

the day on which such meeting is to be held; or (iii) delivered to the Director personally or orally, by telephone or otherwise, not later than the day before the day on which such meeting is to be held. Each notice shall state the time and place of the meeting and the purpose(s) thereof.

(b) Notice of any meeting of the Board need not be given to any Director if waived by that Director in writing whether before or after the holding of such meeting, or if such Director is present at such meeting.

(c) Any meeting of the Board shall be a legal meeting without any prior notice if all Directors then in office shall be present.

#### Committees

SEC. 14 (a) The Board may, by resolution or resolutions adopted by a majority of the whole Board, appoint one or more committees. Each committee shall include one or more Public Directors; provided that there are Public Directors who are both willing to accept appointment to such committee and are not otherwise an interested director with respect to the responsibilities of such committee. Except as herein provided, vacancies in membership of any committee shall be filled by the vote of a majority of the whole Board. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another Director to act at the meeting in the place of any such absent or disqualified member. Members of a committee shall hold office for such period as may be fixed by a resolution adopted by a majority of the whole Board. Any member of a committee may be removed from such committee only after a majority vote of the whole Board, after appropriate notice, for refusal, failure, neglect, or inability to discharge such member's duties.

(b) The Board may, by resolution or resolutions adopted by a majority of the whole Board, delegate to one or more committees the power and authority to act on behalf of the Board in carrying out the functions and authority delegated to BOXR by the BSE under the Delegation Plan. Such delegation shall be in accordance with applicable law, the L.L.C. Agreement, the Regulatory Services Agreement, and the Delegation

Plan. Action taken by a committee pursuant to such delegated authority shall be subject to review, ratification, or rejection by the Board. In all other matters, the Board may, by resolution or resolutions adopted by a majority of the whole Board, delegate to one or more committees that consist solely of one or more Directors the power and authority to act on behalf of the Board in the management of the business and affairs of BOXR to the extent permitted by law and not inconsistent with the Delegation Plan.

(c) Unless otherwise provided by these By-Laws, a majority of a committee shall constitute a quorum for the transaction of business, and the vote of a majority of the members of such committee present at a meeting at which a quorum is present shall be an act of such committee.

(d) The Board may appoint an Executive Committee, which shall, to the fullest extent permitted by Delaware Law and other applicable law, have and be permitted to exercise all the powers and authority of the Board in the management of the business and affairs of BOXR between meetings of the Board. The Executive Committee shall consist of five Directors, including at least two Public Directors, and at least one Options Participant Director. The Chief Executive Officer of the BSE shall be a member of the Executive Committee, and the General Counsel of the BSE will act in advisory role to the Executive Committee on legal and regulatory matters. Executive Committee members shall hold office for a term of one year. At all meetings of the Executive Committee, a quorum for the transaction of business shall consist of a majority of the Executive Committee, including at least fifty percent of the Public Directors and at least one Options Participant Director.

(e) Nominating Committee. The Nominating Committee shall nominate Participant representatives to the BOXR Board and the BSE Board of Governors and members for each vacant position on the Nominating Committee.

(i) Composition of Nominating Committee. There shall be elected by ballot six persons to serve on the BOXR Nominating Committee which shall consist of a total of seven persons, five of whom shall represent broker-dealer Participant organizations of BOX (at least one of which shall be a BOX Market Maker), and two of whom shall be public representatives (one of whom will be a "Public Director" of the BOXR Board, and appointed to the Nominating Committee by the BOXR Board, as set forth in Paragraph (a) of this Section 14).

(ii) Nomination, Appointment, and Election of Nominating Committee Members. All members of the Committee shall serve a term of two years. The terms of Nominating Committee members shall be staggered, so that each year elections will be held for three open positions on the Nominating Committee, as well as to fill any vacancies on the Committee. No member of the Committee shall be eligible to serve two consecutive terms, and any vacancy on the Committee may be filled until the next annual election by a majority vote of the remaining members. The Committee shall elect its own Chairman, and shall be broadly representative of the Participants of BOX.

(A) Meeting of Nominating Committee. The Nominating Committee shall hold at least one meeting, prior to or in the month of June, at which time the committee shall elect its own Chairman. The Chairman shall designate a date in the month of July, due notice of which shall be posted electronically to Participants, inviting them to attend said meeting for the purpose of suggesting one nominee to fill each open position during the next term of the Nominating Committee. Such Committee shall notify the Secretary of the Exchange (or in his absence an Officer appointed by the Chairman), on or before the last Monday in August, of the nominees for such open positions on the Nominating Committee. The names of nominees shall be posted forthwith electronically to Participants. The Secretary shall prepare ballots reflecting such nominees for use in the annual election.

(B) Independent nominations. On the written and signed petition of five Participants of BOX, additional nominations may be made for the open positions on the Nominating Committee to be elected at the annual election. These nominations shall be filed with the Secretary of the Exchange (or in his absence an Officer appointed by the Chairman) on or before the third Monday in September and forthwith posted to Participants. The ballots as prepared by the Secretary shall include such nominations.

(C) No person shall be a candidate for election to the Nominating Committee at the annual election who is not nominated in accordance with the provisions of this Section.

(D) Notice of annual election. Notice of the annual election of Participants shall be mailed or delivered to each Participant of BOX at his business address registered with the Exchange by the Secretary (or in his absence by an Officer appointed by the Chairman) not