

Sec. 15. *Conflict of Interest.* No director shall participate in the *deliberation or* adjudication of any matter in which he or she is personally interested.

Article V

[Nominating Committee]

Sec. 1. *Composition, Organization Meeting and Eligibility.* The Nominating Committee shall be composed of:

(a) Four persons who would, were they directors, satisfy the definition of public director; and

(b) Four persons who would, were they directors, satisfy the definition of industry director.

The members of the Nominating Committee shall be divided into two classes of four each whose terms of office shall expire in alternate years. Each class shall consist of two persons described in (a) above, and two persons described in (b) above.

On the first Monday after the annual election of the Exchange, or as soon thereafter as may be practicable, the members of the Nominating Committee, by the affirmative vote of a majority of such members, shall elect a chairman who shall be a member of the Nominating Committee and who shall serve until the next annual meeting of the Nominating Committee and until his or her successor is elected and takes office. The chairman of the Nominating Committee shall not succeed himself or herself as chairman and the office of chairman shall alternate from year to year between a member of the Nominating Committee described in (a) above and a member of the Nominating Committee described in (b) above.

No director shall be eligible to serve on the Nominating Committee. No member of the Nominating Committee who has served the full term for which he or she was elected by the membership shall be eligible for reelection to the Nominating Committee in the year during which such term expires. No member of the Nominating Committee who has been elected to fill a vacancy in the Nominating Committee shall be eligible for reelection to the Nominating Committee in the year during which the term of the member being replaced expires. Any vacancy in the Nominating Committee shall be filled by the remaining members thereof, who shall elect a person qualified to fill the vacancy who shall serve until the next annual election of the Exchange and until his or her successor is elected and takes office. The Board shall have no control over or power with respect to the Nominating Committee. Nothing in this Section is to

be construed to prevent the Nominating Committee from soliciting the views of the Chairman or other members of the Board.

Sec. 2. *Public Meetings.* The Nominating Committee shall hold one or more meetings, to which all members and allied members shall be invited for the purpose of suggesting nominees for the offices and positions to be filled at the annual election of the Exchange. The Nominating Committee shall report to the Secretary of the Exchange, not later than the second Monday in March, nominees for such offices and positions. Each nominee shall be a person who, in the opinion of the Nominating Committee, is eligible for election to the office or position for which he or she is nominated. The Secretary of the Exchange shall, on receipt of the report of the Nominating Committee, notify the members of the Exchange of the names of such nominees. The Chairman of the Board shall serve in a consultative role to the Nominating Committee. In that capacity the Chairman of the Board shall meet with the Nominating Committee prior to March 1 of each year to report on the needs of the Board and to provide any other information relevant to the work of the Nominating Committee.

Sec. 3. *Nominees by Petition.* Members of the Exchange may propose by petition nominees for the offices or 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 one hundred members may, by petition, propose an entire ticket or any portion thereof. The petitions shall be filed with the Secretary of the Exchange in sealed envelopes within two weeks after the date fixed for the report of the Nominating Committee. The Nominating Committee and the Secretary of the Exchange shall open such envelopes and shall report to the Board the names of the persons nominated by petition who, if found eligible for election by the Board, shall be deemed nominees for such offices or positions.

Sec. 4. *Names of Nominees.* The names of all nominees shall be arranged on the ballot in alphabetical order for each class of office or position and shall be reported to the Exchange promptly after the Board shall have passed upon the eligibility of the persons nominated by petition. The names of the persons nominated by the Nominating Committee shall be identified by an appropriate legend or symbol.

Sec. 5. *Death, etc., of Nominee.* In case of the death, withdrawal, disqualification or failure to qualify, at any time in advance of the annual election, of any nominee for one of the offices or positions to be filled at such annual election, the election of a person to fill such office or position shall not be held at the annual meeting of the members of the Exchange, but this shall not delay the election of persons to fill all other offices or positions. The Board, by the affirmative vote of a majority of the entire Board, thereupon may declare such office or position vacant and if the election for such office or position was not contested may elect a person to fill the vacancy to hold office until the annual election of the Exchange in the succeeding year. 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. If such election was contested, the Board shall direct that such office or position be filled by vote of the members of the Exchange entitled to vote thereon at a special meeting of the members. If such special meeting shall be directed, the Board shall call the meeting and determine the procedure for nominations and voting by proxy at the meeting.

Sec. 6. *Selection of Nominees.* The Nominating Committee in seeking nominees for all offices and positions shall propose persons who, in the opinion of the Nominating Committee, are committed to serving the interests of the public and strengthening the Exchange as a public securities market.

In selecting nominees who are to be members of the Nominating Committee, the Nominating Committee should consider representatives from all Exchange constituencies, taking care to avoid having an undue concentration of such nominees from any one area or industry.

In seeking nominees who are to be public directors, the Nominating Committee should consider, among others, representatives of corporations, the securities of which are admitted to dealings upon the Exchange and representatives of financial institutions, such as investment companies, banks and trust companies, and insurance companies, which are significant investors in equity securities, care being taken to avoid having an undue concentration of such nominees from any one area or industry.]

Board of Executives

Sec. 1. *Powers and Authority of the Board of Executives.* The Board shall