

the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting. With the notice of annual meeting, the Secretary of the Exchange shall furnish a form of proxy, which shall designate [the] *one or more* members of the [Nominating Committee or any one or more of them.] *Exchange* as persons authorized to act thereunder at the annual meeting.

Sec. 6. *Quorum at Meetings of Members.* Members entitled to cast a majority of the total number of votes entitled to be cast at any meeting, present in person or by proxy, shall constitute a quorum of the members of the Exchange for the transaction of any business, but the members present and entitled to vote thereat may adjourn any meeting despite the absence of a quorum.

Sec. 7. *Proxies.* A member may authorize another person or persons to represent and act as attorney-in-fact for the member in voting on any and all matters at any annual or special meeting of members held during the term of the proxy, or in expressing consent or dissent without a meeting, and in any and all things incidental thereto, such as requesting the call of special meetings of members, proposing by petition nominees for offices or positions to be filled at elections, proposing amendments to this Constitution, or executing for and on behalf of the member waivers of notice. Any such proxy shall be in form satisfactory to the Exchange.

Sec. 8. *Presiding Officer.* At any meeting of the members of the Exchange, if neither the Chairman of the Board nor any person authorized to act for the Chairman under Section 5 of Article VI shall be present, the members present, in person or by proxy, shall elect a presiding officer for the meeting.

Sec. 9. *Vote of Members.* (a) Each regular member in good standing shall be entitled to one vote on each office or position to be filled at any election or upon any other matter at any meeting of the members of the Exchange, including:

(i) any sale, lease, exchange or other disposition of all, or substantially all, the assets of the Exchange,

(ii) any merger or consolidation in which the Exchange is to participate as a constituent corporation within the meaning of the New York Not-For-Profit Corporation Law, and

(iii) any dissolution or final liquidation of the Exchange.

(b) Each physical access member in good standing shall be entitled to one vote, and each electronic access member in good standing who became such prior

to [the effective date referred to in subsection (c)] *March 30, 1986* shall be entitled to one-half vote, on each office or position to be filled at any election or upon any other matter at any meeting of the members of the Exchange, provided, however, that such member shall not be entitled to vote on any of the following matters:

(i) any sale, lease, exchange or other disposition of all, or substantially all, the assets of the Exchange,

(ii) any merger or consolidation in which the Exchange is to participate as a constituent corporation within the meaning of the New York Not-For-Profit Corporation Law,

(iii) any dissolution or final liquidation of the Exchange,

(iv) any proposal to amend any of the rights and privileges or limitations thereon pertaining to such a member, or

(v) any election or amendment concerning the Gratuity Fund or the trustees of the Gratuity Fund.

(c) An electronic access member who becomes such on or after [the effective date] *March 30, 1986* shall have no vote at any election or upon any other matter at any meeting of the members.

[“Effective date” shall mean the date that is 30 days after the date on which this subsection becomes effective.]

(d) Whenever any corporate action, other than the election of a person to a position or office, is to be taken by vote of the members, it shall, except as otherwise required by law or by th[is]e Constitution, be authorized by a majority of the votes cast by the members entitled to vote thereon, in person or by proxy, at a meeting of the members.

Sec. 10. *Inspectors.* The Board shall, in advance of any meeting of members at which a vote is to be conducted, appoint an inspector to act at the meeting or any adjournment thereof. The person so appointed shall not be an officer or employee of the Exchange, a director of the Exchange, or a director, officer, partner or employee of a member organization.

Article IV

Board of Directors

Sec. 1. *Powers of Board.* The Board shall be vested with all powers necessary for the govern[ment] of the Exchange, the regulation of the business conduct of members, allied members and member organizations of the Exchange and of approved persons in connection with their conduct of the business of member organizations and the promotion of the welfare, objects and purposes of the Exchange and in the exercise of such powers may adopt such

rules, issue such orders and directions and make such decisions as it may deem appropriate.

The Board may prescribe and impose penalties for the violation of rules adopted pursuant to this Constitution and for neglect or refusal to comply with orders, directions or decisions of the Board or for any offense against the Exchange, the penalty for which is not specifically prescribed by this Constitution. *The Board shall have the power to hold meetings at such times and places as it deems advisable, to appoint the Board of Executives, to appoint committees, to appoint officers as provided herein, to employ necessary employees, to authorize proper operating expenditures and to take such other action as may be necessary or proper to carry out the purposes of the Exchange.*

Each person elected to the Board, and each person serving as a member of the Board of Executives, who is not a member of the Exchange shall have the right to go upon the Floor of the Exchange but shall not have the right to transact business thereon.

[Sec. 2. *Composition of Board.* The Board shall consist of twenty-four directors elected by the members of the Exchange, a Chairman of the Board, the Executive Vice Chairman, if there be one, and the President, if there be one. The directors elected by the members shall consist of twelve public directors and twelve industry directors. Directors elected by the members of the Exchange shall be divided into two classes of twelve each (sometimes referred to as class A and class B) whose terms of office shall expire in alternate years. Each class shall consist of six public directors and six industry directors.

(a) the public directors shall include the following:

(i) at least one of the public directors shall be associated with a corporation that is not a financial institution and is the issuer of securities that are admitted to dealings upon the Exchange, and

(ii) at least one of the public directors shall be associated with a financial institution that is a significant investor in equity securities.

(b) the industry directors shall include the following:

(i) two of the industry directors in class A and three of the industry directors in class B shall be associated with member organizations that engage in a business involving substantial direct contact with securities customers and shall reside and have their principal places of business within the metropolitan area of New York City, and

(ii) one of the industry directors of each class shall be associated with a