

SUBMISSION COVER SHEET

Exchange Identifier Code (optional) _____

Date March 13, 2006

ORGANIZATION

New York Mercantile Exchange, Inc.

FILING AS A:

DCM

DCO

DTEF

TYPE OF FILING

- **Rule Amendments**

Self-Certification Under Reg. 40.6(a)

Commission Approval Requested Under Reg. 40.5 or 40.4 (a)

Notification of Rule Amendment Under Reg. 40.6(c)

Non-Material Agricultural Rule Change Determination Under Reg. 40.4(b)

- **New Products**

Self-Certification Under Reg. 40.2 or 41.23

Commission Approval Requested Under Reg. 40.3

RULE NUMBERS

Amendments to the Certificate of Incorporation and to the Bylaws of the Exchange

DESCRIPTION (Rule Amendments Only)

The amendments are being implemented in connection with a transaction under which General Atlantic LLC would invest \$160 million for a 10% equity stake in NYMEX Holdings, the parent holding company of the Exchange.

BYLAWS
OF
NEW YORK MERCANTILE EXCHANGE, INC.
BYLAWS

ARTICLE 1

MEMBERSHIP

SEC. 100. Definitions.

Defined terms used herein shall have the meanings ascribed to them in Article 9.

SEC. 101. ~~SEC. 100.~~ Classes of Membership; Number of Memberships; Additional Classes of Memberships

(A) Membership shall consist of the following two classes:

- (1) Class A, and
- (2) Class B.

(B) ~~The~~Subject to Sections 201(x), 202, 311, 500(B) or 501, the number of Class A Memberships is limited to 816 and the number of Class B Memberships is limited to one.

(C) ~~The~~Subject to Sections 201(x), 202, 311, 500(B) or 501, the Board may create additional classes of members with such rights and limitations as the Board determines, provided however, that no such additional class of Membership, ~~other than the Class B Membership,~~ shall have voting or other rights equal to or greater than the Class A Memberships.

SEC. 102. ~~SEC. 101.~~ Eligibility Criteria and Procedures

(A) ~~The~~Subject to Sections 201(x), 202, 311, 500(B) or 501, the Board may adopt, from time to time, Rules relating to criteria for eligibility for membership and procedures for becoming a member and any requirements or procedures for the acquisition or transfer of a membership as it may determine.

(B) ~~The~~Subject to Sections 201(x), 202, 311, 500(B) or 501, the Board may adopt, from time to time, Rules

Comment [c1]: For reference, following is a brief summary of these sections:

Section 201(x) = Next annual meeting to elect directors must occur no later than May 1, 2006.

Section 202 = Class A members may call a special meeting with 10% of the memberships.

Section 311 = Trading rights protections.

Section 500(B) = Amendments to trading rights protections require the consent of the Class A members and not just the board of directors.

Section 501 = Amendments to Rules require the consent of the Class A memberships and not just the board of directors.

Comment [c2]: Conforming amendment in connection with the provision of trading rights. Please see, in particular, Section 311(C)(3).

Comment [c3]: Conforming amendment in connection with the provision of trading rights. Please see, in particular, Section 311(C)(3).

Comment [c4]: Conforming amendment in connection with the provision of trading rights. Please see, in particular, Section 311(C)(6).

Comment [c5]: Conforming amendment in connection with the provision of trading rights. Please see, in particular, Section 311(C)(6).

relating to eligibility and application procedures for Floor Members as it shall determine.

~~SEC. 103. SEC. 102.~~ Financial Standards

(A) ~~The~~Subject to Sections 201(x), 202, 311, 500(B) or 501, the Board may adopt, from time to time, Rules relating to financial standards applicable to Class A Members and Member Firms as a condition to becoming a Class A Member and continuing as a Class A Member. Such financial standards may differ among different categories of memberships as determined by the Board in its discretion.

Comment [c6]: Conforming amendment in connection with the provision of trading rights. Please see, in particular, Section 311(C)(6).

(B) Any Class A Member who is registered with the Commission shall comply with such rules and regulations as the Commission adopts relating to financial requirements.

~~SEC. 104. SEC. 103.~~ Dues

~~The~~Subject to Sections 201(x), 202, 311, 500(B) or 501, the annual dues of Class A Members shall be fixed by the Board at any meeting of the Board and are payable at such time as the Board may determine. The Board may waive the payment of dues by all Class A Members or by individual Class A Members as it shall determine. Dues are payable by the Class A Member in whose name a membership such Class A Membership is registered as owner.

Comment [c7]: Conforming amendment in connection with the provision of trading rights. Please see, in particular, Section 311(C)(4).

~~SEC. 105. SEC. 104.~~ Assessments

~~From~~Subject to Sections 201(x), 202, 311, 500(B) or 501, from time to time the Board may levy such assessments as it determines to be necessary. All assessments are due and payable at such time as the Board may determine. All assessments are payable by the Member in whose name the such Membership is registered as owner.

Comment [c8]: Conforming amendment in connection with the provision of trading rights. Please see, in particular, Section 311(C)(4).

~~SEC. 106. SEC. 105.~~ Fees

~~From~~Subject to Sections 201(x), 202, 311, 500(B) or 501, from time to time the Board may establish fees, in such amounts as it determines, on contracts traded on the Exchange.

Comment [c9]: Conforming amendment in connection with the provision of trading rights. Please see, in particular, Section 311(C)(4).

~~SEC. 107. SEC. 106.~~ Failure to Pay Dues, Assessments and Fees

(A) If a Class A Member fails to pay any dues, assessments or fees when due and such failure is not cured within 30 days after written notice to the Class A Member by the Exchange that such dues, assessments or fees are due, then such Class A Member shall be suspended automatically from all rights and privileges of Membership. Such suspension shall

continue in effect until the failure is cured. The Executive Committee, upon written application received prior to the expiration of such period, may extend ~~the~~such 30 day period, in its sole discretion.

(B) If a Class A Member who is suspended under subsection (A) of this Section ~~406.107~~ fails to pay any dues, assessments or fees within 30 days of the suspension, then the Class A Member shall be expelled from ~~m~~Membership. The Board or the Executive Committee, upon written application received prior to the expiration of such 30 day period, and for good cause, may extend ~~the~~such 30 day period.

(C) Any Class A Member who fails to pay any dues, assessments or fees after written notice to the Class A Member that such dues, assessments or fees are payable, shall pay a penalty, in addition to the sanctions imposed by this Section ~~406.107~~, as fixed from time to time by the Board but not less than 20% of the amount due.

SEC. 108. ~~SEC. 107.~~ Notice of Dues and Assessments

(A) Notice of all dues and assessments shall be published by the Exchange and shall be given personally by delivery to a postal box located on the Exchange premises or by first class mail, postage prepaid and addressed to the Class A Member at the address such Class A Member has filed with the Exchange. Notice, when mailed in accordance with this Section ~~107.108~~, shall be effective when mailed.

(B) Non-receipt of the notice shall not operate to relieve the Class A Member from payment, to extend the time for payment or to relieve any Class A Member from the imposition of penalties for failing to pay dues and assessments.

SEC. 109. ~~SEC. 108.~~ Effect of Suspension or Expulsion of Membership

(A) A Class A Member or Member Firm whose rights and privileges of ~~m~~Membership have been suspended shall continue to be:

- (1) subject to ~~these~~ Bylaws and ~~the~~ Rules of the Exchange;
- (2) liable for all dues, assessments, fees and fines imposed by the Exchange; and

(3) obligated to the Exchange and to its Members for all contracts, obligations and liabilities entered into or incurred before, during and after such suspension.

(B) A Class A Member or Member Firm who has been expelled from the rights and privileges of Membership shall continue to be:

(1) subject to the disciplinary and arbitration rules of the Exchange;

(2) liable for all dues, assessments, fees and fines imposed by the Exchange prior to such expulsion; and

(3) obligated to the Exchange and its Members for all contracts, obligations, liabilities, fines and penalties entered into or incurred prior to or after such expulsion.

~~SEC. 110. SEC. 109.~~ Transfer of Membership

~~Membership in the Exchange is a personal privilege, only transferable pursuant to the terms and conditions established by these Bylaws, the Rules and the Charter. No Member may transfer a membership when the Member or the Member Firm upon which such Member has conferred such membership privileges is the subject of any disciplinary proceeding or investigation by the Exchange under the Bylaws or Rules.~~

~~A Class A Member who is the subject of any disciplinary proceeding or investigation by the Exchange may transfer a membership Class A Membership pursuant to the terms and conditions established by these Bylaws, the Rules and the Charter notwithstanding that such Member or the Member Firm upon which such Member conferred such membership privileges is the subject of any investigation by the Exchange, if the Member or Member Firm submits a written agreement, acceptable to the Board, by which the Member or Member Firm submits to the continuing jurisdiction of the Exchange.~~

~~SEC. 111. SEC. 110.~~ Disclosure of Information

The Exchange shall not disclose to any person any information regarding the financial condition of a Class A Member or Member Firm or the transactions or positions of any Class A Member or Member Firm or any person except:

(1) to any committee, officer, Director, employee or agent of the Exchange authorized to receive such information within the scope of its or such person's duties;

(2) to any duly authorized representative of the Commission or other regulatory agency with jurisdiction over the Exchange requesting such information or to any duly authorized representative of any

Comment [c10]: To conform to the Exchange's current practice and Rules, which provide for the retention of jurisdiction over former Members even following the transfer of their Memberships. These procedures are deemed to be best handled by the Exchange's Rules rather than by the Bylaws.

other regulatory or self-regulatory organization with which the Exchange, as approved by the Board, has entered into an information sharing agreement;

(3) as required by law;

(4) when the Class A Member or Member Firm requests or consents to such disclosure; or

(5) that the Exchange may release such information in connection with any litigation involving the Exchange when, in the opinion of the Exchange, the information is relevant or the release of the information is necessary and appropriate to the conduct of such litigation.

SEC. 150. ~~SEC. 150.~~ Establishment of Associate Membership

There is hereby established a category of associate members known as ~~“Commercial Associate Members”~~ whose election to ~~membership~~ Commercial Associate Membership and whose rights, privileges and obligations shall be as set forth in Sections 150 through 155.

SEC. 151. Number of Commercial Associate Memberships

The number of Commercial Associate Members shall be limited to 28.

SEC. 152. Election

Any person who was a member in good standing of International Commercial Exchange, Inc. may be qualified as a Commercial Associate Member of the Exchange by complying with the following provisions:

(A) he shall have filed an application for ~~m~~Membership as a Commercial Associate Member in the form prescribed by the Exchange on or before December 31, 1973; and

(B) the application shall have been accompanied by a statement of the President or a Vice President of International Commercial Exchange, Inc. that the applicant was a member in good standing of said Exchange and that his application was approved.

SEC. 153. Obligations of Commercial Associate Members

A Commercial Associate Member shall be subject to all of the provisions of ~~these~~ Bylaws and ~~the~~ Rules of the Exchange applicable to Class A Members including, without limitation, the obligations for dues, assessments and fines, except the following:

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(A) those that are not applicable to the nature of his ~~m~~Membership such as the provisions respecting compliance with requirements for election to ~~m~~Membership, provisions for transfer of ~~m~~Membership and the like; and

(B) those that are inconsistent with the provisions of Sections 150 through 155.

SEC. 154. Rights and Privileges of Commercial Associate Members

A Commercial Associate Member shall have the following rights and privileges:

(A) the right to confer the ~~membership~~Commercial Associate Membership privileges on a ~~partnership or, corporation or other entity~~ in accordance with such rules as may be established for that purpose;

(B) the right to act as a ~~F~~loor ~~T~~rader in transactions in all contracts traded on the Exchange only for his own account; and

(C) the right to act as a ~~F~~loor ~~b~~roker only in transactions in contracts designated as "Commercial Associate Contracts."

SEC. 155. Limitations of Rights of Commercial Associate Members

Notwithstanding any other provision of Sections 150 through 155 and the subdivisions thereunder, a Commercial Associate Member shall not have any of the following rights or privileges:

(A) to transfer his ~~membership~~Commercial Associate Membership voluntarily (nor shall any such ~~membership~~Commercial Associate Membership be transferred by operation of law, and any purported transfer in violation of this Section 155 shall be null and void ab initio);

(B) to vote;

(C) to trade on the floor of the Exchange except as specified in Section 154;

(D) to clear contracts or to confer the right to become a ~~C~~learing ~~M~~ember on a ~~partnership or, a corporation or other entity~~;

(E) to participate in the distribution of any assets of the Exchange; and

(F) to become a member of the Board of Governors.

ARTICLE 2

MEETINGS OF MEMBERS

~~SEC. 200.~~ ~~SEC. 200.~~ Time and Place of Meetings of Members

All meetings of Members shall be held at such place within or without the State of ~~New York~~ Delaware and at such time as the Board shall designate.

SEC. 201. Annual Meeting of Members

~~The Members~~ Class B Member shall hold an annual meeting at the offices of the Exchange on the third Tuesday in March of each year to elect directors (x) no later than May 1, 2006 (except in the case of war or threat of war, industrial dispute or strike, governmental restrictions, power failures, riot, civil strife, terrorist activity, acts of God, fires, floods, natural or nuclear disaster and all similar extraordinary events outside the Corporation's control, in which case the annual meeting shall occur as soon as practicable thereafter) and (y) thereafter during each month of May, to elect Directors of the Exchange in accordance with the Charter and these Bylaws and to transact such other business as may come before the meeting. If such day is not a business day, then the annual meeting shall be held on the next succeeding business day.

SEC. 202. Special Meetings of ~~Members~~ Owners of Class A Memberships

(A) Special meetings of Members owners of Class A Memberships may be called by the Board or by the Chairman in their discretion, and shall be held at such time and place as determined in accordance with Section 200.

(B) A special meeting Special meetings of owners of Class A Memberships shall be called by the Chairman or by the Secretary upon receipt by the Chairman or by the Secretary of a written demand of a majority of the Board or of Class A Members entitled to cast 10% of the total number of votes entitled to be cast at such meeting. Any such written demand shall specify the purpose of such special meeting and the special meeting so called shall be limited to the purpose so set forth. The written demand shall, provided that such written demand relates to a matter set forth in Section 201(x), 202, 311, 500(B) or 501. Any notice to the Class A Members under Section 311(B)(1)(b) shall be accompanied by a response form through which a Class A Member may request a Special

Comment [c11]: May 1, 2006 annual meeting deadline is required by the Stock Purchase Agreement, by and among NYMEX Holdings, Inc. and the General Atlantic investment funds specified therein, dated November 14, 2005 and amended February 10, 2006.

The change from March to May going forward is intended to allow NYMEX Holdings, Inc. time to complete and file its Annual Report on Form 10-K with the Securities and Exchange Commission (SEC) and to otherwise comply with the SEC's proxy rules, particularly in light of the additional requirements imposed by the Sarbanes-Oxley Act of 2002. This is a conforming amendment to be consistent with NYMEX with respect to the annual meeting.

Meeting and the 10% threshold shall be deemed met if such forms, by themselves or collectively with one or more other written demands or petitions (which may be delivered by fax or electronically to the Secretary of the Exchange), reflect that the owners of at least 10% of the Class A Memberships are requesting a Special Meeting. Within one business day after any Member so requests a Special Meeting, the Secretary of the Exchange shall confirm (by fax or electronically, in addition to regular mail), to each Member submitting a response form, written demand or petition, receipt of such Member's request and whether the 10% threshold has, or has not, at that time been met. The written demand may also specify the date of such special meeting that in which case such meeting date shall be a business day and not an Exchange holiday which is not less than 60 nor more than 90 days from the date of such written demandsdemand).

Comment [c12]: Procedures to allow the board to act quickly in the event changes are proposed to the trading rights. Please see also Section 311(B).

SEC. 203. Notice of Meeting

(A) Notice of the annual meeting of Members shall state the place, date and time of such meeting.

(B) Notice of any special meeting of Members shall state the place, date and time of such special meeting, the purposes for which such meeting is called and shall indicate that it is being issued by or at the direction of the person or persons calling the special meeting.

(C) The President or the Secretary shall issue all notices of meetings of Members.

(D) A copy of Notice of any meeting of Members shall be given personally or by delivery to a postal box located on the Exchange premises or by first class mail, postage prepaid and addressed to each Member at his address as it appears in the records of the Exchange. Notice of a meeting, when mailed in accordance with this Section 203(D), shall be effective when mailed. Notice of any meeting of Members shall be given not less than ~~40~~15 days nor more than ~~50~~60 days prior to the date of the meeting.

SEC. 204. Quorum of Members

~~One hundred fifty Members.~~ The owners of at least one-third of the Class A Memberships whether present in person or by proxy, shall constitute a quorum for the transaction of any business at any meeting of Members. Class A Members called with

Comment [c13]: Increase quorum to one-third of members, to be consistent with quorum for NYMEX Holdings, Inc. following the General Atlantic transaction.

respect to any matter set forth in Section 201(x), 202, 311, 500(B) or 501. A majority of the Class A Members present may adjourn a meeting despite the absence of a quorum.

SEC. 205. Voting

(A) Each Class A Member shall be entitled to one vote for each Class A Membership owned of record by such Class A Member on all matters with regard to which Members are entitled to vote, as set forth in the Charter. On all matters as to which all Members are entitled to vote, the Members shall vote together as a single class set forth in Section 201(x), 202, 311, 500(B) or 501. Any action to be taken by a vote of the Class A Members shall satisfy the applicable requirements of Section 500(B). Blank ballots or abstentions shall not be counted in the number of votes cast. Notwithstanding the foregoing, no Class A Member shall be entitled to vote on any matter while any dues, assessments, fees or fines remain unpaid or during any period of suspension. Except as set forth in Section 201(x), 202, 311, 500(B) or 501, the Class A Members shall have no voting rights.

Comment [c14]: Conforming amendment in connection with provision of trading rights. Please see Section 500(B).

(B) Member Directors, the Chairman and the Vice Chairman shall be elected by a plurality of votes cast at a meeting of Members. To the extent permitted by law, any action of the Exchange taken by a vote of the Members requires a vote of a majority of the votes cast at a meeting of Members by the Members entitled to vote thereon. Blank ballots or abstentions shall not be counted in the number of votes cast. Directors shall be elected by the Class B Member in accordance with the Charter and these Bylaws.

(C) In order that the Exchange may determine the members Class A Members or the Class B Member, as the case may be, entitled to notice of or to vote at any meeting of members Class A Members or the Class B Member, as the case may be, or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than ~~thirty~~60 days nor less than ~~ten~~10 days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining members Class A Members or the Class B Member, as the case may be, entitled to notice of or to vote at a meeting of members Class A Members or the Class B Member, as the case may be, shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is

waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of ~~members~~Class A Members or the Class B Member, as the case may be, of record entitled to notice of or to vote at a meeting of ~~members~~Class A Members or the Class B Member, as the case may be, shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

SEC. 206. Proxies

(A) ~~Any~~ Member entitled to vote at a meeting of Members may authorize another Member to act for him by proxy.

(B) Every proxy must be in writing and signed by the authorizing Member.

(C) The Board may establish, from time to time, such terms and conditions as it deems appropriate to regulate voting by proxy.

ARTICLE 3

GOVERNMENT AND ADMINISTRATION

~~SEC. 300.~~ SEC. 300. Composition of the Board

~~(A) — The governance of the Exchange shall be vested in a the Board of Directors, which shall consist of twenty-five (25) persons. Directors of the Exchange shall include: 15 persons elected by the Class B Member in accordance with Article SEVENTH of the Charter.~~

~~(1) — a Chairman of the Board and a Vice Chairman of the Board;~~

~~(2) — eighteen (18) directors who are Members ("Member Directors"); and~~

~~(3) — five (5) persons ("Public Directors") who are not Members or employees of the Exchange.~~

SEC. 301. Powers of the Board

(A) ~~The~~Except as set forth in Sections 201(x), 202, 311, 500(B) or 501, the Exchange shall be managed by ~~a the~~ Board of Directors, which is vested with all powers necessary and proper for the government of the Exchange, the regulation

Comment [c15]: The boards of the Exchange and NYMEX Holdings, Inc. will continue to be identical following the General Atlantic transaction.

Comment [c16]: Conforming amendment in connection with providing Class A members with authority with respect to the specified trading rights.

and conduct of Members and Member Firms, and for the promotion of the welfare, objects and purposes of the Exchange. ~~The~~ Except as set forth in Sections 201(x), 202, 311, 500(B) or 501, (i) the Board shall have control over and management of, the property, business and finances of the Exchange. ~~The~~, and (ii) the Board may also adopt, amend, rescind or interpret the Rules of the Exchange and impose such fees, charges, dues and assessments, all as it deems necessary and appropriate.

Comment [c17]: Conforming amendment in connection with providing Class A members with authority with respect to the specified trading rights.

(B) Without limiting the generality of the foregoing, the Board shall have the following powers, subject to Sections 201(x), 202, 311, 500(B) or 501:

Comment [c18]: Conforming amendment in connection with providing Class A members with authority with respect to the specified trading rights.

(1) the Board may make such expenditures as it deems necessary for the best interests of the Exchange;

(2) the Board may fix, from time to time, the fees or other compensation to ~~members of the Board~~ Directors and to members of any committee of the Board for services rendered in performing these duties as such. ~~The~~; including, the compensation for Public Directors may differ from the compensation for other Directors;

(3) the Board shall have the power to take such action as may be necessary to effectuate any final order or decision of the Commission taken under authority of the Act and necessary to comply in all respects with any requirements applicable to the Exchange under ~~such~~ the Act; and

(4) the Board shall have the power to adopt arbitration rules for the settlement of claims, grievances, disputes and controversies.

(C) The Board may designate by resolution, from time to time, such committees as it may deem necessary or appropriate, and delegate to such committees the authority of the Board to the extent provided in these Bylaws or in such resolution, subject to any applicable provision of law.

(D) With respect to Sections 201(x), 202, 311, 500(B) or 501, the Directors shall (i) not be liable to the Exchange or its Members by reason of the actions or omissions of the Class A Members and (ii) be entitled to indemnification and advancement of expenses as provided in Section 360 of these Bylaws.

Comment [c19]: Conforming amendment in connection with providing Class A members with authority with respect to the specified trading rights.

Comment [c20]: The boards of the Exchange and NYMEX Holdings, Inc. will continue to be identical following the General Atlantic transaction. The proposed changes to the following sections relating to the composition of the board of directors are conforming amendments.

SEC. 302. Chairman of the Board of Directors

(A) The Chairman shall be designated as Chairman by the Class B Member from among the elected