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February 22, 2006

BY E-MAIL AND FEDERAL EXPRESS

Jean A. Webb  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

Re: Hearing on Self-Regulation and Self-Regulatory Organizations  
in the U.S. Futures Industry

Dear Ms. Webb:

In response to a request from Commissioner Fred Hatfield to Bernie Dan on February 21, 2006, enclosed please find the following materials: (1) the Chicago Board of Trade's Corporate Governance Guidelines, (2) our Conflict of Interest Policy for directors, and (3) our Code of Business Conduct and Ethics (which also includes a conflict of interest policy primarily directed at employees), for inclusion in the record in connection with the Commission's Hearing on Self-Regulation and Self-Regulatory Organizations in the U.S. Futures Industry.

Please feel free to call me or send me an e-mail at the above address if you have any questions regarding the enclosed materials or if there is anything else that you need.

Sincerely,

Anne Polaski

Enclosures

cc: Bernard W. Dan (w/out enc.)  
Bruce Perce (w/out enc.)



# **CORPORATE GOVERNANCE GUIDELINES**

**Updated December 13, 2005**

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Exhibit A – Audit Committee Charter

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Exhibit C – Nominating Committee Charter

## **CBOT HOLDINGS, INC.**

### **CORPORATE GOVERNANCE GUIDELINES**

We are a Delaware corporation and as such, our business and affairs are managed by or under the direction of our board of directors, which is elected by our stockholders in accordance with, and subject to the qualification requirements set forth in, our certificate of incorporation and bylaws. The basic responsibility of our directors is to exercise their business judgment and act in what they reasonably believe to be the best interests of the corporation and our stockholders. Our day-to-day business and affairs are conducted by our employees and officers, under the direction of our President and Chief Executive Officer and the oversight of our board of directors.

The following guidelines have been approved by our board of directors and, along with the charters of the board's committees, including the charters of the audit, compensation and nominating committees set forth as Exhibits A, B and C hereto, respectively. Our board of directors expects to review these guidelines and other aspects of our governance annually or more often if deemed necessary.

#### **Board Responsibilities**

In addition to its general oversight of management, our board of directors and/or its committees will be responsible for the performance of the following principal functions:

- reviewing, approving and monitoring our business strategies, annual operating plan, budgets and major corporate actions;
- selecting, evaluating and compensating our President and Chief Executive Officer;
- providing counsel and oversight on the selection, evaluation and compensation of our other senior executive officers;
- developing a succession plan for our President and Chief Executive Officer;
- reviewing and approving succession planning for our other senior executive officers;
- ensuring appropriate processes are in place for maintaining the integrity of the corporation; and
- advising and counseling our senior executive officers as appropriate.

#### **Board Composition**

##### ***Size of Board and Selection Process***

The size of our board of directors and the process by which they are elected or appointed

are set forth in our certificate of incorporation and bylaws.

### ***General Qualifications***

In assessing potential new directors, the nominating committee of our board of directors should consider, among other criteria, the character, background and professional experience of candidates. Prior experience and familiarity with the derivatives industry are among the relevant criteria. Each nominee should possess good judgment and an inquiring and independent mind. Each nominee should also possess a reputation for the highest personal and professional ethics, integrity and values. The nominating committee should also carefully consider any potential conflicts of interest associated with each nominee that it is aware of.

Nominees must be willing to devote sufficient time and effort to carrying out their duties and responsibilities effectively, and should be committed to serve on our board of directors for their full terms. In addition, in determining whether to recommend a director for nomination for re-election, the nominating committee should also consider the director's past performance, including attendance at meetings and participation and contributions to the activities of our board of directors, as well as the director's ability to continue to make contributions to our board.

### ***Independence of Directors***

A majority of the members of our board directors and all of the members of our audit, compensation and nominating committees must be independent directors under the New York Stock Exchange rules and the requirements set forth in our certificate of incorporation and bylaws. To be considered independent under the NYSE rules, our board of directors must affirmatively determine that a director does not have any direct or indirect material relationship with the corporation (either directly or as a partner, shareholder or officer of an organization that has a relationship with the corporation). To assist it in determining director independence our board has established that an individual meeting one of the following criteria shall not be considered an independent director:

- a person who is, or was within the previous three years, an employee, or person whose immediate family member is an executive officer, of the corporation;
- a person who receives, or has received in the three prior years, or whose immediate family member receives, or has received in the three prior years, more than \$100,000 per year in direct compensation from the corporation, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued services);
- a person who is, or was within the three prior years, affiliated with or employed by, or whose immediate family member is, or was within the three prior years, affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the corporation;
- a person who is, or was within the three prior years, employed, or whose immediate family member is, or was within the three prior years, employed, as an

executive officer of another corporation where any of the corporation's present executives serve on that corporation's compensation committee; or

- a person who is, or was within the three prior years, an executive officer or an employee, or whose immediate family member is, or was an executive officer of a corporation that makes payments to, or receives payments from, the corporation for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million, or 2% of such other corporation's consolidated gross revenues.

For purposes of these independence standards, the term "the corporation" includes CBOT Holdings and any subsidiary and the term "immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than domestic employees) who shares such person's home.

For relationships not covered by the independence standards above, the determination of whether a relationship is material, and therefore whether the director is independent, will be made by the directors who satisfy the independence standards set forth above and the basis for the determination will be explained in either our annual proxy statement or our annual report.

Each independent director will notify our board of directors as soon as practicable in the event that his or her circumstances change in any manner that may affect the board's independence determination.

### ***Service on Other Boards***

We do not limit the number of other public corporation boards on which a director may serve. However, we do expect all directors to devote sufficient time and effort to their duties as a member of our board of directors. Our President and Chief Executive Officer may not serve on the board of a corporation for which an independent director on our board serves as an officer. Directors are required to notify the chairperson of the nominating committee prior to accepting an invitation to serve on the board or the audit, compensation or nominating committee of another public corporation to provide the nominating committee the opportunity to evaluate whether such role presents a conflict of interest or other issue.

### ***Term Limits and Retirement***

We do not favor term limits for directors, but believe that it is important to monitor the performance of our directors. While term limits could help ensure that there are fresh ideas and viewpoints available to our board of directors, term limits may result in the loss of the contribution of directors who have been able to develop valuable insight into our industry, business, and operations and, therefore, provide an important contribution to our board as a whole. We believe that, as an alternative to strict term limits, we can ensure that our board continues to evolve and adopt new viewpoints through the evaluation and nomination process described in these guidelines.

We also do not favor a mandatory retirement age for directors. However, we believe that employee directors should resign from the board upon their resignation, removal or retirement as an officer of the corporation.

We do not believe that non-employee directors who retire or change from the position they held when they came on our board of directors should necessarily leave the board. Promptly following such event, the director should notify the chairperson of the nominating committee. The nominating committee will then review the continued appropriateness of the affected director remaining on the board under the circumstances. The affected director should act in accordance with the nominating committee's recommendation following such review.

### ***Appointment of Board Officers***

Our board of directors will appoint our Chairman of the Board, Vice Chairman of the Board, and Secretary. Our Chairman of the Board and Vice Chairman of the Board will be appointed to two-year terms coinciding with their terms as directors or until their earlier resignation or removal. Our Secretary will be elected to a one-year term.

It is our policy that employee directors should not participate in the appointment process for our Chairman of the Board, Vice Chairman of the Board, or Secretary.

## **Board Operations**

### ***Meeting Agendas***

Our Chairman of the Board, in consultation with our President and Chief Executive Officer and Secretary, will establish a preliminary agenda for each meeting of our board of directors. Any director may request items to be included on the agenda, and any director may raise at any board meeting subjects that are not on the agenda for that meeting. Our Secretary will maintain a list of recurring agenda items and the timing of such agenda items throughout the year. To the extent practical and appropriate, the meeting agenda and information materials relating to the agenda issues will be provided to our directors before each scheduled board or committee meeting.

### ***Attendance***

Our directors are expected to prepare for, attend and participate in all board and applicable committee meetings. Directors should use their best efforts to attend board and committee meetings in person. When necessary, a director who is unable to attend in person may attend by telephone if appropriate under the circumstances. A director who is unable to attend a meeting (which it is understood will occur on occasion) or who wishes to participate telephonically is expected to notify our Secretary or Chairman of the Board in advance of such meeting. Directors should review material distributed in advance of such meetings.

### ***Meetings of Non-Employee or Independent Directors***

Executive sessions of only non-employee directors will be regularly scheduled in connection with meetings of our board of directors. Our Chairman of the Board, for so long as he

or she is a non-employee director, will preside at such meetings. The non-employee directors may meet without management present at such other times as requested by the non-employee directors. In addition, if the non-employee directors include directors who are not independent, the independent directors shall meet in an executive session with only independent directors present at least once a year.

### ***Director Orientation and Continuing Education***

Our General Counsel and the Chief Financial Officer will be responsible for providing an orientation for new directors, and for periodically providing materials or briefing sessions for all directors on subjects that would assist them in discharging their duties. Each new director is encouraged, within six months of election to the board of directors, to spend a day at corporate headquarters for personal briefing by senior management on our strategic plans, financial statements and key policies and practices.

Each director is encouraged to participate in continuing education programs as necessary or appropriate to assist him or her in performing his or her responsibilities as a director. The Secretary will periodically advise directors of available educational opportunities.

### ***Self-Assessment***

Our board of directors and its committees should perform an annual self-assessment. Each year, the directors are expected to be requested to provide their assessments of the effectiveness of the board and the committees on which they serve. Any individual assessments will thereafter be organized and summarized by our legal department for discussion with the board and the committees.

### ***Access to Management and Independent Advisors***

We will provide each director with access to our management team. Our board of directors and its committees will have the right at any time to retain independent outside financial, legal or other advisors, at our expense.

### ***Number of Meetings***

Our board of directors will hold a minimum of four meetings per year.

## **Board Committees**

### ***General***

Our board of directors has established the following committees to assist it in discharging its responsibilities:

- audit;
- compensation;

- executive; and
- nominating.

Our board may, from time to time, form a new committee or disband a current committee depending on circumstances, in each case subject to the terms of our certificate of incorporation and bylaws. In addition, our board may determine to form ad hoc board and non-board committees from time to time, and determine the composition and areas of competence of such committees.

### ***Committee Membership***

The nominating committee of our board of directors will recommend to our board nominees for membership on standing board committees, including the audit, compensation, executive and nominating committees. The chairperson of each board committee, as well as all board committee members, shall be appointed, removed or replaced by a majority vote of our board of directors. All members of the audit committee, compensation committee and nominating committee will satisfy our independence standards, as well as all applicable regulatory requirements, if any. The individual qualifications of committee members should be reviewed annually for compliance with the various regulatory requirements mandated for the members of each particular committee.

### ***Frequency and Length of Committee Meetings***

Subject to any requirements in the applicable committee charter regarding the frequency of committee meetings, each committee chairperson, in consultation with committee members, will determine the frequency and length of the meetings of the committee.

### ***Committee Agenda, Background Materials and Reports***

The chairperson of each committee of our board of directors, in consultation with the appropriate members of our management and staff, will develop the committee's agenda. Management will be responsible for assuring that, as a general rule, information and data that are important to the committee's understanding of the matters within the committee's authority and the matters to be considered and acted upon by a committee are distributed to each member of such committee sufficiently in advance of each such meeting or action taken by written consent to provide a reasonable time for review and evaluation of such information and data. The agenda for each meeting of the audit, compensation and nominating committees shall be distributed to other members of the board at the same time that it is distributed to committee members.

At each board meeting, the chairperson of the audit, compensation and nominating committees or his or her delegate shall report the matters considered and acted upon by such committee at each meeting or by written consent since the preceding board meeting, except to the extent covered in a previous written report to the full board, and shall be available to answer any questions the other directors may have regarding the matters considered and actions taken by such committee.

## **Compensation**

### ***Compensation of the Board***

Our compensation committee will have the responsibility for recommending to our board of directors the level and form of compensation and benefits for directors. In discharging this duty, the compensation committee should be guided by best practices and emerging trends in director compensation, and director compensation will be benchmarked against industry peer groups and other companies with comparable revenue. While our board does not believe it is appropriate to specify the level of stock ownership an individual director should hold, each director is encouraged to develop a meaningful ownership position in our corporation over time. As director duties increase and as director compensation presumably increases correspondingly, careful consideration should be given in structuring any stock-based director compensation to avoid creating the perception that independent directors have any incentive to artificially support stock prices to maximize personal gain. Directors that are also officers or employees will not receive any additional compensation for their service as directors. The compensation committee will review director compensation and benefits annually.

### ***Annual Compensation Review of the President and Chief Executive Officer and Senior Management***

Our compensation committee should annually review the performance and compensation of the President and Chief Executive Officer. The compensation committee is responsible for setting annual and long-term performance goals for the President and Chief Executive Officer and for evaluating his or her performance against such goals. The committee is also responsible for setting annual and long-term performance goals and compensation for our other senior executive officers. Our compensation program is designed to reward individual and corporation-wide performance and to create incentives for both operating performance in the current year and for the long-term benefit of our business so as to align the interests of management with the interests of stockholders.

### ***Loans to Directors and Officers***

We will not make any personal loans or extensions of credit to or directors or senior executive officers.

## **Management**

### ***Same Positions of President and Chief Executive Officer***

Pursuant to our bylaws, our President shall also be our Chief Executive Officer.

### ***Selection of the President and Chief Executive Officer***

Our board of directors, with the assistance of the nominating committee, shall be responsible for identifying potential candidates for, and selecting the President and Chief Executive Officer. In identifying potential candidates for, and selecting, the President and Chief Executive Officer, our board shall consider, among other things, a candidate's experience,

understanding of our business, leadership qualities, knowledge, skills, expertise, integrity and reputation in the business community. When it is appropriate or necessary, it is the board's responsibility to remove the President and Chief Executive Officer.

### ***Formal Evaluations of the President and Chief Executive Officer***

Our compensation committee in an executive session should, on an annual basis, assess the performance of the President and Chief Executive Officer in relation to established goals. The chairperson of our compensation committee will subsequently report to our board of directors on any evaluation in an executive session.

### ***Succession Planning***

Our senior management should compile and evaluate a succession plan for their areas of responsibility which should be reviewed with our President and Chief Executive Officer and the Chief Operating Officer.

Our board of directors shall plan for the successor to the position of the President and Chief Executive Officer. To assist the board, the President and Chief Executive Officer shall provide a report to the Board in an executive session on an annual basis on succession planning for all of our senior officers with an assessment of senior managers and their potential to succeed our President and Chief Executive Officer and other senior management positions. There should also be available, on a continuing basis, our Chairman of the Board's and President and Chief Executive Officer's recommendation as successor should our President and Chief Executive Officer be unexpectedly disabled.

### ***Management Development***

There should be an annual report to our board of directors by our President and Chief Executive Officer on our program for management development. This report should be given to the board at the same time as the succession planning report noted above.

### **Board Interaction with Stakeholders**

We believe that as a general matter our Chairman of the Board, President and Chief Executive Officer and certain other designated executive officers speak for the corporation, but recognize that individual directors may, from time to time, meet or otherwise communicate with members of our exchange subsidiary and other of our constituencies.

## **Code of Business Conduct and Ethics and Conflicts of Interest**

Our board of directors has adopted a Code of Business Conduct and Ethics, Conflict of Interest Policy and Insider Trading and Disclosure Policy. The Conflict of Interest Policy incorporates various provisions of Delaware General Corporation Law, applicable provisions under the Commodity Exchange Act, as amended, and other applicable standards to ensure that our board and committee decisions are not adversely impacted by conflicts of interest. Directors are expected to avoid any action, position or interest that conflicts with an interest of the corporation, or gives the appearance of a conflict. We intend to annually solicit information from directors in order to monitor potential conflicts of interest and directors are expected to be mindful of their fiduciary obligations to the Corporation.

When faced with a situation involving a potential conflict of interest, directors are encouraged to seek advice from our General Counsel or from outside counsel designated by our General Counsel.

Our directors are also expected to act in compliance with our Code of Business Conduct and Ethics and Insider Trading and Disclosure Policy.

### **Receipt of Concerns or Complaints**

#### ***General Concerns or Complaints***

Any stockholder or other interested party who has a concern or inquiry regarding our conduct or the conduct of any director or senior executive officer may communicate directly with either our non-employee directors or the full board of directors. The chairperson of the nominating committee will receive all such communications on behalf of the non-employee directors and the full board. Communications may be confidential or anonymous, and may be submitted in writing to the chairperson of the nominating committee in care of the Secretary, at the address set forth on our website. All written communications will be received and processed by the Secretary and all substantive communications will be referred to the chairperson of the nominating committee. All such communications will be reviewed and, if necessary, investigated and addressed by the chairperson of the nominating committee and the status of such communications will be reported to the non-employee directors or the full Board on a quarterly basis. The Secretary will assist with the tracking of all concerns and inquiries. Additionally, the chair of the nominating committee may direct special treatment, including the retention of outside advisors or counsel, for any such concern or inquiry.

#### ***Accounting Concerns or Complaints***

Concerns or complaints regarding our accounting, internal accounting controls or auditing matters, may be communicated directly to the audit committee. Such communications may be confidential and anonymous, and may be submitted in writing or reported by telephone. Written communications may be submitted to the chairperson of the audit committee, at the address set forth on our website. Telephone reports may be made by our employees via a toll-free hotline number that is provided to all employees. All communications will be reviewed, investigated and addressed in the ordinary course by the audit committee. The status of all such concerns and complaints will be reported to the audit committee on a quarterly basis, or more

frequently as determined by the committee. The audit committee may direct that certain matters be presented to the full board and may direct special treatment, including the retention of outside advisors or counsel, for any concern or complaint addressed to them.

\* \* \* \*

## **EXHIBIT A**

### **CBOT HOLDINGS, INC. AUDIT COMMITTEE CHARTER**

This is the Charter of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of CBOT Holdings, Inc. (the "Corporation").

#### **Purpose**

The Committee will be appointed by the Board to assist the Board in overseeing the integrity of the Corporation's financial statements and financial reporting processes, external auditor's engagement, independence and performance, internal audit, accounting, and control functions with regards to financial reporting and compliance by the Corporation with legal and regulatory requirements. The Audit Committee also will be responsible for the preparation of the Audit Committee report that Securities and Exchange Commission ("SEC") rules require to be included in the Corporation's annual proxy statement.

#### **Membership and Qualification**

The Committee will be composed of at least three members of the Board. The nominating committee of the Board will recommend to our Board nominees for membership on the Committee. The chairperson of the Committee, as well as all Committee members, shall be appointed, removed or replaced by a majority vote of the Board. A majority of the Committee members shall constitute a quorum for the transaction of business. It is the responsibility of the chairperson of the Committee to schedule meetings and provide the Committee with a written agenda for all meetings.

Each member of the Committee shall be free of any relationship that, as determined by the Board, would interfere with his or her individual exercise of independent judgment and all members of the Committee shall be "independent" within the meaning provided below.

The members of the Committee shall be "financially literate" as such term is interpreted by the Board and at least one member shall be an "audit committee financial expert" within the meaning of item 402 of Regulation S-K under the Securities Act of 1933, as amended ("Securities Act").

#### ***Independence of Committee Members***

All members of the Committee must be independent directors under the New York Stock Exchange ("NYSE") rules and the requirements set forth in the Corporation's Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws. To be considered independent under the NYSE rules, the Board must affirmatively determine that a director does not have any direct or indirect material relationship with the Corporation. To assist it in determining director independence in accordance with the NYSE rules, the Board has established that an individual meeting one of the following criteria shall not be considered an independent director:

- a person who is, or was within the previous three years, an employee, or person whose immediate family member is an executive officer, of the Corporation;
- a person who receives, or has received in the three prior years, or whose immediate family member receives, or has received in the three prior years, more than \$100,000 per year in direct compensation from the Corporation, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued services);
- a person who is, or was within the three prior years, affiliated with or employed by, or whose immediate family member is, or was within the three prior years, affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the Corporation;
- a person who is, or was within the three prior years, employed, or whose immediate family member is, or was within the three prior years, employed, as an executive officer of another Corporation where any of the Corporation's present executives serve on that Corporation's compensation committee; or
- a person who is, or was within the three prior years, an executive officer or an employee, or whose immediate family member is, or was an executive officer of a Corporation that makes payments to, or receives payments from, the Corporation for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million, or 2% of such other Corporation's consolidated gross revenues.

For purposes of these independence standards, the term "the Corporation" includes any subsidiary and the term "immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than domestic employees) who shares such person's home.

For relationships not covered by the independence standards above, the determination of whether a relationship is material, and therefore whether the director is independent, will be made by the directors who satisfy the independence standards set forth above and the basis for the determination will be explained in the Corporation's annual proxy statement. Any determination by the Board that a director is independent despite the fact that the director does not meet the independence standards set forth above will also be explained in the Corporation's annual proxy statement.

Each member of the Committee will notify the Board as soon as practical in the event that his or her circumstances change in any manner that may affect the Board's independence determination.

***Additional Independence Criteria for Audit Committee Members***

In addition to being an "independent director," as defined above, each member of the Committee must not, except in his or her capacity as a member of the Committee, the Board or

any other committee of the Board, or any of its consolidated majority-owned subsidiaries: (1) accept, directly or indirectly, any consulting advisory or other compensatory fee from the Corporation; or (2) be an affiliated person of the Corporation or any of its subsidiaries. For this purpose, the term "affiliated person" means one who, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Corporation or any of its subsidiaries. A person will not be deemed in control of the Corporation or any subsidiary, however, if the person is not: (A) the beneficial owner, directly or indirectly, of more than 10% of any class of equity securities of the Corporation or such subsidiary; or (B) an executive officer or director of the Corporation or such subsidiary.

### **Meetings and Other Actions**

The Committee shall meet at least quarterly and as often as it determines appropriate to carry out its obligations under this Charter. The Committee shall periodically report on its activities to the Board and make such recommendations and findings as it deems appropriate.

Meetings of the Committee may be held in person or by telephone. Action may also be taken by the Committee without a meeting if all members thereof consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of the Committee.

The Committee shall keep a separate book of minutes of their proceedings and actions. All meetings shall be at the call of the chairperson. The Committee shall elect a Secretary to the Committee who shall give notice personally or by mail, telephone, facsimile or electronically to each member of the Committee of all meetings, not later than 12 noon, Central time, of the day before the meeting, unless all of the members of the Committee in office waive notice thereof in writing at or before the meeting, in which case the meeting may be held without the aforesaid advance notice. A majority of the members of the Committee shall constitute a quorum for the transaction of business.

The Committee shall meet periodically in separate executive sessions with management, including the Chief Financial Officer and the President and Chief Executive Officer, internal and external auditors, and have such other direct and independent interaction with such persons from time to time as the members of the Committee deem appropriate. In addition, the Committee may request any officer or employee of the Corporation, or the Corporation's outside counsel to attend a meeting of the Committee to meet with any members of, or consultants to, the Committee.

### **Goals, Responsibilities, and Authority**

The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal counsel, accounting or other advisors. The Corporation shall provide appropriate funding, as determined by the Committee, for payment of compensation to: (1) the external auditors for the purpose of rendering or issuing an audit report; or (2) any other advisors retained by the Committee.

The Committee shall review and reassess the adequacy of this charter at least annually and recommend any proposed changes to the Board for approval. The Committee shall review its own performance at least annually.

### ***External Auditor's Engagement and Independence***

The Committee shall have the sole authority to appoint or replace the external auditors and shall be directly responsible for the compensation and oversight of the external auditors (including resolution of any disagreement between management and the external auditors regarding financial reporting that is brought to its attention). The external auditors will report directly to the Committee. The Committee shall pre-approve all auditing services, internal control related services, and permitted non-audit services (including the terms thereof) to be performed for the Corporation by its external auditor in accordance with the terms of this charter and any policies and procedures adopted by the Committee, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which are approved by the Committee prior to the completion of the audit.

The Committee shall obtain and review a report from the external auditors on a periodic basis, regarding: (1) the external auditor's internal quality control procedures, (2) any material issues raised by the most recent internal quality control review, or peer review, of the firm or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm; (3) any steps taken to deal with any such issues, and (4) all relationships between the external auditors and the Corporation. The Committee shall evaluate the qualifications, performance and independence of the external auditors, including considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence. The Committee will also recommend that the Board take appropriate action in response to the outside auditor's report to satisfy itself of the outside auditor's independence. The Committee will ensure that the lead audit and concurring audit partner responsible for the current fiscal year audit of the Corporation's financial statements are rotated in accordance with applicable law. The Committee will recommend to the Board policies and procedures concerning the hiring of former auditor employees.

### ***Financial Statements and Disclosure Matters***

The Committee shall, to the extent it deems necessary or appropriate, review and discuss with the external auditors and/or management:

- the annual audited financial statements and quarterly financial statements, including disclosures made in MD&A, and recommend to the Board whether the financial statements should be included in any report to stockholders, or in reports and registration statements filed with the SEC;
- any relevant reports of financial information submitted by the Corporation to any governmental body, including the CFTC, to third parties, or to the public;
- the Corporation's press releases and other announcements, including the use of pro forma or adjusted non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies;

- the matters required to be discussed by SAS No. 61 relating to the conduct of the audit, including critical accounting policies used, significant adjustments or estimates employed, any difficulties encountered in the course of the audit, any restrictions on the scope of activities or on access to requested information and any significant disagreements with management;
- significant financial reporting issues and judgments in connection with the preparation of the Corporation's financial statements, including any significant changes in the selection or application of accounting principles, all alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditor and any other material written or communications between the external auditor and management;
- to the extent applicable, disclosures made to the Committee by the Chief Executive Officer and Chief Financial Officer during their certification process about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have significant role in the Corporation's internal controls; and
- the policies in existence with respect to financial risk assessment and risk management.

#### ***Internal Control Considerations***

The Committee shall, to the extent it deems necessary or appropriate, review and discuss with management and the external and internal auditors any major issues as to the adequacy of the Corporation's internal controls, any special steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting. In addition, as appropriate, the Committee shall review and discuss with management (including senior internal audit personnel) and the external auditor the Corporation's internal controls report and the external auditor's attestation of the report prior to the filing of the Corporation's Annual Report on Form 10-K.

The Committee shall, to the extent it deems necessary or appropriate, review and discuss with management, the internal auditors and the external auditors any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Corporation's financial statements or accounting policies. In addition, the Committee shall, to the extent it deems necessary or appropriate, discuss with the President and Chief Executive Officer or General Counsel legal matters that may have a material impact on the financial statements or the Corporation's compliance policies and internal controls.

The Committee will establish, in conjunction with management, written procedures to receive, report, and evaluate any anonymous reports of misconduct in areas of accounting, internal control, auditing or fraud.

The Committee will have the responsibilities and powers set forth above. The Committee is not responsible for planning or conducting audits or determining that the Corporation's

financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These activities are the responsibilities of management and the external auditors.

Nothing contained in this charter is intended to create or should be construed as creating any responsibility or liability of the members of the Committee, except to the extent otherwise provided under the applicable laws of the State of Delaware, which shall be applicable with respect to the conduct of the members of the Committee.

\* \* \* \*

**CBOT HOLDINGS, INC.  
COMPENSATION COMMITTEE CHARTER**

This is the Charter of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of CBOT Holdings, Inc. (the "Corporation").

**Purpose**

The purpose of the Committee is to review and approve the Corporation's compensation and benefit programs, ensure the competitiveness of these programs, and advise the Board on the development of and succession of senior executive officers. In particular, the Committee will be responsible for, among other things:

- establishing total compensation for senior executive officers, including overseeing all senior executive benefit plans (including Section 162(m) plans);
- overseeing the Corporation's equity incentive plans;
- developing and recommending to the Board total compensation for members of the Board; and
- communicating to stockholders regarding the Corporation's compensation policies and the reasoning behind such policies as required by the Securities Exchange Commission ("SEC") or as otherwise determined to be appropriate by the Committee.

**Membership and Qualification**

The Committee will be composed of at least three members of the Board. The nominating committee of the Board will recommend to our Board nominees for membership on the Committee. The chairperson of the Committee, as well as all Committee members, shall be appointed, removed or replaced by a majority vote of the Board. A majority of the Committee members shall constitute a quorum for the transaction of business. It is the responsibility of the chairperson of the Committee to schedule meetings and provide the Committee with a written agenda for all meetings.

Each member of the Committee shall be free of any relationship that, as determined by the Board, would interfere with his or her individual exercise of independent judgment and all members of the Committee shall be "independent" within the meaning provided below.

***Independence of Committee Members***

All members of the Committee must be independent directors under the New York Stock Exchange ("NYSE") rules and the requirements set forth in the Corporation's Amended and Restated Certificate of Incorporation (as amended from time to time, the "Charter") and Amended and Restated Bylaws (as amended from time to time, the "Bylaws"). To be considered independent under the NYSE rules, the Board must affirmatively determine that a director does

not have any direct or indirect material relationship with the Corporation. To assist it in determining director independence in accordance with the NYSE rules, the Board has established that an individual meeting one of the following criteria shall not be considered an independent director:

- a person who is, or was within the previous three years, an employee, or person whose immediate family member is an executive officer, of the Corporation;
- a person who receives, or has received in the three prior years, or whose immediate family member receives, or has received in the three prior years, more than \$100,000 per year in direct compensation from the Corporation, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued services);
- a person who is, or was within the three prior years, affiliated with or employed by, or whose immediate family member is, or was within the three prior years, affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the Corporation;
- a person who is, or was within the three prior years, employed, or whose immediate family member is, or was within the three prior years, employed, as an executive officer of another Corporation where any of the Corporation's present executives serve on that Corporation's compensation committee; or
- a person who is, or was within the three prior years, an executive officer or an employee, or whose immediate family member is, or was an executive officer of a Corporation that makes payments to, or receives payments from, the Corporation for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million, or 2% of such other Corporation's consolidated gross revenues.

For purposes of these independence standards, the term "the Corporation" includes any subsidiary and the term "immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than domestic employees) who shares such person's home.

For relationships not covered by the independence standards above, the determination of whether a relationship is material, and therefore whether the director is independent, will be made by the directors who satisfy the independence standards set forth above and the basis for the determination will be explained in the Corporation's annual proxy statement. Any determination by the Board that a director is independent despite the fact that the director does not meet the independence standards set forth above will also be explained in the Corporation's annual proxy statement.

Each member of the Committee will notify the Board as soon as practical in the event that his or her circumstances change in any manner that may affect the Board's independence determination.

## **Meetings and Other Actions**

The Committee shall meet at least quarterly and as often as it determines appropriate to carry out its obligations under this Charter. The Committee shall periodically report on its activities to the Board and make such recommendations and findings as it deems appropriate.

Meetings of the Committee may be held in person or by telephone. Action may also be taken by the Committee without a meeting if all members thereof consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of the Committee.

The Committee shall keep a separate book of minutes of their proceedings and actions. All meetings shall be at the call of the chairperson. The Committee shall elect a Secretary to the Committee who shall give notice personally or by mail, telephone, facsimile or electronically to each member of the Committee of all meetings, not later than 12 noon, Central time, of the day before the meeting, unless all of the members of the Committee in office waive notice thereof in writing at or before the meeting, in which case the meeting may be held without the aforesaid advance notice. A majority of the members of the Committee shall constitute a quorum for the transaction of business.

## **Goals, Responsibilities, and Authority**

In addition to any other responsibilities which may be assigned from time to time by the Board, the Committee is responsible for and has authority to conduct the following matters:

### ***Compensation and Benefits***

- the Committee shall review and recommend to the Board the total compensation for the directors of the Corporation;
- the Committee shall establish the total compensation package provided to, and other terms of employment of, the President and Chief Executive Officer (or most senior officer of the Corporation), as well as such other officers of the Corporation for whom compensation is disclosed in the Corporation's proxy statement, and review and/or approve the actual compensation (including base pay adjustments, and any annual and long-term incentive payouts) paid to senior executive officers of the Corporation;
- the Committee should be involved with any employment agreements, severance agreements or change of control agreements between the Corporation and any of its senior executive officers;
- the Committee shall review and approve the goals and objectives relevant to the President and Chief Executive Officer's compensation, evaluate the Chief Executive Officer's performance in light of those goals and objectives and set the Chief Executive's compensation level based on this evaluation;
- in determining the long-term incentive component of the President and Chief Executive Officer's compensation, the Committee should consider the

Corporation's performance and relative shareholder return, the value of similar incentive awards to presidents and chief executive officers at comparable companies, and the awards given to the Corporation's President and Chief Executive Officer in prior years;

- the Committee shall review and approve the design of the benefit plans which pertain to Directors, the President and Chief Executive Officer, and other senior executive officers who report directly to the President and Chief Executive Officer;
- the Committee shall review and recommend to the Board the creation and/or revision of incentive compensation plans and equity incentive plans;
- the Committee shall draft and approve the Compensation Committee Report on Executive Compensation included in the Corporation's proxy statements and generally oversee compliance with the compensation reporting requirements of the federal securities laws and rules and regulations promulgated thereunder by the SEC;
- the Committee may retain consultants, from time to time, to advise the Committee on executive compensation practices and policies, or any other matters within the scope of its purpose (The Committee shall have sole authority to retain and terminate such consulting firm, including sole authority to approve the firm's fee and other retention terms).
- subject to the approval of the Board, the Committee may hire other specialists, including independent counsel, in the performance of its functions (The Committee may, within limits set by the Board, approve the fees and retention terms payable to such specialists.);
- the Committee shall obtain through discussions with management of the Corporation a general understanding of the compensation throughout the entire organization.

#### ***Benefit Plans***

- the Committee shall establish the design of the benefit plans that pertain to Directors, the President and Chief Executive Officer and senior executive officers of the Corporation who report directly to the President and Chief Executive Officer;
- the Committee shall administer all plans that require "disinterested administration" under Rule 16b-3 of the Securities Exchange Act of 1934, as amended;

#### ***Reporting to the Board***

- the Committee shall report to the Board periodically; such report to include a review of any issues that arise with respect to compensation matters and any other

matters that the Committee deems appropriate or is requested to be included by the Board;

- at least annually, the Committee shall evaluate its own performance and report to the Board on such evaluation;
- the Committee shall periodically review and assess the adequacy of this Charter and recommend any proposed changes to the Board (This Charter may only be adopted, amended or repealed by the Board); and

***Miscellaneous***

- the Committee shall perform any other activities consistent with this Charter, the Corporation's Charter, Bylaws and governing law, as the Committee deems necessary or appropriate.

\* \* \* \*

**CBOT HOLDINGS, INC.  
NOMINATING COMMITTEE CHARTER**

This is the Charter of the Nominating Committee (the “Committee”) of the Board of Directors (the “Board”) of CBOT Holdings, Inc. (the “Corporation”).

**Purpose**

The primary purpose of the Committee is to review the qualifications of potential candidates for the Board and for standing board committees, including the audit, compensation, and executive committees as well as the Committee, and to propose and recommend to the Board, for its review, consideration and approval, nominees for election as directors and members of standing board committees, as applicable, for directorships or committee memberships which are vacant or expected to be vacant in connection with the expiration of their terms at each annual meeting of the stockholders of the Corporation.

In addition, the Committee shall periodically review the corporate governance guidelines applicable to the Corporation and propose any appropriate modifications thereto for consideration by the Board. In performing its duties, the Committee shall seek to maintain an effective working relationship with the Board and the management of the Corporation. Although the Committee will recommend to the Board nominees for election as directors and members of standing board committees, the Board shall exercise its own judgment in approving nominees for election or appointment as directors and board committee members.

**Membership and Qualification**

The Committee will be composed of at least three members of the Board. The Committee will recommend to our Board nominees for membership on the Committee. The chairperson of the Committee, as well as all Committee members, shall be appointed, removed or replaced by a majority vote of the Board. A majority of the Committee members shall constitute a quorum for the transaction of business. It is the responsibility of the chairperson of the Committee to schedule meetings and provide the Committee with a written agenda for all meetings.

Each member of the Committee shall be free of any relationship that, as determined by the Board, would interfere with his or her individual exercise of independent judgment and all members of the Committee shall be “independent” within the meaning provided below.

***Independence of Committee Members***

All members of the Committee must be independent directors under the New York Stock Exchange (“NYSE”) rules and the requirements set forth in the Corporation’s Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws. To be considered independent under the NYSE rules, the Board must affirmatively determine that a director does

not have any direct or indirect material relationship with the Corporation. To assist it in determining director independence in accordance with the NYSE rules, the Board has established that an individual meeting one of the following criteria shall not be considered an independent director:

- a person who is, or was within the previous three years, an employee, or person whose immediate family member is an executive officer, of the Corporation;
- a person who receives, or has received in the three prior years, or whose immediate family member receives, or has received in the three prior years, more than \$100,000 per year in direct compensation from the Corporation, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued services);
- a person who is, or was within the three prior years, affiliated with or employed by, or whose immediate family member is, or was within the three prior years, affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the Corporation;
- a person who is, or was within the three prior years, employed, or whose immediate family member is, or was within the three prior years, employed, as an executive officer of another Corporation where any of the Corporation's present executives serve on that Corporation's compensation committee; or
- a person who is, or was within the three prior years, an executive officer or an employee, or whose immediate family member is, or was an executive officer of a Corporation that makes payments to, or receives payments from, the Corporation for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million, or 2% of such other Corporation's consolidated gross revenues.

For purposes of these independence standards, the term "the Corporation" includes any subsidiary and the term "immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than domestic employees) who shares such person's home.

For relationships not covered by the independence standards above, the determination of whether a relationship is material, and therefore whether the director is independent, will be made by the directors who satisfy the independence standards set forth above and the basis for the determination will be explained in the Corporation's annual proxy statement. Any determination by the Board that a director is independent despite the fact that the director does not meet the independence standards set forth above will also be explained in the Corporation's annual proxy statement.

Each member of the Committee will notify the Board as soon as practical in the event that his or her circumstances change in any manner that may affect the Board's independence determination.

### **Meetings and Other Actions**

The Committee shall meet at least quarterly and as often as it determines appropriate to carry out its obligations under this Charter. The Committee shall periodically report on its activities to the Board and make such recommendations and findings as it deems appropriate.

Meetings of the Committee may be held in person or by telephone. Action may also be taken by the Committee without a meeting if all members thereof consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of the Committee.

The Committee shall keep a separate book of minutes of their proceedings and actions. All meetings shall be at the call of the chairperson. The Committee shall elect a Secretary to the Committee who shall give notice personally or by mail, telephone, facsimile or electronically to each member of the Committee of all meetings, not later than 12 noon, Central time, of the day before the meeting, unless all of the members of the Committee in office waive notice thereof in writing at or before the meeting, in which case the meeting may be held without the aforesaid advance notice. A majority of the members of the Committee shall constitute a quorum for the transaction of business.

### **Goals, Responsibilities, and Authority**

- the Committee shall make recommendations to the Board, for its review and approval, of nominees for election as directors and members of board committees, as applicable, for directorships or committee memberships that are vacant or expected to be vacant in connection with the expiration of their terms at each annual meeting of the stockholders of the Corporation (As part of its process, the Committee should review and, to the extent appropriate, consider all nominees submitted to the Committee for its consideration by stockholders of the Corporation.);
- the Committee should seek to develop a Board that consists of individuals from diverse backgrounds and perspectives who combine a broad spectrum of experience and expertise with a reputation for integrity;
- the Committee shall review with the Board the desired experience, mix of skills and other qualities to assure appropriate Board composition, taking into account the current Board members and the specific needs of the Corporation.
- the Committee should conduct appropriate inquiries into the background and qualifications of potential nominees;
- in assessing potential nominees, the Committee should consider, among other criteria, the character, background and professional experience of candidates

(Prior experience and familiarity with the derivatives industry are among the relevant criteria. Each nominee should possess good judgment and an inquiring and independent mind. Each nominee should also possess a reputation for the highest personal and professional ethics, integrity and values.);

- the Committee should also carefully consider any potential conflicts of interest associated with each nominee that it is aware of;
- the Committee shall have the sole authority to retain and terminate any search firm to be used to identify candidates for election or appointment as directors, including sole authority to approve such search firm's fees and other retention terms.
- subject to the approval of the Board, the Committee may hire other specialists, including independent counsel, in the performance of its functions (The Committee may, within limits set by the Board, approve the fees and retention terms applicable to such other specialists and advisors);
- the Committee should periodically review and develop criteria for the selection of new directors and nominees for vacancies on the Board, including procedures for reviewing potential nominees proposed by stockholders;
- the Committee should consider questions and make recommendations to the Board regarding determinations of the independence of the members of the Board;
- the chairperson of the Committee should make reports to the Board as appropriate;
- the Committee shall confer with management of the Corporation to the extent it may deem necessary or appropriate to fulfill its duties; and
- the Committee shall, at least annually, evaluate its own performance and report to the Board on such evaluation.

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# **CODE OF BUSINESS CONDUCT AND ETHICS**

**Updated August 16, 2005**

**Effective as of October 18, 2005**

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## **CBOT HOLDINGS, INC.**

### **CODE OF BUSINESS CONDUCT AND ETHICS**

#### **Introduction**

We have adopted and embraced this Code of Business Conduct and Ethics in order to promote honest, legal and ethical conduct in all of our business endeavors and transactions. Although important for many reasons, the integrity that is promoted and encouraged by this code is critical to our core business in that it helps to ensure that our markets remain transparent and attractive to our customers. As such, all directors, officers and employees are expected to conduct themselves in compliance with this code and with the highest level of integrity.

This code applies to all directors, officers and employees of CBOT Holdings, Inc. (including the President and Chief Executive Officer, the Chief Financial Officer and the Chief Accounting Officer) and its subsidiaries, including Board of Trade of the City of Chicago, Inc. In addition, this code applies to our part-time and temporary staff, interns and volunteers. We also require that our consultants abide by the provisions of this code.

Please remember that it is your responsibility to fulfill your obligations under this code and that the obligations described in the code apply to you whether or not the obligations are imposed by applicable law. In addition, it is your responsibility to promptly report potential violations of the code by you or others to appropriate persons on our staff.

We believe that this code complies with the requirements of the definition of "Code of Ethics" as set forth in the regulations of the United States Securities and Exchange Commission.

#### **Responsibilities to Us**

##### ***Compliance with all Laws, Rules, and Regulations***

Obedying the law, both in letter and in spirit, is the foundation on which our ethical standards are built. You must respect and obey the laws of the cities, states, and countries in which we operate. Although you are not expected to know the details of all of these laws, it is important for you to know enough to be able to determine when to seek advice from appropriate persons on our staff.

Generally, it is both illegal and against our policy for any person subject to this code to buy or sell any securities, including our securities, or recommend that another person buy, sell or hold any securities, including our securities, while in possession of material, nonpublic information relating to the issuer of such securities. In addition, it is generally both illegal and against our policy for any person subject to this code to buy or sell any futures or options on futures contract, or recommend that another person buy, sell

or hold any futures or options on futures contract while in possession of material, nonpublic information relating to such contract.

More detailed policies concerning investments in securities can be found in our INSIDER TRADING AND DISCLOSURE POLICY and more detailed policies concerning investments in futures and options on futures contracts can be found in our EMPLOYEE INVESTMENT POLICY. If you are uncertain as to whether or not an investment is appropriate, please contact an appropriate person on our staff.

### ***Confidential Information***

In the course of performing your duties, you may acquire confidential information regarding us, our members, stockholders, and employees, or other proprietary information regarding our products, operations, procedures and systems. You are obligated to maintain all such information as confidential, only disclosing it within our organization as is necessary to perform your duties. In addition, you may not disclose confidential information to any party outside of our organization or use it for your own benefit or any other person's benefit, unless you are expressly authorized in writing by an authorized officer of our organization. Failure to comply with this provision may be considered serious misconduct and may result in immediate discharge or dismissal and further legal action.

For purposes of this section, the term "confidential information" includes:

- any of our proprietary information; or all technical, business, or financial information that relates to us, including, without limitation, information received from third parties under confidential conditions;
- any inventions, discoveries, developments, software systems, programs, products, designs, techniques, concepts, or methods that we have developed or are developing; or an employee makes or conceives, either alone or jointly with others, during their employment with us that are in any manner related to, or useful in connection with, our activities or business, or that result from the work performed by them for us;
- any information which our members, stockholders, customers, or suppliers or potential members, stockholders, customers, or suppliers have rights including, without limitation, information received from third parties under confidential conditions or all other technical, business, or financial information received by you, and relating in any way to any such member, stockholder, customer, or supplier or such potential member, customer, or supplier; and
- any information describing the background, characteristics, behavior, experiences, duties, responsibilities, or job performance of any of our current or former employees, officers, directors or consultants.

### ***Protection and Proper Use of Company Assets***

You should endeavor to protect our assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on our profitability. Any suspected incidence of fraud or theft should be immediately reported to appropriate persons on our staff for investigation. Our equipment should not be used for non-company-related business, though incidental personal use may be permitted.

Your obligation to protect our assets extends to our proprietary information, including intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, databases, records, salary information, and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate this code and could also be illegal and result in civil or even criminal penalties.

### ***Acceptable Use of Computing Systems and Facilities***

We require that the use of our computing systems and facilities will be conducted in an effective, efficient, ethical and lawful manner. Our systems (including but not limited to individual desktop and laptop computers, file and network servers, networks, floppy disks, magnetic tapes, CDROM devices, telecommunications systems or other computing and storage devices) are owned or leased by us for use by our directors, officers, employees, consultants and other third parties such as temporary workers, and are to be used for authorized purposes only. More detailed policies concerning the use of our systems and facilities can be found in our ACCEPTABLE USE POLICY.

### ***Accuracy of Financial Records***

You must ensure that all of our documents are completed accurately, truthfully and in a timely manner and, when applicable, are properly authorized. Financial activities are to be recorded in compliance with all applicable laws and accounting practices in a manner that accurately and fairly reflects the nature of the underlying transaction. Creating false or misleading entries, records or documentation is strictly prohibited. You must never create a false or misleading report or make a payment or establish an account on our behalf with the understanding that any part of the payment or account is to be used for a purpose other than as described by the supporting documents.

### ***Public Disclosure***

All transactions we enter into must be accumulated and processed in a manner that will permit timely preparation of financial statements, reports and data for purposes of internal, public and regulatory reporting. Such statements, reports and data must be understandable and prepared in a manner sufficient to reflect fully, accurately and fairly the results of transactions we enter into and to permit proper accountability for assets.

### ***Travel and Expense***

We will reimburse all bona fide travel and business expenses in accordance with Internal Revenue Service regulations, our TRAVEL AND EXPENSE REIMBURSEMENT POLICY and our accounting policies. Personal expenses will not be reimbursed. Additional policies related to travel and expense reimbursement can be found in our TRAVEL AND EXPENSE REIMBURSEMENT POLICY.

### ***Gratuities***

Our officers and employees are prohibited from directly or indirectly accepting compensation, gifts or gratuity in excess of \$250 annually (not per gift) from any of our members or any of our vendors or prospective vendors without prior approval from our President and Chief Executive Officer. Additional policies related to gratuities can be found in our GRATUITIES POLICY.

### ***Solicitations***

We limit solicitation and distribution of charitable contributions on our premises because, when left unrestricted, such activities can interfere with our normal operations, be detrimental to employee efficiency, and pose a threat to security. For a more detailed description of the limitations on solicitations, see our SOLICITATION POLICY.

### **Representing Us to Others**

#### ***Fair Dealing***

We have a history of succeeding through honest business competition. We do not seek competitive advantages through illegal or unethical business practices. You should endeavor to deal fairly with our clients, service providers, suppliers, competitors and employees. No director, officer or employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice.

### **Conflicts of Interest, Investments and Business Opportunities**

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

We recognize that it may be desirable for you to have other business, employment or financial interests. However, we require that such interests do not create a conflict of interest or an appearance of a conflict of interest with your duties to us. In furtherance of this requirement, we prohibit our employees from working for other contract markets or becoming involved in situations in which their outside activities give rise to a conflict of interest or an appearance of a conflict of interest with their employment with us.

A conflict of interest is deemed to include the following: having any business, employment, or financial relationship, which involves the trading of commodity futures or futures options contracts or any other instrument traded on our markets, with a member, member firm, commodity pool operator, commodity trading advisor, introducing broker, leverage transaction merchant, futures commission merchant, or other entity. Specific situations that may be considered conflicts of interest include, but are not limited to, the following:

- employment of relatives or close personal associates of an employee when a direct supervisory or facilitating work relationship would occur;
- activities which constitute violations of our EMPLOYEE INVESTMENT POLICY;
- employment of individuals who hold one of our memberships or that of any other commodities or securities exchange;
- employment of individuals who have made application for membership status at any commodities or securities exchange; and
- employment of individuals who sit as a member of an advisory board, board of directors, or board of trustees for a vendor, consulting firm, or organization paid to provide services to us.

In order to ensure that all employees are treated equitably and without personal prejudice or favoritism, we do not employ persons whose employment would likely result in a conflict of interest or the appearance of a conflict of interest.

In addition, none of our employees shall:

- furnish any advice to any third party regarding the trading of commodity futures or options on futures; or
- accept fees, gifts, gratuities, entertainment, services, payments of expenses, or other items of material value from any person where such actions could give rise to improprieties or the appearance of improprieties.

Before engaging in any outside activity or entering into any employment, business, or financial relationship that could result in a conflict of interest or an appearance of a conflict of interest or impact your duties to us, you must submit a detailed written description of the activity or relationship to appropriate persons on our staff for approval.

If you fail to receive approval for the allegedly conflicting activity and we determine that your conduct gives rise to a conflict of interest or the appearance of a

conflict of interest, this shall be considered serious misconduct and may result in disciplinary action being taken against you, including discharge or dismissal.

### ***Corporate Opportunities***

You are prohibited from taking for yourself personally opportunities that are discovered through the use of our property, information or position without the express consent of our board of directors. You may not use corporate property, information, or position for improper personal gain, and may not compete with us, directly or indirectly, without the express consent of our board of directors. You owe a duty to us to advance our legitimate interests when the opportunity to do so arises.

### ***Employee Investments***

Because certain investments by our employees or their family members may create a conflict of interest or result in the appearance of impropriety, we have placed restrictions on such investments that are designed to prevent such conflicts or appearances of conflicts, as the case may be.

Officers and employees and their family members are prohibited from trading directly or indirectly in:

- any commodity interest (cash commodities, futures, or options on futures) traded on our markets;
- any commodity underlying any futures or options on futures contract traded on our markets; or
- any related commodity interest;

except, in each case, as may expressly be permitted in the Permitted Investments section of our EMPLOYEE INVESTMENT POLICY.

Officers and employees are prohibited from trading directly or indirectly in any commodity interest traded on or cleared by CFTC designated contract markets or clearing organizations other than our markets, or any commodity interest traded on or cleared by a linked exchange, where the employees have access to material non-public information concerning such commodity interest. Officers and employees and their family members are also prohibited from trading directly or indirectly in any commodity interest (i.e., any cash commodity, futures, or options on futures) in which we have a proprietary right and that is traded at another exchange or on any electronic system.

The specific limitations on employee investments are set forth in our EMPLOYEE INVESTMENT POLICY.

## ***Inventions***

In the course of their work, our employees may conceive or reduce to practice, either alone or with others, inventions related to our present or planned business. Inventions, whether or not developed during an employee's regular working hours, are the sole property of CBOT Holdings, Inc. and its subsidiaries and shall be treated as confidential information. The provisions of this paragraph shall not apply to an invention for which our equipment, supplies, facilities, or trade secret information was not used and which was developed entirely on your own time, unless the invention relates to our business as then conducted or contemplated to be conducted, relates to our actual or demonstrably anticipated research or development, or results from any work performed by you for us.

For purposes of this paragraph, the term "invention" means innovations, discoveries, procedures, systems, machines, methods, processes, uses, apparatuses, designs or configurations, computer programs of any kind, financial products or services, or any improvements of the foregoing, discovered, conceived, reduced to practice, developed, made, or produced, and shall not be limited to the meaning of "Invention" under the United States patent laws.

## ***Outside Activities***

We recognize the right of our employees to spend their nonworking time away from their jobs as they please. It does, however, require that activities away from the job must not compromise our interests or an employee's ability to faithfully fulfill all duties and responsibilities of their position with us. As described above, our employees are prohibited from taking part in outside activities if such activities give rise to a conflict of interest or the appearance of a conflict of interest. Therefore, you are prohibited from working for other contract markets or participating in other activities that may create a conflict of interest.

Outside activities also will not be considered an excuse for poor job performance, absenteeism, tardiness, leaving early, or refusal to work overtime or different hours. Should the outside activity cause or contribute to any of these situations, such outside activity must be discontinued, and you may be subject to disciplinary action, up to and including termination of employment. Additionally, if you have accepted outside employment, you are not eligible for PTO time or disability income payment if you are injured while working at the outside job.

## **Workplace Responsibilities**

### ***Equal Employment Opportunity***

We are an equal opportunity employer in hiring and promoting practices, benefits and wages. We endorse, without qualification, the concept that all qualified employees and applicants are entitled to equal employment opportunities regardless of their race,

religion, color, sex, age, disability, veteran status, marital status, military discharge status, national origin and ancestry, parental status, source of income, sexual orientation, or any other basis protected by applicable federal, state, or local fair employment laws.

To meet our staffing needs, we seek to fill all positions with qualified candidates. All candidates for positions should receive equal consideration without regard to their race, religion, color, marital status, sex, age, disability, veteran status, military discharge status, national origin and ancestry, parental status, source of income, sexual orientation, or any other basis protected by applicable federal, state, or local fair employment laws.

As an Equal Opportunity Employer, all recruiting, advertising, employment, training, promotion, demotion, transfer, layoff, rehire, termination, or other employment actions should be conducted in the spirit of Section 202 of Executive Order 11246, Title VII of the Civil Rights Act, Section 503 of the Rehabilitation Act of 1973, Section 402 of the Vietnam Readjustment Assistance Act of 1974, the Americans with Disabilities Act, the City of Chicago Human Rights Ordinance, all as amended, and any new legislation that may be enacted to further promote equal opportunity and/or nondiscrimination.

In addition, we will make all reasonable efforts to accommodate the religious beliefs, observances, and practices of employees or prospective employees unless such action results in undue hardship on the conduct of our business.

Our management remains committed and will continue to promote the principles of equal employment opportunity within our organization.

### ***Discrimination and Harassment***

We strongly support the rights of our employees to work in an environment that is free from all forms of discrimination and harassment, including unwelcome and/or offensive conduct based on race, sexual orientation, color, religion, gender, national origin, age, disability or any other legally protected status. We will not tolerate harassment or discrimination of any kind of employees or applicants by other employees or non-employees in or affecting the workplace.

Harassment is visual, verbal, or physical conduct that is based on an individual's race, sexual orientation, color, religion, gender, national origin, age, disability, or other legally protected status and that:

- creates an intimidating, hostile, or offensive working environment;
- interferes with an individual's work performance; or
- otherwise adversely affects an individual's employment opportunities or benefits.

Such conduct may include, but is not limited to, the following:

- threatening, intimidating, or hostile acts based on an individual's race, sexual orientation, color, religion, gender, national origin, age, disability, or other legally protected status;
- written, verbal, or graphic material viewed, stored, displayed, or circulated in the workplace (including via email/Internet) or placed on walls, bulletin boards, or elsewhere on our premises that degrades, shows hostility or aversion toward, or is based on an individual's or group's race, sexual orientation, color, religion, gender, marital status, national origin, age, disability, or other legally protected status;
- verbal harassment, such as epithets, derogatory comments, slurs, negative stereotyping, off-color jokes, innuendos, propositions, threats, or suggestive or insulting sounds;
- verbal, written, or graphic communication that relates to race, sexual orientation, color, religion, gender, national origin, age, disability, or other legally protected status;
- physical harassment, such as assault, impeding or blocking movement, or any physical interference with normal work or movement when directed at an individual based on his/her race, sexual orientation, color, religion, gender, national origin, age, disability, or other legally protected status;
- any request, promise, statement, threat, or comment directed at an employee regarding preferential treatment through increased pay, wages, position, promotion, or working conditions in exchange for sexual favors, accompanied with any promise, statement, threat, or comment of advising of adverse actions that may result due to denial of such favors; and
- any other conduct that unreasonably interferes with an employee's performance of his or her job or creates an intimidating, hostile, or offensive work environment.

Sexual harassment deserves special mention. Unwelcome sexual advances, requests for sexual favors, and other physical, verbal, or visual conduct based on sex constitute sexual harassment when:

- submission to the conduct is an explicit or implicit term or condition of employment;
- submission to or rejection of the conduct is used as the basis for an employment decision; or

- the conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Sexual harassment is conduct based on sex, whether directed towards a person of the opposite or same sex, and may include, in addition to the conduct described above, explicit sexual propositions, sexual innuendos, suggestive comments, sexually oriented "kidding" or "teasing," "practical jokes," jokes about obscene printed or visual material, and physical contact such as patting, pinching, or brushing against another person's body. Any employee or applicant who is subjected to or witnesses harassing behavior should report the harassment immediately, as described below.

We encourage our employees, members or member-firm employees, or non-employees (i.e., consultants, contractors, vendors) to present any complaint pertaining to harassment to the complaining employee's supervisor, the Human Resources Department, or any other management employee with whom the employee feels comfortable. Any supervisor who receives such a complaint should immediately notify the Human Resources Department. The Human Resources Department may direct complaints pertaining to harassment by members or member firm employees to the Vice President of the Office of Investigations and Audits or the Floor Conduct Committee. We will thoroughly, promptly, and effectively investigate all complaints and will keep them confidential, only disclosing them on a "need-to-know" basis.

We prohibit any form of retaliation against an employee who has been harassed, who has reported harassment, and/or who has participated in an investigation. No supervisor or other employee may in any way base an employment decision regarding a person on the fact that the person has been harassed, has reported harassment, and/or has participated in an investigation of harassment.

We will not tolerate any violations of this policy. If an investigation reveals that a violation of this policy has occurred (whether or not the conduct alleged violates the law), the offending employee(s) will be subject to appropriate disciplinary action up to and including discharge from employment. Members and their employees who violate this policy will also be subject to the appropriate disciplinary action.

### ***Workplace Violence Prevention***

You have the right to work in an environment free from the threat of violence or violent actions. To promote this environment, we have developed a workplace violence prevention policy; this policy is described in detail below. You are responsible for adhering to this policy as well as assisting in its enforcement to ensure we remain free from all forms of violence.

We will not tolerate threats or acts of violence directed towards any of our employees by another employee, member, member firm employee, consultant, or customer. Additionally, we will not tolerate any threats or acts of violence committed by

our employees when working with other employees, members, member firm employees, consultants, and customers.

Examples of behavior that will not be tolerated either against or by our employees include, but are not limited to:

- acts of physical violence (i.e., battery);
- possession of firearms or dangerous weapons (e.g., guns, knives, explosives);
- intentionally damaging our property, or property of another employee;
- verbal or written threats of physical violence (i.e., assault);
- physical, written, or verbal intimidation of employees;
- implicit threats of violence (comments such as, “You'd better watch it” or “This isn't over”); and
- acts motivated by, or related to, sexual harassment or domestic violence.

The conduct listed above, along with other violent, unprofessional behaviors, will not be tolerated, and all reports of incidents will be investigated and dealt with appropriately. If you observe or experience a threat, to yourself or others, from or towards another employee, consultant, or customer, you should contact your supervisor or the Human Resources Department immediately. Supervisors who receive such reports should notify the Human Resources Department to investigate the alleged threats and/or actions. Threats from members or member firm employees should be directed to the employee's supervisor, who must then contact the Human Resources Department.

We will not retaliate against any person who has reported in good faith a violent act and/or threat. Confidentiality will be preserved to the fullest extent possible, without compromising our ability to conduct a thorough investigation.

Violations of this policy may subject the offending person to appropriate disciplinary action up to and including discharge or dismissal. In some situations, it may be necessary to contact local law enforcement, which could lead to legal action. Members and their employees who violate this policy will also be subject to appropriate disciplinary action. Full cooperation with this policy is necessary to ensure that our environment remains safe for its employees, members, and customers.

## **Implementation of this Code**

### ***Reporting Violations***

At any time, anyone may report a concern or complaint regarding our accounting, internal accounting controls or auditing to ConfidentialSource<sup>SM</sup> by phone at (888) 882-0774 or Internet at [www.confidentialsource.com](http://www.confidentialsource.com). Our company ID is CB75. Concerns related to our accounting, internal accounting controls or auditing will be communicated confidentially to the audit committee of the board of directors. While you will not be required to give your name, providing your name will enable us to conduct a more thorough investigation. In all cases, you should treat the information you provide as confidential and we will likewise maintain confidentiality to the fullest possible extent. **No one will be subject to retaliation because of a good faith report of suspected misconduct.**

If you know of or suspect a violation of any non-accounting/financial laws or regulations, this code or our related policies, report that information directly to the Human Resources Department by phone at (312) 435-3493. In all cases, you should treat the information you provide as confidential and we will likewise maintain confidentiality to the fullest possible extent. **No one will be subject to retaliation because of a good faith report of suspected misconduct.**

### ***Protection Against Retaliatory Actions (“Whistle Blower” Provision)***

You are prohibited from taking retaliatory action against an employee because he or she has in good faith reported an improper action in accordance with our accounting, internal accounting controls or auditing; or an improper action in accordance with any non-accounting/financial laws or regulations, this code or our related policies.

### ***Investigating Violations***

All reported violations, whether or not anonymous, will be promptly investigated and treated confidentially to the greatest extent possible. It is imperative that reporting persons not conduct their own preliminary investigations. Investigations of alleged violations may involve complex legal issues, and acting on your own may compromise the integrity of an investigation and adversely affect both you and us.

### ***Consequences of Violating Code of Business Conduct and Ethics***

Violations of the provisions of this code may result in disciplinary action, up to and including dismissal.

***Waivers of the Code of Business Conduct and Ethics***

Any waiver of this code for directors and senior executive officers may only be made by our board of directors or a committee of the board of directors and will promptly be disclosed as required by law or stock exchange regulation.

\* \* \* \*

 **CBOT Holdings, Inc.**

**Conflict of Interest Policy**

**Effective February 21, 2006**

## CONFLICT OF INTEREST POLICY

### Purpose of Policy

Our board of directors has adopted this Conflict of Interest Policy to ensure that any corporate action that might confer a private benefit on a director is understood in advance by the relevant decision makers, and that all decisions of the board are made in the interests of our stockholders. A director may not use his position, or confidential corporate information, to benefit himself or another person or entity.

We are a Delaware corporation and are subject to the laws of that state with respect to a director's fiduciary duties, including the duty of loyalty. This policy is intended to provide guidance with respect to common potential conflicts of interest, but is not intended to address all possible conflicts. Consequently, this policy is intended to supplement but not replace any applicable laws or regulations governing conflicts of interest. In all instances where a potential conflict arises between this policy and applicable Delaware or other law, or a conflict is not covered by this policy, we will be guided by our legal requirements.

### Board Composition

In accordance with the policy set forth in the Commodity Exchange Act ("CEA") that designated contract markets provide for meaningful representation of a diversity of industry business interests on its board of directors, and based on the board's view that having a variety of industry expertise on the board of directors is in the best interests of our stockholders, floor brokers, floor traders, employees or officers of futures commission merchants and CBOT clearing member firms and other similarly situated persons who intermediate transactions in or otherwise use our products and services are or may in the future serve as directors on our board of directors. We believe that these relationships alone do not interfere with a director's ability to provide independent oversight of the management of the CBOT.

### Definitions

The following are definitions of certain terms used in this policy:

- "*Family*" shall include a person's spouse, siblings, mothers-in-law and fathers-in-law; sisters-in-law and brothers-in-law, and ancestors and descendants and their spouses.
- "*Financial Interest*" shall mean a financial benefit that likely would result in some way from an action taken by us, including if person has, directly or indirectly through a business, investment or family relationship:
  - an existing or potential ownership or investment interest in any entity with which we have a transaction, contract or other arrangement;
  - a compensation arrangement with any entity or individual with which we have a transaction, contract or other arrangement;

- an existing or potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which we are negotiating a transaction, contract or other arrangement; or
- an existing or potential ownership or investment interest in, or compensation arrangement with, any entity whose business or operation has been or will be directly affected by a decision or action of ours.
- *“Interested Director”* shall mean any director who has a material financial interest, as defined herein, or who serves as a director or officer of any entity with which we have a material transaction, contract or other arrangement. A director will not be considered an “interested director” solely as a result of ordinary course trading or clearing relationships not subject to specific board approval.
- *“Material Financial Interest”* – A “financial interest” is a “material financial interest” if the effect on a person, his family or a company or firm in which he has a material financial interest, is significant in light of his personal financial condition or the financial condition of the company or firm. For example, a director who trades our products or has an interest in a CBOT firm shall not be deemed to have a “material financial interest” in a proposal to raise or lower trading fees or modify electronic trading policies if the change does not have a material effect on his or the firm’s income. If a director is not in a membership class affected by a decision, he generally will not be deemed to have a material financial interest in the action.

### **Administration of Policy**

This policy shall be administered by the general counsel, who shall monitor compliance. Each director shall provide to the general counsel annually a completed questionnaire setting forth all business and other affiliations which relate in any way to the business and other activities of the CBOT. Each director shall update the information provided in the questionnaire as necessary to ensure the general counsel has been advised of all businesses and affiliations which relate to the business of the CBOT.

The General Counsel shall report the status of completed questionnaires to the board within 90 days following the Annual Meeting of Stockholders and as appropriate during the year.

If the general counsel has reasonable cause to believe that a director has failed to disclose an actual or possible conflict of interest, he shall inform the director of the basis for such belief and afford the director an opportunity to explain the alleged failure to disclose. If, after hearing the response of the director and making such further investigation as may be warranted in the circumstances, the general counsel determines that the director has failed to disclose an actual or possible conflict of interest, he shall report the matter to the board of directors.

### **Voting**

In the event of any potential or actual conflict of interest involving a board member, including a director having a material financial interest in a matter to be considered by the board,

the board, after consultation with the general counsel and outside legal counsel if necessary, shall determine whether to recommend that a director abstain from voting on the matter. As a general matter, we believe it is appropriate for a director to abstain from voting on a matter in which he has a material financial interest. In the event a director abstains because of a conflict of interest, the abstention shall be noted in the minutes of the meeting.

### **Disclosure by Directors**

With respect to any matter pending before the CBOT, each director shall disclose to the board or the general counsel any matter, relationship or other factor, not previously disclosed in a questionnaire submitted to the general counsel in accordance with this policy, that could reasonably be considered to make the director an interested director.

### **Procedures**

The following provisions apply with respect to any proposed rule, transaction, contract, or arrangement in which a director has a material financial interest:

- *Disclosure.* In connection with any proposed rule change, transaction, contract or arrangement, an interested director shall disclose the existence and nature of his material financial interest, unless previously disclosed in a questionnaire submitted to the general counsel pursuant to this policy, prior to the consideration of the proposed rule, transaction, contract or arrangement by the board or a board committee.
- *Review by Board.* After disclosure of the material financial interest, a determination shall be made by the board of directors, after consultation with the general counsel and outside legal counsel, if necessary, as to whether a conflict of interest exists and whether to recommend that the director abstain. A decision is not required if the interested director abstains from participation in the vote respecting the proposed rule, transaction, contract or arrangement.

### **Director Compensation**

Notwithstanding any other provision of this policy, a member of the compensation committee or the board may participate in decisions respecting director compensation and fees to the extent that the decision applies equally to all directors, committee members or committee chairs. Directors may approve directors' compensation and fee levels of general application, but shall abstain from decisions relating to fees and compensation relating particularly to them.

### **Annual Statements**

Each director shall annually sign a statement which affirms that such person:

- has received a copy of this policy;
- has read and understands the policy; and
- has agreed to comply with the policy.