

emergency is on active duty in the armed forces of the United States or an ally of the United States or is engaged in public service incident to the national defense, the privilege of designating an alternate who shall have the power to transact in the place and stead of such member the usual business of such member on the floor of the Exchange, under such conditions and to such extent as the Board may prescribe, but only at such times as such [director or officer] member is prevented from transacting his or her usual business on the floor by the duties imposed by virtue of acting as such [director or officer] member of the Board of Executives or by the national emergency. If such member is a general partner or employee of a member firm, such member and the general partners of such firm may designate as such alternate a person approved by the Board. If such member is an officer or employee of a member corporation, such member and the directors of such member corporation may designate as such alternate a person approved by the Board. Every contract made on the floor by an alternate shall have the same force and effect as if it had been made by the member for whom such alternate is acting; and a member for whom an alternate is acting shall be liable to the same discipline and penalties for any act or omission of such alternate as for such member's own personal act or omission.

A majority of the entire Board may withdraw such privilege for any cause or without cause.

Sec. 8. Options Trading Rights. A regular member or lessor member may lease or transfer the right of entering physically upon the trading floor for the purpose of effecting transactions in options that are from time to time admitted to dealings on the Exchange (the "options trading right") to any person approved by the Exchange, provided that such lessor or transferor has not previously leased or transferred such right. The lessee or transferee of such right (the "options trading right holder") shall not, by virtue of such lease or transfer, be a member of the Exchange for any purpose of this Constitution or rules of the Board, but may maintain facilities on the trading floor for the execution of orders to buy and sell options that are from time to time admitted to dealings on the Exchange ("Exchange options").

An options trading right holder who has acquired an options trading right by transfer may lease or transfer such right to any person approved by the Exchange.

A regular member or lessor member who has leased or transferred the options trading right relating to his or her membership shall not, during the term of such lease or after such transfer, exercise such right. If a regular member transfers the options trading right relating to his or her membership and thereafter transfers such membership unaccompanied by an options trading right, the transferee shall not, as a result of such transfer, acquire an options trading right. A regular member who has transferred the options trading right relating to his or her membership, or who has acquired by transfer such a membership which does not include an options trading right, may, if approved by the Exchange, acquire an options trading right and may thereafter lease or transfer such right, either together with or apart from his or her membership.

Except as expressly provided in the lease agreement between a lessor member and a lessee member, the options trading right relating to such membership shall remain with the lessor member.

The Board may, by the affirmative vote of a majority of the entire Board, adopt, amend and repeal such rules as it may deem necessary or proper relating to options trading right holders, the approval and disapproval thereof, the transfer or lease of options trading rights, the regulation of the activities and business associations of, and the conduct of business by, options trading right holders and brokers and dealers with which they are associated as partners, officers or employees, the imposition of charges with respect to, and the discipline of, options trading right holders and such brokers and dealers, and such other similar matters as the Board shall deem appropriate.

[Sec. 9. Temporary Options Trading Rights. The Board may at any time and from time to time and subject to such rules as the Board may from time to time adopt, issue options trading rights to any one or more or all persons that are members in good standing of any national securities exchange registered with the Securities and Exchange Commission or contract market designated as such by the Commodity Futures Trading Commission, which exchange or market is located in the United States of America; provided, however, that no such options trading right so issued to any person that is a member of the New York Futures Exchange, Inc. shall continue to confer any right beyond the third anniversary of the commencement of trading on the Exchange of any Exchange option and no other such options trading right so issued to any other person shall

continue to confer any right beyond the first anniversary of such commencement. Any person to which any one or more options trading rights are issued pursuant to this Section shall be included within the term "options trading right holders" but no such options trading right so issued may be leased or transferred by the person to which issued. Notwithstanding the foregoing, any person to which any option trading right is issued pursuant to this Section, other than a natural person, may designate as the nominee of such person a natural person who is approved by the Exchange to exercise the right conferred by such option trading right and may change such designation from time to time, subject to the approval of the Exchange.]

Sec. 9. (Reserved).

Sec. 10. Transfer and Lease of Regular Membership. A transfer of membership of a regular member and the lease (which shall not be considered a transfer) of such a membership may be made upon the approval of the transfer or lease by the Board. The membership of a physical access member, electronic access member or lessee member shall not be transferable. The Board may, by the affirmative vote of a majority of the entire Board, adopt, amend and repeal such rules as it may deem necessary or proper relating to the posting of notice of the proposed transfer or lease of a membership, the right of a member to make contracts on the Exchange after such posting, the procedures to be followed with respect to such transfer or lease, the status of open Exchange Contracts of a member who transfers or leases his or her membership and of his or her member organization, and other similar matters.

Sec. 11. Distribution of Transfer Proceeds. Upon any transfer of a membership, whether made by a member or his or her legal representative or by the Board, the proceeds thereof shall be applied by the Exchange to the following purposes and in the following order of priority, viz:

First. The payment of such sums as the Board shall determine are or may become due to the Exchange from the member whose membership is transferred or from a member organization with which such member is associated as a member.

Second. The payment of such sums as the Board shall determine are due by such member or such member organization to other members or member organizations as a result of losses arising directly from the closing out under this Constitution and rules adopted pursuant hereto (or, to the extent made applicable by such rules,