

member organization that engages in a business involving substantial direct contact with securities customers and shall reside and have his or her principal place of business outside the metropolitan area of New York City, and

(iii) one of the industry directors in class A and two of the industry directors in class B shall be registered as specialists and shall spend a substantial part of their time on the floor of the Exchange, and

(iv) one of the industry directors in class A shall be 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, and

(v) one of the industry directors in class A shall spend a majority of his or her time on the floor of the Exchange, shall have 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 shall not be registered as a specialist.

No person who has been elected a director by the membership to three consecutive terms shall be eligible for election as a director except after an interval of at least two years. Each person who is not a member of the Exchange and is elected to the Board shall, by the acceptance of the position of director, be deemed to have agreed to uphold this Constitution.]

*Sec. 2. Composition of the Board.* The Board shall consist of the Chairman of the Board, the Chief Executive Officer (if such individual is not also the Chairman), and such number of directors elected by the members of the Exchange as is fixed from time to time by resolution of the Board, provided that such number shall not be less than six nor more than twelve. The directors elected by the members shall be independent of management of the Exchange, the members, and issuers of securities listed on the Exchange, and shall include directors who will enable the Exchange to comply with the requirements of Section 6(b)(3) of the Act. Among other things, no director elected by the members shall be (a) a member, allied member, lessor member or approved person; (b) an officer or employee of the Exchange; (c) a person employed by or affiliated, directly or indirectly, with a member organization, or with a broker or dealer that engages in a business involving substantial direct contact with securities customers; or (d) an executive officer of an issuer of securities that are listed on the Exchange. In addition, no director shall

*qualify as independent unless the Board affirmatively determines that the director has no material relationship with the Exchange. The Board shall adopt specific standards relating to such determination, comparable to the standards required of issuers listed on the Exchange, by effecting a rule change within the meaning of Section 19(b)(1) of the Act. Candidates for the Board shall be selected in accordance with such further criteria as the Nominating & Governance Committee shall establish, as set forth in Section 12(a)(1) of this Article IV. The Nominating & Governance Committee shall recommend to the Board the candidates for Board membership; provided, however, that, in order to assure the Exchange is able to meet the requirements of Section 6(b)(3) of the Act concerning members of the Exchange, the Industry Members of the Board of Executives shall recommend to the Board candidates constituting 20% of the number of directors to be elected by the members of the Exchange, but in no event fewer than two directors.*

*When a single individual serves as both the Chairman and Chief Executive Officer, the Board shall designate a director elected by the members as a lead director to preside over executive sessions of the Board; the Chief Executive Officer shall not participate in executive sessions of the Board. The Board shall also publicly disclose the lead director's name and a means by which interested parties may communicate with the lead director. Each person who is elected to the Board shall, by the acceptance of the position of director, be deemed to have agreed to uphold this Constitution.*

*[Sec. 3. Meetings of Board.* Meetings of the Board shall be held at the Exchange's principal office in the state of New York or at such other place, within or without such state, as the Board may from time to time determine or as shall be specified in the notice of any such meeting. The Board shall meet for the purpose of organization, the election of officers and the transaction of other business, on the same day the annual meeting of members is held. Notice of such meeting need not be given. Special meetings of the Board may be called by the Chairman of the Board or pursuant to the written request of four directors upon notice as below prescribed.]

*Sec. 3. Term of Office.* Directors shall serve for a term of one year (or until the end of the term of his or her predecessor if he or she shall have been elected to succeed a person who has not completed his or her one-year term).

*Sec. 4. Resignation of Directors.* Any director may resign at any time by giving written notice of resignation to the Board or the Chairman of the Board or the Secretary of the Exchange. Any such resignation shall take effect at the time specified therein, or, if the time when it shall become effective shall not be so specified, then it shall take effect immediately upon its receipt.

*Sec. 5. Vacancies.* Any Board vacancy shall be filled, after nomination by the Nominating & Governance Committee or the Industry Members of the Board of Executives, as the case may be, by the affirmative vote of a majority of the entire Board, unless the Board shall determine that the vacancy need not be filled until the next annual election. A director so elected shall serve until the next annual election of the Exchange and until his or her successor is elected and takes office.

*Sec. 6. Meetings.*

*(a) Frequency of Meetings.* The Board shall have not less than four meetings each year. Special meetings of the directors may be called by the Chairman of the Board, or pursuant to the written request of not less than one-third of the directors then in office, in accordance with the provision of notice of meetings, except when in the judgment of the Chairman, emergency requires shorter notice.

*(b) Place of Meetings.* Meetings of the Board shall be held at the Exchange's principal office in the state of New York or at such other place, within or without such state, as the Board may from time to time determine or as shall be specified in the notice of any such meeting.

*(c) Notice of [Board] Meetings.* Notice of a meeting of the Board shall be given by the Secretary of the Exchange or by a person calling the meeting to each director, other than any who have duly waived notice, by written notice mailed first class postage prepaid, not later than five business days before the meeting, or by electronic communication. Any notice shall be sufficient if addressed to a director at his or her office or at such other address as he or she shall have requested the Secretary of the Exchange to direct notices.

*[Sec. 5.](d) Quorum [at Board Meetings]; Action.* A majority of the entire Board shall be present in person at any meeting of the Board in order to constitute a quorum for the transaction of business at such meeting. Participation in a meeting by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time shall constitute presence in person at a