

accordance with Section 2.4 of Article II of the Constitution.

(d) The term "Board" means the Board of Directors of the Exchange.

(e) The term "Rules" means the rules of the Exchange as adopted or amended from time to time.

Article II

Membership

Section 2.1 Number of Memberships

(a) Membership in the Exchange shall be made available by the Exchange at such times, under such terms and in such number as shall be proposed by the Board and approved by the affirmative vote of the majority of *voting* [the] members present in person or represented by proxy at a regular or special meeting of the membership. Such an affirmative vote by the members shall be required for the issuance of all new memberships, whether regular or special, whether having expanded or limited rights, whether designated memberships or permits or as a classification using any other description, which grant the holders thereof the right to enter into securities transactions at the Exchange.

(b) The regular membership of the Exchange shall consist of persons who acquire regular memberships made available by the Exchange in accordance with the Rules, and shall also consist of those members of the Board of Trade of the City of Chicago who, pursuant to paragraph (b) of Article FIFTH of the Certificate of Incorporation, elect to apply for membership and are approved for membership in accordance with the Rules. Except as otherwise expressly provided in the Certificate of Incorporation, the Constitution or the Rules, every regular member of the Exchange shall be entitled to the same rights and privileges, and shall be subject to the same obligations, as every other regular member.

(c) [Reserved for special memberships.]

(d)(1) Seventy-five "Options Trading Permits" ("Permits") shall be issued or made available for leasing in accordance with the Rules. All Permits shall expire, and all rights of their holders shall cease, on the seventh anniversary of the date determined pursuant to agreement between the Exchange and the New York Stock Exchange ("NYSE") on which trading begins on the floor of the Exchange in options that were listed on the NYSE.

(2) Permit holders shall have no right to petition or to vote at Exchange membership meetings or elections or to be counted as part of a quorum, shall have no interest in the assets or property

of the Exchange and no right to share in any distribution by the Exchange, and shall have none of the other rights or privileges accorded members under any provision of the Constitution and Rules other than those specified in the Rules.

Section 2.2 Eligibility for Membership; Good Standing

Membership shall be limited to individuals, partnerships and corporations, subject to their meeting the conditions of approval as stated in the Constitution and Rules. Members must have as the principal purpose of their membership the conduct of a public securities business as defined in the Rules.

The good standing of a member may be suspended, terminated or otherwise withdrawn, as provided in the Rules, if any of said conditions for approval cease to be maintained or the member violates any of its agreements with the Exchange or any of the provisions of the Constitution or the Rules. Unless a member is in good standing, the member shall have no rights or privileges of membership except as otherwise provided by statute, the Certificate of Incorporation, the Constitution or the Rules, shall not hold himself or itself out for any purpose as a member, and shall not deal with the Exchange on any basis except as a non-member.

Section 2.3 Nominees of Member Organizations

Every applicant for membership as a member organization and every member organization shall, in accordance with the Rules, designate an individual nominee with respect to each membership owned or leased by it, who shall be subject to the same requirements for approval as if he were himself applying for membership as an individual member and shall be authorized to represent the organization in all matters relating to the Exchange.

Section 2.4 Registration of Individual Memberships for Member Organizations

Every individual member or applicant who is or intends to become an executive officer, director, principal shareholder or general partner of an organization engaged or proposing to engage in business as a broker or dealer in options may apply to register his membership for such organization. Additional individual members may register their memberships for a member organization in accordance with the Rules. Such organization shall be subject to the same requirements for approval as if it were itself applying for

membership as a member organization, except that the individual member so applying shall represent the organization in lieu of a nominee. Registration of an individual membership for an organization may be withdrawn by the Exchange for any reason which would justify withdrawal of the approval of either the individual or the organization for membership.

Section 2.5 Acquisition and Transfer of Memberships

Memberships acquired pursuant to paragraph (b) of Article FIFTH of the Certificate of Incorporation shall not be transferable. All other memberships may be offered for sale and transferred by the owners thereof, or under certain circumstances by the Exchange, as provided in the Rules.

Section 2.6 Voting and Other Rights and Powers

Each regular member shall have the voting rights and power provided by law and by the Certificate of Incorporation and the Constitution.

Article III

Meetings of Members

Section 3.1 Place of Meetings

Each meeting of the members shall be held at such a place, within or without the State of Delaware, as the *Secretary* [Board] may designate prior to the giving of notice of such meeting, but if no such designation is made, then on the *fourth* floor of the Exchange.

Section 3.2 Annual Election Meeting

An annual election meeting of members shall be held on the *1st business day preceding* the 3rd Friday in November of each year [unless such day is a legal holiday, in which case on the next succeeding business day which is not a legal holiday], at such time as may be designated by the *Secretary* [Board] prior to the giving of notice of the meeting, for the purpose of electing directors to fill expiring terms and any vacancies in unexpired terms and electing members of the Nominating Committee to fill expiring terms and any vacancies in unexpired terms.

Section 3.3 Annual Report Meeting

An annual report meeting of members shall be held within 120 days following the end of the Exchange's fiscal year, at a time as determined by the *Secretary* [Board], for the purpose of *presentation of the Exchange's annual report as provided for in Section 6.11 of the Constitution* [transacting such business as may properly be brought before the meeting].