

meeting. Except as otherwise expressly required by law or the certificate of incorporation of the Exchange or this Constitution, the act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board. In the absence of a quorum at any meeting of the Board, a majority of the directors present may adjourn such meeting from time to time until a quorum shall be present. Notice of any adjourned meeting shall be promptly given. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. The directors shall act only as a Board and the individual [D]irectors shall have no power as such.

[Sec. 6. *Organization Meeting.*] (e) *Annual Organizational Meeting.* The Board shall hold its annual organizational meeting on the same day as the annual meeting of the members. Notice of the meeting need not be given. At its organizational meeting, the Board, by the affirmative vote of a majority of the entire Board, shall: (1) Elect the Chairman of the Board—[and, from among the industry directors, one or more Vice Chairmen of the Board as the Board may deem appropriate, such Chairman and each such Vice Chairman to serve until the next organization meeting of the Board and until their successors have been elected and take office. At its organization meeting, the Board in its discretion may also], and such Chairman shall serve until his or her successor has been elected and takes office; (2) appoint the members of the Board of Executives; and (3) take such other organizational actions as may be appropriate, including the appointment of committees and the appointment or approval of the officers of the Exchange. The Board, at its organizational meeting, shall by the affirmative vote of a majority [of the entire Board, elect an Executive Vice Chairman of the Board to serve for such period as the Board shall determine. The Board, at its organization meeting, shall by the affirmative vote] of the entire Board, designate the person or persons to serve in the absence, inability to act or vacancy in the office of the Chairman of the Board.

[Sec. 7. *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. 8. *Vacancies.* Any vacancy in the office of a director of any class elected by the membership shall be filled 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. Prior to filling such vacancy, the Board shall request the Nominating Committee to submit to the Board the name of the person recommended by the Nominating Committee to fill such vacancy. Any person to be eligible to fill such vacancy must meet the qualifications for election in the class of directors in which the vacancy exists, so that upon his or her election the composition of that class shall meet the requirements of this Article. 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. 9. *Loss of Qualification.* If the Board shall determine by the affirmative vote of a majority of the entire Board that any director has lost any qualification needed for office, such person shall cease to be a director and his or her office shall become vacant.

Sec. 10.]

Sec. 7. *Action by Written Consent.* Any action required or permitted to be taken by the Board or any committee thereof may be taken without a meeting if all members of the Board or the committee unanimously consent in writing to the adoption of a resolution authorizing the action.

Sec. [11.]8. *Fees and Compensation.* By the affirmative vote of a majority of the entire Board, the Board may fix the fees and compensation to be paid to the directors, members of [such committees as it may from time to time authorize] the Board of Executives, committee members, the Chairman of the Board, other officers of the Exchange, arbitrators and the trustees of the Gratuity Fund.

Sec. [12.] 9. *Loss of Qualification.* If a director ceases to meet the requirements for directors, such director shall be deemed to have tendered his or her resignation for consideration by the Board, and such resignation shall not be effective unless and until accepted by the Board.

Sec. 10. *Failure to Discharge Duties.* In the event of the refusal or failure of a director of the Exchange, or a trustee of the Gratuity Fund, to discharge his or her duties, or for any cause deemed sufficient by the Board, the Board may, by the affirmative vote of a majority of the entire Board, remove any such director or trustee and declare that office or position to be vacant.

Sec. [13.]11. *Interpretation of Constitution and Rules.* The Board shall have power to interpret this Constitution and all rules adopted pursuant hereto. Any interpretation made by it shall be final and conclusive.

Sec. 12. *Standing Committees.* The Standing Committees and their respective Chairmen shall be appointed by the Board at its annual organizational meeting. The Board shall adopt for each Standing Committee a charter consistent with the duties prescribed in the subsections below, and including such additional duties as may be considered appropriate and not inconsistent with this Constitution.

(a) *Committees Consisting Solely of Directors.* The Standing Committees described in Section 12(a)(1)-(4) shall consist solely of directors, other than the Chief Executive Officer, and shall report to the Board. Such Standing Committees may be combined with any other such Standing Committee, be subdivided into one or more such Standing Committees, or the Board may constitute itself as a committee of the whole in respect of such a Standing Committee; provided, however, that if the Board constitutes itself as a committee of the whole with respect to the activities of the Nominating & Governance Committee, the Human Resources & Compensation Committee, the Audit Committee or the Regulatory Oversight & Regulatory Budget Committee, the Chief Executive Officer shall be recused from such Board deliberations.

(1) *Nominating & Governance Committee.* The Nominating & Governance Committee shall be responsible for (i) recommending to the Board candidates for Board membership in accordance with Article IV, Section 2 and candidates for Trustees of the Gratuity Fund, (ii) recommending to the Board candidates for Board of Executives membership, (iii) conducting the Board's annual governance review, (iv) reviewing and recommending the Exchange's corporate governance guidelines, (v) establishing an appropriate process for, and overseeing implementation of, the Board's self-assessments (including Board self-assessment, committee self-assessments and director assessments) and the Board of Executives' self-assessments, (vi) recommending director compensation, and (vii) succession planning for the Chairman and Chief Executive Officer of the Exchange. In discharging its responsibilities under clause (i) of the immediately preceding sentence, the Nominating & Governance Committee shall propose persons as candidates for the Board who, in the opinion of the Committee, (a) are committed to serving