaluation and Securities Committee, an Audit Committee, an Automation Committee, a Business Conduct Committee, a Compensation Committee, a Finance Committee, a Floor Procedure Committee, a Foreign Currency Options Committee, a Marketing Committee, a Nominating and Elections Committee, a Quality of Markets Committee, and an Options Committee. Each of such Committees shall be composed of not more than nine (9) members, including ex _officio members, except for the Floor Procedure Committee, the Options Committee, and the Foreign Currency Options Committee, which shall each consist of not more than twelve (12) members, including ex _officio members. The Chairman of each Standing Committee shall be a member of the Board of Governors and at least one other person on each Committee shall be a Governor.

(b) All members, except the Chairmen, of the Standing Committees (but excluding the Nominating and Elections Committee and the Executive Committee)[,] shall be appointed by the Executive Committee, subject to the approval of the Board of Governors. The appointments of all Committees, shall be made as promptly as possible after each annual meeting [and]of [election]stockholders, and each appointee shall serve for one year or until his successor is duly appointed.

(c) No more than one person affiliated with the same member or participant organization shall be eligible for service on the same Standing Committee. If by change of affiliation, merger or otherwise two or more persons from the same member or participant organization are serving on the same Standing Committee, the number of such persons shall be reduced to one through a resignation or resignations, or if necessary, by action of the Standing Committee. The vacancy or vacancies thus created shall be filled by the person or persons selected by the Executive Committee, subject to the approval of the Board of Governors.

General Duties and Powers of Committees

SEC. 10-2. Each Standing Committee shall administer the provisions of [the]these By-Laws and the Rules of the Board of Governors pertaining to matters within its jurisdiction. Each Standing Committee shall make such rules and regulations with respect to matters within its jurisdiction as it shall deem appropriate and shall have such other powers and duties as may be delegated to it by the Board of Governors.

Proceedings of Special and Standing Committees

SEC. 10-3. (a) Except as herein otherwise prescribed, and subject always to the control and supervision of the Board of Governors, each Standing Committee and Special Committee shall determine the manner and form in which its proceedings shall be conducted, and shall make such regulations for its government as it shall deem proper and may act at a meeting or without a meeting, and through a quorum composed of a majority of all its members then in office. Except as otherwise specifically provided in [the by-laws] these By-Laws or the rules of the Exchange, the decision of a majority of those members of any Committee voting at a meeting at which a quorum is present, provided at least two (2) such members vote, shall be the decision of the Committee.

(b) Each Standing and Special Committee may appoint such subcommittees as it may deem necessary for the efficient discharge of its duties. Each such subcommittee shall consist of at least one (1) member of the Committee appointing it and such other persons as such Committee may designate but shall be smaller in size than the Committee to which it reports. Each such subcommittee shall report to the Committee appointing it. Any statement made to such a subcommittee shall for all purposes be deemed to be a statement made to the Standing or Special Committee which appointed such subcommittee.

(c) One or more governors may be appointed on a temporary basis to any Standing Committee by its Chairman to effect a quorum when one is lacking for a meeting of such Committee.

Vacancies in Standing Committees—Ad Interim Appointments

SEC. 10-4. The Executive Committee shall appoint, subject to the approval of the Board of Governors, a person to fill any vacancy, other than Chairman, occurring in any Standing Committee except the Nominating and Elections Committee and the Executive Committee. Should special exigencies require, the Chairman of the Board of Governors may fill any such vacancy ad interim until the next regular meeting of the Board of Governors.

Continuation of Committees

SEC. 10-5. The members of each Standing Committee at the time of an annual meeting shall constitute such Committee until either a new Committee is appointed or a Committee ad interim is appointed.

Admissions Committee

SEC. 10-6. (a) At least 50% of the members of the Admissions Committee shall be permit holders or participants or be associated with a member or participant organization.

(b) The Admissions Committee shall have jurisdiction over [admission to membership in the Exchange]the issuance of permits and over applications by non-members for admission as foreign currency options participants. The [Committee shall]Admissions Committee shall also have jurisdiction over the revocation[of admission to membership or]of

permits and foreign currency [option participation]options participations; provided that the Business Conduct Committee shall also have jurisdiction over the revocation of permits and foreign currency options participations in connection with disciplinary matters, as provided in these By-Laws (including, without limitation, Article XVII hereof) and the rules of the Exchange. It shall exercise its powers subject to [admissions]policies established by the Board of Governors from time to time. All applications for [membership]a permit, all applications by non-members for admission as foreign currency options participants, all applications for reinstatement of [members]any permit suspended for insolvency of its holder, and any application for readmission of a person who has been expelled from the Exchange shall be referred to the Admissions Committee for review and action. The purchase of a foreign currency options participation by a member of the Exchange shall be sufficient to confer foreign currency options participant status upon such [a]member.

([b]c) The Admissions Committee shall exercise the powers given it by [Articles XII, XIII, XIV, XV,]these By-Laws and [XVII]by resolution of the [By-Laws]Board of Governors.

([c]d) No member shall form a member [firm]organization that is a partnership and no member or member [firm]organization that is a partnership shall admit any person to partnership in such [firm]organization without the prior approval of the proposed partner or partners by the Admissions Committee. The Admissions Committee shall have supervision over partnership arrangements, and copies of all articles of partnership, or any changes therein, shall be presented to the Admissions Committee for approval before the effective date thereof, except that if such articles or changes therein have been approved by a registered national securities exchange, the Admissions Committee may waive this requirement.

([d]e) All applications to qualify and register a corporation or other entity as a member or participant organization, and all applications for reinstatement of any qualification or registration of a member or participant organization, shall be referred to the Admissions Committee which shall investigate and act thereon. The Admissions Committee shall have supervision over member corporation (and similar) arrangements, and copies of the articles of incorporation, by-laws and all amendments thereto shall be filed with the Admissions Committee for approval.

([e]f) If in a member [firm]organization that is a partnership the only general partner thereof, who was a member of this Exchange, dies or resigns, the remaining partners of such member organization may request the Admissions Committee to permit a continuing partnership consisting of all said remaining partners and no others (except that the estate of a deceased member may be a partner thereof) to have the status of a member [firm]organization for such period, not exceeding sixty (60) days from the date of such death or resignation, as the Admissions Committee may determine and under such conditions as it may fix. The Admissions Committee in its discretion may, at any time during such period, withdraw such permission and upon such withdrawal such status shall terminate.

([f]g) If in a member organization that is a corporation the only officer, who was a member of this Exchange, dies or resigns, the remaining officers may request the Admissions Committee to permit the corporation to have the status of a member [corporation]organization for such period, not exceeding sixty (60) days from the date of such death or resignation, as the

Admissions Committee may determine and under such conditions as it may fix. The Admissions Committee in its discretion may, at any time during such period, withdraw such permission and upon such withdrawal such status shall terminate.

Options Allocation, Evaluation and Securities Committee and Equity Allocation, Evaluation and Securities Committee

SEC. 10-7. (a) The Options Allocation, Evaluation and Securities Committee shall consist of nine (9) members. [The]Such Committee shall be composed of core members and annual members. Annual members shall be chosen pursuant to the number and categories of persons as provided in Rule 500. [The]Such core [committee]Committee members shall serve for [a]three[-] (3) year[term and may not serve for more than two consecutive] terms. Annual members shall serve for [a]one[-] (1) year[term and may not serve for more than three consecutive] terms. The Options Allocation, Evaluation and Securities Committee shall have jurisdiction over the allocation, retention and transfer of the privileges to deal in all options to, by and among members on the options and foreign currency options trading floors. It shall be responsible for appointing specialists, alternate or assistant specialists or odd-lot dealers on the options and foreign currency options trading floors. It shall establish standards for the periodic review and evaluation of their performance and shall be empowered to suspend or revoke their appointments upon showing of reasonable cause therefor.

(b) The Equity Allocation, Evaluation and Securities Committee shall consist of nine (9) members. [The]Such Committee shall be composed of core members and annual members. Annual members shall be chosen pursuant to the number and categories of persons as provided in Rule 500. [The]Such core Committee members shall serve for [a]three[-] (3) year[term and may not serve for more than two consecutive] terms. Annual members shall serve for [a]one[-] (1) year[term and may not serve for more than three consecutive] terms. The Equity Allocation, Evaluation and Securities Committee shall have jurisdiction over the allocation, retention and transfer of the privileges to deal in all equity securities to, by and among members on the equity trading floor. It shall be responsible for appointing specialists, alternate or assistant specialists or odd-lot dealers on the equity floor. It shall establish standards for the periodic review and evaluation of their performance and shall be empowered to suspend or revoke their appointments upon showing of reasonable cause therefor.

(c) The Options Allocation, Evaluation and Securities Committee shall consult with the Options or Foreign Currency Options Committees or any person or group as necessary in order to utilize their expertise in the performance of its functions. The Equity Allocation, Evaluation and Securities Committee shall consult with the Floor Procedure Committee or any person or group as necessary in order to utilize their expertise in the performance of its functions. The Floor Procedure and Options Committees shall be empowered to make temporary appointments of specialists, alternate or assistant specialists, odd-lot dealers, registered option traders, or other types of floor market makers until permanent appointments are made by the Equity Allocation, Evaluation and Securities Committee or the Options Allocation, Evaluation and Securities Committee, respectively.

(d) [The]Such Committees shall have supervision over all questions pertaining to securities admitted to dealings on the [exchange facility]Exchange which directly affect the issuers thereof, and shall have supervision over all questions pertaining to or arising out of the listing of securities or the admitting of securities to dealings on the [exchange facility]Exchange, or the removal of securities from [the]such [List]listing or from dealings on the [exchange facility]Exchange.

(e) For the purposes of these By-Laws, and [Exchange]the Rules of the Exchange, references to the "Allocation, Evaluation and Securities Committee" shall mean either the Options Allocation, Evaluation and Securities Committee or the Equity Allocation, Evaluation and Securities Committee, as the context requires.

[Arbitration Committee]

SEC. 10-8. [Rescinded effective May 31, 2000 (99-26).][Reserved.]

Audit Committee

SEC. 10-9. (a) The Audit Committee shall consist of three (3) members, who shall all be public Governors. Audit Committee members shall not serve in a management capacity with the Exchange or any affiliate thereof and must be free of any other relationships that, by decision of the Board of Governors, would interfere with the exercise of independent judgment.

(b) The Audit Committee shall have responsibility for dealings with the Exchange's independent public accountants including: (i) making recommendations to the Board of Governors as to retention and dismissal of such public accountants; (ii) reviewing the scope of their services and fees; (iii) reviewing the audit plan; (iv) reviewing internal controls; (v) reviewing the "management letter" and reply thereto; and (vi) having the ability to meet with the public accountants without Exchange officers or employees.

The Audit Committee shall have responsibility for the Exchange's Internal Audit Department, which shall report to the Audit Committee. Such responsibility will include review of policies and procedures for and significant reports produced by the Internal Audit Department.

The Audit Committee shall review any legal matters that may materially impact the Exchange's financial statements and all examination, inspection or other reports made by any regulatory agency with regulatory oversight for the Exchange and the Exchange's responses thereto.

The Audit Committee shall review, at least annually, compliance with the Exchange's Code of Conduct with the assistance of the General Counsel's office.

The Audit Committee shall have the authority to conduct special reviews of any alleged improper conduct with respect to Exchange related activity, operations, finance or regulation. The Audit Committee may select and engage its own counsel, consultants, accountants or other experts to assist in such reviews.

The Audit Committee shall have the authority to compel to appear and/or provide documents or other information, by members, participants, member and participant organizations[,] and associated persons and employees of [member] such persons and organizations, members of the Board of Governors, committee members, Exchange officers or Exchange employees.

- (c) The Audit Committee shall meet at least once every calendar quarter.

Automation Committee

SEC. 10-10. The Automation Committee shall consist of five (5) Governors, including its Chairman who shall be an Off-Floor or a non-industry Governor. The Automation Committee shall periodically review and approve automation plans affecting the trading floors, subsidiaries and the Exchange's administrative areas, including regulatory departments and offices. The Automation Committee shall ensure that such plans are consistent with the strategic objectives of the Exchange. The Automation Committee shall report to the Board of Governors on at least a quarterly basis.

Business Conduct Committee

SEC. 10-11. (a) The Business Conduct Committee shall, in accordance with the Rules of the Board of Governors of the Exchange, have exclusive jurisdiction to:

- (i) monitor compliance with the [Securities]Exchange Act[of 1934,], the rules and regulations thereunder, [the] these By-[laws] Laws and rules of the Exchange or any interpretation thereof, and the rules, regulations, resolutions and stated policies of the Board of Governors or any committee of the Exchange, by members, participants, member and participant organizations [or] and persons associated with or employed by [members] any such persons or [member] organizations;
- (ii) examine into the business conduct and financial condition of members, participants, member and participant organizations [or] and persons associated with or employed by [members] any such persons or [member] organizations;
- (iii) authorize the initiation of any disciplinary actions or proceedings brought by the Exchange;
- (iv) conduct hearings and render decisions in summary disciplinary actions and proceedings;
- (v) render decisions in summary disciplinary actions and proceedings;
- (vi) impose appropriate sanctions of expulsion, suspension, fine, censure or any other fitting sanction where the Business Conduct Committee finds that a violation within the disciplinary jurisdiction of the Exchange has been committed. The jurisdiction of this Committee shall not extend to the enforcement of rules and regulations of the Floor Procedure Committee or the Options Committee relating to order, decorum, health, safety and welfare on the trading floors, or to hearings held by and sanctions imposed by such

committees relating to such matters, except as permitted by the rules of the Exchange or any interpretation thereof, and any regulations promulgated thereunder.

(b) The Business Conduct Committee shall have authority, whenever it shall appear that a member organization is in violation of Rule 703 of the Rules of the Board of Governors to direct a general partner(s) or an executive officer(s) of such member [organizations]organization to appear before the Business Conduct Committee for examination upon forty-eight (48) hours notice, either oral or in writing and, after such examination, [the]such Committee shall have authority to suspend such member organization until the requirements of Rule 703 are fully met. Any such suspension directed by the Business Conduct Committee shall be subject to review by the Board of Governors. In the event of a reversal by the Board of Governors of the suspension imposed by [the]such Committee, a member organization or officer, partner, director[,] (or person in a similar position) or stockholder thereof shall be prohibited from instituting a lawsuit in any forum against the Exchange or the members of the Business Conduct Committee, or hold the Exchange or any member of [the]such Committee liable in damages based in whole or in part upon the suspension imposed by [the]such Committee.

(c) The Business Conduct Committee may prescribe regulations for the carrying of securities on margin by members, participants and member and participant organizations for customers; and it may also make such regulations in regard to the segregation or hypothecation of securities carried in customers' accounts as it deems advisable.

(d) The Business Conduct Committee may prohibit trading by a member, participant or member or participant organization which is excessive in view of [the]such [member]person's or [member] organization's capital.

(e) The Business Conduct Committee may require detailed financial reports of a member, participant or [a] member or participant organization, and such other operational reports as it may deem advisable.

(f) The Business Conduct Committee shall have supervision over the advertising of members, participants and member and participant organizations.

(g) The Business Conduct Committee shall consist of nine (9) members as follows: three non-industry Governors (at least one (1) of whom shall be a public Governor)[,]; one (1) Equity Floor member[,]; one (1) Equity Options Floor member[,]; one (1) At-Large Floor member[,]; and three (3) Off-Floor members.

[Disciplinary Review Committee]

[Section 10-11. Rescinded effective August 22, 1997 (97-31).]

Compensation Committee

SEC. 10-12. (a) The Compensation Committee shall act in an advisory capacity to the Board of Governors in reviewing and recommending the compensation of the senior officers of the Exchange. [The]Such Committee shall have the authority to select and engage consultants to assist in its reviews. The Compensation Committee shall have the authority to establish and

administer annual performance reviews of senior officers in connection with its compensation recommendations.

(b) The Compensation Committee shall consist of five (5) members as follows: the two (2) Vice Chairmen of the Board[,] of Governors; and three (3) non-industry Governors (at least one (1) of whom shall be a public Governor). The Chairman of the Committee shall be one (1) of the non-industry Governors.

[Elections Committee]

SEC. 10-13. [Rescinded effective May 31, 2000 (99-26).][Reserved.]

Executive Committee

SEC. 10-~~[14]~~14. (a) The Executive Committee shall consist of the following nine (9) Governors: [The]the Chairman of the Board of Governors, who shall be the Chairman of the Committee[,]; the two (2) Vice Chairmen of the Board of Governors[,]; the Chairman of the Finance Committee[,]; the Chairmen of the two (2) floor committees whose floors are not represented by the On-Floor Vice Chairman[,]; one (1) Off-Floor Governor; and two (2) non-industry Governors, of whom at least one (1) is a public Governor. The Board of Governors shall select and approve the latter three (3) Committee members or, at its discretion, designate [that]the Chairman of the Board of Governors to select such members, subject to [Board]the approval of the Board of Governors.

(b) When the Board of Governors is not in session, the Executive Committee shall have and may exercise all the powers and authority of the Board of Governors which may lawfully be delegated to it by the Board of Governors under the DGCL and which are not in conflict with limitations created by the Board of Governors, the Certificate of Incorporation or these By-Laws. All actions of the Executive Committee shall be reported to the Board of Governors within ten (10) days thereof but not later than the start of the next [Board]meeting of the Board of Governors.

(c) The Executive Committee shall appoint members of the Standing Committees (excluding their Chairmen), subject to [Board]the approval of the Board of Governors.

(d) Arbitration[—].As of October 1, 1998, every member, [member organization, member corporation,]participant or member or participant organization (as defined by Exchange rules and hereinafter referred to in this subsection as “members”) shall be subject to the Code of Arbitration Procedure of the National Association of Securities Dealers, Inc. (“NASD”) for every claim, dispute, or controversy, arising out of or in connection with the securities business of any member of the Exchange, including disputes outlined in Section 1, Section 6 and Section 8 of Rule 950. For the purposes of Rule 950, each member shall be subject to, and shall abide by, the NASD Code of Arbitration Procedure as if such member were a “member” of the NASD. With respect to claims, disputes, or controversies filed with the Exchange prior to October 1, 1998, the Executive Committee shall establish and review proposed arbitration policies, procedures and rule change filings including the method of selecting panels.

(e) With respect to claims, disputes, or controversies filed with the Exchange prior to October 1, 1998, the following remains in effect:

- ([1]i) **Member Controversies:** Any dispute, claim or controversy between or among parties who are members, participants, member organizations, participant organizations or persons associated with a member or a participant organization, arising in connection with the securities business of such member, participant, member organization, participant organization and/or associated person in his/her capacity as an associated person shall be administered by the Arbitration Department of the Exchange pursuant to Rule [950.]950 of the Rules of the Board of Governors. A legal titleholder of a membership and an equitable titleholder of such membership shall arbitrate any controversy relating to the legal titleholder's membership or the related lease as a member controversy.
- ([2]ii) **Public Customer Controversies:** Any dispute, claim or controversy between a public customer(s), in his/her capacity as such, and a member, participant, member organization, participant organization and/or associated person in connection with the securities business of such member, member organization, participant and/or associated person in connection with his/her activities as an associated person shall be administered by the Arbitration Department of the Exchange pursuant to Rule [950.]950 of the Rules of the Board of Governors.
- ([3]iii) It may be deemed conduct inconsistent with just and equitable principles of trade for a member, participant, member organization, participant organization, or person associated with a member or participant organization to fail to submit to arbitration on demand under the provisions of this By-[law]Law, or to fail to provide any document properly requested pursuant to discovery or to fail to honor an award of the arbitration panel.

Finance Committee

SEC. 10-15. The Finance Committee shall consist of the following nine (9) members: the Chairman of the Board of Governors, who shall not be permitted to create a tie vote[,]; the two (2) Vice Chairmen of the Board of Governors[,]; four (4) non-industry Governors, of whom at least one (1) is a public Governor[,]; and two (2) On-Floor members, who may be Governors. The Chairman of the Committee shall be an industry Governor. The Budget Subcommittee of the Finance Committee shall be chaired by a Governor. The Finance Committee shall have charge of the funds of the Exchange. It shall serve in an advisory capacity to the Board of Governors in the investment from time to time of the funds of the Exchange, and in the sale from time to time of any of the securities held by the Exchange.

The Finance Committee shall examine the accounts and vouchers of the Exchange and report the result of its examination to the Board of Governors. It shall prepare and present to the Board of Governors at its first regular meeting in December of each year an estimate of the income of the Exchange for the succeeding calendar year and its recommendations as to the appropriations for expenses for said period. It may at any time recommend additional appropriations or the increase or decrease of any appropriations made by the Board of Governors

and shall make reports and recommendations to the Board of Governors as to the financial policy of the Exchange. Not less than three (3) days prior to the date upon which dues of members become payable it shall make a report and recommendation to the Board of Governors as to the amount thereof.

The Finance Committee shall have such other powers and duties as may be delegated to it by the Board of Governors.

The Finance Committee shall assist the Board of Governors in the preparation of the annual budget and make recommendations thereon, oversee the review of contracts, approve unbudgeted expenditures, assist the Audit Committee with respect to special reviews relating to financial matters and review any other financial matter that it deems appropriate.

Floor Procedure Committee

SEC. 10-16. At least 50% of the members of the Floor Procedure Committee shall be permit holders or be associated with a member organization.

The Floor Procedure Committee shall have general supervision of the dealings of members on the equity trading floor, and of the premises of the exchange facility immediately adjacent thereto. It shall make or recommend for adoption, and administer, such rules as it may deem necessary for the convenient and orderly transaction of business upon the equity trading floor.

The Floor Procedure Committee shall have supervision of the activities on the equity trading floor of specialists, alternate or assistant specialists, odd-lot dealers, floor brokers, or other types of market-makers and shall establish standards and procedures for the training and qualification of members active on the equity trading floor. It shall have supervision over all equity floor employees of members of the Exchange, and shall make and enforce such rules with respect to such employees as it may deem necessary.

The Floor Procedure Committee shall resolve trading disputes and have supervision over all questions pertaining to or arising out of the delivery of securities on exchange contracts. It shall have supervision of all connections or means of communication with the equity trading floor and may require the discontinuance of any such connection or means of communication where, in the opinion of the Floor Procedure Committee, it is contrary to the welfare or interest of the Exchange. It shall also have supervision over the location of equipment and the assignment and use of space on the equity trading floor.

The Floor Procedure Committee shall have supervision of operations related to and policies adopted by participants in the national market system insofar as these matters relate to the function of the Exchange in such system. It shall coordinate with and provide information and assistance to the Allocation, Evaluation and Securities Committee and shall be empowered to make temporary appointments of specialists, alternate or assistant specialists, odd-lot dealers, or other types of equity floor market-makers until permanent appointments are made by the latter Committee.

The Floor Procedure Committee shall make and enforce rules and regulations relating to order, decorum, health, safety and welfare on the equity trading floor and the immediately adjacent premises of the [exchange facility]Exchange and shall be empowered to impose penalties for violations thereof.

The Floor Procedure Committee shall consult with the Quality of Markets Committee on all matters of policy and all matters which are to be presented to the Board of Governors by the Floor Procedure Committee.

Foreign Currency Options Committee

SEC. 10-17. At least 50% of the members of the Foreign Currency Options Committee shall be permit holders or participants or be associated with a member or participant organization.

The Foreign Currency Options Committee shall have general supervision of the dealings of members, participants and member and participant organizations on the foreign currency options trading floor, and of the premises of the [exchange facility]Exchange immediately adjacent thereto. It shall make or recommend for adoption, and administer, such rules as it may deem necessary for the convenient and orderly transaction of business upon the foreign currency options trading floor.

The Foreign Currency Options Committee shall have supervision of the activities on the foreign currency options trading floor of specialists, assistant specialists, registered option traders, floor brokers, or other types of market-makers and shall establish standards and procedures for the training and qualification of members, participants and member and participant organizations active on the foreign currency options trading floor. It shall have supervision over all foreign currency options floor employees of members[or], participants [of the Exchange]and member and participant organizations, and shall make and enforce such rules with respect to such employees as it may deem necessary.

The Foreign Currency Options Committee shall resolve trading disputes. It shall have supervision of all connections or means of communications with the foreign currency options trading floor and may require the discontinuance of any such connection or means of communication when, in the opinion of [the]such Committee, it is contrary to the welfare or interest of the Exchange. It shall also have supervision over the location of equipment and the assignment and use of space on the foreign currency options trading floor.

The Foreign Currency Options Committee shall have supervision over relations with other options exchanges in the areas of foreign currency options trading, market-making and related matters. It shall coordinate with and provide information and assistance to the Allocation, Evaluation and Securities and the Options Committees as appropriate.

The Foreign Currency Options Committee shall make and enforce rules and regulations relating to order, decorum, health, safety and welfare on the foreign currency options trading floor and the immediately adjacent premises of the exchange facility and shall be empowered to impose penalties for violations thereof.

The Foreign Currency Options Committee, in its discretion, may delegate to other Standing or Special Committees of the Exchange supervision over questions pertaining to foreign currency options trading and over administration of such Rules as it deems appropriate.

The Foreign Currency Options Committee shall consult with the Quality of Markets Committee on all matters of policy and all matters which are to be presented to the Board of Governors by the Foreign Currency Options Committee.

Marketing Committee

SEC. 10-18. The Marketing Committee shall act in an advisory capacity to the officers of the Exchange in marketing the services of the Exchange.

Nominating and Elections Committee

SEC. 10-19. (a) The Nominating and Elections Committee shall consist of seven (7) persons as follows: four (4) non-industry Governors, at least two (2) of whom shall be Public Governors; one (1) Off-Floor member, who may be a Governor; one (1) On-Floor Equity Governor; and one (1) On-Floor Equity Options Governor. The Nominating and Elections Committee shall select its Chairman from among the members of such Committee who are Public Governors.

(b) No member of the Nominating and Elections Committee shall be appointed to serve on such Committee consecutively for more than two (2) full terms of one year each from and after the effective time of the Merger. No member of the Nominating and Elections Committee shall be eligible for a position on the Board of Governors to be filled for the term commencing immediately after the next annual meeting of the stockholders of the Exchange. As promptly as possible after each annual meeting of stockholders, the Board of Governors shall appoint the Nominating and Elections Committee, and from time to time the Board of Governors shall fill any vacancies created on such Committee. The Nominating and Elections Committee may submit nominations for its successors, some or all of whom may be approved by the Board of Governors.

(c) The Nominating and Elections Committee shall have supervision over the balloting at all meetings of members, Member Organization Representatives, member organizations and stockholders. The Nominating and Elections Committee shall administer these By-Laws and any other rules, regulations and procedures governing voting that may be established from time to time by the Board of Governors at all elections and meetings of members, Member Organization Representatives, member organizations and stockholders and shall make or recommend for adoption such rules, recommendations and procedures as it may deem necessary for the conduct of such voting.

(d) The Nominating and Elections Committee shall select all Chairmen of Standing Committees in accordance with this Article X and subject to the approval of the Board of Governors.

(e) A person is not eligible for an independent nomination for a position on the Board of Governors, nor shall the Nominating and Elections Committee nominate any person for a

position on the Board of Governors if one or more other persons associated with such person's member or participant organization would be serving an unexpired term or terms on the Board of Governors upon the commencement of such nominee's term of office in the event of such nominee's election. The Nominating and Elections Committee shall nominate no more than one person associated with the same member or participant organization to fill vacancies on the Board of Governors and regardless of the number of vacancies to be filled. For purposes of these By-Laws, the term "person associated with the same member or participant organization" means, with respect to any person associated with a member or participant organization, any other person who is a partner, officer, director (or person in a similar position), or holder of ten percent (10%) or more of the outstanding shares of the same member or participant organization or of a member or participant organization that directly controls, is controlled by or is under common control with such member or participant organization. Participation in a joint account does not per se constitute an association with the same member or participant organization.

(f) A candidate who is not an incumbent officer or Governor on the Board of Governors may run for only one of the offices of On-Floor or Off-Floor Governor in any election.

(g) No more than one (1) person associated with the same member or participant organization shall be certified by the Nominating and Elections Committee for independent nomination to a position on the Board of Governors. In the event more than one such nomination is received, the Nominating and Elections Committee shall not certify any such candidate. A person who has previously accepted nomination by the Nominating and Elections Committee for one (1) category of industry Governor (e.g. On-Floor or Off-Floor Governor) pursuant to Section 3-6 or 28-3 of these By-Laws is not eligible to qualify as an independently nominated candidate in any category. There may be no independent nominations of incumbent industry Governors whose terms are not set to expire at the next annual meeting of stockholders.

(h) The names of all Designated Nominees, together with the names of the nominees to be elected as Off-Floor Governors and non-industry Governors, whose nominations conform with the requirements of these By-Laws, shall be sent to the stockholders of the Exchange by the Secretary of the Exchange.

(i) The names of the persons nominated by the Nominating and Elections Committee shall be identified on the ballot by an appropriate legend or symbol. In the event that there are more nominations of persons in the categories of On-Floor and Off-Floor Governor than there are vacancies on the Board of Governors which may be filled by such persons, the number of such persons who may be elected to serve on the Board of Governors in each category shall also be indicated on the ballot.

Options Committee

SEC. 10-20. At least 50% of the members of the Options Committee shall be permit holders or be associated with a member organization.

[SEC. 10-19.]The Options Committee shall have general supervision of the dealings of members on the equity and index options trading floor, and of the premises of the [exchange

facility]Exchange immediately adjacent thereto. It shall make or recommend for adoption, and administer, such rules as it may deem necessary for the convenient and orderly transaction of business upon the equity and index options trading floor.

The Options Committee shall have supervision of the activities on the equity and index options trading floor of specialists, assistant specialists, registered option traders, floor brokers, or other types of market-makers and shall establish standards and procedures for the training and qualification of members active on the equity and index options trading floor. It shall have supervision over all equity and index options floor employees of members[of the Exchange], and shall make and enforce such rules with respect to such employees as it may deem necessary.

The Options Committee shall resolve trading disputes. It shall have supervision of all connections or means of communications with the equity and index options trading floor and may require the discontinuance of any such connection or means of communication when, in the opinion of the Options Committee, it is contrary to the welfare or interest of the Exchange. It shall also have supervision over the location of equipment and the assignment and use of space on the equity and index options trading floor.

The Options Committee shall have supervision over relations with other options exchanges in the areas of trading, market-making and related matters. It shall coordinate with and provide information and assistance to the Allocation, Evaluation and Securities and the Foreign Currency Options Committees.

The Options Committee shall make and enforce rules and regulations relating to order, decorum, health, safety and welfare on the equity and index options trading floor and the immediately adjacent premises of the [exchange facility]Exchange and shall be empowered to impose penalties for violations thereof.

The Options Committee, in its discretion, may delegate to other Standing or Special Committees of the Exchange supervision over questions pertaining to equity and index options trading and over administration of such Rules as it deems appropriate.

The Options Committee shall consult with the Quality of Markets Committee on all matters of policy and all matters which are to be presented to the Board of Governors by the Options Committee.

Quality of Markets Committee

SEC. 10-[20.]21. There shall be a Quality of Markets Committee. The Quality of Markets Committee shall provide advice and guidance to the Board of Governors on the Exchange's competitive position in new and existing products and the quality and depth of markets. The Quality of Markets Committee shall also provide advice and guidance on issues relating to the fairness, integrity, efficiency and competitiveness of the information, order handling and execution mechanisms of the Exchange and systems operated by the Exchange from the perspective of investors, both individual and institutional, retail firms, specialist and registered options trader firms, listed companies and other participants of the Exchange. The

Quality of Markets Committee will have broad representation that shall include at least as many non-industry as industry Committee members.

ARTICLE XI

Appeals

When Allowed

SEC. 11-1(a). An appeal to the Board of Governors from a decision of a Standing Committee may be taken by a member or member organization interested therein or a foreign currency options participant or a foreign currency options participant organization interested therein by filing with the Secretary of the Exchange written notice of appeal within ten (10) days after the decision has been rendered. A member of a Standing Committee taking part in the hearing of a matter, may by filing written notice with the Secretary of the Exchange within ten (10) days after a decision has been made thereon, appeal therefrom to the Board of Governors.

(b) Notwithstanding the foregoing, any appeal from a decision of the Nominating and Elections Committee regarding the eligibility of any candidate for election to the Board of Governors [by the membership]shall be heard by a special committee of the Board of Governors composed of not less than a majority of all Governors who are not then candidates for office on the Board of Governors. An affected candidate or interested party may appeal by filing a written notice thereof with the Secretary of the Exchange within seven (7) days after a decision[as to his eligibility]. Said notice shall also state the reasons for his appeal and the relief requested. He may appear before the special committee and present arguments concerning [his eligibility]the decision. An appropriate record shall be kept. The decision of the special committee shall be final.

(c) Notwithstanding the foregoing, any appeal from a decision of the Allocation, Evaluation and Securities Committee pursuant to Rule 511(e) of the Rules of the Board of Governors shall be heard by a special committee of the Board of Governors composed of three (3) Governors, of whom at least one (1) shall be a non-industry Governor. The member requesting review shall be permitted to submit a written statement to and/or appear before this special committee. The Secretary of the Exchange shall certify the record of the Allocation, Evaluation and Securities Committee's hearing and its written decision and shall submit these documents to the special committee. The special committee's review of the Allocation, Evaluation and Securities Committee's action shall be based solely on the record, the written decision and any statement submitted by the member. The special committee shall prepare and deliver to the member a written decision and reasons [therefore]therefor. If the special committee affirms the Allocation, Evaluation and Securities Committee's action, the action shall become effective ten (10) days from the date of the special committee's decision. There shall be no appeal to the Board of Governors from any decision of the special committee.

Advisory Committees on Appeals

SEC. 11-2. On all [Appeals]appeals to the Board of Governors from a decision of a Standing Committee in accordance with Section 11-[1,]1 of these By-Laws, an advisory

committee of three (3) Governors, of whom at least one (1) shall be a non-industry Governor appointed by the Chairman of the Board of Governors, shall examine the record on appeal and give an advisory opinion thereon to the Board of Governors.

Appeal from Decisions of Business Conduct Committee

SEC. 11-3. (a) An appeal in a disciplinary proceeding to the Board of Governors may be taken by a respondent in a disciplinary proceeding by filing written notice thereof in accordance with Section 11-1(a) of [this Article]these By-Laws. An appeal may also be taken by the Exchange staff by petitioning the Board of Governors within ten (10) days after the decision, for permission to proceed with such appeal.

(b) An appeal taken by a respondent or by the staff (after approval by the Board of Governors) will be based on the written record, however, the parties will have the right to request an oral argument before the Board of Governors or an Advisory Committee thereof.

ARTICLE XII

[Membership]Permits—Eligibility—Election—Initiation Fee[Membership]

[Membership]

Right to Issue Permits and Non-Transferability

SEC. 12-1. (a)[There shall be such numbers of Regular Memberships and Convertible Memberships in the Corporation as shall be authorized from time to time by Section Fifth of] In addition to all other powers granted to the Board of Governors by law, the Certificate of Incorporation[.](b) A regular membership confers upon and subjects], these By-Laws or otherwise, the Board of Governors shall have the power to issue permits in one or more classes or series and, unless otherwise provided in the [holder to all]resolution of the [privileges and obligations]Board of [active membership. Only regular members shall be entitled to vote and]Governors or the rules of the Exchange establishing such class or series, in unlimited number to conduct business on the [exchange facility conducted by the Exchange. Each regular member shall be entitled to one vote]Exchange or on [each matter submitted]specific facilities of, or operated by, the Exchange, and to adopt by resolution or to set forth in the rules of the Exchange such rules with respect to such permits as the Board of Governors may from time to time determine in its sole discretion to be advisable, including, without limitation, the rules governing the terms and conditions of such permits and the number, types and attributes thereof at any time authorized for issuance, the transferability or non-transferability of such permits, the termination and/or suspension of rights and privileges appertaining to permits, the qualifications that must be met for a [vote of the membership.]person to be issued any such permit, and the dues, fees and other charges to be paid to the Exchange in connection with such permits and by persons applying for, using, holding or (if allowed) transferring such permits, and for firms and organizations with which such persons are affiliated or associated in any manner. Such permits shall confer upon any person only such rights, privileges and obligations as are expressly set forth in these By-Laws, the rules of the Exchange and any resolution of the Board of Governors.

The Board of Governors may authorize any committee thereof or the Chairman of the Board of Governors to exercise any powers of the Board of Governors with respect to such permits.

[(c) A convertible membership is an inactive membership, not entitled to vote on matters submitted to a vote of the membership, and does not confer upon or]b) Except as otherwise set forth in the rules of the Exchange or any resolution of the Board of Governors authorizing a specific class or series of permits, a permit will confer upon and subject the [holder to any of the privileges or]holder thereof to all the privileges and obligations of [active membership.]

[(d)A member may hold both a regular membership and a convertible membership at the same time.]

[(e)Upon the effective date of reorganization Class A, Class B and Class D memberships in the predecessor unincorporated association shall be redesignated as regular memberships in the Corporation; and upon such date Class C memberships in the predecessor unincorporated association shall be redesignated as convertible memberships in the Corporation.]

[(f)(1) Except as hereafter provided in paragraph (6), a member holding legal title to a regular membership shall be entitled to acquire from any other member but not from the Exchange an additional regular membership which he may elect to hold in his own name in a non-participating status (regular membership NPS). The exercise of such privilege shall be available only at the time of acquisition and not thereafter, and must be evidenced by the filing with the Director, Membership Services Department of a written declaration that such additional regular membership is held in a non-participating status.]

[(2)A regular membership while in non-participating status does not confer upon or subject the holder to any of the privileges or obligations of active membership except that the holder shall pay an annual maintenance fee thereon of fifty dollars to the Exchange. The holder may remove such membership from non-participating status at any time by the filing of a written declaration to that effect with the Director, Membership Services Department. Thereafter, such regular membership confers upon and subjects the holder to all the privileges and obligations of active membership. The same regular membership shall not be designated by the same holder more than once as a regular membership NPS.]

[(3)Legal title]a member pursuant to [not more than one regular membership NPS may be acquired for each regular membership for which legal title is held. A holder of a regular membership may not transfer his regular membership NPS until it has been restored to participating status for a period of one year or until the equivalent of one year's dues have been paid thereon. Such restrictions on transfer may be waived by the Board of Governors upon]these By-Laws and the [request of a deceased member's personal representative or in cases considered by the Board to present a hardship.]

- [(4)In]rules of the [event]Exchange, including, without limitation, the [holder of a regular membership NPS no longer holds a regular membership he shall either divest himself of his regular membership NPS or remove it from non-participating status by a written declaration filed with]right to vote (exclusively through the [Director, Membership Services Department.]
- [(5)Subject to]Member Organization Representative of the[restrictions of paragraph (3), a regular membership NPS may be transferred to another regular member with or without change in status at] member organization identified by such holder as its primary affiliation) and to conduct business on the [election of the transferee filed with the Director, Membership Services. Subject also to the foregoing restrictions, a regular membership NPS, upon transfer to a non-member, is thereby restored to participating status.]
- [(6)When the legal and equitable titles to a regular membership are held by different persons or entities, the legal title-holder may not acquire a regular membership NPS without prior approval of the equitable title-holder. If, however, the legal title-holder does himself acquire with such approval an additional regular membership which he elects to hold in a non-participating status, he shall own the legal and equitable rights thereto and shall be entitled, as heretofore]Exchange as provided[, to restore such membership to participating status or to transfer the same. An equitable title-holder to a regular membership may acquire in the legal title-holder's name a regular membership NPS and may direct the use or disposition of the same in the manner heretofore] in these By-Laws and such rules. Except as otherwise provided[.]
- [(7)No transfer fees shall be imposed upon a regular membership acquired for non-participating status, or upon the acquisition] in the rules of the Exchange or any resolution of the Board of [a regular membership NPS, or upon the disposition]Governors authorizing a specific class or series of [a regular membership NPS to another member whether or not it remains in such status.]
- [(8)Bids and offers for regular membership NPS shall have equal standing with those for regular membership in the market conducted by the Director, Membership Services Department in accordance with the customary rules of priority, precedence and parity. Private transfers involving regular memberships NPS will be recognized provided prior notice thereof is given to the Director, Membership Services Department in accordance with the By-Laws.]
- [(9)The designation]permits, no permit may be sold, transferred (by operation of [regular membership NPS shall be available for regular membership without options privileges or with options privileges.]
- [(10) In the event of a complete or partial liquidation of the Exchange, a regular membership NPS shall be entitled to a pro rata participation in distribution of the corporate assets.]law or otherwise), leased or otherwise encumbered by any person to whom such permit is issued by the Exchange.

Eligibility

SEC. 12-2. Every applicant for [membership]a permit, other than a corporate [membership hereinafter authorized]member that has been issued a permit pursuant to Section 12-4 of these By-Laws, and every non-member seeking admission as a foreign currency options participant must be a natural person of at least twenty-one (21) years of age.

Number Held

SEC. 12-3. Except as otherwise provided in the rules of the Exchange, no person may hold more than one (1) permit.

Admission of Corporation

SEC. 12-[3.]4. A corporation may be [admitted to membership in this]issued a permit by the Exchange, provided such corporation is incorporated under the laws of the Commonwealth of Pennsylvania, and all of its capital stock is owned by [this]the Exchange.

Application

SEC. 12-[4.]5. (a) Every applicant for [membership]a permit and every non-member seeking admission as a foreign currency options participant upon acquisition of an existing foreign currency options participation shall file an application in writing with the Membership Services Department of the Exchange in such form as the Admissions Committee may prescribe from time to time, shall appear before [the]such Committee if required thereby, and shall submit such information as [the]such Committee may direct.

(b) All applications will be reviewed preliminarily by the staff of the Exchange. If the staff recommends that the applicant not be [elected to membership]issued a permit or not be admitted as a foreign currency options participant, he shall be notified in writing of the reasons [therefore]therefor and may, within fifteen (15) days of the receipt thereof, file a request with the Admissions Committee for its consideration of his application, together with a written statement setting forth his opinion as to why the staff recommendation is in error or insufficient to preclude [his]the [election]issuance to [membership]him of a permit or his admission as a foreign currency options participant.

(c) If the staff of the Exchange recommends that the applicant be [elected to membership]issued a permit or be admitted as a foreign currency options participant or if the applicant files a request with the Admissions Committee pursuant to [subsection]Section 12-5(b) of these By-Laws, [the]such Committee shall review and act upon the [membership]permit application or the application for admission as a foreign currency options participant, as the case may be. The affirmative vote of a majority of Admissions Committee members present or participating at the time of voting shall be required to [elect to membership]issue a permit or to admit an applicant as a foreign currency options participant, subject to any posting and/or notice requirements of the Exchange.

(d) If the Admissions Committee votes favorably upon the candidate, his name shall be posted upon the website of the Exchange for a period of seven (7) days and shall also appear

in the Exchange's Weekly Bulletin (mailed) to the [membership]members. An objection by a member of the Exchange to the [election]issuance [of]to a candidate for [membership]a permit or to the admission of a non-member as a foreign currency options participant upon acquisition of an existing foreign currency options participation shall be in writing addressed to the Admissions Committee and filed at any time with the Membership Services Department.

(e) If during the seven (7) day posting period no objection to the [election]issuance [of]to the applicant [to membership]of a permit or to the admission of the non-member as a foreign currency options participant has been received, his [election to membership]status as a member or his admission as a foreign currency options participant shall become effective, with respect to permits, upon the expiration of the posting period and, with respect to foreign currency options participations, upon the expiration of the posting period and upon his acquisition by transfer of [an Exchange membership or of]a foreign currency options participation[, as the case may be].

(f) If the Admissions Committee votes unfavorably upon the candidate, his name shall not be posted. He shall be notified in writing of the specific grounds for denial of [membership]a permit or admission as a foreign currency options participant and shall have a right to a hearing before the Admissions Committee, conducted in accordance with procedures set forth in the notice of hearing sent to the applicant. In the event of a favorable vote his name shall be posted and his application process shall proceed in accordance with [subsections]Sections 12-5(d) and (e) of [this]these [section]By-Laws. In the event of an unfavorable vote by the Admissions Committee, the applicant may appeal to the Board of Governors for review of [the]such Committee's action.

(g) If during the seven (7) day posting period an objection or objections to the [election]issuance of a permit to the applicant[to membership] or to the applicant's admission as a foreign currency options participant have been received, the Admissions Committee shall reconsider its favorable vote on the candidate upon the expiration of such period. If the Admissions Committee reaffirms its favorable vote, the applicant shall thereupon be [elected to membership]issued a permit or be admitted as a foreign currency options participant upon his acquisition by transfer of [an Exchange membership or of]a foreign currency options participation, as the case may be. If the Admissions Committee rescinds its favorable vote, changing it to unfavorable, the applicant shall have the rights of notice, hearing and review as provided in [subsection]Section 12-5(f) of [this]these [section]By-Laws. If, after hearing and review, unfavorable action on his application is reversed, his [election to membership]status as a member or his admission as a foreign currency options participant shall become effective in accordance with this subsection (g) and without the requirement of an additional posting or notice period.

(h) The [provisions of this Section shall not apply to a corporation qualified for membership under Section 12-3 of this Article.][i) The]Chairman of the Board of Governors or his designate may, in his discretion, reduce any [membership]permit and/or foreign currency options participation related notice and/or posting period requirements, including, without limitation, any such requirements involving new [members]permit holders or foreign currency options participants and concerning transfers of [memberships or]foreign currency options [participants]participations, as the Chairman may deem appropriate if the Chairman or his

designate shall determine that such action is in the best interests of the Exchange. The Chairman or designate may condition any reduction of the posting period upon receipt of an [indemnification]indemnity or other form of security which he or his designate deems adequate to protect the interests of the Exchange, members, [members organizations,]participants, member and participant organizations, stockholders, investors and the public interest.

[A-B-C and Other Agreements]

[SEC. 12-5. (a) Every applicant for membership who is financing part or all of the cost of his membership through an A-B-C Agreement shall file the A-B-C Agreement along with his application for membership for review by the Admissions Committee.]

[(b)An A-B-C Agreement is a contract between the member and member organization with which the member is associated in which a portion of the risk of fluctuations in the value of the membership shall rest]

(i) The provisions of this Section shall not apply to a corporation that is issued a permit under Section 12-4 of these By-Laws. In addition, the provisions of this Section shall not apply to any member who was issued a permit in connection with the [member organization rather than with the member. The A-B-C Agreement shall be consistent with such requirements as the Exchange may prescribe.]

[(c)An A-B-C Agreement or other similar agreement that does not conform]Merger or any participant who owned a foreign currency options participation immediately prior to the [requirements established by]Merger and retained such foreign currency options participation after the [Corporation, having been entered into with the approval of]Merger; provided, however, that each such member and participant shall provide to the Admissions Committee and the Exchange [prior to the adoption of such requirements, may remain in effect until (i) October 31, 1983, or (ii) such earlier date as the agreement shall terminate. A person shall not be held to violate the Exchange's By-Laws and]not later than the date specified in transitional rules [with respect to any such agreement on which he has relied during such period of time.]of the Exchange adopted pursuant to Section 12-12 of these By-Laws such documentation and information as the Admissions Committee or the Exchange may request. The consequences and sanctions applicable to members, participants and member and participant organizations of the failure to furnish any such documentation and information shall be as set forth in the rules of the Exchange.

Rights and Privileges

SEC. 12-6. [Upon election](a) Upon receipt of a permit, a person shall, except as otherwise set forth in the rules of the Exchange or any resolution of the Board of Governors authorizing a specific class or series of permits, have all the rights and privileges and shall be under all the duties and obligations of a member [of the Exchange in]in accordance with [the]these By-Laws[,] and [upon admission as a]the rules of the Exchange, and, if permitted in the

rules of the Exchange or any resolution of the Board of Governors authorizing a specific class or series of permits, enter into foreign currency options [participant, a person shall have all the rights and privileges and shall be under all the duties and obligations of a foreign currency options participant in accordance with the By-Laws. During the term of his lease, a lessee shall be deemed to be a member of the Exchange for all purposes of its By-Laws and rules except as may be otherwise provided in the Certificate of Incorporation, By-Laws and rules.]transactions on the Exchange.

(b) Notwithstanding anything to the contrary contained in these By-Laws or the rules of the Exchange, the ability of a permit holder to exercise any right or privilege of a member is subject to such holder's compliance with applicable registration, testing, capital, fitness, allocation, deposit, bonding or other rules, requirements or procedures of the Exchange as may be established from time to time relating to trading on the Exchange (in any particular security, capacity or otherwise), use of given services of, or facilities of or operated by, the Exchange, engaging in any particular line of business at the Exchange, maintaining employees or agents at the Exchange, and to the payment of applicable fees, dues and other charges.

Rights and Privileges of Corporate Member

SEC. 12-7. A corporation [admitted]to [membership in this Exchange]which a permit is issued under the provisions of [this Article,]Section 12-4 of these By-Laws shall be entitled to all the rights and privileges of [membership]a member in [this]the Exchange, except as otherwise specifically provided in [the]these By-Laws and the rules and regulations adopted pursuant [thereto]hereto.

[Admission and Transfer Fees]

Maintenance of Qualifying Permit Holder and Member Organization Representative

SEC. 12-8. [(a) An initiation fee of one thousand five hundred dollars shall be paid to the Exchange by a member promptly after election, unless an extension is granted by the Committee on Admissions. If the initiation fee of a member]Each member organization must have a Member Organization Representative and must be qualified by a permit holder who is [not paid within five days after his election, such election shall be void. No initiation fee shall be imposed in connection]associated with [a corporate membership authorized under]such organization. In the event that such Member Organization Representative or permit holder dies, ceases to be associated with the member organization or otherwise is unable to serve as such, such organization shall replace such Member Organization Representative or permit holder through which such member organization is qualified promptly, as specified in the rules of the [provisions of this Article. An initiation fee shall not be paid by a lessor upon] Exchange, provided that until such replacement is effected the [reversion]ability of [legal title]other officers or agents of [a leased membership to him.]

[(b) A fee, as may be fixed from time to time by]the [Board]member organization to act temporarily for such organization shall be as set forth in the rules of [Governors, shall be paid by a lessee upon his application]the Exchange. The penalties and other consequences of a member organization failing to [lease a membership pursuant to the]designate or replace a Member Organization Representative within the time period specified above shall be as provided in the rules of the Exchange[’s By-Laws and rules. The Admissions Committee may grant an extension of time for payment.]

[(c)A fee, as may be fixed from time to time by the Board of Governors, shall be paid by a lessor making application to become an approved person of a lessee.]._The [Admissions Committee may grant an extension of time]rules of the Exchange may provide for [payment.]

[(d)A fee, as may be fixed from time to time by the Board of Governors, shall accompany any transfer of equitable title to a membership. The Admissions Committee may grant an extension of time for payment.]

[(e)An initiation fee of one thousand five hundred dollars shall be paid to the Exchange by a person or entity upon registration as an approved lessor.]appropriate procedures concerning the designation and replacement of, and any other matters pertaining to, Member Organization Representatives.

Acceptance of Certificate of Incorporation, By-Laws and Rules

SEC. 12-9. (a) No person[, elected to membership, and no] issued a permit or non-member admitted as a foreign currency options participant shall be entitled to the rights and privileges thereof until he has pledged in writing to abide by the Certificate of Incorporation, these By-Laws and all rules and regulations of the Exchange (which, for all purposes under these By-Laws, shall be deemed to include any dues, fees and other charges imposed by the Exchange), in each case as they have been or shall be from time to time amended[, and by all rules and regulations adopted pursuant to the By-Laws]. This [section]Section shall not apply to a corporation [admitted to membership]issued a permit under the provisions of [this Article]Section 12-4 of these By-Laws, except that such corporation, upon [admission to membership]receipt of a permit, shall be bound by the provisions of the Certificate of Incorporation, these By-Laws and all rules and regulations of the Exchange, in each case as they have been or shall be from time to time amended,[and by all rules and regulations adopted pursuant to the By-Laws] unless specifically exempted therefrom.

(b) No member or participant organization shall be entitled to the rights and privileges thereof until it has pledged in writing to abide by the Certificate of Incorporation, these By-Laws and all rules and regulations of the Exchange, in each case as they have been or shall be from time to time amended.

(c) No registration as an approved lessor shall become effective or entitle such person or entity to the privileges thereof, until such person or a designated representative of such entity has pledged to abide by the Certificate of Incorporation, these By-Laws and all rules and

regulations of the Exchange, in each case as they have been or shall be from time to time amended[, and by all rules and regulations adopted pursuant to the By-Laws].

Inactive Nominees

SEC. 12-10. A member organization may designate an individual as an “Inactive Nominee.” The member organization shall pay a fee for the privilege of maintaining the Inactive Nominee status.

The following requirements shall apply to Inactive Nominees:

(a) To be eligible for Inactive Nominee status, an individual must be approved [for membership]as eligible to hold a permit in accordance with these By-Laws and the [Rules]rules of the Exchange.

(b) An Inactive Nominee shall have no rights or privileges of [membership]a permit holder unless and until said Inactive Nominee becomes an effective [member]permit holder and all applicable Exchange fees are paid.

(c) An Inactive Nominee’s status will terminate after six (6) months unless it has been reaffirmed in writing by the member organization or terminated prior thereto. Further, the Inactive Nominee’s status must be reaffirmed in writing every six (6) months thereafter to remain in effect.

Use of Facilities of Exchange

SEC. 12-11. The Exchange shall not be liable for any damages sustained by a member, participant or[a] member or participant organization growing out of the use or enjoyment by such [member]person or[member] organization of the facilities afforded by the Exchange to [members]such person or organization for the conduct of their business. The Options Clearing Corporation shall not be liable to [members and]a member[organizations], participant or member or participant organization with respect to the use, non-use or inability to use the Intermarket Options Linkage, including without limitation the content of orders, trades, or other business facilitated through the Intermarket Options Linkage, the truth or accuracy of the content of messages or other information transmitted through the Intermarket Options Linkage, or otherwise.

Certain Transitional Rules

SEC. 12-12. (a) The rules of the Exchange may specify such transitional provisions concerning, without limitation: (i) the status, rights and obligations following the Merger of persons who were lessors and lessees in respect of Exchange memberships, parties to A-B-C Agreements, members, member organizations, Inactive Nominees and equitable titleholders prior to the Merger; (ii) the procedures to be followed, forms to be submitted and other requirements to be satisfied by members, Inactive Nominees and member organizations at the time of the Merger in respect of the issuance of permits and the continuation of such members’, Inactive Nominees’ and organizations’ status as members, Inactive Nominees and member organizations (and the penalties and other consequences for failing to comply with such procedures or to

submit such forms); (iii) the designation and replacement of Member Organization Representatives; and (iv) other appropriate matters concerning the transition and continuity of the Exchange and its members and member organizations. In the event of any conflict between such transitional provisions and any otherwise applicable provision of these By-Laws or the rules of the Exchange, such transitional provisions shall govern.

(b) No person shall be relieved of any monetary or other obligations to the Exchange or any responsibility in relation to any matter within the disciplinary jurisdiction of the Exchange as a consequence of the Merger. Without limiting the generality of the foregoing, no person shall, by virtue of the Merger, be relieved of any obligation in respect of any pledge or other document submitted under or pursuant to Section 12-9 of these By-Laws (or any predecessor provision), and any such pledge or other document entered into prior to the Merger shall remain in full force and effect.

(c) Any person who was a member, Inactive Nominee, participant or member or participant organization or approved lessor of a foreign currency options participation immediately before the time that the Merger became effective and who received a permit or which has continued to be an Inactive Nominee, participant, member or participant organization or approved lessor of a foreign currency options participation in connection with such Merger shall be deemed to have pledged to abide by the Certificate of Incorporation, these By-Laws and all rules and regulations of the Exchange (which, for all purposes under these By-Laws, shall be deemed to include any dues, fees and other charges imposed by the Exchange), in each case as they have been or shall be from time to time amended.

ARTICLE XIII

[Member Corporations]

[Registration]

Member Organizations—Off-Floor Trading—Specialist and Floor Brokerage Operations

Qualification

SEC. 13-1. Notwithstanding any provision in [the]these By-Laws or [Rules]the rules of [this]the Exchange to the contrary, the Board of Governors may permit a member of this Exchange to [register a corporation]qualify an entity as a member [corporation]organization and may permit a foreign currency options participant to [register a corporation]qualify an entity as a foreign currency options participant [corporation]organization, subject to such terms and conditions as may from time to time be prescribed by [Rule]rule or may be imposed by the Board of Governors. The purchase of a foreign currency options participation by a member of the Exchange shall be sufficient to [register]qualify the member [corporation]organization of such a member as a foreign currency options participant [corporation]organization.

[Qualifications]

Eligibility

SEC. 13-2. Only [a corporation]an organization whose principal [corporate]purpose is the transaction of business as a broker or dealer in securities may be [registered]qualified as a member [corporation]organization (provided, however, that this sentence shall not apply to [a]an [corporation]organization sought to be [registered]qualified as a foreign currency options participant [corporation]organization by a non-member foreign currency options participant).

A member [corporation]organization shall be organized under the laws of a [state]jurisdiction approved by the [Committee on]Admissions Committee.

If it appears to the [Committee on]Admissions Committee that the [corporate]business form of a member or participant organization is being used to evade financial responsibility, such [corporation]organization shall not be registered as a member [corporation]or participant organization.

Exclusion of Banks and Investment Trusts

SEC. 13-3. No bank and no investment trust may be qualified or registered as a member or participant organization.

Provisions of By-Laws and Rules Applicable to Member [Corporation]and Participant Organizations

SEC. 13-4. For the purpose of enforcing [the]these By-Laws and the Rules of [this]the Exchange, and unless otherwise specifically provided therein, any provision hereof or thereof applicable to a member [firm]organization that is not a corporation shall apply likewise to a member organization that is a corporation and any provision [thereof]hereof applicable to a foreign currency options participant [firm]organization that is not a corporation shall apply

likewise to a foreign currency options participant organization that is a corporation; any provision applicable to a partner of a member [firm]organization that is not a corporation shall apply likewise to an officer or director of a member organization that is a corporation and any provision applicable to a partner of a foreign currency options participant [firm]organization that is not a corporation shall apply likewise to an officer or director of a foreign currency options participant organization that is a corporation; and any provision applicable to a special or limited partner of a member [firm]organization that is not a corporation shall apply likewise to a holder of stock, other than an officer or director, of a member organization that is a corporation and any provision applicable to a special or limited partner of a foreign currency options participant [firm]organization that is not a corporation shall apply likewise to a holder of stock, other than an officer or director, of a foreign currency options participant organization that is a corporation.

Liability of Officers, Directors and Substantial Stockholders

SEC. 13-5. Any officer, director or substantial stockholder of a member organization that is a corporation who commits any act or omission which violates [the]these By-Laws or the Rules of [this]the Exchange shall be personally liable and subject to the same discipline and penalties as a member of [this]the Exchange. A member of [this]the [Corporation]Exchange who is an officer of a member organization that is a corporation shall be liable and subject to the same discipline and penalties for any act or omission of said corporation or any officer, director, or employee thereof, as if the same were committed by him personally, but the Board of Governors may, in its discretion, by the affirmative vote of fourteen (14) Governors, relieve him from the penalty [therefore]therefor.

[Violation of Terms of Registration]

Conditions to Member Organization Status

SEC. 13-6. To obtain and maintain the status of a member organization, an organization shall: (a) be a broker or dealer duly registered under the Exchange Act; (b) be duly qualified by a permit holder who is primarily affiliated with such organization for purposes of voting as provided in these By-Laws; (c) have submitted to the Admissions Committee an application for such status in the form approved by such Committee or the Exchange and any other information and materials requested by such Committee or the Exchange; (d) have had such application approved by the Admissions Committee; and (e) meet such other requirements as are set forth in these By-Laws or the rules of the Exchange.

Violation of Terms of Registration

SEC. 13-7. Upon any violation of the terms and conditions of its registration, [or if at any time the requirements thereof are not met, the Board of] or if at any time the requirements thereof are not met, the Board of Governors may terminate the registration of a member [corporation by the affirmative vote of fourteen Governors.]

[Proceeds of Sale of Membership]

[SEC. 13-7. The proceeds of sale of the membership of the member who is an officer of a member corporation shall be subject to claims arising from contracts made by the member corporation and shall under the By-Laws be disposed of in the same order of priority as the proceeds of any other membership.]organization by the affirmative vote of fourteen (14) Governors.

Termination of Registration

SEC. 13-8. A member of [this]the Exchange who has [registered a corporation as]qualified a member [corporation]organization or a member [corporation]organization may apply to the Board of Governors for termination of the registration of the member [corporation]organization. Such termination shall become effective upon such date as the Board of Governors may determine and in no event shall it be effective until and unless the member [corporation]organization and the member have discharged all commitments and liabilities to [this]the Exchange and to its members[, member firms] and member [corporations]organizations, or have made provision [therefore]therefor satisfactory to the [Committee on]Business Conduct Committee. If the member who has [registered]qualified the member [corporation]organization is prevented by death or incapacity from applying for the termination of such registration, the application may be made under the same terms and conditions as herein provided by his legal representative.

Absence or Disability of an Officer, Member of the Exchange

SEC. 13-9. During the unavoidable absence or disability of an officer (or person in a similar position) of a member [corporation]organization who is a member of [this]the Exchange, any officer or director (or person in a similar position) of such member organization shall have the privilege of effecting transactions on the [exchange facility]Exchange in the name of the member [corporation]organization.

Application to Member [Corporations]Organizations

SEC. 13-10. Whenever necessary for the proper conduct of business of [this]the Exchange, the By-Laws and the Rules of [this]the Exchange shall be [so]construed so as to apply to member [corporations]organizations.

ARTICLE XIV

Dues, Fines, Net Commissions and Other Charges—Penalties for Non-Payment

[Dues]

Fees, Dues and Other Charges

SEC. 14-1. [The yearly dues on each membership,](a) The Board of Governors shall have the power (i) to establish, assess and levy such fees, dues and other [than a convertible, associate corporate membership, authorized under the provisions]charges (including, without limitation, any extraordinary assessments) upon permit holders, members, participants, member and participant organizations, lessors, lessees, owners of [Article XII, shall be fixed by]foreign currency options participations, and any other persons using the [Board of Governors in December]facilities or services of [each year]the Exchange, and upon applicants for and persons being admitted, registered, qualified and/or initiated to any such status, in each case as the Board of Governors may from time to time establish by resolution or in the rules of the Exchange (which shall be deemed to include any schedule of fees, dues, other charges and penalties as may be in effect from time to time), (ii) to establish rebates, credits and discounts with respect to any of the foregoing, (iii) to establish programs whereby the Exchange shares or permits any person to participate in any identified source of revenues (less any expenses or other charges as the Exchange shall determine) of the Exchange, (iv) to provide for the direct reimbursement to the Exchange of any cost, expense or category thereof, and (v) except insofar as otherwise specified or provided for in these By-Laws, to establish and assess penalties and late charges for failure to pay any fees, dues or charges owed to the Exchange, including, without limitation, termination of a permit or participation (which permit or participation may be reissued) and forfeiture of all rights as a member, member or participant organization, permit holder or (with respect to a foreign currency options participation) an owner, lessor or lessee.

[Charges] The Board of Governors may authorize any committee thereof or the Chairman of the Board of Governors to exercise any powers of the Board of Governors with respect to the assessment of fees, dues, other charges and penalties authorized in accordance with this Section.

[SEC. 14-2. The](b) Without limiting the generality of the provisions of Section 14-1(a) of these By-Laws, the Board of Governors may, from time to time, fix and impose charges upon members[and], participants or member or participant organizations, measured by their respective net commissions on transactions effected on the Floor of the Exchange. Such charges shall be payable at such times and shall be collected in such manner as may be determined by the Board[.] of Governors.

(c) The obligation of members, participants and member and participant organizations to abide by the provisions of these By-Laws and the rules of the Exchange shall include, without limitation, the obligation to pay all applicable fees, dues and other charges imposed thereon by these By-Laws or the rules of the Exchange.

Corporate Member Exempt

SEC. 14-3. A corporate member[, admitted to membership] issued a permit under the provisions of [Article XII]Section 12-4 of these By-Laws shall not be liable for dues.

May Be Waived for Members in Military Service

SEC. 14-4. The Board of Governors may waive dues and assessments of any member or foreign currency options participant who is in the active military or naval service of the United States.

Penalty for Non-Payment

SEC. 14-5. A member, [member organization,]participant, member or participant organization or an employee thereof using facilities or services of the Exchange, or enjoying any of the privileges therein, who shall not pay dues, foreign currency options users' fees, fees, other charges, and/or other monies due and owed the Exchange, within fifty (50) days from the date of the original invoice, and/or who shall not pay a fine and/or other monetary sanctions within twenty (20) days after the same shall become payable, and the total amount due is in excess of \$10,000 shall, after due notice, be reported by the Controller of the Exchange to the Board of Governors. The Board of Governors may suspend [the]any permit or rights and privileges of a foreign currency options participation of any member, [member organization,]foreign currency options participant, member or participant organization or employee thereof until payment is made in full to the Exchange of such member's[or], participant's, or member or participant

organization's entire outstanding account balance of all dues, foreign currency options users' fees, fees, charges, fines and/or other monies due and owed the Exchange.

Fines and/or other monetary sanctions shall be payable on the day after their imposition.

Should payment of dues, foreign currency options users' fees, fees, charges, or other monies due and owed the Exchange, fines and/or other monetary sanctions in excess of \$10,000 not be made within one (1) year after payment is due, the [membership or]foreign currency options participation of the delinquent[, as the case may be,] may be disposed of by the [Committee on]Admissions Committee upon at least ten (10) days written notice mailed to the address registered with the Exchange.

Liability for Dues Until Transfer

SEC. 14-6. Notwithstanding the death or expulsion of a member, until the transfer of his [membership]permit, if transferable, he shall[, until transferred,] continue to be liable for dues to the Exchange, as from time to time fixed by the Board of Governors, and notwithstanding the death or expulsion of a foreign currency options participant, until the transfer of his foreign currency options participation[, if transferable,] he shall[, until transferred,] continue to be liable for such foreign currency options users' fees as are assessed from time to time against such participant by the Board of Governors.

Dues on Transfer of [Membership]Participation

SEC. 14-7. When a [membership]permit, if transferable, or foreign currency options participation[, if transferable,] is transferred, the transferee shall pay to the transferor on the date of transfer the unexpired portion of the [dues or]foreign currency options users' fees, as the case may be, for the current half year.[The provisions of this section may, however, be waived if the transferee is a corporation admitted to membership under the provisions of Article XII.]

[Assessment for Deficiency]

[SEC. 14-8. In case the revenue of the Exchange shall be insufficient to meet the current expenses for the year, the Board of Governors may levy an assessment to supply the deficiency; provided, however, that any such assessment imposed upon members or member organizations shall be based upon the number of, the value of, or the commissions or net commissions on transactions effected on the floor of the exchange facility or transactions in securities admitted to dealings on the exchange facility regardless of the market in which such transactions are effected.]

[Associate Membership]

SEC. 14-8. [Reserved.]

SEC. 14-9. [Rescinded effective August 29, 1980.][Reserved.]

Service Fee

SEC. 14-10. Members, participants and member and participant organizations, who are not also members of a subsidiary of the Exchange but who use or benefit from the facilities or services of such subsidiary, may be required by the Board of Governors to pay fees or charges to the Exchange for such use or benefit; provided, however, that such fees or charges may be imposed only if they are similar in structure and rate to those imposed by such subsidiary on its own members using or benefiting from the same facilities or services.

Claims by Former or Deceased Members

SEC. 14-11. When a member is in debt to another member or foreign currency options participant, the death of the creditor member shall not affect the rights of such creditor foreign currency options participant or member, his organization or estate in respect of such debt.

Effect of Suspension or Termination on Payment of Fees

SEC. 14-12. The suspension or termination of a permit shall not relieve the holder thereof or its member organization from any obligation to pay any applicable dues, fees or other charges billed or accrued through the time of such suspension or termination, and any fines or penalties assessed before or after the time of such suspension or termination.

ARTICLE XV

Transfer of [Membership]Foreign Currency Options Participations

Transfer of [Membership—Notice]Foreign Currency Options Participations

SEC. 15-1. A transfer of [membership]a foreign currency options participation shall be made upon submission of the name of the [candidate]proposed transferor and transferee thereof to and the approval of the transfer by the Admissions Committee. Notice of the proposed transfer shall be sent to each member [of the Exchange]and foreign currency options participant at least seven (7) days prior to transfer, which notice shall specify the date on which the proposed transfer will become provisionally effective. The lease of legal title to a [membership]foreign currency options participation or reversion thereof shall be deemed to be a transfer of [membership]the foreign currency options participation under this Article. The transfer of equitable title only shall not be deemed to be a transfer of [membership]a foreign currency options participation under this Article.

Exceptions to Notice

Notice to the [membership]members and foreign currency options participants of the proposed transfer of a [membership]foreign currency options participation may be waived by the Admissions Committee when the transferee is a corporation [qualified for membership]issued a permit under the provisions of [Article XII]Section 12-4 of these By-Laws, or where the transferee is [this]the Exchange or a nominee to hold the [membership]foreign currency options participation for [this]the Exchange.

Transfer of Equitable Title

A transfer of equitable title only to a [membership]foreign currency options participation shall be made upon submission of the name of the [candidate]transferor and the transferee thereof to the Admissions Committee. A transfer may not be effected pursuant to a lease agreement. Notice of this transfer shall be posted upon the [web site]website of the Exchange and shall also appear in the Weekly Bulletin mailed to the [membership]members and/or foreign currency options participants at least seven (7) days in advance of the transfer's effective date. Notice of the proposed transfer shall specify the date on which the proposed transfer will become effective.

Lease of [Membership]Foreign Currency Options Participation

(a) A [member]foreign currency options participant may lease the legal title to his [membership]foreign currency options participation to a person approved by the Exchange in accordance with [Article]these [XII]By-Laws and such rules as the Board of Governors may adopt.

(b) A [member]foreign currency options participant shall notify the Exchange in writing prior to any lease of his [membership]foreign currency options participation and shall

register with the Exchange as an “approved person” of a lessee. An approved person shall be required to file such information and applications as the Exchange may prescribe.

(c) If a [member]foreign currency options participant proposing to lease legal title to his [membership]foreign currency options participation holds such [membership]foreign currency options participation subject to an A-B-C Agreement, the [member]foreign currency options participant shall obtain the consent of the organization[’s consent] party thereto in writing prior to the transfer. The A-B-C Agreement shall provide for such leasing arrangement. A [member]foreign currency options participant organization may not enter into a lease of a [membership]foreign currency options participation with any of its associated persons.

(d) Upon termination of the lease for any reason, the legal title to the [membership]foreign currency options participation subject to this lease shall not be considered for transfer to any person unless and until the lessor, or his legal representative, has provided the Exchange with written notice of the name of the person applying to hold legal title to the [membership]foreign currency options participation and such person has made application. Such written notice shall be provided to the Exchange (i) within sixty (60) days of the date of termination of the lease or (ii) at any time prior to termination of the lease. The failure to provide such notice or for such person to make application within thirty (30) days of such notice shall authorize the Admissions Committee to dispose of the [membership]foreign currency options participation formerly subject to this lease, including the lessor’s interest therein.

Contracts of Transferor

SEC. 15-2. A [member]foreign currency options participant proposing to transfer his [membership]foreign currency options participation shall not, after the seventh day of notice of the proposed transfer, make any contracts on the floor of the exchange facility pending the effective date of the proposed transfer unless the contract is expressly made on behalf of another [member of the Exchange]foreign currency options participant or on behalf of a [member firm]foreign currency options participant organization which will continue to be a [member firm]foreign currency options participant organization notwithstanding the completion of such transfer or unless the [member]foreign currency options participant is also a member (who does not also hold a foreign currency options [participant]permit) and is proposing to transfer only his foreign currency options participation (in which case the member shall be prevented only from making any foreign currency option contracts on the floor of the exchange facility after the seventh day of notice of the proposed transfer unless either of the exceptions set forth above applies).

No contract made by a [member]foreign currency options participant proposing to transfer his [membership]foreign currency options participation or by his [firm]foreign currency options participant organization after the said seventh day shall if the transfer becomes effective, be the basis of a claim against the proceeds of the transfer thereof under [subdivision Third of]Section 15-3 of [this]these [Article]By-Laws, but may, if the transfer is to another partner in the [member firm]foreign currency options participant organization in which the transferring [member]foreign currency options participant is a partner or officer, constitute the basis of a claim under said [subdivision Third of]Section 15-[3,]3 of these By-Laws, against the proceeds

of the subsequent transfer of such [membership]foreign currency options participation by the partner or officer to whom it is transferred.

On the seventh day after notice of a proposed transfer of [membership]the foreign currency options participation has been mailed to the [membership]members and the foreign currency options participants, all exchange contracts of the [member]foreign currency options participant proposing to make the transfer and of his [firm]foreign currency options participant organization, unless such [firm]organization will continue to be a [member firm]foreign currency options participant organization notwithstanding the completion of such transfer, shall mature and if not settled shall be closed out as in the case of an insolvency, unless the same are assumed or taken over by another [member of this Exchange]foreign currency options participant or [member firm]foreign currency options participant organization; provided, however, that, in the case of a foreign currency options participant who is also a member (and does not hold a foreign currency options permit) proposing to transfer only his foreign currency options participation, the provisions of this sentence shall apply only to the foreign currency option contracts of such [member]foreign currency options participant and of his [firm]foreign currency options participant organization (and shall not apply even to the latter contracts if such [member's firm]organization will continue to be a foreign currency options participant [firm]organization notwithstanding the completion of such transfer).

Effect of Involuntary Transfers

Notice of a transfer to be made pursuant to a sale of a [membership]foreign currency options participation by the Admissions Committee shall be sent to the [membership]members and the foreign currency options participants as in the case of a voluntary transfer, and shall have the same effect in respect to open contracts and unmatured debts and obligations of the [member]foreign currency options participant or former [member]foreign currency options participant as in the case of a voluntary transfer.

Disposition of Proceeds of Sale of [Membership]Foreign Currency Options Participation

SEC. 15-3. Upon any transfer of a [membership]foreign currency options participation other than the transfer of legal title pursuant to a lease or any reversion thereof, or the transfer of legal title only to a [membership]foreign currency options participation subject to an A-B-C Agreement, whether made by a [member]foreign currency options participant voluntarily or pursuant to a sale [of a membership]by the[Committee on] Admissions Committee, the proceeds thereof shall be applied to the following purposes and in the following order of seniority, viz.:

Claims of Exchange

First. The payment of such sums as the Board of Governors shall determine are or may become due to [this]the Exchange by the [member]foreign currency options participant whose [membership]foreign currency options participation is transferred or by the [member firm]foreign currency options participant organization (that is not a corporation) in which such [member]foreign currency options participant is a general partner;

Claims of Stock Clearing Corporation

Second. The payment of such sums as the Board of Governors shall determine are or may become due to Stock Clearing Corporation or of the Options Clearing Corporation by such [member]foreign currency options participant or such [firm]organization;

Certain Claims [of Members]

Third. The payment to creditors who are members[of this Exchange], foreign currency options participants or member [firms]or participant organizations of all filed claims as follows:

- (a) Claims arising in the ordinary course of business from exchange contracts for the purchase, sale, borrowing or loaning of securities entered into on the Floor of the [exchange facility]Exchange;
- (b) Claims arising from exchange contracts entered into in the ordinary course of business other than those included in the preceding [sub-section]subsection;
- (c) Claims arising from exchange contracts other than those included in the two preceding [sub-sections]subsections, except those made for non-business purposes; and
- (d) Claims arising from members' contracts other than exchange contracts.

Pro Rata Payments of Claims

If the proceeds of the transfer of a [membership]foreign currency options participation are insufficient to pay[to] all filed claims allowed by the Board of Governors of creditors who are members[of this Exchange], participants or member [firms]or participant organizations, then so far as possible each of the above classes of claims shall be paid in full in the order of priority set forth and whenever said proceeds are insufficient to pay all claims in any class, the claims in such class shall be paid pro rata except as provided in Sections 15-4 and 15-5 of [this]these [Article]By-Laws.

Unmatured Contracts

All contracts which do not, pursuant to Section 15-2 of [this Article]these By-Laws, mature by reason of the transfer of the [membership]foreign currency options participation may for purposes hereof be treated as though they had matured pursuant to said Section, and the amount due thereon may be fixed and determined by the Board of Governors on the basis of market values or such other basis as shall be deemed fair and equitable by the Board of Governors.

Contingent Claims

If a claim based on a contract is contingent or the amount that will be ultimately due thereon cannot for any reasons be immediately ascertained and determined, the Board of Governors may out of the proceeds of the [membership]foreign currency options participation

reserve and retain such amount as it may deem appropriate pending the determination of the amount due on such claim.

Collateral

A claim shall be allowed by the Board of Governors only for the amount due thereon after the proceeds of the sale of all collateral held therefor or the fair value of such collateral as determined by the Board of Governors has been credited thereon and the Board of Governors may require that any such collateral shall be disposed of before passing on the claim.

Balance of Proceeds

Fourth. The surplus, if any, of the proceeds of the transfer of a [membership]foreign currency options participation shall be paid to the person whose [membership]foreign currency options participation is transferred, or to his legal representatives, upon the execution by him or them of a release or releases satisfactory to the Board of Governors, unless the Board of Governors shall determine either (a) that the protection of the creditors of the [member firm]foreign currency options participant organization in which said [member]foreign currency options participant is a general or limited partner or officer requires the use of said surplus or any part thereof or (b) that said [member]foreign currency options participant has expressly agreed that said surplus shall be paid to such [partnership]organization, in either of which events said surplus shall be paid over to such [firm]organization upon the execution by said [member]foreign currency options participant of such [firm]organization of a release or releases satisfactory to the Board of Governors.

In the case of a [membership]foreign currency options participation subject to a lease, such surplus, if any, shall be paid to the lessor upon execution by him of the appropriate release or releases, subject, however to any determination by the Exchange, as provided above, that such surplus should be paid to the [member]foreign currency options participant organization or former [member]foreign currency options participant organization with which the lessee of such [membership]foreign currency options participation is or was associated.

Determination of Claims

An Advisory Committee of (3) Governors, of whom at least two (2) shall be non-industry Governors, shall be appointed by the Chairman of the Board of Governors to examine the validity of claims asserted against the [membership]members or the foreign currency options participants and give an advisory opinion to the Board of Governors thereon. The examination of the validity of the claims shall be made upon written submission of claimants and respondents with provision for these parties to request oral argument before the Advisory Committee. The Board of Governors, based upon the written record before the Advisory Committee, shall determine the payment of such sums that are or may become due to the claimants pursuant to [the]these By-Laws and the rules of the Exchange. The decision of the Board of Governors shall be in writing and sent to the parties to the proceeding respecting the determination of claims.

Assignment of [Membership Interest]Foreign Currency Options Participation

The Exchange shall not recognize or give effect, except as may be permitted by [the]these By-Laws and the rules, to any agreement or to any instrument entered into, or executed by a [member]foreign currency options participant or his legal representative purporting to transfer or to assign the interest of the [member]foreign currency options participant in the [membership]foreign currency options participation, or in the proceeds or any part thereof, or purporting in any manner to provide for the disposition of the [membership]foreign currency options participation, nor shall payment of such proceeds be made by the Exchange on the order of such [member]foreign currency options participant.

Sale of [Membership]Foreign Currency Options Participation Pursuant to [Member]a Collateral Agreement

The Exchange shall recognize and give effect to a valid instrument entered into, or executed by, a [member]foreign currency options participant or his legal representative by which a [member]foreign currency options participant, in consideration of a loan or guarantee of a loan by another person for the purpose of purchasing a [membership]foreign currency options participation, has authorized the lender or guarantor to sell the [membership]foreign currency options participation in specified circumstances; provided, however, that such sale shall be subject to the order of priorities set forth in this Article with respect to the disposition of the proceeds of a sale of the [membership]foreign currency options participation.

Failure to File Claim

SEC. 15-4. A [member of this Exchange or member firm]foreign currency options participant or foreign currency options participant organization shall forfeit all rights under Section 15-3 of [this]these [Article]By-Laws to share in the proceeds of a [membership]foreign currency options participation which has been transferred, unless such [member]participant or [firm]organization files a statement of his or its claim with an Arbitration Panel prior to the transfer; a claim filed subsequent to a transfer, to the extent allowed by said Panel, may be paid out of any surplus remaining after all other claims allowed by said Panel have been paid in full, and may be paid in preference to claims referred to in Section 15-5 of [this]these [Article]By-Laws not already paid when it is filed.

Claims of Partners, Etc.

SEC. 15-5. Claims growing out of transactions between the [member of this Exchange whose membership]foreign currency options participant whose foreign currency options participation is being disposed of and one of his partners or out of transactions between such [member]foreign currency options participant and the [member firm]foreign currency options participant organization in which he was a partner or officer at the time of such transactions shall not share in the proceeds of the [membership]foreign currency options participation of such [members]participant until all other claims allowed by an Arbitration Panel have been paid in full.

**[Membership]Foreign Currency Options Participation
of Deceased [Member]Participant**

SEC. 15-6. When a [member]foreign currency options participant holding his [membership]foreign currency options participation otherwise than by lease or subject to an A-B-C Agreement dies, his [membership]foreign currency options participation may be disposed of by the Admissions Committee.

**Death of a Partnership's or Corporation's Only
[Member]Foreign Currency Options Participant**

SEC. 15-7. (a) If, upon the death of a [member]foreign currency options participant who, at the time of his death, was a general partner [in]of a [member firm]foreign currency options participant organization that is not a corporation in which no other general partner thereof was a [member of this Exchange]foreign currency options participant, the following conditions exist:

((1)The partnership articles)i) the organizational documents of such [firm]organization provide for the continuance of the [firm]organization as a partnership or limited liability company of the surviving partners thereof and no others (except that the estate of the deceased [member]foreign currency options participant may be a partner [therein]thereof); [and]

((2)ii) [The]the deceased [member]foreign currency options participant shall have agreed in [the partnership articles of]such [member]organizational [firm]documents that such continuing [firm]organization, if permitted by the [Committee on]Admissions Committee to have the status of a [member firm]foreign currency options participant organization, shall be entitled to have the use of his [membership]foreign currency options participation from the date of his death until the termination of such status of such continuing [firm]organization or until a [member of this Exchange]foreign currency options participant be admitted to such [firm]organization as a general partner thereof, and that, insofar as may be necessary for the protection of creditors of the continuing [firm]organization, and subject to [the]these By-Laws and the rules of [this]the Exchange, the proceeds of his [membership]foreign currency options participation shall be an asset of the continuing partnership or limited liability company during such period[.]; and

((3)iii) [Such]such continuing partnership or limited liability company shall be permitted by the [Committee on]Admissions Committee to have the status of a [member firm.]foreign currency options participant organization;

[Then]then upon the transfer of the [membership]foreign currency options participation of such deceased [member]foreign currency options participant the proceeds thereof shall be applied to the same purposes and in the same order of priority as if such [member]foreign currency options participant had continued to be a [member of this Exchange]foreign currency options participant and a general partner in such continuing [firm]organization until the date of the termination of such status, or until a [member of this Exchange]foreign currency options participant is admitted to such [firm]organization as a general partner thereof, whichever event occurs first.

(b) If, upon the death of a [member]foreign currency options participant who at the time of his death was an officer of a [member corporation]foreign currency options participant organization of which no other officer was a [member of this Exchange]foreign currency options participant, the following conditions exist:

(1)i) [The]the deceased [member]foreign currency options participant shall have agreed with the [member corporation]foreign currency options participant organization that said [corporation]organization if permitted by the [Committee on]Admissions Committee to continue the status of a [member corporation]foreign currency options participant organization, shall be entitled to the use of his [membership]foreign currency options participation from the date of his death until the termination of such status of the [corporation]organization, or until another officer of said [corporation]organization shall be or becomes a [member of this Exchange]foreign currency options participant, and that, insofar as may be necessary for the protection of the creditors of the [corporation]organization, and subject to [the]these By-Laws and the rules of [this]the Exchange, the proceeds of his [membership]foreign currency options participation shall be an asset of the [corporation]organization during such period, and

(2)Said]ii)said [corporation]organization shall be permitted by the [Committee on]Admissions Committee to have the status of a [member corporation.]foreign currency options participant organization;

[Then]then upon the transfer of the [membership]foreign currency options participation of such deceased [member]foreign currency options participant, the proceeds thereof shall be applied to the same purposes and in the same order of priority as if such [member]foreign currency options participant had continued to be a [member of this Exchange]foreign currency options participant and an officer of said [corporation]organization until the date of the termination of such status, or until another officer of said [corporation]organization is or becomes a [member of this Exchange]foreign currency options participant, whichever event occurs first.

[Membership]Foreign Currency Options Participation of Expelled [Member]Participant

SEC. 15-8. When a [member]foreign currency options participant is expelled or becomes ineligible for reinstatement, his [membership]foreign currency options participation may be disposed of by the [Committee on]Admissions Committee.

Claims Against Deceased, Suspended or Expelled [Members]Foreign Currency Options Participants

SEC. 15-9. The death, expulsion or suspension of a [member]foreign currency options participant shall not affect the rights of creditors under the provisions of Section 15-3 of [this]these [Article]By-Laws.

**Claims by Former [Members]or Deceased
[Members]Foreign Currency Options Participants**

SEC. 15-10. When a [member]foreign currency options participant is in debt to another foreign currency options participant or member, the death of the creditor [member]foreign currency options participant or the transfer of his [membership]foreign currency options participation, either by himself voluntarily or pursuant to a sale [of a membership]by the[Committee on] Admissions Committee, shall not affect the rights of such creditor foreign currency options participant or member, his [firm]organization, or estate, to share in the proceeds of the [membership]foreign currency options participation of the debtor [member]foreign currency options participant under this Article, in the same manner and to the same extent as if such creditor [member]foreign currency options participant had not died or his [membership]foreign currency options participation had not been transferred.

[Memberships]Foreign Currency Options Participations Purchased by the Exchange

SEC. 15-11. [Memberships]Foreign currency options participations may be purchased by the Exchange, at such time or times and at such price or prices as the Board of Governors may from time to time determine[, and such memberships may be sold by the Exchange, at such time or times and at such price or prices as the Board of Governors may from time to time determine]. [Such memberships, while held by the Exchange, shall not be chargeable with dues (or, in the case of foreign currency options participations, with foreign currency options users' fees).] Upon the purchase by the Exchange of any [membership, such membership shall be transferred into the name of the Director, Membership Services Department. Upon the sale of any membership held by the Exchange, such membership shall be transferred by the Director, Membership Services Department to the purchaser upon such purchaser's election to membership in the Exchange or admission as a foreign]foreign currency options [participant, as the case may be.]participation, such foreign currency options participation shall be cancelled and shall not be reissued.

[Upon the transfer of a membership into the name of the Director, Membership Services Department, the proceeds thereof shall be applied to the purposes and in the order of priority set forth in Section 15-3 of this Article.]

[Sale of Membership by Committee on Admissions]

[SEC. 15-12. Whenever the sale of a membership is directed by the Committee on Admissions, any bid for a membership then on file with the Director, Membership Services Department or any bid received by the Director, Membership Services Department within thirty days thereafter, may be accepted for such membership by the Director, Membership Services Department, subject to the election of the purchaser to full membership in the Exchange or admission as a foreign currency options participant, as the case may be, and if at the time such sale is directed offers of sale of other memberships shall have been filed with the Director, Membership Services Department and are still open, such bid for a membership shall be available for the sale of the membership whose sale has been directed by the Committee on Admissions in priority over the sale of such other memberships.]

[If within thirty days after the Committee on Admissions shall have directed the sale of such membership, no bids in writing for a membership shall have been filed with the Director, Membership Services Department, such membership may be purchased by the Exchange for such sum as the Board of Governors shall, in its sole discretion, deem proper, which discretion shall not be subject to review by any authority or in any jurisdiction whatever.]

[Associate Membership]

[SEC. 15-13. Rescinded effective August 29, 1980.]

[Sale of Membership Subject to Lease]

[SEC. 15-14. The Admissions Committee is authorized to sell a membership subject to a lease, or a membership subject to an A-B-C Agreement, including any equitable interest therein at the time legal title to the membership is transferred voluntarily or in accordance with the Exchange's By-Laws. Such sale shall take place as if the sale was a transfer of membership under Section 15-3 of this Article. The sale shall not take place until a reasonable time has elapsed during which the Exchange may consider any claims against the lessee. Absent special circumstances, the period of time shall be presumed to be the posting period under Article XII. The lessor shall not have any right to such proceeds during this time period.]

ARTICLE XVI

Members' Contracts and Exchange Contracts

Members' Contracts

SEC. 16-1. All contracts of a member or participant of the Exchange or a member [firm]or participant organization with any member or participant of the Exchange or with any member [firm]or participant organization for the purchase, sale, borrowing, loaning or hypothecation of securities, or for the borrowing, loaning, or payment of money, whether occurring upon the [Floor]floor of the Exchange [facility] or elsewhere, are [Members]members' [Contracts]contracts.

Exchange Contracts

SEC. 16-2. An exchange contract is:

([1]a) [A]a member's contract made on the floor of the Exchange [facility]; and

([2]b) [A]a member's contract not made on the floor of the Exchange [facility], unless made subject to the rules of another exchange, or unless the parties thereto have expressly agreed that the same shall not be an exchange contract.

By-Laws and Rules [Enter]Incorporated into Exchange Contracts

SEC. 16-3. The provisions of [the]these By-Laws [of the Exchange]and of the [Rules]rules adopted pursuant [thereto]hereto shall be a part of the terms and conditions of all exchange contracts. All such contracts shall be subject to the exercise by the Board of Governors and the Standing Committees of the Exchange of the powers with respect thereto vested in them by [the]these By-Laws and rules adopted pursuant [thereto]hereto.

Deliveries through Registered Clearing Agencies

SEC. 16-4. Clearance and settlement of transactions effected on the Exchange shall be made through one or more registered clearing agencies providing such services unless it is otherwise agreed by the parties to the transaction.

ARTICLE XVII

[Insolvent Members]Insolvency—Suspension—Reinstatement

Suspension for Insolvency on Declaration[by Member]

SEC. 17-1. A member or foreign currency options participant who fails to perform his contracts, or is insolvent, or a member who is a general partner or officer in a member or participant organization which fails to perform its contracts, or is insolvent, shall immediately inform the Director, Membership Services Department in writing that he or his organization is unable to meet his or its engagements, and prompt notice thereof shall be given to the Exchange. [Such]The permit of such member or [such]member organization shall thereby [become]be suspended[from membership] (or, in the case of a foreign currency options participant, such participant and its participant organization shall be suspended from exercising the privileges afforded to the holders of that status) [or as a member organization]until, after having settled with his creditors or the creditors of such organization, [the]such [member]permit has (or such rights and privileges have) been reinstated by the Admissions Committee.

Suspension for Insolvency on Advice to Committee on Business Conduct

SEC. 17-2. Whenever it shall appear to the [Committee on]Business Conduct Committee that a member or foreign currency options participant or member or participant organization has failed to meet his or its engagements or is insolvent, or the [Committee on]Business Conduct Committee has been advised by the Board of Directors of Stock Clearing Corporation that such member, participant or organization is in such financial condition that he or it cannot be permitted to continue in business with safety to his or its creditors or this Exchange, the [Committee on]Business Conduct Committee shall announce to the members [of the Exchange]and foreign currency options participants the suspension of any permit or the rights and privileges of such member, participant or organization, which suspension shall

continue until the member[has]'s or participant's permit or rights and privileges have been reinstated as provided in [the last preceding Section]these By-Laws.

Investigation of Insolvency

SEC. 17-3. Every member, participant and member and participant organization whose permit or rights and privileges have been suspended under the provisions of this Article shall immediately afford every facility required by the [Committee on]Business Conduct Committee for the investigation of his or its affairs, and shall after the announcement of [his or its]such suspension file with the Director, Membership Services Department and Director, Examinations Department a written statement covering all information required by said Committee, including a complete list of his or its creditors and the amount owing to each.

Time for Settlement of Insolvent Member or Participant

SEC. 17-4. If a member or foreign currency options participant whose permit or rights and privileges have been suspended under the provisions of this Article fails to settle with his creditors and apply for reinstatement within six (6) months from the time of [his]such suspension, or within such further time as the Board of Governors may grant, or fails to obtain reinstatement as hereinafter provided, his [membership]permit or participation may be [disposed of]terminated by the [Committee on]Admissions Committee.

Extension

The Board of Governors may, by the affirmative vote of fifteen (15) Governors present at a regular or special meeting of the Board of Governors, extend the time of settlement for periods not exceeding one (1) year each.

Reinstatement of Insolvent Member or Participant

SEC. 17-5. When a member or foreign currency options participant whose permit or rights and privileges have been suspended under the provisions of this Article applies for reinstatement thereof, notice [thereof]of such application shall be sent by the Secretary of the Exchange to each member and foreign currency options participant of the Exchange and advertised in the weekly bulletin at least fourteen (14) days prior to the consideration by the Admissions Committee of said application. The applicant shall furnish to said Committee a list of his creditors, a statement of the amounts originally owing and the nature of the settlement in each case. If he furnishes satisfactory proof of settlement with all his creditors, said Committee may approve [his]such reinstatement.

Appeal to Board of Governors

If the application for reinstatement be denied by the Admissions Committee, the applicant may appeal within ten (10) days thereafter to the Board of Governors, which may act on [his]such reinstatement.

Disciplinary Measures During Suspension for Insolvency

SEC. 17-6. A member or foreign currency options participant of the Exchange whose permit or rights and privileges have been suspended under the provisions of this Article, or his member or participant organization, may be proceeded against by the Exchange for any offense committed by him either before or after the announcement of [his]such suspension in all respects as if [he were not under]such suspension had not occurred.

Rights of Member or Participant Suspended for Insolvency

SEC. 17-7. A member or foreign currency options participant whose permit or rights and privileges have been suspended under the provisions of this Article, and his member or participant organization, shall be deprived during the term of [his]such suspension of all rights and privileges of [membership (a member or [, in the case of a] foreign currency options participant, [of all privileges afforded to the holder of that status])]or a member or participant organization, except the right to have his or its business transacted at members' or foreign currency options participants' commission rates.

ARTICLE XVIII

Offenses, Discipline, Penalties and Business Connections

Offenses, Discipline, Penalties

SEC. 18-1. If a member, participant or member or participant organization[,] or any partner, officer, director (or person in a similar position) of, or persons employed by or associated with, any [member]such person or [member] organization is found in a disciplinary proceeding, brought in accordance with the By-Laws and Rules of the Exchange, to have committed a violation defined by Rule 960.1 of the Rules of the Board of Governors as within the disciplinary jurisdiction of the Exchange, the Business Conduct Committee shall be empowered to impose one or more of the disciplinary sanctions provided for in [Section 10-11(a) of the]these By-Laws [of the Exchange] and Rule 960.1(a)[of the Board of Governors].

Announcement of Penalties

SEC. 18-2. Any disciplinary sanctions imposed by the Exchange upon any member, participant or member or participant organization[,] or any partner, officer, director (or person in a similar position) of, or persons employed by or associated with, any [member]such person or [member] organization shall be publicized in such manner as the Board of Governors may from time to time direct.

Responsibility of Member or Participant for Acts of His [Firm]Organization

SEC. 18-3. A member or a foreign currency options participant who is a general partner in a member [firm]or participant organization that is a partnership is liable [to]for the same discipline and penalties for any act or omission of said [firm]organization as for his own personal act or omission. The Board of Governors, by the affirmative vote of fifteen (15) Governors, may relieve him from the penalty therefor or may remit or reduce such penalty on such terms and conditions as the Board of Governors shall deem fair and equitable.

Disapproval of Business Connections

SEC. 18-4. Whenever it shall appear to the Board of Governors that a member or foreign currency options participant has formed a [partnership,]business entity or established an office or headquarters[,] or is individually or through any member of his [firm]organization interested in a [partnership or]business entity, or has formed any business connection, whereby the interest or good repute of [this]the Exchange may suffer, the Board of Governors may require the dissolution of any such [partnership]business entity or the discontinuance of such business, office or headquarters or business connection, as the case may be.

Effect of Suspension or [Expulsion]Termination

SEC. 18-5. When a member[is]'s permit or a foreign currency options participant's rights and privileges are suspended under the provisions of this Article, such member or participant shall be deprived during the term of [his]such suspension of all rights and privileges of [membership (or, in the case of)a [foreign currency options]member or participant[, of all rights and privileges afforded to the holder of that status)], but he may be proceeded against by the Exchange for any offense other than that for which [he]such suspension was [suspended]imposed.

The [expulsion]termination of any permit or rights and privileges of a member or foreign currency options participant shall terminate all rights and privileges (but not the obligations) arising out of his [membership]possession of a permit (or, in the case of a foreign currency options participant, all rights and privileges (but not the obligations) afforded to the holder of that status), except such rights as he may have under the provisions of [Section]Sections 15-3 and 15-10 of [Article XV.]

[Misstatements to Committees]

[SEC. 18-6. Rescinded effective October 17, 1980.][Violation of]these By-Laws[or Rules—Inequitable Conduct].

[SEC. 18-7. Rescinded effective October 17, 1980.]

[Violation of Securities Exchange Act of 1934]

[SEC. 18-8. Rescinded effective October 17, 1980.]

**[Dealings Outside of Exchange in Securities Dealt in
on the Exchange]**

[SEC. 18-9. Rescinded effective October 17, 1980.]

[Failure to Testify or Produce Records]

[SEC. 18-10. Rescinded effective October 17, 1980.]

[Acts Detrimental to Welfare of Corporation]

[SEC. 18-11. Rescinded effective October 17, 1980.]

**[Failure to Testify or Produce Records Before Other
Exchanges]**

[SEC. 18-12. Rescinded effective October 17, 1980.]

[Fine, Censure, or Remission of Penalty]

[SEC. 18-13. Rescinded effective October 17, 1980.]

[Charges—Form—Service—Answer—Trial]

[SEC. 18-14. Rescinded effective October 17, 1980.]

[Summary Proceedings]

[SEC. 18-15. Rescinded effective February 4, 1980][.]

[Disorders]

[SEC. 18-16. Rescinded effective October 17, 1980][.]

[Announcement of Penalties]

[SEC. 18-19. Rescinded effective October 17, 1980][.]

[Professional Counsel Excluded]

[SEC. 18-21. Rescinded effective February 4, 1980][.]

ARTICLE XIX

[Commissions]

[SEC. 19-1. Except as provided in Sections 19-2 through 19-5 of this Article, nothing in the By-Laws, Rules or practices of this Exchange shall be construed to require or authorize any

member, or any person associated with a member, to agree or arrange, directly or indirectly, for the charging of fixed rates of commission for transactions effected on, or effected by the use of the Exchange facilities of this Exchange.]

[Obligation to Charge or Collect—Without Rebate]

[SEC. 19-2. On business for options members, commissions shall be charged and collected upon the execution of all orders for the purchase or sale of option contracts admitted to dealings upon the Exchange facility; these commissions shall be at rates not less than the rates in this Article prescribed; and they shall be absolutely net and free from any rebate, return, discount or allowance, in any shape or manner, or by any method or arrangement, direct or indirect.]

[Commissions on other exchanges]

[Notwithstanding the provisions of this Article, any member or member organization of this Exchange holding a membership or associate membership in another exchange located in the United States or Canada, or registered with a Canadian exchange as being entitled to a return of commission from members of said exchange may in respect of transactions made on such other exchange charge the rates of commission prescribed by such other exchange.]

[Commission Rates to Options Members]

[SEC. 19-3. Expired on April 30, 1976][.]

[Proposition to Violate]

[SEC. 19-4. No options member or options member organization shall make a proposition for the transaction of its business at less than the minimum rates of commission prescribed in this Article for options members.]

[Commission Rates to Member Firms and Member Corporations]

[SEC. 19-5. An options member firm and an options member corporation shall have its business transacted at not less than the rates of commission prescribed for options members.]

[The privilege provided for under this Section shall extend to a branch house or branch office only when conducted under the same name as the parent firm or corporation and when the partners and their respective interests therein are identical with the partners and their respective interests in the parent firm.]

[Members as Limited Partners or Non-Officers]

[A member who is a limited partner in a firm does not thereby confer any of the privileges of this Exchange on such firm, and a member who is not an officer of a member corporation does not confer any of the privileges of this Exchange on such member corporation, and on all business done for such firm by a limited partner who is a member of this Exchange, and on all business done for such member corporation by a member of this Exchange who is not

an officer of such member corporation, commissions must be charged and collected at rates not less than the rates prescribed in this Article.]

[Reserved.]

ARTICLE XX

Vacancies Created By Expulsion, Suspension, or Termination[of Membership]

Office Vacated by Suspension or [Expulsion]Termination

SEC. 20-1. Upon the [expulsion]suspension or termination by the Exchange of any permit or the rights and privileges of a member[,] or [his suspension]a foreign currency options participant, whether for insolvency or otherwise, any office in the Exchange held by him shall thereupon become vacant.

[Ineligibility upon Transfer of Membership]

SEC. [20-2. Upon a transfer of his membership, a member shall become ineligible to act as a Governor of the Exchange, and such office, if held by him shall become vacant unless he continues to be a general partner or an officer of a member corporation.]20-2. [Reserved.]

[Changes]Change in Status of Partner or Officer

SEC. 20-3. A general partner or an officer of a member organization who is not himself a member of the Exchange, shall become ineligible to act as a Governor of the Exchange if he ceases to be [such]a partner or officer of such organization (unless he shall be a partner or officer of another member organization), or if his organization ceases to be a member organization, or upon the suspension of such member organization. Upon the happening of any such event the office of Governor held by such person shall become vacant.

ARTICLE XXI

[Associate Members]

[Membership]

[SEC. 21-1. Rescinded effective August 29, 1980][.]

[Privileges]

[SEC. 21-2. Rescinded effective August 29, 1980][.]

[Dues]

[SEC. 21-3. Rescinded effective August 29, 1980][.]

[Voting Rights]

[SEC. 21-4. Rescinded effective August 29, 1980][.]

[Transfer]

[SEC. 21-5. Rescinded effective August 29, 1980][.]

[Liabilities]

[SEC. 21-6. Rescinded effective August 29, 1980][.]

[Reserved.]

ARTICLE XXII

Amending The By-Laws

Amendments to By-Laws

SEC. 22-1. [Whenever seventy-five members of the Exchange shall offer, in writing, any amendment to the By-Laws, it shall] These By-Laws may be [submitted to the Secretary of the Exchange, who shall submit it to the membership for vote thereon] amended by [ballot. The vote shall be conducted within four weeks of the date of such submission. The record date for determining members entitle to vote on such amendment shall be set as the date of the submission. Each member of the Exchange in good standing may vote in person or by proxy. If the number of members participating in the balloting exceeds one-half of the number of memberships then outstanding and the proposed amendment is approved by the] the affirmative [vote of] vote of a majority [of the votes cast, it shall thereupon become a part of the By-Laws.]

[How Proposed]

[SEC. 22-2. Any amendment to the By-Laws originating in the] of the entire Board [of] of Governors [shall be proposed], or by the affirmative vote of the holders of a majority of the shares of Common Stock then issued and outstanding, at [a] any regular or special meeting [of the] of the Board [. If approved by twelve of the] of Governors [, it shall be announced to the members of the Exchange forthwith by sending copies thereof to each member of the Exchange.]

[Special meeting]

[If, within a period of ten days, a written request of not less than seventeen members of the Exchange is filed with the Secretary for a special meeting of the Exchange to consider the

amendment, the Chairman of the Board shall call such meeting, at which meeting each member of the Exchange in good standing] or the stockholders (as the case may [vote in person or by proxy. If the number of members participating in the balloting exceeds one-half of the number of memberships then outstanding, and the proposed amendment is approved by the affirmative vote of a majority of the votes cast, it shall thereupon become a part of the By-Laws.]

[Method of adoption]

[In the absence of such request for a special meeting of the Exchange, the Board of Governors, after the expiration of such period of ten days, may consider the proposed amendment at any regular or special meeting of the Board, and, if the proposed amendment is adopted by a vote of fifteen members of the Board, it shall thereupon become a part of the By-Laws.]

[All changes in the By-Laws shall be printed and posted for ten days, and copies thereof shall be sent to each member of the Exchange.]

[Reconsideration]

[SEC. 22-3. Proposed additions to the By-Laws and amendments thereto, which have once been rejected by the Board of Governors, shall not be considered again for a period of six months, except by the affirmative vote of fifteen members of the Board.] be).

ARTICLE XXIII

[Market-Maker Membership]

[Market-Makers Classification]

[SEC. 23-1. There shall be established, on the effective date of this Article, a classification of membership to be known as a market-maker membership for qualified market-makers.]

[Definition]

[SEC. 23-2. A qualified market-maker shall mean a dealer who holds himself out (by entering indications of interest in purchasing and selling in an inter-dealer quotations system or otherwise) as being willing to buy and sell securities for his own account on a continuous basis otherwise than on a national securities exchange, and is filing reports under S.E.C. Rule 17a-9.]

[Requirements]

[SEC. 23-3. A qualified market-maker shall comply with the following requirements.]

[(a)He must be filing reports as a market-maker with respect to a particular security under Rule 17a-9 promulgated under Section 17 of the Securities Exchange Act of 1934;]

- [(b)To make a market in a particular security on the floor of the Exchange facility he must be approved by the Exchange as a qualified market-maker and as a registered alternate odd-lot dealer-specialist in the security;]
- [(c)If he is making a market in a particular security on the floor of the Exchange facility, such market shall be at least as good as the market which he is currently making off the floor. He shall also make a two-sided market for at least 100 shares, his bid or offer being at least as good as the bid or offer of the primary market in a security in which he is the qualified market-maker;]
- [(d)If he executes an agency or riskless transaction through the facilities of the Exchange in a security in which he is the qualified market-maker he must impose upon his customer the minimum commission prescribed under Article XIX, Sec. 2, of the Exchange's By-Laws.]
- [(e)He must establish and maintain direct communications to the regular odd-lot dealer specialist in any security in which he is approved as a qualified market-maker;]
- [(f) He shall not be permitted to perform the functions of a floor broker on the Exchange facility for the purpose of charging or recapturing floor brokerage;]
- [(g)He shall show without exception all orders he may receive in any capacity in a security in which the primary market is on the exchange facility;]
- [(h)He shall, in addition to the reports filed by regular members of the Exchange, file such reports and submit to such audits as may be specified by the Exchange.]

[Floor Brokerage]

[SEC. 23-4. Orders executed by a qualified market-maker on the floor of the Exchange facility shall be subject to floor commission rates prescribed by Article XIX, Sec. 2, of the Corporation's By-Laws and shall be paid to the regular odd-lot dealer-specialist registered in a particular security as follows: In any transaction in which a qualified market-maker acts as agent he shall pay floor brokerage to the regular odd-lot dealer-specialist; when he buys or sells for his own account any security in which he has been approved as a qualified market-maker he shall not pay floor brokerage.]

[Committee on Floor Procedure]

[SEC. 23-5. The Committee on Floor Procedure may approve or disapprove of any market-maker member acting as a qualified market-maker and shall have general supervision over the dealings of such category of members on the floor of the Exchange facility.]

[Subject Constitution and Rules of Exchange]

[SEC. 23-6. The acquisition, privileges and obligations of a market-maker membership in the Exchange shall, except when inconsistent with the provisions of this Article, be governed by and subject to the By-Laws and Rules of the Exchange.]

[Reserved.]

ARTICLE XXIV

Seal of the Exchange

Seal

SEC. 24-1. The [form of the]Exchange shall have such corporate seal as the Board of Governors may from time to time adopt as the corporate seal of the [Corporation, called the corporate seal]Exchange. The corporate seal of the [Corporation, shall]Exchange shall be [circular with the name of the Corporation written]in [full thereon, followed]such form as approved by the [word “Delaware,” and with the legend “Corporate Seal 1972” in the center thereof.]Board of Governors and may be altered at its pleasure. The corporate seal of the Exchange may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE XXV

Fiscal Year of the Exchange

Fiscal Year

SEC. 25-1. The Board of Governors shall have the power by resolution to fix the fiscal year of the Exchange. If the Board of Governors shall fail to do so, the Chief Executive Officer shall fix the fiscal year.

ARTICLE XXVI

Exchange Options Trading

SEC. 26-1. [There shall be established, on the effective date of this Article, a classification of membership to be known as an Options Membership.]

[Reserved.]

SEC. 26-2. *[Definitions]*. The following terms as used in By-Law XXVI shall, unless the context otherwise indicates, have the meanings herein specified:]

[1. *Regular Member*—A person holding a regular membership.]

- [2. *Options Member*—A regular member who has qualified for options privileges by the payment of an options fee or has acquired a membership for which an options fee has been paid.]
- [3. *Options Member Organization*—A regular member organization at least one of whose general partners or officers is an options member.]
- [4. *Options Privileges*—The privilege to deal in options on the Exchange as a floor broker, retail member or specialist or to conduct other Exchange options business, except that members and non-members who have not paid an options fee will be entitled to place their trades through members who have paid an options fee, upon qualification for options access.]
- [5. *Options Fee*—The fee payable by a member to establish an options trading privilege on the Exchange as set forth in Exchange Circular No. 99 dated December 6, 1974.]
- [6. *Options Access*—A regular member who has not paid an options fee and non-members who meet the qualifications of the Exchange for Options Access.][Reserved.]

Dealings

SEC. 26-3. Dealings on the Exchange in options contracts issued by the Options Clearing Corporation, the terms and conditions of such contracts, the exercise and settlement thereof, the handling of orders, and the conduct of accounts and other matters relating to options trading, shall be subject to the By-Laws and Rules of the Exchange[as hereafter set forth].

ARTICLE XXVII

Foreign Currency Options Trading

Foreign Currency Options Participants

SEC. 27-1. [As of the effective date of this Article, the]The Board of Governors shall be authorized to issue foreign currency options participations. The number of foreign currency options participations that the Board of Governors shall be authorized to issue shall be the greater of: (a) 200; or (b) the total number of foreign currency options participations sold during the initial offering period for foreign currency options participations plus the greater of: (i) 10 percent of the foreign currency options participations sold during such offering period, or (ii) 25. The initial offering period for foreign currency options participations, the prices at which such participations may be purchased from the Exchange during such offering period, the circumstances under which a foreign currency options participation purchased during such offering period shall be revoked and the circumstances under which the price of such a participation shall be refunded to its purchaser shall be as described in Exchange Circular 82-1, entitled “Exchange Access Offer to Members and Nonmembers for Options on Foreign Currencies.”

[During the first 180 days subsequent to the termination of such initial offering period, the Exchange may sell any authorized but unissued foreign currency option participations for not less than \$15,000 each. Subsequent to such 180-day period, the]The Exchange may sell authorized but unissued foreign currency options participations at such times and at such prices as are consistent with the maintenance of a fair and orderly market. [During the first 180 days subsequent to the termination of such initial offering period, a foreign]Foreign currency options [participation shall not be transferred or assigned other than to a person associated with the same foreign currency options participant organization. Thereafter, such a participation]participations may be transferred in accordance with the applicable Rules and By-Laws of the Exchange.

Notwithstanding anything to the contrary contained in these By-Laws or the rules of the Exchange, the Exchange may issue permits authorized by the Board of Governors from time to time with rights and privileges to trade foreign currency options or which are otherwise similar to those incident to the possession of a foreign currency options participation.

Foreign Currency Options Users' Fees

SEC. 27-2. [The]Without limiting the powers of the Board of Governors under Section 14-1 of these By-Laws, the Board of Governors may, from time to time, fix and impose appropriate foreign currency options users' fees to be paid to the Exchange by each foreign currency options participant for the use of the equipment and facilities of the Exchange and for the particular services and privileges afforded. Such users' fees shall be payable at such time and shall be collected in such manner as determined by the Board of Governors.

Privileges and Obligations of Foreign Currency Options Participants

SEC. 27-3. [A]Upon admission as a foreign currency options participant, a person shall have all the rights and privileges and shall be under all the duties and obligations of a foreign currency options participant in accordance with these By-Laws and the rules of the Exchange. Without limiting the foregoing, a foreign currency options participant who meets all pertinent requirements imposed by the Foreign Currency Options Committee shall be entitled to: (i) be admitted to the Floor of the Exchange during business days, (ii) enter into foreign currency options transactions on the Exchange as a floor broker, retail member, Specialist or Registered Options Trader (provided, however, that approval of the Allocation, Evaluation and Securities Committee will be required before such a participant will be able to function in either of the latter two capacities), and (iii) such other privileges as may be subsequently granted by the Board of Governors. A foreign currency options participant shall not be required to pay the yearly dues imposed on each member (unless such participant is also a member). However, such a participant shall be subject to any foreign currency options users' fees imposed on foreign currency options participants by the Board of Governors; provided, however, that the yearly dues assessed against and paid to the Exchange during a particular year by a member who is also a foreign currency options participant shall be credited in their entirety against the foreign currency options users' fees assessed against such a member during that year. A foreign currency options participant shall not be authorized to trade securities other than foreign currency options on the Exchange (unless such participant is also a member of the Exchange).

A-B-C and Other Agreements

SEC. 27-4. (a) Every applicant for a foreign currency options participation who is financing part or all of the cost of his foreign currency options participation through an A-B-C Agreement shall file the A-B-C Agreement along with his application for review by the Admissions Committee.

(b) An A-B-C Agreement is a contract between an applicant for a foreign currency options participation and the foreign currency participant organization with which the applicant is associated in which a portion of the risk of fluctuations in the value of the foreign currency options participation shall rest with the participant organization rather than with the applicant. The A-B-C Agreement shall be consistent with such requirements as the Exchange may prescribe from time to time.

(c) An A-B-C Agreement or other similar agreement that did not conform to the requirements established by the Exchange, having been entered into with the approval of the Exchange prior to the adoption of such requirements, shall have remained in effect until (i) October 31, 1983, or (ii) such earlier date as the agreement shall have terminated. A person shall not be held to violate the Exchange's By-Laws and rules with respect to any such agreement on which he relied during such period of time.

ARTICLE XXVIII

Stockholder Nominations—Stockholder Annual Elections—Stockholder Meetings

Place of Stockholder Meetings

SEC. 28-1. All meetings of stockholders shall be held at such place within or without the State of Delaware as may be designated by the Board of Governors from time to time. If no such place is designated by the Board of Governors, meetings of the stockholders shall be held at the principal offices of the Exchange.

Annual Stockholders Meetings

SEC. 28-2. An annual meeting of stockholders shall be held in each calendar year promptly following the annual meeting of members and member organizations for such year, at such time the Board of Governors shall establish, for the purpose of electing Governors to replace those Governors whose terms shall be set to expire at such annual meeting and for the purpose of considering such other matters as may properly be brought before the meeting.

**Nomination of Chairman of the Board of Governors;
Independent Nominations by Stockholders; Election
of Nominees for Off-Floor and Non-Industry
Governors**

SEC. 28-3. (a) At any meeting of stockholders at which the then current term of the Chairman of the Board of Governors shall expire, or a vacancy of the office of Chairman of the Board of Governors shall be filled, the Nominating and Elections Committee shall nominate the individual then holding the office of Chief Executive Officer of the Exchange for election by the stockholders to the Board of Governors in accordance with Article SIXTH of the Certificate of Incorporation.

(b) No independent nominations for the positions of Off-Floor Governors and non-industry Governors may be made by any stockholder unless written notice of such nomination shall have been given by such stockholder to the Secretary of the Exchange not less than ninety (90) nor more than one hundred twenty (120) days prior to the first Monday in February (or such other deadline for the submission of such nominees established by the Board of Governors). Such notice, with respect to each proposed nominee therein, shall state such nominee's name and, in reasonable detail, the reasons for which such nominee is qualified to serve as an Off-Floor Governor or a non-industry Governor. Such nominee shall provide the Nominating and Elections Committee with such information as it may request from time to time in connection with determining whether he is so qualified.

(c) If non-industry Governors or On-Floor Governors are to be elected to fill vacancies differing in length, the nominees with the largest number of votes shall be elected for the longest terms.

**Death, Withdrawal or Disqualification of Nominees
for Off-Floor or Non-Industry Governors**

SEC. 28-4. In the case of the death, withdrawal or disqualification at any time in advance of any election of a nominee for Off-Floor Governor or non-industry Governor proposed or certified by the Nominating and Elections Committee to be filled at such election, the election for such position shall proceed at the appointed date therefor, notwithstanding such death, withdrawal or disqualification. In the event that by reason of such death, withdrawal or disqualification there are fewer candidates for such office of Governor than there are vacancies to be filled, the Nominating and Elections Committee, subject to approval by the Board of Governors, at a meeting held subsequent to such annual election, shall appoint a person to each office left vacant under such circumstances, the person to be appointed to serve until the fourth Wednesday of March following the next annual meeting of stockholders of the Exchange or until his successor is elected and qualified or until his earlier resignation or removal.

Votes Required

SEC. 28-5. When a quorum is present at any meeting of the stockholders, the vote of the holders of a majority of the outstanding capital stock of the Exchange entitled to vote at such meeting, present in person or represented by proxy, shall decide any question brought before

such meeting, unless the question is one upon which by any express provision of applicable law or the Certificate of Incorporation, a different vote is required, in which case such express provision shall govern and control the decision of such question. The nominees receiving, at a meeting of stockholders held for the purpose of such election, the highest number of votes for the category of Governor for which they were respectively nominated as candidates shall be declared elected as Governors of those offices. In the case of a tie, the names of the nominees involved in such tie shall be referred to the Board of Governors, which shall make the selection as to who among such tying nominees shall serve as Governor.

Special Meetings of Stockholders

SEC. 28-6. Except as otherwise specifically provided by law, special meetings of the stockholders may be called at any time only by the Chairman of the Board of Governors, by the affirmative vote of a majority of the Board of Governors or by the affirmative vote of the holders of a majority of the Common Stock then outstanding. Upon the call of a special meeting of the stockholders by the Chairman or by the Board of Governors, the Secretary of the Exchange shall give prompt written notice of such meeting to be held at such time as the Chairman or the Board of Governors may fix, subject to the provisions of Section 28-7 of these By-Laws. Business transacted at any special meeting called pursuant to this Section shall be limited to the purposes stated in the notice therefor.

Notice of Stockholders Meetings

SEC. 28-7. (a) Except as otherwise provided in Section 28-7(b) of these By-Laws, any notice of any annual or special meeting of stockholders that is required or permitted to be given under these By-Laws shall be in writing and state the place, date, hour and purpose of such meeting and shall be given not less than ten (10) nor more than fifty (50) days before the date of such meeting to each stockholder entitled to vote at such meeting. If mailed, notice is given when deposited in the United States Mail, postage prepaid, directed to the stockholder at his or its address as it appears on the books and records of the Exchange. Such notice may be given in the name of the Board of Governors, the Chairman of the Board of Governors, any Vice President, the Secretary or any Assistant Secretary. Whenever notice is required to be given under any provision of law or of the Certificate of Incorporation or these By-Laws, a written waiver thereof, signed by the person entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to such notice. Attendance of a person at any meeting with respect to which such person is entitled to notice under any provision of law, the Certificate of Incorporation or these By-Laws shall constitute a waiver of such notice of such meeting, except when such person attends such meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of stockholders need be specified in any written waiver of notice unless so required by the Certificate of Incorporation.

(b) An Exchange Representative shall deliver a Member Vote Notice to the Trustee (as each such term is defined in the Trust Agreement) in accordance with the Trust Agreement.

Vote of Stockholders

SEC. 28-8. Except as otherwise provided by law or the Certificate of Incorporation, at every meeting of the stockholders each stockholder shall be entitled to one vote in person or by proxy for each share of the capital stock of the Exchange owned by such stockholder entitled to vote at such meeting. All elections by the stockholders shall be by written ballot unless otherwise provided in the Certificate of Incorporation. Except as otherwise specifically provided by law, all other votes may be taken by voice unless the Nominating and Elections Committee determines that it be taken by ballot, in which latter event the vote shall be taken by secret written ballot.

Quorum of Stockholders—Proxies

SEC. 28-9. At all meetings of the stockholders, the holders of a majority of the outstanding capital stock of the Exchange entitled to vote at any such meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business, except as otherwise provided by applicable law or by the Certificate of Incorporation. The stockholders present at a duly organized meeting thereof can continue to do business until adjournment, notwithstanding the withdrawal of enough votes of such stockholders to leave less than a quorum. If a meeting (including any adjourned meeting) cannot be organized because of the absence of a quorum, those stockholders entitled to vote at such meeting and present in person or represented by proxy may, except as otherwise provided by law, adjourn the meeting to such time and place as they may determine, without notice other than announcement at such meeting, until a quorum shall be present or represented. All proxies shall be executed in writing and shall be filed with the Secretary of the Exchange not later than the day on which exercised. No proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period.

Lists of Stockholders Entitled to Vote

SEC. 28-10. The officer who has charge of the lists of stockholders shall prepare and make, at least ten (10) days before every meeting of the stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, showing their names and addresses and the number of votes they are entitled to cast. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where said meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Determination of Record Dates

SEC. 28-11. The Board of Governors may fix in advance a record date to determine the stockholders entitled to notice of or to vote at any meeting of the stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or for the purpose of any other lawful action. Such date shall be not more than sixty (60) nor less

than ten (10) days before the date of any such meeting, nor more than sixty (60) days prior to any other action. If no record date is fixed, the record date for determining the stockholders entitled to notice of or to vote at a meeting thereof shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of the stockholders of record entitled to notice of or to vote at a meeting thereof shall apply to any adjournment of the meeting; provided, however, that the Board of Governors may fix a new record date for the adjourned meeting.

Governance of Stockholders Meetings

SEC. 28-12. The Chairman of the Board of Governors, or if there be none, or in his absence, any Vice Chairman of the Board of Governors, or if there be none, or in their absence, any person designated by resolution of the Board of Governors shall preside over all meetings of the stockholders. To the maximum extent permitted by law, such presiding person shall have the power to administer any such meeting in accordance the procedures pertaining thereto as may be set from time to time by such presiding person and/or the Nominating and Elections Committee (in each case subject to any procedures to the contrary established by the Board of Governors), including, but not limited to, any such procedures respecting the time allotted to stockholders and any other persons in attendance at such meeting to speak.

ARTICLE XXIX

Restrictions on Transfer of Stock of the Exchange

Amount of Shares Transferable

SEC. 29-1. No stockholder of the Exchange may sell, transfer (by operation of law or otherwise) or otherwise dispose of any shares of Class A Common Stock except in blocks of 100 shares per sale, transfer or disposition.

Conditions to Transfer

SEC. 29-2. (a) No sale, transfer or other disposition of the capital stock of the Exchange shall be effected except (i) pursuant to an effective registration statement under the Securities Act and in accordance with all applicable state securities laws, (ii) upon delivery to the Exchange of an opinion of counsel satisfactory to the Board of Governors that such sale, transfer or other disposition may be effected pursuant to a valid exemption from the registration requirements of the Securities Act and all applicable state securities laws, (iii) upon delivery to the Exchange of such certificates or other documentation as counsel to the Exchange shall deem necessary or appropriate in order to ensure that such sale, transfer or other disposition complies with the Securities Act and all applicable state securities laws or (iv) pursuant to such procedures as the Chairman of the Board of Governors (or his designee) may adopt from time to time with respect to such transactions.

(b) No sale, transfer or other disposition of the capital stock of the Exchange shall be effected by any holder of such stock until all amounts due and owing by such holder to the

Exchange (whether any such amounts relate to such holder's status as a stockholder, member, participant or member or participant organization of the Exchange or otherwise) shall have been paid in full.

Lockup

SEC. 29-3. No stockholders shall, if requested by the Exchange or any underwriter of equity securities of the Exchange, sell or otherwise transfer or dispose of any shares of capital stock of the Exchange held by such stockholder during the 180-day period following the effective date of a registration statement of the Exchange filed under the Securities Act in respect of that class of capital stock. If requested by the Exchange or any such underwriters, each stockholder shall execute an agreement to the foregoing effect. The Exchange may impose stop-transfer instructions with respect to the shares (or securities) subject to the foregoing restriction until the end of said 180-day period.

Non-Registration of Stock Transfers

SEC. 29-4. The Exchange reserves the right to not register any transfer of capital stock of the Exchange in violation of the provisions of this Article XXIX.

Transfer Expenses

SEC. 29-5. The Exchange shall be entitled to the reimbursement of its expenses incurred in connection with any transfer of capital stock of the Exchange, and may condition the registration of such transfer on the prior payment in full of such expenses.

ARTICLE XXX

General Provisions

Stock Certificates

SEC. 30-1. (a) Subject to Section 30-1(e) of these By-Laws, every stockholder shall be entitled to have a certificate, signed by, or in the name of the Exchange by, the Chief Executive Officer, the President or a Vice President and the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Exchange, certifying the number of shares of capital stock of the exchange owned by him. If the Exchange shall be authorized to issue more than one class or series of stock, the designations, preferences, and relative, participating, optional or other special rights of each class and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the Exchange shall issue to represent such class of stock.

(b) Where a stock certificate is signed (i) by a transfer agent or an assistant transfer agent of the Exchange or (ii) by a transfer clerk acting on behalf of the Exchange and a registrar, the signature of any of such Chief Executive Officer, President, Vice President, Treasurer, Assistant Treasurer, Secretary or Assistant Secretary may be a facsimile. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used on, any

such certificate or certificates shall cease to be such officer or officers of the Exchange, whether because of death, resignation or otherwise, such certificate or certificates may nevertheless be adopted by the Exchange and be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the Exchange.

(c) The Board of Governors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Exchange alleged to have been lost or destroyed upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Governors may, in its sole discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate, or his legal representative, to advertise the same in such manner as it shall require and/or to give the Exchange a bond in such sum as it may direct as indemnity against any claim that may be made against the Exchange with respect to the certificate alleged to have been lost or destroyed.

(d) Upon surrender to the Exchange or the transfer agent of the Exchange of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Exchange to issue a new certificate to the person entitled thereto, cancel the older certificate and record the transaction upon its books.

(e) In the event that, at the effective time of the Merger, any person who is entitled to receive capital stock of the Exchange in connection with the Merger shall not have paid to the Exchange in full all amounts due and owing from such person to the Exchange at such time, the Exchange may retain the stock certificate(s) evidencing such stock until such time as all such amounts are paid in full to the Exchange, and the Exchange shall be deemed to have in its favor a perfected lien on such stock represented by such certificate until the payment in full of such due and owing amounts. In the event that such amounts are not paid in full within 180 days after the effective time of the Merger, the Exchange shall be entitled to sell such capital stock and to use the proceeds from such sale to pay such due and owing amounts, in which case the balance of such proceeds shall be paid by the Exchange to the holder of such capital stock.

Closing of Transfer Books

SEC. 30-2. The Board of Governors may close the stock transfer books of the Exchange for a period not exceeding sixty (60) days preceding the date of any meeting of stockholders or the date for payment of any dividend or the date for the allotment of rights or the date when any change or conversion or exchange of capital stock shall go into effect or for a period not exceeding sixty (60) days in connection with obtaining the consent of stockholders for any purpose. In lieu of closing the stock transfer books as aforesaid, the Board of Governors may fix in advance a date, not exceeding sixty (60) days preceding the date of any meeting of stockholders, or the date for the payment of any dividends, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining such consent, as a record date for the determination of the stockholders entitled to notice of, and to vote at, such meeting and any adjournment thereof, or entitled to receive payment rights, or to exercise the rights in respect of any such change,

conversion or exchange of capital stock, or to give such consent, and in such case such stockholders and only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the Exchange after any such record date fixed as aforesaid.

Registered Stockholders

SEC. 30-3. The Exchange shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares of stock to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares of stock, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares of stock on the part of any other person, whether or not it shall have express or other notice hereof, except as otherwise provided by the applicable laws of Delaware. The Exchange reserves the right to not register any transfer of capital stock of the Exchange in violation of the provisions of these By-Laws and the Certificate of Incorporation.

Dividends

SEC. 30-4. (a) Subject to the provisions of applicable law, the Certificate of Incorporation or any agreement by which the Corporation is duly bound, dividends upon the capital stock of the Exchange may be declared by the Board of Governors at any regular or special meeting and may be paid in cash, in property, or in shares of capital stock, provided that no portion of any such dividends shall include any revenues received by the Exchange from regulatory fines, fees or penalties.

(b) Before the payment of any dividend, there may be set aside out of the funds of the Exchange available for dividends such sum or sums as the Board of Governors may from time to time, in its absolute discretion, deem proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Exchange, or for such other purpose as the Board of Governors shall deem in the interests of the Exchange, and the Board of Governors may modify or abolish any such reserve in the manner in which it was created.

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