

**CME Securities Clearing Inc CA-1 Exhibit E-2B**

**CME SECURITIES CLEARING INC.  
BOARD OF DIRECTORS  
CHARTER**

**I. Purpose**

- The Board of Directors (“Board”) of CME Securities Clearing Inc. (“the Corporation”) shall manage the business and affairs of the Corporation, except to the extent that the authority, powers and duties of such management shall be delegated to a Committee or Committees pursuant to the By-Laws, the Rules, the Procedures or the Charters. The Board shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise. To the fullest extent permitted by applicable law, this Charter, the By-Laws, the Rules and the Procedures, the Board may delegate any of its powers to a Committee appointed pursuant to Article V of the By-Laws or to any officer, employee or agent of the Corporation.
- Except as otherwise defined herein, all capitalized terms shall have the meaning set out in Rule 101 of the Rules or set out in the By-Laws.

**II. Board Composition**

- The composition of the Board, taken as a whole, shall represent the views of the owners and participants of the Corporation, including a selection of Directors that reflects the range of different business strategies, models and sizes across participants, as well as the range of customers and clients the participants serve.
- The Board shall initially be composed of nine (9) Directors. At least a majority of the Directors shall be Independent Directors. At least one (1) Director, which could include an Independent Director, shall be an officer, director or employee of a Member, and at least one (1) Director, which could include an Independent Director, shall be an officer, director or employee of a User. The remaining Directors may be individuals who are not Independent Directors. No two or more Directors may be partners, officers or directors of the organization or be affiliated with the same organization, unless such affiliation is with the Corporation, CME Group Inc. or CME Inc. All Directors shall be nominated in accordance with the Nominating Committee Charter.
- The fitness standards for serving as a Director shall be specified by the Nominating Committee and approved by the Board. The fitness standards must be consistent with the requirements set out in Rule 17ad-25 under the Exchange Act and include that the individual nominee is not subject to any statutory disqualification as defined under section 3(a)(39) of the Exchange Act.

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- In determining whether to nominate a candidate to be an Independent Director, the Nominating Committee shall be responsible for determining that such candidate meets the independence criteria set out in Rule 17ad-25 under the Exchange Act before finalizing the nomination.
- On an ongoing basis, each Independent Director shall report to the Secretary: (i) any new material relationship such Director establishes with the Corporation or its affiliates, including a material relationship arising out of new potential conflict(s) of interest under the Conflict of Interest Policy, and (ii) any change of the existing relationship with the Corporation or its affiliates. Based on the forgoing, the Corporation shall broadly consider all relevant facts and circumstances to evaluate, determine and document, as necessary, whether the reported new relationship or change in existing relationship may likely impair the categorization of the Director as an Independent Director, and preclude the Director from being an Independent Director based on any of the following:
  - The Director is subject to rules, policies or procedures of the Corporation that may undermine the Director's ability to operate unimpeded, such as removal by less than a majority vote of shares that are entitled to vote in such Director's election;
  - The Director, or a family member, has an employment relationship with or otherwise receives compensation other than as a Director from the Corporation or any affiliate thereof, or the holder of a controlling voting interest of the Corporation;
  - The Director, or a family member, is receiving payments from the Corporation, or any affiliate thereof, or the holder of a controlling voting interest of the Corporation, that reasonably could affect the independent judgment or decision-making of the Director, other than the following:
    - Compensation for services as a Director on the Board or a committee thereof; or
    - Pension and other forms of deferred compensation for prior services not contingent on continued service;
  - The Director, or a family member, is a partner in, or controlling shareholder of, any organization to or from which the Corporation, or any affiliate thereof, or the holder of a controlling voting interest of the Corporation, is making or receiving payments for property or services, other than the following:
    - Payments arising solely from investments in the securities of the Corporation, or affiliate thereof; or
    - Payments under non-discretionary charitable contribution matching programs;

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- The Director, or a family member, is employed as an executive officer of another entity where any executive officers of the Corporation serve on that entity's compensation committee; or
- The Director, or a family member, is a partner of the outside auditor of the Corporation, or any affiliate thereof, or an employee of the outside auditor who is working on the audit of the Corporation, or any affiliate thereof.
- In connection with a person's initial screening to determine eligibility as an Independent Director or an Independent Director's ongoing reporting obligations, the person is obligated to disclose relationships that a family member has with the Corporation or a third party of which the Director, after reasonable inquiry, has knowledge.
- The Corporation shall monitor each Director's relationships, as well as the relationships of the Director's family members, as applicable, with the Corporation, its affiliates or with third parties, to the extent the Corporation has knowledge of such relationships, after reasonable inquiry, on an ongoing basis to determine if changes in such relationships occur and, if so, whether such changes may likely impair the categorization of the Director as an Independent Director.
- If the Corporation identifies a potential impairment of the categorization of the Director as an Independent Director, or an Independent Director reports to the Secretary a new material relationship with the Corporation or its affiliates or a change in an existing relationship with the Corporation or its affiliates, the Secretary shall make an applicable report to the Nominating Committee. The Nominating Committee shall be responsible for determining the classification of such individual as an Independent Director.
- If an Independent Director is reclassified as a non-Independent Director, such Director shall remain a Director if the Board continues to meet the composition requirements of this Section II upon such reclassification. If, however, the Board no longer meets the composition requirements of this Section II because of such reclassification, the Director shall be removed pursuant to Section VII and the Director's position shall be vacated and Section VI of this Charter shall apply.
- A non-Independent Director may be reclassified as an Independent Director. The Nominating Committee shall be responsible for determining that reclassification of a non-Independent Director as an Independent Directors is appropriate.

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**III. Chairman of the Board**

- One Director shall be the Chairman of the Board (“Chairman”). The Chairman shall be selected by the Board; preside at all meetings of the Board at which the Chairman is present; and exercise such other powers and perform such other duties as may be assigned to the Chairman from time to time by the Board. The Chairman shall consult the Directors and solicit input from Directors in setting the agenda for meetings of the Board and shall include items that Directors, including Independent Directors, request be included.

**IV. Term of Office; Classes**

- The Board term of the Chairman shall expire when such individual ceases to be a Director.
- Each of the Directors, other than the Chairman, shall be divided into three (3) classes, designated Class I, Class II and Class III, which shall be as nearly equal in number and classification as the total number of such Directors then serving on the Board permits. Directors other than the Chairman shall serve staggered three-year terms, with the term of office of one class expiring each year. A Director may serve for any number of terms, consecutive or otherwise. In order to commence such staggered three-year terms, Directors in Class I shall initially hold office until the second annual election of the Board of Directors, Directors in Class II shall initially hold office until the third annual election of the Board of Directors and Directors in Class III shall initially hold office until the fourth annual election of the Board of Directors. Commencing with the second annual election of the Board of Directors, the term of office for each class of Directors elected at such time shall be three years from the date of their election. Notwithstanding the foregoing, in the case of any new Director appointed to fill a vacancy, such Director shall be added to a class, as determined by the Board at the time of such Director’s initial election or appointment, and shall have an initial term expiring at the same time as the term of the class to which such Director has been added.

**V. Election of Directors**

- Directors shall be elected by the Stockholder for each Director position standing for election at the annual meeting of the Stockholder that year.
- The Nominating Committee, as required by paragraph (c) of Rule 17ad-25 under the Exchange Act, shall nominate all persons who stand for election as Director at each annual meeting of the Stockholder in accordance with

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the Nominating Committee's charter (the "Nominating Committee Charter") and consistent with Rule 17ad-25 under the Exchange Act.

- The Nominating Committee shall nominate such persons for Director as necessary to maintain the Board composition requirements set out in Section II of this Charter and Rule 17ad-25 under the Exchange Act.
- The initial Directors of the Board of Directors appointed by the Stockholder following the adoption of the Amended and Restated By-Laws shall serve until the first annual meeting of the Stockholder thereafter to follow.

**VI. Vacancies**

- If any Director position becomes vacant before the election of a successor at the end of such Director's term, whether because of death, disability, disqualification, removal or resignation, the Nominating Committee shall nominate a person in accordance with the Nominating Committee Charter, and the Board shall appoint such person as Director to complete the term, consistent with the Board composition requirements of Section II of this Charter and Rule 17ad-25 under the Exchange Act.

**VII. Removal and Resignation**

- Except as hereinafter provided, any Director, other than an Independent Director, may be removed or expelled, with or without cause, by a majority vote of the Stockholder, and may be removed by the Board in the manner provided by this Section VII. An Independent Director may be removed only for cause, which shall include, without limitation, such Director being subject to a Statutory Disqualification, by a majority vote of the Stockholders, and may be removed by the Board in the manner provided by this Section VII.
- A Director shall be removed immediately upon a determination by the Board, by a majority vote of the remaining Directors, (a) that the Director no longer satisfies the classification for which the Director was elected and (b) that the Director's continued service as such would violate the compositional requirements of the Board set forth in Section II of this Charter.
- Any Director may resign at any time either upon notice of resignation to the Chairman, the President or the Secretary. Any such resignation shall take effect at the time specified therein or, if the time is not specified, upon receipt thereof. The acceptance of such resignation, unless required by the terms thereof, shall not be necessary to make such resignation effective.

**VIII. Meetings**

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- Board meetings shall be conducted as set out in the By-Laws.

**IX. Committees**

- The Board will appoint the Nominating Committee, Risk Management Committee, Audit Committee, Regulatory Oversight Committee and may appoint other committees in accordance with the Amended and Restated Bylaws and the relevant committee charters.

**X. Succession of Certain Key Personnel**

- At least annually, the Board shall meet with the Head of the Corporation to review and make recommendations with respect to succession planning and management development and to identify potential successors.
- If the position of Head of the Corporation becomes vacant, the Board shall vote to appoint a successor. If the position of Chief Compliance Officer becomes vacant, the Head of the Corporation will appoint a successor, subject to the Regulatory Oversight Committee's approval. If the position of Head of Risk becomes vacant, the Head of the Corporation will appoint a successor, subject to the Risk Management Committee's approval.

**XI. Enforcement of Rules**

- The Board has adopted the Rules of CME Securities Clearing Inc. (the "Rules"), and from time to time may adopt amendments and supplements to such Rules, to maintain appropriate business conduct and to provide protection to the public in its dealings with the Corporation, its Members and its Users.
- The Board may delegate responsibility to investigate potential violations of the Rules and may set forth in the Rules the process by which the Corporation may impose disciplinary sanctions or take other adverse action against a Member or User to address violations of the Rules.

**XII. Confidentiality**

- The Board and its Directors shall be responsible for preserving confidential information obtained in performance of the Board's activities. Every Director shall be subject to Rule 1202 of the Corporation regarding the use or disclosure of material, non-public information.

**XIII. Conflicts of Interest**

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- Each Director shall be subject to the Corporation's Conflicts of Interest Policy and shall disclose the existence of any potential or actual conflicts of interest in accordance with the Conflict of Interest Policy and the Board (or Board Committee, as applicable) shall address such actual or potential conflict(s) of interest in accordance with the Conflict of Interest Policy.