



## Regulatory Circular RG00-162

Date: 26 October 2000

To: 2000 Annual Election Candidates

From: Office of the Secretary

Re: 2000 Annual Election Process

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As candidates in the 2000 annual election, you should be aware of the following matters relating to the upcoming annual election. The procedures are derived from the Exchange's Constitution and Rules and Board of Directors approved recommendations of the Governance Task Force.

### **Petition Process**

Now that the Nominating Committee has selected and posted its candidates for the Board of Directors, the Nominating Committee and the MTS Appointments Committee, members may petition to run against the slated candidates. Nominations made by petition must be signed by not less than 100 voting members of the Exchange. Petitions must be submitted to the Office of the Secretary by 5:00 p.m. on October 30, 2000. Once the petition signatures are verified, valid petitioners' names will be posted on the Exchange's bulletin boards, published in the Exchange Bulletin, and included on the ballot. After October 30, 2000, members cannot petition against the slate.

### **Mailing Lists**

For campaign purposes, candidates may request in writing from the Office of the Secretary a mailing list of voting members and certain other member mailing lists, including: lessors, CBT exercisers and all effective members. Membership mailing lists will be provided in the form of a computer printout or computer disk. Mailing labels will not be provided. Although candidates may request mailing lists, they are responsible for processing their own campaign mailings.

### **Campaign Materials**

Members and associated persons of members are advised that creation or distribution of unsigned, defamatory, false, or other inappropriate election or campaign materials may be viewed as engaging in conduct inconsistent with just and equitable principles of trade in violation of CBOE Rule 4.1. Violation of this Rule could lead to Exchange disciplinary proceedings or other Exchange action.

### **Election Process**

The annual election meeting is held on the third Friday in November each year. The 2000 annual election meeting will be held on Friday, November 17, 2000.

### Notice

Written notice of the annual election meeting is mailed to members entitled to vote not more than 60 days and not less than 10 days prior to the date of the meeting. The notice states the purpose, date, time and place of the annual election meeting. Notice is deemed to be given by mail at the time of deposit in the U.S. Mail. We are planning to mail the voting documents to voting members by Friday, November 3, 2000.

After expiration of the nomination by petition period, the Office of the Secretary will prepare a ballot listing all candidates. According to the Constitution, the order of listing on the ballot is chosen by lot. The ballot will mention whether candidates have been nominated by petition or by the Nominating Committee. The positions for which the candidates qualify are also noted on the ballot.

Candidates should submit a brief biographical sketch (approximately 250 words) to the Office of the Secretary no later than Monday, October 30, 2000. The Exchange reserves the right to edit the sketches, which may be included with the voting materials.

The Office of the Secretary mails the ballot, proxy, an envelope marked "For Ballot Only" and a return envelope along with the notice of the election and any Exchange-prepared supplemental materials to all voting members.

### Voting

Members entitled to vote may cast a ballot in-person or by proxy. The ballot is unsigned and sealed in the ballot envelope. Members voting by proxy must deliver, mail or otherwise, the sealed ballot and signed proxy to the Office of the Secretary so that it is received prior to the annual election meeting. At least two election assistants will be available to accept sealed ballots and proxies from members in-person on the trading floor prior to the meeting and accept ballots from members voting at the meeting. The Election Committee keeps records of the members voting and oversees the security of the voting documents and records.

Electioneering is prohibited near the voting stations on the trading floor.

### Quorum

The quorum requirement for the 2000 election is a majority of the members entitled to vote. If a quorum is not reached by 3:30 p.m. on Friday November 17, 2000, the meeting will be adjourned until the following business day at 3:30. Ballots and proxies will continue to be collected on the trading floor, by mail and by delivery until 3:30 p.m. the day that quorum is reached.

### Election Results

After reaching quorum at any election meeting, the meeting is adjourned and the Election Committee opens the sealed ballots and counts the votes. The Exchange will have an independent accredited accounting firm provide an auditor to observe the counting of the ballots. A plurality of votes will elect nominees for the Board of Directors, the Nominating Committee and the MTS Committee. The candidate receiving the highest vote totals among those candidates qualified for the particular position will be elected. Conceivably, this could result in the election of a candidate with fewer total votes, over a candidate with a higher vote total who is qualified only for limited positions.

Once the votes are counted, the Election Committee posts the election results on the Exchange's 4<sup>th</sup> floor bulletin boards, in the Exchange Bulletin, and on the Voting Results Hotline (312) 786-8150.

If you have any questions, contact Nancy Nielsen at 312-786-7466 or Jaime Galvan at 312-786-7058.