

whom shall be public directors and six of whom shall be industry directors, the members of which shall be qualified to serve under this Constitution,]

(a) all directors to be elected by members to serve for a term of one year;

[(b) A class of four members of the Nominating Committee to serve for a term of two years, two of whom shall be persons who would, were they directors, satisfy the definition of public director, and two of whom shall be persons who would, were they directors, satisfy the definition of industry director,]

(b) two Trustees of the Gratuity Fund who shall be regular members (and not lessor members), to serve for a term of three years; and

[(c) Two trustees of the Gratuity Fund who shall be regular members (and not lessor members), to serve for a term of three years,

(d) Qualified persons to fill any vacancies in the Board, the Nominating Committee, or the trustees of the Gratuity Fund.]

(c) qualified persons to fill any vacancies among the trustees of the Gratuity Fund.

*The Board shall distribute its annual nominating report, which lists the nominees to serve in the elective positions, to each member not less than 60 days in advance of the annual meeting.*

*Nominees by Petition. Members of the Exchange may propose by petition nominees for the positions to be filled at the elections prescribed by this Constitution. Any such nominee must be endorsed by not less than forty members and no member shall endorse more than one nominee, provided, however, that not less than one hundred members may, by petition, propose an entire ticket or any portion thereof. Such petition shall contain for each such potential nominee to the Board a completed questionnaire used by the Board to gather information concerning its nominees (which form the Secretary of the Exchange shall provide upon the request of any member). The petitions shall be filed with the Secretary of the Exchange in sealed envelopes within two weeks after the date fixed for the publication of the Board's annual nominating report. The Secretary of the Exchange shall provide such petitions to the Board. The persons nominated by petition, if found eligible for election by the Board, consistent with the criteria articulated in Article IV, Section 2 of this Constitution, shall be deemed nominees for such offices or positions. The Board's determination of such eligibility shall be final and conclusive.*

*Prior to the annual meeting proxies shall be solicited for the election of directors and trustees of the Gratuity Fund and for action on such other business as may come before the meeting, in accordance with the further provisions of this Article, including sections 5 and 7 below.*

The annual meeting shall be held in the Board room of the Exchange or at such other place as may be fixed in advance by the Board. At the annual meeting, the Board shall present a report for the preceding fiscal year as prescribed by law.

Sec. 2. *Commencement of Term.* The term of office of the persons elected at each annual election shall commence immediately after the annual meeting of members.

Sec. 3. *Vote Required to Elect.* In determining those nominees who have been successfully elected to serve [in any class of] as directors, [members of the Nominating Committee,] or trustees of the Gratuity Fund (including nominees to fill any vacancies), nominees [in each such class] receiving the highest number of votes shall be declared elected. [; provided, however, that in determining the results of an election in any class in which there are more nominees than there are offices or positions to be filled, the nominees whose election would result in the required composition of the class shall be declared elected in the order of the highest number of votes received by such nominees in such class, to the exclusion of nominees whose election would not result in the required composition of such class.

For the purpose of determining the results of an election in which there are more nominees than there are offices to be filled in a class of directors, the Nominating Committee, prior to the time when the names of nominees are reported to the Exchange, shall advise the Secretary of the Exchange which of the nominees named by it for such class are:

(a) qualified to serve as public directors, and of these:

(i) which are associated with corporations that are not financial institutions and are the issuers of securities that are admitted to dealings upon the Exchange, and

(ii) which are associated with financial institutions that are significant investors in equity securities; or

(b) qualified to serve as industry directors, and of these:

(i) which are associated with member organizations that engage in a business involving substantial direct contact with securities customers,

(ii) which are registered as specialists and spend a substantial part of their time on the floor of the Exchange,

(iii) which is associated with a member organization that has its principal place of business in the metropolitan area of New York City, is not national in nature and is not engaged in activities as a specialist,

(iv) which spends a majority of his or her time on the floor of the Exchange, has as a substantial part of his or her business the execution of transactions on the floor of the Exchange for other than his or her own account or for the account of his or her member organization, but is not registered as a specialist, and

(v) which of those described in (i) above reside and have their principal places of business outside the metropolitan area of New York City.

The Board, prior to such time, shall determine which of the nominees named by petition for any class of directors fall within one or more of the categories specified above.] In the case of a tie vote, the names of the nominees involved shall be referred to the Board, which, by the affirmative vote of a majority of the entire Board, shall make a selection.

Sec. 4. *Special Meetings of Members.* Special meetings of the members may be called by the Chairman of the Board. The Chairman of the Board shall call[ed] a special meeting of members upon the direction of the Board or upon the written request of one hundred members.

Sec. 5. *Notice of Meetings of Members.* Notice of each meeting of members shall be written, shall state the date, time and place of the meeting, shall state the purpose or purposes for which the meeting is called and unless it is the annual meeting, indicate that it is being issued at the direction of the person or persons calling the meeting. The Secretary of the Exchange shall mail a copy of the notice not less than ten nor more than fifty days before the date of the meeting, to each person who on the date the notice is mailed, is a member who would be entitled to vote at such meeting, and shall deliver a copy to each person who becomes a member entitled to vote at such meeting thereafter and prior to the meeting or any adjournment thereof. If a member shall have filed with the Secretary a proxy authorizing another person or persons to act for such member at any meeting of members, the Secretary shall concurrently mail a copy of the notice of any meeting to the holder of such proxy. When a meeting is adjourned to another time or place, notice shall be given of the adjourned meeting and at