



20 South Wacker Drive  
Chicago, IL 60606-7499  
www.cme.com

312/930.1000 tel  
312/466.4410 fax

September 17, 2004

Ms. Jean A. Webb  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

**RE: Submission No. 04-92**

Dear Ms. Webb,

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commission that the Exchange has approved technical modifications to certain rules to take into account the establishment of the Chief Executive Officer position. Prior to the creation of the Office of the CEO, the "President" of the Exchange was the chief executive officer of CME. Subsequent to the creation of the Office of the CEO, the position of Chief Executive Officer was created and the position of "President" also continues to exist.

The rule changes that are set forth in the attachment take into consideration the establishment of the Chief Executive Officer position and either replace or complement the concept of President that previously existed in the Rulebook. Additions to the rules are underlined and deletions are lined out.

The Exchange certifies that this revision neither violates nor is inconsistent with any provision of the Commodity Exchange Act or of the rules and regulations thereunder.

If you have any questions regarding this matter, please call me at (312) 648-5422.

Sincerely,

/S/ Stephen M. Szarmack  
Director and Associate General Counsel

## DEFINITIONS

### **CHIEF EXECUTIVE OFFICER**

The chief executive officer of the Exchange, or one duly authorized to act in lieu of and with the authority of the Chief Executive Officer.

### **PRESIDENT**

The ~~president~~chief executive officer of the Exchange, or one duly authorized to act in lieu of and with the authority of the President.

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## CHAPTER 1 MEMBERSHIP

### 110. CLAIMS AGAINST MEMBER, APPLICATION OF PROCEEDS

For the purposes of this rule, the term "sale" shall include a transfer made in accordance with the provisions of Rule 106, and the term "seller" shall include firms that have membership privileges pursuant to Rules 106.G., H., I. or N. When the ~~President~~Chief Executive Officer receives notification and confirmation of the sale of a membership, he shall promptly request the Division of Market Regulation and the Shareholder Relations and Membership Services Department to conduct an investigation of claims made pursuant to this rule against the membership seller by the Exchange, members, clearing members or the public, which arise out of Exchange futures transactions. This investigation shall be completed within 20 days of the date the ~~President~~Chief Executive Officer receives notification and confirmation of the sale of said membership.

All claims against the seller of the membership shall be submitted in writing to the Shareholder Relations and Membership Services Department within 20 days of the posting of notice of the sale of said membership.

The proceeds of the sale of a membership shall be applied to the following purposes and in the following order of priority:

- a. Payment of all dues, fines, contributions, charges and other indebtedness due to the Exchange, the CME Gratuity Fund or GFX Corporation;
- b. Payment of any indebtedness to the clearing member who last qualified the selling member arising out of a pledge of such membership as collateral security on such indebtedness, or a deficit which the ~~President~~Chief Executive Officer determines to have arisen directly out of futures transactions on the Exchange or transactions with GFX Corporation;
- c. Payment of amounts due to members and other clearing members on claims filed which Exchange staff determines to have arisen directly out of futures transactions on the Exchange;
- d. Payment of amounts due to public customers of the seller based on claims filed by such customers or based on reports of the Division of Market Regulation, which claims are determined by the ~~President~~Chief Executive Officer to be based upon misappropriation of customer funds, improperly executed futures transactions, unpaid credit balances, or other similar matters, directly related to futures transactions on the Exchange;
- e. No other claims against the proceeds of the sale of a membership shall be recognized and administered by the Exchange, but the creditors of the seller of a membership not falling in the foregoing categories may pursue other legal means of securing payment of their obligations.

The ~~President~~Chief Executive Officer shall make a final determination of all claims filed in time or reported by the Division of Market Regulation and the Shareholder Relations and Membership Services Department against the proceeds of the sale of a membership.

Except as provided in Rule 913, the ~~President~~Chief Executive Officer shall make a distribution of such proceeds within 30 days after receiving notification and confirmation of the sale of the membership, unless claims to the proceeds are not resolved within that period. If, however, at such time an Exchange disciplinary proceeding is pending against the seller or, based upon a pending investigation, is highly probable, or if a legal proceeding, in respect to which the indemnification provisions of Rule 439 would operate, is pending, has been announced or is highly probable, then the ~~President~~Chief Executive Officer shall retain so much of the proceeds as he judges will be required to satisfy such obligations until such time as the pending matter is concluded.

Distribution of proceeds shall be made by the payment of claims in the categories listed in this rule to the extent the proceeds from the sale are sufficient to meet those obligations. If the proceeds of the

sale of a membership are insufficient to pay all amounts determined to be due under the categories listed in this rule, the proceeds shall be applied to pay the full amounts determined to be due under subparagraphs a, b, c and d in the priority named. If the proceeds are insufficient to pay the amounts determined to be due under any priority, the claims due under that priority shall be paid pro rata, and the remaining priorities shall be left unpaid. In determining the amount of any claim, the PresidentChief Executive Officer shall first deduct the fair cash value of any collateral held by that claimant.

The surplus, if any, shall be paid to the person whose membership was sold or his legal representative upon the execution of a satisfactory release. The PresidentChief Executive Officer's determination and allowance of claims hereunder shall be final. The death, incompetency, expulsion or suspension of a member shall not affect the rights of claimants under this rule.

133. **SALE OF MEMBERSHIP AND CLASS B SHARE WHEN MEMBER DEFAULTS**

If the Board determines that a member or a firm that has member privileges pursuant to Rules 106.G., H., I. or N., is in default upon any indebtedness or assessment due to the Exchange or the CME Gratuity Fund, or any indebtedness due to another member or to a clearing member arising out of Exchange contracts, the Board may order the membership and associated Class B Share of the defaulting member or firm sold and the proceeds applied as provided in Rule 110. If, within 30 days of such Board order of sale, the defaulting member or firm satisfies the indebtedness due and provides proof of such satisfaction to the PresidentChief Executive Officer, the ordered sale of the membership and associated Class B Share shall be cancelled. If full payment is not made within the 30-day period, then the membership and Class B Share involved shall be sold at public auction within 10 days after the expiration of the 30-day period and upon five days' notice to the defaulting member or firm, which notice shall also be posted on the bulletin board. The public auction sale shall be conducted by the PresidentChief Executive Officer in accordance with the following procedures. The highest bid to purchase a membership and associated Class B Share in the applicable series on file with the Shareholder Relations and Membership Services Department shall be considered the initial bid at the auction. Thereafter, any person may attend and bid at the auction. If the proceeds from the sale are less than the indebtedness of the defaulting member or firm, such debtor shall remain liable to the Exchange or its members or clearing members for the deficit.

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**CHAPTER 2  
GOVERNMENT**

**BOARD OF DIRECTORS – POWERS AND DUTIES**

230. **GENERAL**

The Board shall:

- a. Be the governing body of the Exchange;
- b. Have charge and control of all property of the Exchange;
- c. Provide, acquire and maintain suitable Exchange quarters and facilities;
- d. Review and approve the appointment of a PresidentChief Executive Officer and President upon recommendation of a special committee established for this purpose by the Board;

Any authority or discretion by these rules vested in the Chairman, PresidentChief Executive Officer, President or other officer or delegated to any committee shall not be construed to deprive the Board of such authority or discretion and in the event of a conflict, the determination of the matter by the Board shall prevail.

231. **CONTRIBUTIONS**

- b. The PresidentChief Executive Officer shall be authorized to make charitable, civic or business contributions not to exceed \$10,000 to any single organization, up to the total amount budgeted by the Board, on behalf of the Exchange. Contributions in excess of \$10,000 but no greater than \$25,000 must be approved by the Executive Committee. Contributions in excess of \$25,000 must be approved by the Board.

**254. BONDS OF EMPLOYEES**

The PresidentChief Executive Officer shall ensure that all appropriate employees of the Exchange shall be covered by a fidelity bond.

**255. EMPLOYEE RESTRICTIONS**

**255.F. Violation of Restrictions**

Employees who violate the restrictions of this rule shall be subject to immediate dismissal by the PresidentChief Executive Officer. Members of the Exchange who cause employees of the Exchange to violate this rule or who are aware of violations of this rule and do not promptly report such violation to the PresidentChief Executive Officer may be guilty of a major offense.

**257. EXCHANGE EMERGENCIES**

**257.A. Physical Emergency**

In the event that the functions of the Exchange are, or are threatened to be, severely and adversely affected by a physical emergency such as fire or other casualty, bomb threats, substantial inclement weather, power failures, communications breakdowns, computer system breakdowns, screen-based trading system breakdowns, malfunctions of plumbing, heating, ventilation, and air conditioning systems or transportation breakdowns, the PresidentChief Executive Officer or President may take any action necessary to deal with the emergency, including but not limited to, a suspension of trading. In the event of the unavailability of the PresidentChief Executive Officer and President, a Managing Director may act in his stead. In the absence of the aforementioned Exchange officers, any member of the Executive Committee may act instead of the PresidentChief Executive Officer or President.

Upon a determination by the PresidentChief Executive Officer or President that the physical emergency has sufficiently abated to permit the orderly functioning of the Exchange, he shall order restoration of trading or the removal of other restrictions imposed.

**257.B. Financial Emergency**

If the PresidentChief Executive Officer or President (or, in their his absence, a Managing Director) determines that the financial condition of any clearing member is such that its continued operation would jeopardize the integrity of the Exchange, the PresidentChief Executive Officer or President may proceed against said clearing member in accordance with Rules 828, 829 and 923.

**257.C. Trading Halt in Primary Stock Market**

The PresidentChief Executive Officer or President is authorized to take action to suspend trading in a stock index futures or options contract when trading in the primary market for the underlying stocks has not opened or has been halted. If trading in a stock index futures or options contract begins and is subsequently suspended pursuant to this Rule, trading will still be allowed during the suspension, but subject to the following conditions: trading will not extend beyond the current trading session and it will only be at the price of the last transaction which occurred prior to the suspension of trading. In the event of the unavailability of the PresidentChief Executive Officer and President, a Managing Director may act in his stead. In the absence of the aforementioned Exchange officers, any member of the Executive Committee may act instead of the PresidentChief Executive Officer or President.

**EXCHANGE FUNDS**

**290. BANK ACCOUNTS**

The bank accounts of the Exchange shall be maintained and apportioned among at least three Chicago banks and shall consist of the following:

- d. Payroll Account, in which there shall be deposited checks drawn from time to time upon the general account in such amounts as may be deemed necessary by the PresidentChief Executive Officer or President or the Managing Director and Chief Financial Officer. The salaries and wages of such employees of the Exchange, as the PresidentChief Executive Officer or President may designate, shall be paid by checks drawn upon this account.

**291. AUTHORIZED SIGNATURE**

Checks on the General Account, Security Deposit Account, Clearing House Account, Payroll Account and Delivery Account shall be signed and countersigned by any two of the following: PresidentChief

Executive Officer, President, the Managing Director and Chief Financial Officer, and other persons designated by the above officers.

For purposes of this rule, the terms "signature," "signed" and "countersigned" shall be deemed to include an approved computer facsimile of the signature.

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#### CHAPTER 4 ENFORCEMENT OF RULES

#### 403. CLEARING HOUSE RISK COMMITTEE

##### 403.C. Hearings

6. Suspend a Clearing Member if it finds that the financial condition of such Clearing Member jeopardizes or may jeopardize the integrity of the Exchange, subject to approval of any two of the following: the President~~Chief Executive Officer~~, the President, the Managing Director and President of the Clearing House, the Chairman of the Board, or the Chairman of the CHRC.

If the CHRC shall decide by a majority vote that the matter might warrant a penalty in excess of its own authority, the chairman of the CHRC shall refer the matter to a hearing panel of the Board for further hearings and decision.

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#### CHAPTER 7 DELIVERY FACILITIES AND PROCEDURES

##### GENERAL

#### 707. OFFICIAL EXCHANGE INSPECTION CERTIFICATES

All agricultural commodities delivered through the Exchange must carry an Exchange Inspection Certificate bearing the signature of the President~~Chief Executive Officer~~ or ~~the Executive Vice President~~ and the seal of the Exchange and showing the grade of the commodity and the expiration date of the certificate. On all commodities where the grades are based on United States Government standards, the commodities shall be inspected by government inspectors, and the government inspection certificate shall be attached to the Exchange Inspection Certificate. The cost of the Exchange Inspection Certificate shall be \$3.00.

If the official USDA inspection certificate or other required inspection certificate is, through no fault of the seller, not received in time to make delivery, the President~~Chief Executive Officer~~ or ~~Executive Vice President~~, at his sole discretion, may issue the Official Exchange Inspection Certificate on the basis of a telegraphed or telephoned report from the USDA inspector or other designated inspector. Such report shall state that the delivery unit has passed inspection, note any defects that may be the basis for allowances, and state that the required USDA certificate or other required inspection certificate has been prepared for transmittal. In such case, the report shall be attached to the Exchange Inspection Certificate pending receipt of the USDA inspection certificate. The buyer shall in this event deliver his certified or cashier's check by noon on the business day following the day of delivery to the Clearing House which shall hold the check until all the required documents are received by the Clearing House. If all the required documents are not received by the Clearing House within 72 hours of the day of delivery, the seller may be deemed in default.

#### 717. STRIKES, EMERGENCIES, ACTS OF GOVERNMENT AND ACTS OF GOD

If delivery or acceptance or any precondition or requirement of either is prevented by strike, fire, accident, act of government, act of God, or other emergency, the seller or buyer shall immediately notify the President~~Chief Executive Officer~~. If the President~~Chief Executive Officer~~ determines that emergency action may be necessary, he shall call a special meeting of the Board of Directors or the Business Conduct Committee and arrange for the presentation of evidence respecting the emergency condition. If the Board or the Committee determines that an emergency exists, it shall take such action as it deems necessary under the circumstances and its decision shall be binding upon all parties to the contract. For example, and without limiting the Board's or Committee's power, it may: extend delivery dates; designate alternate delivery points or procedures in the event of conditions interfering with the normal operations of approved facilities or delivery process; and fix a settlement price on the basis of an appropriate published quotation except that the settlement price shall not be less than the settlement

price published on the last day of trading in the contract month.

The procedural requirements detailed in Rule 402.C. shall be followed in the implementation of this rule.

**719. TRANSFER OF CASH FOR FUTURES AFTER TERMINATION OF CONTRACT**

Subject to the PresidentChief Executive Officer's approval, a transfer of cash merchandise for futures may be permitted during the contract month after termination of the contract. This rule shall not apply to options contracts.

Such transfer of cash for futures shall be cleared through the Clearing House in accordance with normal procedures and shall be made at the prices as are mutually agreed upon by the two parties to the transaction. Such transfers shall be clearly designated by proper symbol as transfer transactions and shall be recorded by the Exchange and the clearing member to the transactions, and proper notice given to the membership. Each party to such transactions must satisfy the PresidentChief Executive Officer that the transaction is bona fide and must file with the Clearing House, all memoranda necessary to establish the nature of the transaction, the kind and quantity of the cash commodity, the kind, quantity and price of the commodity futures, the names of all clearing members to the transaction and such other information as the Clearing House or PresidentChief Executive Officer may require.

**737. DELIVERY INFRACTIONS**

**737.B. Default**

If a clearing member with a Delivery Commitment fails to perform all acts required by this chapter, or is otherwise deemed in default, it shall be liable to the Clearing House for any loss sustained, which loss shall be computed as follows:

1. The PresidentChief Executive Officer shall determine the change, if any, from the final settlement price on the last day of trading to the spot rate on the first day on which the transaction could be consummated on the spot market. The spot market rate for purposes of this computation shall be the means of the spot rates between a group of Chicago, Illinois banks selected for this purpose by the Board at the earliest time it is determined the transaction can be completed in the spot market.
2. The related charges suffered by the Clearing House at any of its designated banks.
3. A sum not to exceed 1% of the U.S. dollar value of the contract. (Such amount shall be set by the PresidentChief Executive Officer, acting in his sole discretion, and shall be binding upon both parties to the contract, except no such sum shall be assessed where default is occasioned by the circumstances delineated in Rule 736.)

**747.B. Default**

If a clearing member with a CLS Delivery Commitment fails to perform all acts required by this chapter, or is otherwise deemed in default, it shall be liable to the Clearing House for any loss sustained, which loss shall be computed as follows:

1. The PresidentChief Executive Officer or his designee shall determine the change, if any, from the final settlement price on the last day of trading to the spot rate on the first day on which the transaction could be consummated on the spot market. The spot market rate for purposes of this computation shall be the means of the spot rates between a group of Chicago, Illinois banks selected for this purpose by the Board at the earliest time it is determined the transaction can be completed in the spot market.
2. The related charges suffered by the Clearing House at any of its designated banks.
3. A sum not to exceed 1% of the U.S. dollar value of the contract. (Such amount shall be set by the PresidentChief Executive Officer or his designee, acting in his sole discretion, and shall be binding upon both parties to the contract, except no such sum shall be assessed where default is occasioned by the circumstances delineated in Rule 746.)

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**CHAPTER 8  
CLEARING HOUSE AND PERFORMANCE BONDS**

**GENERAL**

**801. MANAGEMENT**

The general direction of the Clearing House shall be under the jurisdiction of the Clearing House Risk Committee, subject to the approval of the Board. The PresidentChief Executive Officer with the approval of the Executive Committee shall appoint a Managing Director and President of the Clearing House, who shall be in direct charge of the daily operation of the Clearing House and the implementation of the rules applicable to the Clearing House.

**828. EMERGENCY PERFORMANCE BONDS**

- A. In the event market conditions and price fluctuations at any time shall cause the PresidentChief Executive Officer or President conclude that additional performance bonds are required to maintain an orderly market or to preserve fiscal integrity, the PresidentChief Executive Officer or President may call for additional performance bonds to be deposited with the Clearing House during the next banking hour after demand therefor, or at such times as may be specified. Such additional performance bonds may be called from the longs or the shorts or from both.
- B. When the majority of a committee consisting of the Chairman of the Board, the PresidentChief Executive Officer, the President, the Managing Director and President of the Clearing House and Chairman of the Clearing House Risk Committee (or the officers of the Exchange authorized to act in their absence) shall be of the opinion that any clearing member is carrying commitments in its proprietary, customer and/or cross-margin accounts, that are larger than is justified by the financial condition of that clearing member, then they may require additional performance bonds of such clearing member which shall be deposited with the Clearing House during the next banking hour after demand therefor, or at such time as may be specified, or they may require that a portion of the open positions of said clearing member be transferred to the books of another clearing member.
- C. In the event of the failure of a clearing member to deposit and maintain additional performance bonds or to comply with the order of transfer of positions as required under Rule 828, or in the event of the failure of a clearing member to deposit and maintain additional settlement as required under Rule 829, the Chairman of the Clearing House Risk Committee shall direct that member to forthwith effect a close out of all or such part of his trades so as to correct the delinquency. If there is a failure to so effectuate the reduction in position by the next business day, the PresidentChief Executive Officer or President shall thereupon order the close out of all or the required part of the clearing member's position with due consideration to the positions of customers. Any clearing member whose trades are thus closed out shall provide for the payment of any loss to the Clearing House on his next Clearing House sheet.

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**CHAPTER 9  
CLEARING MEMBERS**

**GENERAL**

**923. EMERGENCY FINANCIAL CONDITIONS**

In the event, after investigation, the PresidentChief Executive Officer or President determines that the financial condition of a clearing member is such that to allow that clearing member to continue its operation would jeopardize the integrity of the Exchange, he may empanel the PresidentChief Executive Officer, the President, Chairman of the Board, the Chairman of the Clearing House Risk Committee and the Managing Director and President of the Clearing House. Such panel shall be duly authorized and, upon a unanimous vote of the committee, be empowered to order (a) an immediate position limitation, (b) an immediate suspension of the clearing member, (c) that all open trades of said clearing member be for liquidation only, (d) the liquidation or transfer of all or a portion of the open position of the clearing member, or (e) additional performance bond to be deposited with the Clearing House. The clearing member affected by action taken shall be notified and may request a hearing before the Board as provided in Rule 411. In the event of suspension, the PresidentChief Executive Officer shall within five days of suspension, set the matter for hearing before the Board for final determination.

**940. SUSPENSION OF CLEARING MEMBERS**

If a clearing member becomes insolvent, the fact of such insolvency shall be announced by the PresidentChief Executive Officer of the Exchange, and thereupon such member shall be deemed automatically suspended. If a corporation or cooperative association member of the Clearing House becomes insolvent, or for other reasons is suspended from the Clearing House, the officers who are members of the Exchange may also be suspended from the Exchange. If a partnership is suspended from the Clearing House, the partners who are members of the Exchange may be suspended from the Exchange.

**942. OPEN TRADES OF SUSPENDED CLEARING MEMBERS**

When a clearing member, having open trades, is suspended or expelled, it may designate a member to close out such transactions through designated personnel and in a manner acceptable to the Clearing House. The foregoing shall not apply where a member is suspended for default upon his obligations to the Clearing House or otherwise suspended for insolvency.

When a clearing member having an open trade or trades has defaulted to the Clearing House in the

deposit of performance bonds or settlements, or has been suspended for insolvency, the PresidentChief Executive Officer may appoint a clearing member to which all such trades shall be transferred, to be handled for such clearing member, or may appoint a clearing member to close out such positions. When a trade or trades are so transferred, performance bonds deposited thereon and any settlement payments due or collected must be delivered to the Clearing House, to be entrusted to the clearing member designated to handle the transactions. The clearing member shall have the right, under the direction of the Managing Director and President of the Clearing House, to buy or sell for the account of the member such commodities for the delivery and in the quantity, in whole or in part, as may be necessary to clear the suspended clearing member's contracts with the Clearing House; the clearing member shall also have the right under the direction of the PresidentChief Executive Officer to make or take delivery.

The clearing member shall be entitled to charge such commission as the Board may determine.

**944. LIQUIDATION OF SUSPENDED CLEARING MEMBERS**

A clearing member who is suspended, pursuant to order of the Board, the PresidentChief Executive Officer, or Clearing House Risk Committee, or pursuant to the provisions of Rule 940 or other rules of the Exchange resulting from failure to meet financial requirements, may be placed in liquidation by the Board.

In the event a clearing member has been placed in liquidation, the clearing member shall comply with all orders of the Board, the PresidentChief Executive Officer, or the Audit Department in matters relating to that liquidation or transfer of commitments and disbursements of funds.

In the event of refusal of a clearing member to comply with requirements placed upon it, the Audit Department may take whatever means necessary in proceeding with compliance.

**956. DISCRETIONARY, CONTROLLED AND MANAGED ACCOUNTS**

**956.D. Position Limits**

A person with discretionary trading authority over one or more discretionary accounts shall not execute or order the execution of trades for such accounts where such trades, by themselves or in addition to his personal trades, exceed the limits prescribed in these rules regarding total positions in any contract.

A husband, wife and children are presumed to be a single entity and, as such, must adhere to the position limits as prescribed by the Exchange rules unless otherwise approved by the PresidentChief Executive Officer upon written application.

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**BY-LAWS  
OF  
CHICAGO MERCANTILE EXCHANGE INC.**

**ARTICLE I**

**Stockholders' Meetings**

**Section 1.6. Organization.**

Meetings of stockholders shall be presided over by the Chairman of the Board, the Vice Chairman of the Board, the Second Vice Chairman of the Board or the PresidentChief Executive Officer (in that order), or in their absence, inability or unwillingness, by a chairman designated by the Board of Directors, or in the absence of such designation, by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence, the chairman of the meeting may appoint any person to act as secretary of the meeting. The chairman of any meeting of the stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of business.

**ARTICLE II**

**Board of Directors**

**Section 2.2. Election; Resignation; Vacancies.**

(a) Subject to the provisions of the Certificate of Incorporation and Section 1.1(b) of these By-laws, at each annual meeting of stockholders, the stockholders shall elect, pursuant to the terms of the Certificate of Incorporation, the successors to the Directors whose terms expire at that meeting, and each Director shall hold office until the annual meeting at which such Director's term expires and the

election and qualification of his or her successor, or until his or her earlier death, resignation or removal. Any Director may resign at any time by giving written notice to the Chairman of the Board, if any, the President/Chief Executive Officer or the Secretary. Unless otherwise stated in a notice of resignation, it shall take effect when received by the officer to whom it is directed, without any need for its acceptance.

(b) A vacancy, howsoever occurring, in a directorship shall be filled in the manner specified in the Certificate of Incorporation.

#### **Section 2.4. Special Meetings.**

Special meetings of the Board of Directors may be called by the Chairman of the Board, the President/Chief Executive Officer, or by a majority of the members of the Board of Directors then in office and may be held at any time, date or place, within or without the State of Delaware, as the person or persons calling the meeting shall fix. Notice of the time and place of special meetings shall be delivered personally or by telephone to each Director or sent by first-class mail or telegram, charges prepaid, addressed to each Director at that Director's address as it is shown on the records of the Corporation. If the notice is mailed, it shall be deposited in the United States mail at least 4 days before the time of the holding of the meeting. If the notice is delivered personally or by telephone or by telegram, it shall be delivered personally or by telephone or to the telegraph company at least 48 hours before the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated either to the Director or to a person at the office of the Director who the person giving the notice has reason to believe will promptly communicate it to the Director. The notice need not specify the purpose or the place of the meeting, if the meeting is to be held at the principal executive office of the Corporation.

#### **Section 2.5 Organization.**

Meetings of the Board of Directors shall be presided over by the Chairman of the Board, the Vice Chairman of the Board, the Second Vice Chairman of the Board or the President/Chief Executive Officer (in that order), or in their absence, inability or unwillingness, by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the chairman of the meeting may appoint any person to act as secretary of the meeting. A majority of the Directors present at a meeting, whether or not they constitute a quorum, may adjourn such meeting to any other date, time or place without notice other than announcement at the meeting.

### **ARTICLE IV**

#### **Board Officers; Executive Officers**

##### **Section 4.1. Board Officers; Executive Officers; Election; Qualification; Term of Office.**

The Board of Directors shall elect from among its members a Chairman of the Board, a Vice Chairman of the Board and a Second Vice Chairman of the Board. The Board of Directors shall also elect a Chief Executive Officer, a President, a Secretary and a Treasurer, and may elect one or more Managing Directors, one or more Assistant Secretaries and one or more Assistant Treasurers. Any number of offices may be held by the same person. Each board officer and executive officer of the Corporation shall hold office until his or her successor is elected and qualified or until his or her earlier death, resignation or removal.

##### **Section 4.2. Resignation; Removal; Vacancies.**

Any board officer or executive officer of the Corporation may resign at any time by giving written notice to the Chairman of the Board, the President/Chief Executive Officer or the Secretary. Unless otherwise stated in a notice of resignation, it shall take effect when received by the board officer or executive officer to whom it is directed, without any need for its acceptance. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which such officer is a party. The Board of Directors may remove any board officer or executive officer with or without cause at any time by an affirmative vote of the majority of the Board of Directors, but such removal shall be without prejudice to the contractual rights, if any, of such officer with the Corporation. A vacancy occurring in any board or executive office of the Corporation may be filled for the unexpired portion of the term thereof by the Board of Directors at any regular or special meeting.

### **ARTICLE V**

#### **Stock Certificates and Transfers**

##### **Section 5.1. Certificates; Uncertificated Shares.**

The shares of the Corporation's stock shall be represented either by book entries on the Corporation's books, if authorized by the Board of Directors, or by certificates signed by, or in the name of the Corporation by its Chairman of the Board, a Vice Chairman of the Board, its President/Chief Executive

Officer or a Managing Director, and may be countersigned by its Secretary or an Assistant Secretary, certifying the number of shares owned by such stockholder in the Corporation. Any of or all the signatures on a certificate may be facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such officer, transfer agent or registrar continued to be such at the date of issue. Upon the request of the registered owner of uncertificated shares, the PresidentChief Executive Officer or his designee shall send to the registered owner a certificate representing such shares.

In the case of uncertificated shares, within a reasonable time after the issuance or transfer thereof, the PresidentChief Executive Officer or his designee shall send to the registered owner of shares of Common Stock of the Corporation a written notice containing (i) (A) a full statement of the designations, relative rights, preferences and limitations of the shares of the class and series issued or transferred, so far as the same have been determined and the authority of the Board of Directors to divide the shares into classes or series and to determine and change the relative rights, preferences and limitations of any class or series; or (B) a declaration that the Corporation will furnish to the stockholder, upon request and without charge, a statement containing the information described in the preceding clause (A); (ii) a statement that the Corporation is organized under the laws of the State of Delaware; (iii) the name of the person to whom the uncertificated shares have been issued or transferred; (iv) the number and class of shares, and the designation of the series, if any, to which such notice applies; and (v) any restrictions on transfer of the shares, in accordance with Section 202 of the Delaware General Corporation Law. The notice referred to in the preceding sentence shall also contain the following statement: "This notice is merely a record of the rights of the addressee as of the time of its issuance. Delivery of this statement, of itself, confers no rights on the recipient. This notice is neither a negotiable instrument nor a security."