

THE COMPANIES ACT 1985 (as amended) and

THE COMPANIES ACT 2006

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COMPANY LIMITED BY SHARES

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MEMORANDUM OF ASSOCIATION

of

CME CLEARING EUROPE LIMITED

- 1 The name of the Company is "CME Clearing Europe Limited".
- 2 The registered office of the Company will be situated in England and Wales.
- 3 The object of the Company is to carry on business as a general commercial company. In particular, but without prejudice to the generality of the foregoing, the Company has the following objects:
  - (a) To establish and carry on the business of a commercial clearing house for facilitating the conduct of trading on, and guaranteeing or undertaking the carrying out of contracts; and to make and stipulate for such remuneration, terms and conditions in respect thereof as may from time to time be determined.
  - (b) To make rules and regulations for the admission of members of the clearing house operated by the Company, and from time to time fix and vary the payments to be made on admission and annually or otherwise of such members and the privileges and advantages they are to have and the conditions and obligations they are to be under.
  - (c) To carry on any other business which in the option of the Directors is capable of being conveniently carried on in connection with or as ancillary to any of the businesses of the Company, or is calculated directly or indirectly to enhance the value of or render profitable any property of the Company or to further any of its objects.
  - (d)
    - (i) To carry on business as general merchants and mercantile agents, contractors, manufacturers of and merchants and dealers in any and every kind of article of any description and material, merchants and dealers in raw material of every kind,

haulage and transport contractors, warehousemen, wharfingers, ship and barge owners, ship agents and any other trade or business whatsoever which can in the opinion of the Directors be advantageously carried on by the Company in connection with or as ancillary to any of the above businesses or the general business of the Company.

- (ii) To carry on all or any of the businesses of manufacturers, mercantile and other agents, factors, distributors, shippers, importers, exporters, consignors, buyers and sellers (wholesale and retail), charterers, shipowners, warehousemen, merchants, builders, developers of and dealers in commodities, merchandise, goods and articles of all kinds whether manufactured in whole or in part or whether grown, cultivated, taken, processed or produced in any part of the world; to deal in commodities of all kinds which can conveniently be dealt with in connection with any of the aforesaid businesses or which may be required by customers or for persons dealing with the Company; to carry on and execute all kinds of commercial, trading, financial and other operations; and generally to carry on any other trade or business whatsoever which may seem to the Directors capable of being carried on advantageously in connection with the above businesses, or calculated directly or indirectly to enhance the value or facilitate the realisation of any of the Company's property or rights.
- (e) To purchase, take on lease or in exchange, hire or otherwise acquire and hold, for any estate or interest, and manage any lands, buildings, servitudes, easements, rights, privileges, concessions, machinery, plant, stock-in-trade and any heritable or moveable real or personal property of any kind.
- (f) To purchase or otherwise acquire, dispose of, protect, extend and renew any patents, registered designs, trade marks, and service marks (whether registered or not) copyright, design right or any similar property rights including those subsisting in inventions, designs, drawings, performances, computer programs, semi-conductor topographies, confidential information, business names, goodwill and the style of presentation of goods or services and applications for protection thereof which may seem to the Company capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop, receive or grant licences in respect of or otherwise turn to account any of the same for any purpose whatsoever, whether manufacturing or otherwise, which the Company may think calculated directly or indirectly to achieve these objects.
- (g) To form, promote, subsidise and assist companies, syndicates or other bodies of all kinds and to issue on commission or otherwise underwrite, subscribe for and take or guarantee the payment of any dividend or interest on any shares, stocks, debentures or other capital

- or securities or obligations of any such companies, syndicates or other bodies, and to pay or provide for brokerage commission and underwriting in respect of any such issue.
- (h) To enter into partnerships or into any arrangement for sharing profits, union of interests, co-operation or otherwise with any person or company for the purpose of carrying on business within any of the objects of the Company.
  - (i) To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
  - (j) To purchase or otherwise acquire and undertake all or any part of the business, property, liabilities and transactions of any person, body or company carrying on any business which this Company is authorised to carry on, or possessed of property, assets or rights suitable for any of the objects of the Company.
  - (k) To develop, work, improve, manage, lease, mortgage, charge, pledge, turn to account or otherwise deal with all or any part of the property, assets or rights of the Company, to surrender or accept surrender of any lease or tenancy or rights, and to sell or deal with the property, assets, business, rights or undertaking of the Company, or any part thereof, and on such terms and for such consideration as the Company may think fit, and including for cash or shares, debentures or securities of any other company.
  - (l) To build, construct, erect, maintain, alter, replace or remove any buildings, works, offices, erections, plant, machinery, tools, equipment or otherwise as may seem desirable for any of the businesses or in the interests of the Company, and to manufacture, buy, sell, lease or otherwise acquire and generally deal in any plant, tools, machinery, goods or things of any description which may be conveniently dealt with in connection with any of the Company's objects.
  - (m) To manage and conduct the affairs of any companies, firms, bodies and persons carrying on business of any kind whatsoever, and in any part of the world.
  - (n) To enter into, carry on and participate in financial transactions and dealings and operations of all kinds and to take any steps which may be considered expedient for carrying into effect such transactions, dealings and operations including, without prejudice to the generality of the foregoing, borrowing and lending money and entering into contracts and arrangements of all kinds.
  - (o) To borrow or raise money in such manner as the Company shall think fit and in particular by the issue (whether at par or at a premium or discount and for such consideration as the Company may think fit) of bonds, debentures or debenture stock (payable to bearer or otherwise), mortgages or charges, shares or other securities, perpetual or otherwise, and,

if the Company thinks fit, charged upon all or any of the Company's property (both present and future) and undertaking including its uncalled capital and further, if so thought fit, convertible into any stock or shares or securities of the Company or any other company, and collaterally or further to secure any obligations of the Company by a trust deed or other assurance or pledge.

- (p) To guarantee or otherwise support or secure, either with or without the Company receiving any consideration or advantage and whether by personal covenant or by mortgaging or charging all or part of the undertaking, property, assets and rights present and future and uncalled capital of the Company or by both such methods or by any other means whatsoever, the liabilities and obligations of and the payment of any moneys whatsoever (including but not limited to capital, principal, premiums, interest, dividends, costs and expenses on any stocks, shares or securities) by any person, firm or company whatsoever including but not limited to any company which is for the time being the holding company or a subsidiary (both as defined by section 736 Companies Act 1985) of the Company or of the Company's holding company or is controlled by the same person or persons as control the Company or is otherwise associated with the Company in its business.
- (q) To grant indemnities of every description and to undertake obligations of every description.
- (r) To make, draw, accept, exchange, endorse, negotiate, execute and issue promissory notes, bills of exchange or other negotiable instruments or payment orders and to receive money on deposit or loan.
- (s) To pay all or any expenses incurred in connection with the formation and promotion and incorporation of the Company and to pay commission to and remunerate any person or company for services rendered in underwriting or placing, or assisting to underwrite or place, any of the shares in the Company's capital or any debentures or other securities of the Company, or in or about the formation or promotion of the Company or the conduct of its business.
- (t) To pay for any property or rights acquired by the Company in such manner as the Company may think fit, including payment either in cash or fully or partly paid-up shares with or without preferred or deferred rights in respect of dividend or repayment of capital or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another and generally on such terms as the Company may determine.
- (u) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company in such manner as the Company may think fit, including payment either in cash, by instalments or otherwise, or in fully or partly paid-up shares of any company or

corporation, with or without deferred or preferred rights in respect of dividend or repayment of capital or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as the Company may determine.

- (v) While the Company remains a private company, and subject to the provisions of the Companies Act 1985 (as amended) and the Companies Act 2006 (to the extent in force), to remunerate or undertake to remunerate any person, firm or company rendering services to the Company, whether by cash payment or by the allotment to him it or them of shares or securities of the Company credited as paid in full or in part or otherwise.
- (w) To make loans or donations, either in cash or of other assets, to, or enter into any arrangements whatsoever for the benefit of, such persons and in such cases whatsoever as the Company may think directly or indirectly conducive to any of its objects or otherwise expedient.
- (x) To distribute among the members in specie any property of the Company or any proceeds of sale, disposal or realisation of any property of the Company but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
- (y) To subscribe for, purchase or otherwise acquire, take, hold, or sell any shares or stock, bonds, debentures or debenture stock, or other securities or obligations of any person, firm, government or other authority or issuer (including any subsidiary of the Company) and to invest, deal with or lend any of the moneys of the Company in such manner, with or without security and on such terms as the Company may think fit.
- (z) To amalgamate with any other company either whose objects are or include objects similar to those of the Company or which is possessed of property, assets or rights suitable for any of the purposes of the Company and on any terms whatsoever.
- (aa) To procure the Company or any branch or representative of it to be registered or recognised in any country or place abroad or with any applicable regulatory authority.
- (bb) To obtain any provisional or other order or Act of Parliament of the United Kingdom or of the legislature of any other State or jurisdiction for enabling the Company to carry any of its objects into effect, or for effecting any modifications to the Company's constitution, or for any other purpose which may seem expedient, and to oppose or make representations in connection with any proceeding, proposal or application which may seem calculated, directly or indirectly, to prejudice the Company's interests.

- (cc) To appoint any person or persons, firm or firms, company or companies to be the attorney or agent of the Company and to act as agents, managers, secretaries, contractors or in similar capacity.
- (dd) To insure the life of any person who may, in the opinion of the Company, be of value to the Company as having or holding for the Company interests, goodwill or influence or other assets and to pay the premiums on such insurance.
- (ee) To establish and maintain or procure the establishment and maintenance of contributory or non-contributory pension or superannuation funds for the benefit of the persons referred to below, to grant emoluments, pensions, allowances, donations, gratuities, loans and bonuses to such persons and to make payments for or towards insurance on the life or lives of such persons; to establish, subsidise, subscribe to or otherwise support any institution, association, society, club, other establishment, or fund, the support of which may, in the opinion of the Company, be calculated directly or indirectly to benefit the Company or any such persons, or may be connected with any place where the Company carries on business; to institute and maintain any institution, association, society, club or other establishment or profit-sharing scheme, share incentive scheme or employees' share scheme calculated to advance the interests of the Company or to benefit such persons; to institute and maintain or assist in the institution or maintenance of any scheme calculated to promote the purchase or holding of shares of or securities in the Company by the public, any section thereof or such persons; and, subject to the provisions of the Act, to lend money or make payments to, or guarantee or give an indemnity in respect of, or to give any financial or other assistance to, any such persons or trustees on their behalf or any other person, for the purposes of, or to facilitate the institution or maintenance of, any such schemes; to join, participate in and subsidise or assist any association of employers or employees or any trade association; and to subscribe or guarantee money for charitable or benevolent objects or for any public, general or useful object or for any exhibition; the said persons are any persons who are or were at any time in the employment or service of the Company or of any of its businesses or of any company which was or is for the time being the holding company or a subsidiary (both as defined by section 736 Companies Act 1985) of the Company or of the Company's holding company or is otherwise associated with the Company or any of its businesses or who are or were at any time directors or officers of the Company or of such other company or business as aforesaid, or holding or who hold or who held any salaried employment or office in the Company or such other company or business, and the families (including former spouses) of them or any person who is or was dependent on them.
- (ff) To purchase and maintain insurance for the benefit of any persons who are or were at any time directors, officers or employees of the Company or any other company which is a subsidiary or subsidiary undertaking of the Company or in which the Company has any interest, whether direct or indirect, or who are or were at any time trustees of any pension

fund in which any employee of the Company or of any other such company or subsidiary undertaking are or have been interested indemnifying such persons against liability for negligence, default, breach of duty or breach of trust or any other liabilities which may be lawfully insured against.

- (gg) To take, make, execute, enter into, commence, carry on, prosecute or defend all steps, claims, demands, contracts, agreements, negotiations, legal and other proceedings, compromises, arrangements and schemes, and to do all other acts, matters and things which shall at any time appear conducive or expedient for the advantage or protection of the Company.
- (hh) To do all or any of the above things in any part of the world and either as principals, agents, attorneys, contractors, trustees, or otherwise, and either alone or in conjunction with others.
- (ii) To do all such acts or things as are incidental or conducive to the attainment of the above objects or any of them.

It is hereby declared that:

- (i) the word "**company**" in this clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in the United Kingdom or elsewhere, and whether now existing or hereafter to be formed; and
- (ii) the objects set forth in each sub-clause of this clause shall not be restrictively construed, but the widest interpretation shall be given thereto and they shall not, except where the context expressly so requires, be in any way limited or restricted by application of the ejusdem generis rule or by reference to or inference from any other object or objects set forth in such sub-clause or from the terms of any other sub-clause or by the name of the Company; none of such sub-clauses or the object or objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other sub-clause, but the Company shall have full power to exercise all or any of the objects conferred by and provided in each of the said sub-clauses as if each sub-clause contained the objects of a separate company.

4 The liability of the members is limited.

5 The share capital of the Company is £100 divided into 100 Ordinary Shares of £1 each.

We, the undersigned subscriber to this Memorandum of Association whose name, address and description is subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we agree to take the number of shares in the capital of the Company set opposite our name.

NAME, ADDRESS AND DESCRIPTION OF SUBSCRIBER	Number of Shares taken by Subscriber (in words)
<b>CME Group, Inc.</b> 20 South Wacker Drive Chicago, Illinois 60606	One
Delaware Corporation	..... <b>CME Group, Inc.</b>

DATED this ..... 2009

WITNESS to the above signature:

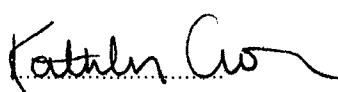
Name: .....

Address:





We, the undersigned subscriber to this Memorandum of Association whose name, address and description is subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we agree to take the number of shares in the capital of the Company set opposite our name.

NAME, ADDRESS AND DESCRIPTION OF SUBSCRIBER	Number of Shares taken by Subscriber (in words)
CME Group, Inc. 20 South Wacker Drive Chicago, Illinois 60606	One
Delaware Corporation	 Director CME Group, Inc.

DATED this 27/5 2009

WITNESS to the above signature:

Name: 

Address: 20 SOUTH WACKER DRIVE  
CHICAGO, ILLINOIS

THE COMPANIES ACT 2006

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COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION  
OF  
CME CLEARING EUROPE LIMITED

PART 1  
PRELIMINARY

## 1 Defined terms

1.1 In the Articles, unless the context requires otherwise:

**these Articles** means these Articles of Association as originally adopted or altered or varied from time to time (and **Article** means one of these Articles);

**authenticated** has the meaning given in section 1146 CA 2006;

**bankruptcy** includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

**Board** means the board of Directors for the time being of the Company or the Directors present or deemed to be present at a duly convened meeting of Directors at which a quorum is present;

**Board Meeting** means a meeting of the Board as from time to time convened in accordance with these Articles;

**CA 2006** means the Companies Act 2006 (to the extent for the time being in force);

**call** or **call notice** have the meanings given in Article 32;

**chairman** has the meaning given in Article 15;

**chairman of the meeting** has the meaning given in Article 57;

**clear days** in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

**Company** means CME Clearing Europe Limited;

**Clearing House** means the central counterparty clearing house operated from time to time by the Company in the United Kingdom;

**Clearing Member** means a member of the Clearing House;

**Company's lien** has the meaning given in Article 30;

a **conflict of interest** includes a conflict of interest and duty and a conflict of duties;

**Companies Acts** means the Companies Acts (as defined in section 2 CA 2006), in so far as they apply to the Company;

**decision-making process** includes a Directors' meeting or part of a Directors' meeting;

**Director** means a director of the Company, and includes any person occupying the position of director, by whatever name called;

**distribution recipient** has the meaning given in Article 47;

**document** includes, unless otherwise specified, any document sent or supplied in electronic form;

**electronic form** has the meaning given in section 1168 CA 2006;

**fully paid** in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid to the Company;

**hard copy form** has the meaning given in section 1168 CA 2006;

an **interest** means a direct or an indirect interest and **interested** shall be construed accordingly;

**lien enforcement notice** has the meaning given in Article 31;

**Office** means the registered office for the time being of the Company;

**partly paid** in relation to a share, means that part of the nominal value or any premium to be paid to the Company in respect of the share has not been paid to the Company;

**paid** means paid or credited as paid;

**participate**, in relation to a directors' meeting, has the meaning given in Article 12;

**proxy notice** has the meaning given in Article 63;

**Risk Committee** means the committee of the Directors charged with setting and implementing the Company's risk policies in accordance with the Risk Committee's terms of reference;

**Rules** means the rules, regulations and contract terms and conditions as described in Article 6.1;

**Secretary** means the secretary (if any) of the Company or any other person (if any) appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary and references to the Secretary shall only apply for as long as the Company elects to have a secretary;

**shareholder** means a person who is the holder of a share;

**shares** means shares in the Company;

**special resolution** has the meaning given in section 283 CA 2006;

**subsidiary** has the meaning given in section 1159 CA 2006;

a **transaction or arrangement** means an actual or a proposed transaction or arrangement; and

**transmittee** means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law;

**writing** means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise; and

**United Kingdom** means Great Britain and Northern Ireland.

- 1.2 Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the CA 2006 as in force on the date when these Articles become binding on the Company.

## 2 Exclusion of Table A

No regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No 805) as amended before the date of incorporation of the Company so far as it relates to private companies limited by shares (such Table being hereinafter called Table A) shall apply to the Company.

### **3 Limited Liability**

The liability of the shareholders is limited to the amount, if any, unpaid on their shares.

## **PART 2**

### **DIRECTORS**

#### **DIRECTORS POWERS AND RESPONSIBILITIES**

### **4 Directors' general authority**

Subject to the Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company and regulate and decide all matters concerning the Company as are not covered herein or by any Article or any regulation, provided that no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The power given by this Article shall not be limited by any special power given to the Directors by these Articles and a meeting of the Directors at which a quorum is present may exercise all powers exercisable by the Directors.

### **5 Shareholders' reserve power**

- 5.1 The shareholders may, by special resolution, direct the Directors to take, or refrain from taking, specified action.
- 5.2 No such special resolution invalidates anything which the Directors have done before the passing of the resolution.

### **6 Clearing House regulations and other matters**

- 6.1 Rules, regulations and contract terms and conditions (in these Articles called the **Rules**) may from time to time be adopted by the Company for the purposes of acting as a central counterparty and clearing house and for regulating the conduct of business of the Company as a Recognised Clearing House pursuant to the Financial Services and Markets Act 2000 (as amended or superseded), including provision for issue, suspension, and withdrawal of clearing rights and appeals in connection therewith, for the charging of subscriptions, levies and other imposts, for facilitating the conduct of clearing on, and guaranteeing or undertaking the carrying out of contracts, for purposes connected with recognition of the Company for the relevant statutory purposes and such other purposes as the Company may think fit. The Rules may be adopted, added to, revoked or amended:

- 6.1.1 by the Directors (or any committee appointed by them for such purpose) subject to the provisions of these Articles;
- 6.1.2 by the Directors (or any committee appointed by them for such purpose) pursuant to any express power conferred upon them by the Rules; or
- 6.1.3 in such other manner as may be expressly provided for in the Rules.

## **7 Directors may delegate**

- 7.1 Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles to such person or committee, by such means (including by power of attorney), to such an extent, in relation to such matters or territories and on such terms and conditions as they think fit.
- 7.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.
- 7.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

## **8 Committees**

- 8.1 Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by Directors.
- 8.2 The Directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.

## **DECISION MAKING BY DIRECTORS**

### **9 Directors to take decisions collectively**

- 9.1 The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 10.
- 9.2 If the Company only has one Director and no provision of the Articles requires it to have more than one Director, the general rule does not apply, and the Director may take decisions without regard to any of the provisions of the Articles relating to Directors' decision-making.

### **10 Unanimous decisions**

- 10.1 A decision of the Directors is taken in accordance with this Article when all eligible Directors indicate to each other by any means that they share a common view on a matter.

- 10.2 Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible Director or to which each eligible Director has otherwise indicated agreement in writing.
- 10.3 References in this Article to eligible Directors are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting and whose vote would have counted in respect of such matter.
- 10.4 A decision may not be taken in accordance with this Article if the eligible Directors would not have formed a quorum at such a meeting.

## **11 Calling a Directors' meeting**

- 11.1 Any Director may call a Directors' meeting by giving notice of the meeting to the Directors or by authorising the Secretary (if any) to give such notice,
- 11.2 Notice of any Directors' meeting must indicate its proposed date and time, where it is to take place and, if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 11.3 Notice of a Directors' meeting must be given to each Director, but need not be in writing.
- 11.4 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than seven days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

## **12 Participation in Directors' meeting**

- 12.1 Subject to the Articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when the meeting has been called and takes place in accordance with the Articles and they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 12.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.
- 12.3 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

## **13 Quorum for Directors' meetings**

- 13.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.



- 13.2 The quorum for Directors' meetings may be fixed from time to time by a decision of the Directors, but it must never be less than two, and unless otherwise fixed it is two.
- 13.3 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision to appoint further Directors or to call a general meeting so as to enable the shareholders to appoint further Directors.

#### **14 Chairing of Directors' meetings**

- 14.1 The Directors may appoint a Director to chair their meetings.
- 14.2 The person so appointed for the time being is known as the chairman.
- 14.3 The Directors may terminate the chairman's appointment at any time.
- 14.4 If the chairman is not participating in a Directors' meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair it.

#### **15 Casting vote**

- 15.1 If the numbers of votes for and against a proposal are equal, the chairman or other Director chairing the meeting has a casting vote.
- 15.2 But this does not apply if, in accordance with the Articles, the chairman or other Director is not to be counted as participating in the decision-making process for quorum or voting purposes.

#### **16 Conflicts of Interest**

- 16.1 Subject to the provisions of the Companies Acts and to complying with Article 16.2, a Director notwithstanding his office:
- 16.1.1 may be a party to or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested or in which any Company which has an interest in the Company is interested;
- 16.1.2 may hold any other office or place of profit under the Company (except that of auditor or of auditor of a subsidiary of the Company) in conjunction with the office of Director and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange, either in addition to or in lieu of any remuneration provided for by any other Article;
- 16.1.3 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with or otherwise interested in, any Company promoted by the Company or in which the Company is otherwise interested or which has an interest in the Company; and

- 16.1.4 shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any office or employment or from any transaction, arrangement or proposal or from any interest in any body corporate, no such transaction, arrangement or proposal shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such profit, remuneration or any other benefit constitute a breach of his duty under the Companies Acts or under the law not to accept benefits from third parties.
- 16.2 Subject to Article 16.3, a Director shall declare the nature and extent of any interest permitted under this Article at a meeting of the Directors, or, in the case of a transaction or arrangement with the Company, in the manner set out in the Companies Acts.
- 16.3 A Director need not declare an interest in the case of a transaction or arrangement with the Company:
- 16.3.1 if, or to the extent that, the other Directors are already aware of the interest (and for this purpose the other Directors will be treated as aware of anything of which they ought reasonably to be aware); or
- 16.3.2 if, or to the extent that, it concerns the terms of his service contract (as defined in section 227 CA 2006) that have been or are to be considered by a meeting of the Directors or by a committee of the Directors appointed for the purpose under these Articles.
- 16.4 Where the existence of a Director's relationship with another person is authorised by the Board pursuant to the Companies Acts (and subject to any limits or conditions imposed by the Board) or if Article 16.1 applies to the relationship, the Director shall not be in breach of the general duties he owes to the Company under the Companies Acts because he:
- 16.4.1 absents himself from meetings of the Board at which any matter relating to the conflict of interest or possible conflict of interest will or may be discussed or from the discussion of any such matter at a meeting or otherwise;
- 16.4.2 makes arrangements not to receive documents and information relating to any matter which gives rise to the conflict of interest or possible conflict of interest sent or supplied by the Company and/or makes arrangements for such documents and information to be received and read by a professional adviser; or
- 16.4.3 fails to disclose to the Board or to any Director or other officer or employee of the Company any information which he obtains otherwise than as a Director and in respect of which he has a duty of confidentiality to another person; and/or fails to use or apply any such information in performing his duties as a Director.
- 16.5 Subject to these Articles, the Board may cause the voting rights conferred by the shares in any other Company held or owned by the Company or any power of appointment to be exercised in

such manner in all respects as it thinks fit (including the exercise of voting rights in favour of any resolution appointing the Directors or any of them as Directors or officers of the other Company or in favour of the payment of remuneration to the Directors or officers of the other Company), and a Director may vote on and be counted in the quorum in relation to any of these matters.

- 16.6 Except as otherwise provided in these Articles a Director is to be counted as participating in the decision-making process for quorum or voting purposes on a proposed decision of the Directors which is concerned with an actual or proposed transaction or arrangement with the Company in which that Director is interested.
- 16.7 A Director who is interested in a transaction or arrangement with the Company in relation to the Director's own appointment to office or employment with the Company, or the variation of the terms thereof, or termination of his appointment or employment, is not to be counted as participating in the decision-making process, and is not entitled to vote on or agree to a proposal relating to it.
- 16.8 The Company may by ordinary resolution disapply the provision of the Articles which would otherwise prevent a Director from being counted as participating in the decision-making process.
- 16.9 For the purposes of this Article, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting.
- 16.10 Subject to Article 16.11, if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.
- 16.11 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the Directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

## **17 Records of decisions to be kept**

The Directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Directors.

## **18 Directors' discretion to make further rules**

Subject to the Articles, the Directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors.

## APPOINTMENT OF DIRECTORS

### 19 First Directors

The first Directors shall be appointed in writing by completion of the statement required to be delivered for registration by section 12 CA 2006.

### 20 Methods of appointing Directors

- 20.1 Subject to Article 20.2, any person who is willing to act as a Director and is permitted by law to do so may be appointed to be a Director by an instrument in writing pursuant to Article 21.2 or by a decision of the Directors.
- 20.2 Subject to the Articles, and provided it is satisfied that the appointment of such persons would not prejudice the Company's status (as appropriate) from time to time as a "**Recognised Clearing House**" under the Financial Services and Markets Act 2000 (as amended or superseded) or any other recognition or status granted to or being sought by the Company pursuant to any law or regulation, the Board may appoint such persons as it sees fit and who are willing to act as directors, either to fill a vacancy or as an addition to the Board.
- 20.3 In any case where, as a result of death, the Company has no shareholders and no Directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a Director.
- 20.4 For the purposes of Article 20.3, where two or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

### 21 Termination of Director's appointment

- 21.1 A person ceases to be a Director as soon as:
- 21.1.1 that person ceases to be a Director by virtue of any provision of the CA 2006 or is prohibited from being a director by law;
- 21.1.2 he, or a company clearing at the Clearing House of which he is a director or an employee, is found guilty of a serious disciplinary offence under the Rules of the Clearing House or under the rules of any other regulatory body;
- 21.1.3 he is found guilty of any criminal offence which or becomes subject to any judgement which, in the opinion of the Board, adversely affects his fitness and propriety to act as a Director of the Company,
- 21.1.4 a bankruptcy order is made against that person;

- 21.1.5 a composition is made with that person's creditors generally in satisfaction of that person's debts;
  - 21.1.6 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
  - 21.1.7 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
  - 21.1.8 he is absent, without the permission of the Board, from Board Meetings for six consecutive times and the Board resolves that his office be vacated;
  - 21.1.9 his co-directors reasonably resolve that as a result of his continuing as a Director, the Company's status or prospective status from time to time as a "Recognised Clearing House" under the Financial Services and Markets Act 2000 (as amended or superseded) or any other recognition or status granted to or being sought by the Company pursuant to any law or regulation could be endangered or materially adversely affected or compromised as a result of his membership of the Board;
  - 21.1.10 his co-directors reasonably resolve that he is no longer a fit and proper person to act as the director of a "Recognised Clearing House" under the Financial Services and Market Act 2000 (as amended or superseded);
  - 21.1.11 notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms;
  - 21.1.12 where he has been appointed for a fixed term, the term expires;
  - 21.1.13 he ceases to be eligible for appointment as a Director;
  - 21.1.14 he is removed from office pursuant to Article 21.2.
- 21.2 Without prejudice to the powers of the Company under section 168 CA 2006 to remove a Director by ordinary resolution, a shareholder or shareholders who for the time being hold(s) more than one half of the issued ordinary shares shall have the power from time to time and at any time to appoint any person or persons as a Director or Directors and to remove from office any Director howsoever appointed. Any such appointment or removal shall be effected by an instrument in writing authenticated by the shareholder or shareholders making the same or (in the case of a shareholder being a corporation) authenticated on its behalf by one of its directors or its secretary and shall take effect when received at the Office.

21.3 If the office of a Director is vacated for any reason, he shall cease to be a member of any committee of the Board.

## **22 Directors' remuneration**

22.1 Directors may undertake any services for the Company that the Directors decide.

22.2 Directors are entitled to such remuneration as the Directors determine for their services to the Company as Directors and for any other service which they undertake for the Company.

22.3 Subject to the Articles, a Director's remuneration may take any form and include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director.

22.4 Unless the Directors decide otherwise, Directors' remuneration accrues from day to day.

## **23 Directors' expenses**

23.1 The Directors may, subject to the approval of the Board, be paid all travelling, hotel and other reasonable expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of directors or general meetings or separate meetings of the Company or otherwise in connection with the exercise of their powers and the discharge of their duties and responsibilities in relation to the Company.

# **PART 3**

## **SHARES AND DISTRIBUTIONS**

### **SHARES**

## **24 Share capital**

The Directors may exercise any power of the Company to allot shares as if section 561 CA 2006 or section 89(1) CA 1985 (as appropriate) did not apply to the allotment, or to grant rights to subscribe for or to convert any security into shares.

## **25 Powers to issue different classes of share**

25.1 Subject to the Articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution.

25.2 The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the shareholder, and the Directors may determine the terms, conditions and manner of redemption of any such shares.

## **26 Payment of commissions on subscription for shares**

26.1 The Company may pay any person a commission in consideration for that person subscribing, or agreeing or subscribe, for shares or procuring, or agreeing to procure, subscriptions for shares.

26.2 Any such commission may be paid in cash, or in fully paid or partly paid shares or other securities, or partly in one way and partly in the other and in respect of a conditional or an absolute subscription.

## **27 Company not bound by less than absolute interests**

Except as required by law, no person is to be recognised by the Company as holding any share upon any trust, and except as otherwise required by law or the Articles, the Company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

## **28 Share certificates**

28.1 The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

28.2 Every certificate must specify in respect of how many shares, and of what class, it is issued, the nominal value of those shares and any distinguishing numbers assigned to them.

28.3 No certificate may be issued in respect of shares of more than one class.

28.4 If more than one person holds a share, only one certificate may be issued in respect of it.

28.5 Certificates must have affixed to them the Company's common seal or be otherwise executed in accordance with the CA 2006.

## **29 Replacement share certificates**

29.1 If a certificate issued in respect of a shareholder's shares is damaged or defaced or said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

29.2 A shareholder exercising the right to be issued with such a replacement certificate may at the same time exercise the right to be issued with a single certificate or separate certificates, must return the certificate which is to be replaced to the Company if it is damaged or defaced and must

comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.

### **30 Company's lien over shares**

- 30.1 The Company has a lien (the **Company's lien**) over every share (whether or not fully paid) for any indebtedness or other liability to the Company of any shareholder (whether the shareholder is the sole or joint holder of the share), whether payable immediately or at some time in the future and, in the case of a partly paid share, whether or not a call notice has been sent in respect of it.
- 30.2 The Company's lien over a share takes priority over any third party's interest in that share and extends to any dividend or other money payable by the Company in respect of that share and (if the lien is enforced and the share is sold by the Company) the proceeds of sale of that share.
- 30.3 The Directors may at any time decide that a share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part.

### **31 Enforcement of the Company's lien**

- 31.1 Subject to the provisions of this Article, if a lien enforcement notice has been given in respect of a share and the person to whom the notice was given has failed to comply with it, the Company may sell that share in such manner as the Directors decide.
- 31.2 A lien enforcement notice may only be given in respect of a share which is subject to the Company's lien, must specify the share concerned, must require payment of the sum payable within 14 days of the notice, must be addressed either to the holder of the share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise and must state the Company's intention to sell the share if the notice is not complied with.
- 31.3 Where shares are sold under this Article, the Directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, the transferee is not bound to see to the application of the consideration and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- 31.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
- 31.4.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice,
- 31.4.2 second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the Company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to



the Company's lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice.

- 31.5 A statutory declaration by a Director or the Secretary (if any) that the declarant is a Director or the Secretary and that a share has been sold to satisfy the Company's lien on a specified date is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and, subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share.

## **32 Call notices**

- 32.1 Subject to the Articles and the terms on which shares are allotted, the Directors may send a notice (a **call notice**) to a shareholder requiring the shareholder to pay the Company a specified sum of money (a **call**) which is payable in respect of shares which that shareholder holds at the date when the Directors decide to send the call notice.
- 32.2 A call notice may not require a shareholder to pay a call which exceeds the total sum unpaid on that shareholder's shares (whether as to the share's nominal value or any amount payable to the Company by way of premium), must state when and how any call to which it relates it is to be paid and may permit or require the call to be paid by instalments.
- 32.3 A shareholder must comply with the requirements of a call notice, but no shareholder is obliged to pay any call before 14 days have passed since the notice was sent.
- 32.4 Before the Company has received any call due under a call notice the Directors may, by a further notice in writing to the shareholder in respect of whose shares the call is made, revoke it wholly or in part or specify a later time for payment than is specified in the call notice.

## **33 Liability to pay calls**

- 33.1 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid.
- 33.2 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share.
- 33.3 Subject to the terms on which shares are allotted, the Directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them to pay calls which are not the same or to pay calls at different times.

## **34 Failure to comply with call notice: automatic consequences**

34.1 If a person is liable to pay a call and fails to do so by the call payment date the Directors may issue a notice of intended forfeiture to that person and, until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate.

34.2 For the purposes of this Article:

34.2.1 the **call payment date** is the time when the call notice states that a call is payable, unless the Directors give a notice specifying a later date, in which case the **call payment date** is that later date;

34.2.2 the **relevant rate** is:

(a) the rate fixed by the terms on which the share in respect of which the call is due was allotted;

(b) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the Directors; or

(c) if no rate is fixed in either of these ways, the appropriate rate (as defined by CA 2006).

34.3 The Directors may waive any obligation to pay interest on a call wholly or in part.

## **35 When call notice need not be issued**

35.1 A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the Company in respect of that share (whether in respect of nominal value or premium) on allotment, on the occurrence of a particular event or on a date fixed by or in accordance with the terms of issue.

35.2 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

## **36 Notice of intended forfeiture**

A notice of intended forfeiture may be sent in respect of any share in respect of which a call has not been paid as required by a call notice, must be sent to the holder of that share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise, must require payment of the call and any accrued interest by a date which is not less than 14 days after the date of the notice, must state how the payment is to be made and must state that, if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

## **37 Directors' power to forfeit shares**

If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the Directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

## **38 Effect of forfeiture**

- 38.1 Subject to the Articles, the forfeiture of a share extinguishes all interests in that share, all claims and demands against the Company in respect of it and all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the Company.
- 38.2 Any share which is forfeited in accordance with the Articles is deemed to have been forfeited when the Directors decide that it is forfeited, is deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of as the Directors think fit.
- 38.3 If a person's shares have been forfeited:
- 38.3.1 the Company must send that person notice that forfeiture has occurred and record it in the register of shareholders;
  - 38.3.2 that person ceases to be a shareholder in respect of those shares;
  - 38.3.3 that person must surrender the certificate for the shares forfeited to the Company for cancellation;
  - 38.3.4 that person remains liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture); and
  - 38.3.5 the Directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
- 38.4 At any time before the Company disposes of a forfeited share, the Directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit.

## **39 Procedure following forfeiture**

- 39.1 If a forfeited share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the Directors may authorise any person to execute the instrument of transfer.

- 39.2 A statutory declaration by a Director or the Secretary (if any) that the declarant is a Director or the Secretary and that a share has been forfeited on a specified date is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and, subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share.
- 39.3 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.
- 39.4 If the Company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission and excluding any amount which was, or would have become, payable and had not, when that share was forfeited, been paid by that person in respect of that share, but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them.

#### **40 Share Transfers**

- 40.1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.
- 40.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 40.3 The Company may retain any instrument of transfer which is registered.
- 40.4 The transferor remains the holder of a share until the transferee's name is entered in the register of shareholders as holder of it.
- 40.5 The Directors may refuse to register the transfer of a share and, if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

#### **41 Transmission of shares**

- 41.1 If title to a share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share.
- 41.2 Nothing in these Articles releases the estate of a deceased shareholder from any liability in respect of a share solely or jointly held by that shareholder.

41.3 A transmittee who produces such evidence of entitlement to shares as the Directors may properly require may, subject to the Articles, choose either to become the holder of those shares or to have them transferred to another person and, subject to the Articles and pending any transfer of the shares to another person, has the same rights as the holder had.

41.4 But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

## **42 Exercise of transmittees' rights**

42.1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.

42.2 If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.

42.3 Any transfer made or executed under this Article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

## **43 Transmittees bound by prior notices**

If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of shareholders.

## **44 Procedure for disposing of fractions of shares**

44.1 This Article applies where there has been a consolidation or division of shares and, as a result, shareholders are entitled to fractions of shares.

44.2 The Directors may sell the shares representing the fractions to any person including the Company for the best price reasonably obtainable, authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser and distribute the net proceeds of sale in due proportion among the holders of the shares.

44.3 Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the Directors, that shareholder's portion may be distributed to an organisation which is a charity for the purposes of the law of England and Wales, Scotland or Northern Ireland.

- 44.4 The person to whom the shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.
- 44.5 The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale.

## **DISTRIBUTIONS**

### **45 Procedure for declaring dividends**

- 45.1 The Company may by ordinary resolution declare dividends, and the Directors may decide to pay interim dividends.
- 45.2 A dividend must not be declared unless the Directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the Directors.
- 45.3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 45.4 Unless the shareholders' resolution to declare or Directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- 45.5 If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- 45.6 The Directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 45.7 If the Directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

### **46 Calculation of dividends**

- 46.1 Except as otherwise provided by the Articles or the rights attached to shares, all dividends must be declared and paid according to the amounts paid up on the shares on which the dividend is paid and apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
- 46.2 If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly.

46.3 For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

## **47 Payment of dividends and other distributions**

47.1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:

47.1.1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the Directors may otherwise decide;

47.1.2 sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the Directors may otherwise decide;

47.1.3 sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the Directors may otherwise decide; or

47.1.4 any other means of payment as the Directors agree with the distribution recipient either in writing or by such other means as the Directors decide.

47.2 In the Articles, the **distribution recipient** means, in respect of a share in respect of which a dividend or other sum is payable, the holder of the share or, if the share has two or more joint holders, whichever of them is named first in the register of shareholders or, if the holder is no longer entitled to the share by reason of death, bankruptcy or otherwise by operation of law, the transmittee.

## **48 Deductions from distributions in respect of sums owed to the Company**

48.1 If a share is subject to the company's lien, and the Directors are entitled to issue a lien enforcement notice in respect of it, they may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the Company in respect of that share to the extent that they are entitled to require payment under a lien enforcement notice.

48.2 Money so deducted must be used to pay any of the sums payable in respect of that share.

48.3 The Company must notify the distribution recipient in writing of:

48.3.1 the fact and amount of any such deduction;

48.3.2 any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction; and

48.3.3 how the money deducted has been applied.

## **49 No interest on distributions**

The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by the terms on which the share was issued or the provisions of another agreement between the holder of that share and the Company.

## **50 Unclaimed distributions**

50.1 All dividends or other sums which are payable in respect of shares and unclaimed after having been declared or become payable may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

50.2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.

50.3 If twelve years have passed from the date on which a dividend or other sum became due for payment and the distribution recipient has not claimed it, the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

## **51 Non-cash distributions**

51.1 Subject to the terms of issue of the share in question, the Company may, by ordinary resolution on the recommendation of the Directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

51.2 For the purposes of paying a non-cash distribution, the Directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution, fixing the value of any assets, paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients and vesting any assets in trustees.

## **52 Waiver of distributions**

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect but, if the share has more than one holder or more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders or otherwise, the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.



## 53 Capitalisation of profits

- 53.1 Subject to the Articles, the Directors may, if they are so authorised by an ordinary resolution:
- 53.1.1 decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and
- 53.1.2 appropriate any sum which they so decide to capitalise (a **capitalised sum**) to the persons who would have been entitled to it if it were distributed by way of dividend (the **persons entitled**) and in the same proportions.
- 53.2 Capitalised sums must be applied on behalf of the persons entitled and in the same proportions as a dividend would have been distributed to them.
- 53.3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 53.4 A capitalised sum which was appropriated from profits available for distribution may be applied in or towards paying up any amounts unpaid on existing shares held by the persons entitled or in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 53.5 Subject to the Articles the Directors may:
- 53.5.1 apply capitalised sums in accordance with Articles 53.3 and 53.4 partly in one way and partly in another;
- 53.5.2 make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates or the making of cash payments); and
- 53.5.3 authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this Article.

## PART 4

### DECISION-MAKING BY SHAREHOLDERS

### ORGANISATION OF GENERAL MEETINGS

## **54 Shareholders can call general meeting if not enough Directors**

If the Company has insufficient Directors to call a general meeting and the Director (if any) is unable or unwilling to appoint sufficient Directors to make up a quorum or to call a general meeting to do so, then any shareholder may call a general meeting (or instruct the Secretary (if any) to do so).

## **55 Attendance and speaking at general meetings**

- 55.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 55.2 A person is able to exercise the right to vote at a general meeting when that person is able to vote, during the meeting, on resolutions put to the vote at the meeting and his vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 55.3 The Directors may make whatsoever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 55.4 In determining attendance at a general meeting, it is immaterial whether any two or more shareholders attending it are in the same place as each other.
- 55.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

## **56 Quorum for general meetings**

No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

## **57 Chairing general meetings**

- 57.1 If the Directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 57.2 If the Directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start, the Directors present or (if no Directors are present) the meeting must appoint a Director or shareholder to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting.

57.3 The person chairing a meeting in accordance with this Article is referred to as the **chairman of the meeting**.

## **58 Attendance and speaking by Directors and non-shareholders**

58.1 Directors may attend and speak at general meetings, whether or not they are shareholders.

58.2 The chairman of the meeting may permit other persons, who are not shareholders of the Company or otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting.

## **59 Adjournment**

59.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

59.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if the meeting consents to an adjournment or if it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or to ensure that the business of the meeting is conducted in an orderly manner.

59.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

59.4 When adjourning a general meeting, the chairman of the meeting must:

59.4.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors, and

59.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

59.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it to the same persons to whom notice of the Company's general meetings is required to be given and containing the same information which the original notice was required to contain.

59.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

## **VOTING AT GENERAL MEETINGS**

## 60 Voting: general

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.

## 61 Errors and disputes

61.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

61.2 Any such objection must be referred to the chairman of the meeting, whose decision is final.

## 62 Poll votes

62.1 A poll on a resolution may be demanded either in advance of the general meeting where it is to be put to the vote or at a general meeting (either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared).

62.2 A poll may be demanded by the chairman of the meeting, by the Directors or by any person having the right to vote on the resolution.

62.3 A demand for a poll may be withdrawn if the poll has not yet been taken and the chairman of the meeting consents to the withdrawal.

62.4 Polls must be taken immediately and in such manner as the chairman of the meeting directs.

## 63 Form of proxy notices

63.1 An instrument appointing a proxy (a **proxy notice**) shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Directors may approve):

“ Limited

I/We, \_\_\_\_\_, of \_\_\_\_\_, being a shareholder/shareholders of the above-named Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_, or failing him, \_\_\_\_\_ as my/our proxy to vote in my/our name[s] and on my/our behalf at the general meeting of the Company to be held on \_\_\_\_\_ 20 \_\_\_\_\_ and at any adjournment thereof.

Signed on \_\_\_\_\_ 20 \_\_\_\_\_.”

63.2 Where it is desired to afford shareholders an opportunity of instructing the proxy how he shall act the instrument appointing a proxy (**a proxy notice**) shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Directors may approve):

“ Limited

I/We, \_\_\_\_\_, of \_\_\_\_\_, being a shareholder/shareholders of the above-named Company, hereby appoint \_\_\_\_\_, or failing him, \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote in my/our name[s] and on my/our behalf at the general meeting of the Company to be held on \_\_\_\_\_ 20 \_\_\_\_\_ and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows :

Resolution No 1 \*for \*against

Resolution No 2 \*for \*against.

\*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed on \_\_\_\_\_ 20 \_\_\_\_\_ "

## 64 Delivery of proxy notices

- 64.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
- 64.2 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 64.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 64.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

## **65 Amendments to resolutions**

- 65.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
- 65.1.1 notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
- 65.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 65.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution if:
- 65.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
- 65.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 65.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

## **66 No voting of shares on which money owed to Company**

No voting rights attached to a share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it, unless all amounts payable to the Company in respect of that share have been paid.

## **PART 5**

### **ADMINISTRATIVE ARRANGEMENTS**

## **67 Secretary**

Subject to the provisions of the Companies Acts, the Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them. This Article only applies for so long as the Company elects to have a Secretary.

## **68 Notices**

- 68.1 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the CA 2006 provides for documents or information which are authorised or required by any provision of CA 2006 to be sent or supplied by or to the Company.
- 68.2 In the case of joint holders of shares, any notice or document may be given either to each of the joint holders or to the holder whose name appears first in the register of shareholders. Anything agreed or specified by the first-named joint holder in respect of a joint holding shall be binding on all joint holders.
- 68.3 Notices or documents sent to shareholders by first class post, if proved to have been properly addressed, prepaid and posted, shall be deemed, if sent to an address within the United Kingdom, to have been received on the third working day after the envelope containing it was posted or, if sent to an address outside the United Kingdom by airmail, on the sixth working day after the envelope containing it was posted or, in the case of a notice in electronic form and provided the Company is able to show that it was properly addressed, on the first working day after the time it was sent.
- 68.4 Subject to the Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.
- 68.5 A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

## **69 Company seals**

- 69.1 Any common seal may only be used by the authority of the Directors.
- 69.2 The Directors may decide by what means and in what form any common seal is to be used.
- 69.3 Unless otherwise decided by the Directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 69.4 For the purposes of this Article, an authorised person is any Director, the Secretary (if any) or any person authorised by the Directors for the purpose of signing documents to which the common seal is applied.

## 70 No right to inspect accounts and other records

Except as provided by law or authorised by the Directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a shareholder.

## 71 Provision for employees on cessation of business

The Directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (including, subject to the CA 2006, a Director or former Director or shadow Director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

## DIRECTORS' INDEMNITY AND INSURANCE

### 72 Indemnity

72.1 Subject to Article 72.2, a relevant officer of the Company or an associated company may be indemnified out of the Company's assets against:

72.1.1 any liability incurred by that officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;

72.1.2 any other liability incurred by that officer as an officer of the Company or an associated company.

72.2 Article 72.1 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

72.3 In this Article companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate and a **relevant officer** means any director, former director or other officer of the Company or an associated company (but not its auditor).

### 73 Insurance

73.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

73.2 In this Article:



- 73.2.1 a **relevant officer** means any director or former director of the Company or an associated company, any other officer or employee or former officer or employee of the Company or an associated company (but not its auditor);
- 73.2.2 a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or an associated company; and
- 73.2.3 companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

NAME, ADDRESS AND DESCRIPTION  
OF SUBSCRIBER

Number of Shares taken  
by Subscriber (in words)

CME Group, Inc.  
20 South Wacker Drive  
Chicago, Illinois 60606

One

Delaware Corporation

CME Group, Inc.

DATED this 27/5/2009.....2009

WITNESS to the above signature:

Name:

Address: 20 SOUTH WACKER DRIVE  
CHICAGO, ILLINOIS