

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

**CME SECURITIES CLEARING INC.  
AUDIT COMMITTEE  
CHARTER**

**I. Purpose**

The Audit Committee is a committee of the Board of Directors (the “Board”) of CME Securities Clearing Inc. (the “Corporation”). The primary purpose of the Audit Committee is to provide independent and objective oversight of the financial statement and financial reporting process, the systems of internal accounting and financial controls, the internal audit function and the annual independent audit of the Corporation’s financial statements. The Corporation’s internal audit function will be governed by a services agreement between the Corporation and Chicago Mercantile Exchange Inc. (“CME”) by which the enterprise-wide CME Group Global Assurance department (“Global Assurance”) will provide internal audit services to the Corporation. The Audit Committee will assist the Board’s oversight of, without limitation, (a) the integrity of the Corporation’s financial statements to be included in CME Group Inc.’s consolidated financial statements, (b) the Corporation’s compliance with legal and regulatory requirements as they may impact the Corporation’s financial statements or financial disclosures, (c) the Corporation’s independent auditors’ qualifications and independence, (d) the performance of the Corporation’s independent auditors and (e) the internal audit function as provided to the Corporation by Global Assurance. In doing so, it is an objective of the Audit Committee to provide an open avenue of communication between the Board, management, Global Assurance staff providing internal audit services to the Corporation and the independent auditors. Except as otherwise defined herein, all capitalized terms shall have the meaning set out in Rule 101 of the Rules or the By-Laws.

The Audit Committee is authorized to act on behalf of the Board within the subject matter scope of its authority as set out in this charter (the “Charter”).

**II. Membership & Organization**

- The Audit Committee shall be composed of at least three (3) members, including a chair (the “Chair”), each of whom must be a Director, provided that the Audit Committee shall have an odd number of members. A majority of the Directors serving on the Audit Committee shall be Independent Directors in at least the same majority percentage as required for the Board.
- Annually and following any vacancy that occurs on the Audit Committee, the chairman of the Board (the “Chairman”) shall recommend to the Board for its approval Directors to be appointed to the Audit Committee, including the Chair. Audit Committee appointments and the designation of the Chair shall be based on each Director’s knowledge, interests and areas of expertise.
- Members of the Audit Committee shall have a working familiarity with basic finance and accounting practices.
- Each member of the Audit Committee shall serve for a term of one (1) year. An Audit Committee member’s term shall terminate earlier than one (1) year upon (x) a

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determination by the Board, by a majority vote of the Directors, (i) that the Audit Committee member no longer satisfies the classification for which the Audit Committee member was appointed, and (ii) that the Audit Committee member's continued service as such would violate the compositional requirements of the Audit Committee set forth in this Section II, or (y) the Audit Committee member's death, incapacity or resignation, which resignation has become effective.

**III. Engagement of Outside Advisors and Independent Auditors**

- The Audit Committee shall consider and make recommendations to the Board in consultation with the CME Group Inc. Audit Committee, as regards to the appointment and reappointment of the Corporation's external auditor, as well as any questions relating to the external auditor's resignation or removal. The Audit Committee shall, in consultation with the CME Group Inc. Audit Committee, oversee the selection process for new auditors and if an auditor resigns, the Audit Committee shall investigate the issues leading to this and decide whether any action is required.
- Subject to the approval of the Board, the Audit Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to engage independent professional advisors, including legal counsel, as it deems appropriate, and may direct the Corporation to pay the reasonable fees and expenses of any such advisor.

**IV. Audit Committee Meetings, Tasks and Authority**

***General***

- The Audit Committee shall meet as often as the Chair determines necessary to carry out its duties and responsibilities, but no less frequently than four (4) times annually and shall keep minutes of its proceedings.
- The Chair shall schedule all meetings of the Audit Committee and provide the Audit Committee with a written agenda, as appropriate. Each Audit Committee member shall be entitled to one (1) vote. A quorum of the Audit Committee shall be a majority of its members. If a quorum shall not be present at any meeting, the Audit Committee members present at such meeting may adjourn the meeting, without notice other than announcement at the meeting, until a quorum shall be present. The act of a majority of the Audit Committee members present at any meeting at which there is a quorum shall be the act of the Audit Committee except as may be otherwise specifically provided by statute, this Charter or the Corporation's By-Laws. A motion shall pass upon approval from a majority of the members present. Voting may also be conducted outside a meeting via telephone and/or electronic polling of members, provided approval is received by a majority of the current members of the Audit Committee. Members of management and others may attend meetings to provide information or recommendations, as necessary.
- The Audit Committee shall meet periodically with the independent auditors, the head of Global Assurance and the Corporation's management in separate executive sessions

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to discuss any matters that the Audit Committee or these groups or persons believe should be discussed privately.

- The Audit Committee shall perform its responsibilities in accordance with this Charter, the rules of the Corporation, the procedures of the Corporation and applicable regulatory requirements.

***Responsibilities***

**Financial Reporting**

- The Audit Committee shall assist the Board in overseeing the audit and internal audit services provided by Global Assurance to the Corporation. The head of Global Assurance shall have a direct reporting line to the Audit Committee in connection with the services provided by Global Assurance to the Corporation.
- The Audit Committee shall monitor the integrity of the financial statements of the Corporation, including receiving copies of annual reports, half-yearly reports and interim management statements (if any) and any other formal announcement relating to its financial performance, reviewing any significant financial reporting issues and judgments therein. The Audit Committee shall also receive copies of summary financial statements, significant financial returns submitted to regulators and financial information contained in certain other documents.
- The Audit Committee shall review:
  - the consistency of, and any changes to, accounting policies both on a year-to-year basis and across the Corporation;
  - the methods used to account for significant or unusual transactions where different approaches are possible;
  - whether the Corporation has followed appropriate accounting standards and made appropriate estimates and judgments taking into account the use of the external auditors;
  - the clarity of disclosure in the Corporation's financial reports and the context in which statements therein are made; and
  - all material information presented with the financial statements, such as the operating and financial review.

**Internal Controls**

- The Audit Committee shall review the adequacy and effectiveness of the Corporation's accounting and internal control policies and procedures on a regular basis, including the responsibilities, budget and staffing of Global Assurance (with respect to the services it provides to the Corporation, considering the Corporation's services

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agreement with CME), and through inquiry and discussions with the independent auditors and management.

- The Audit Committee shall review with the senior management of the Corporation and independent auditors, periodically:
  - all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which could adversely affect the Corporation's ability to record, process, summarize and report financial data, including any material weaknesses in internal controls identified by the independent auditors;
  - any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal control over financial reporting; and
  - any significant changes in internal control over financial reporting or in other factors that could significantly affect internal control over financial reporting, including any corrective actions with regard to significant deficiencies and material weaknesses.

*Independent Auditors*

- The Audit Committee shall annually review and discuss the independence of the auditors by, among other things:
  - discussing with the independent auditors whether any disclosed relationships or services, or other factors, may impact the independent auditors' objectivity and independence, and taking, or recommending that the full Board take, appropriate action to oversee the independence of the independent auditors; and
  - obtaining a report describing all relationships between the independent auditors and the Corporation (including a description of each category of services provided by the independent auditors to the Corporation and a list of the fees billed for each category).
- The Audit Committee shall present its conclusions with respect to the above matters to the Board.
- The Audit Committee shall review and approve in advance the scope of the independent auditors' annual financial statement audit, the estimated fees and such other matters pertaining to such audit as the Audit Committee may deem appropriate.
- The Audit Committee shall review and approve in advance all permitted non-audit engagements and relationships between the Corporation and the independent auditors.

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- The Audit Committee shall review and oversee the resolution of all disagreements between the independent auditors or the Global Assurance staff and management regarding the Corporation's financial reporting.
- The Audit Committee shall obtain and review no less frequently than annually a report by the independent auditors describing:
  - the independent auditors' internal quality-control procedures; and
  - any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors, or by any inquiry or investigation by any governmental or professional authority, within the preceding five (5) years, respecting one or more independent audits carried out by the independent auditors, and any steps taken to deal with any such issues.
- The Audit Committee shall review on a regular basis with the Corporation's independent auditors any problems or difficulties encountered by the independent auditors in the course of any audit work, including management's response with respect thereto, any restrictions on the scope of the independent auditors' activities or on access to requested information and any significant disagreements with management of the Corporation. In connection therewith, the Audit Committee should review with the independent auditors:
  - any accounting adjustments that were noted or proposed by the independent auditors but were rejected by management (as immaterial or otherwise);
  - any communications between the audit team and the independent auditors' national office respecting auditing or accounting issues presented by the engagement; and
  - any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditors to the Corporation.

*Internal Audit*

The Audit Committee shall, with respect to the internal audit services provided by Global Assurance:

- review and approve Global Assurance's plans for the services provided to the Corporation under the services agreement with the goal of ensuring that adequate internal audit function services are provided to the Corporation by Global Assurance;
- provide ongoing assurance that there are no unjustified restrictions or limitations to its functioning; and
- review the annual performance evaluation and any hiring and termination decisions made by the senior management of the Corporation with respect to the head of Global

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Assurance with the goal that such determinations or decisions are not designed to influence improperly the independent exercise of his or her duties to the Corporation.

*Other Matters*

- The Audit Committee shall review such other matters and perform such additional activities, within the scope of its responsibilities, as the Audit Committee or the Board deems necessary or appropriate.

**V. Reporting Activities**

- With regard to the Audit Committee's responsibilities, the Chair or their delegate, on behalf of the Audit Committee, shall report to the Board on recent activities of the Audit Committee at the next regularly scheduled Board meeting.
- The Audit Committee shall reassess the adequacy of this Charter no less frequently than annually and submit any recommended changes to the full Board for approval.

**VI. Limitation on the Role of the Audit Committee**

- While the Audit Committee has the duties and responsibilities set forth in this Charter, the Audit Committee is not responsible for preparing or certifying the financial statements, for planning or conducting the audit or for determining whether the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles.
- In fulfilling their responsibilities hereunder, it is recognized that members of the Audit Committee are not full-time employees of the Corporation, it is not the duty or responsibility of the Audit Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures or to set auditor independence standards, and each member of the Audit Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Corporation from which it receives information, (ii) the accuracy of the financial and other information provided to the Audit Committee absent actual knowledge to the contrary (which shall be promptly reported to the Board) and (iii) statements made by management or third parties as to any information technology, internal audit and other non-audit services provided by the independent auditors to the Corporation.
- Nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of the members of the Audit Committee, except to the extent otherwise provided under the applicable laws of State of Delaware which shall continue to set the legal standard for the conduct of the members of the Audit Committee.

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**VII. Confidentiality**

- The Audit Committee and its members shall be responsible for preserving confidential information obtained in performance of the Audit Committee's activities. Every Audit Committee member shall be subject to [Rule 1203 of the Corporation] regarding the use or disclosure of material, non-public information.

**VIII. Conflicts of Interest**

- Each Audit Committee member 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.