

**BY-LAW NO. 1a**

A by-law relating generally to the conduct of the affairs of ICE Clear Canada, Inc. (the "Corporation").

**ARTICLE ONE**

**INTERPRETATION**

**1.01 Definitions.** - In this by-law and all other by-laws of the Corporation, unless the context otherwise requires, the following terms shall have the following meanings:

**"Act"** - *The Corporations Act* R.S.M. 1987, c.C225, as from time to time amended;

**"Affiliated Person"** – With respect to any entity, any person who controls, is controlled by or is under common control with such entity, and, without limiting the generality of the foregoing, any partner, trustee, officer, director or employee (whether or not having control) of such entity; with respect to any individual, any person of which such individual is a partner, trustee, officer, director or employee or has control, and any person who controls, is controlled by or is under common control with such person. For the purposes of this definition, the term "control" means the power to direct or cause the direction of the management or policies of a person, whether through ownership of securities, by contract or otherwise;

**"Articles"** - the articles of incorporation of the Corporation under the Act, as from time to time amended;

**"Board"** - the Board of Directors of the Corporation;

**"By-law"** - the By-law or By-laws of the Corporation as from time to time amended;

**"Chairman of the Board"** - the Person elected in accordance with Article Six;

**"Clearing Fund"** – the fund established pursuant to this Rule;

**"Clearing Participant"** - a Person whose application for access to the facilities of the Corporation has been approved by the Corporation and who has entered into a Clearing Participation Agreement with the Corporation pursuant to the provisions of Article Nine;

**"Clearing Participant Agreement"** – means an agreement entered into between an Eligible Person and the Corporation to grant and govern clearing privileges of the Person as provided in Article Nine herein;

**"Commission"** – means The Manitoba Securities Commission;

**"Contract"** - A futures contract, option or other contract or instrument for which the Corporation acts as a clearing organization;

**"Corporation"** - the corporation incorporated under the Act under the name ICE Clear Canada, Inc. by articles of amendment dated January 2, 2008, as from time to time amended;

**"Effective Date"** – the date upon which these By-Laws become effective;

**"Eligible Person"** – a Person who meets the requirements of the Corporation to be a Clearing Participant as such requirements are from time to time determined;

**"Exchange"** - ICE Futures Canada, Inc.;

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**"Person"** - An individual, co-operative, partnership, association, firm, trust, corporation or other entity, as the context may require;

**"President"** - the Person appointed as President of the Corporation in accordance with Article Six herein;

**"Recorded Address"** – means, in the case of a Shareholder, the address of that Person as recorded in the register of Shareholders, in the case of a director, officer, auditor or member of a committee of the Board, the address of that Person recorded in the records of the Corporation and in the case of a Clearing Participant the address recorded in the records of the Corporation;

**"Rules"** - the Rules of the Corporation as from time to time amended;

**"SRO Clearing Participant"** - a Clearing Participant that is within the audit jurisdiction of either the Investment Industry Regulatory Association of Canada or any other SRO recognized by the Corporation;

**"SRO"** – Self-Regulatory Organization;

**"Secretary"** - the Person appointed Secretary of the Corporation in accordance with Article Six herein;

**"Shareholder"** – means the shareholder or shareholders of the Corporation from time to time;

**"Signing Officer"** – means, in relation to any instrument, any Person authorized to sign the same on behalf of the Corporation pursuant to the provisions of this By-law or by a resolution passed pursuant thereto;

**"Treasurer"** - the Person appointed Treasurer of the Corporation in accordance with Article Six herein;

**"Vice-Chairman of the Board"** – the Person appointed Vice-Chairman of the Board in accordance with Article Six herein;

## **1.02 Interpretation in all By-laws, where the context so required or permits:**

- a. the singular shall include the plural and the plural the singular; and the masculine shall include the feminine;
- b. all terms which are contained in the By-laws and which are defined in the Act shall have the meanings given to such terms in the Act;
- c. the headings used in the By-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

## ARTICLE TWO

### BUSINESS OF THE CORPORATION

- 2.01 Registered Office.** - Until changed in accordance with the Act, the registered office of the Corporation shall be at such location as the Board may from time to time determine.
- 2.02 Corporate Seal.** - The corporate seal of the Corporation shall be in the form impressed hereon, or in such other form as the Board may from time to time determine. An instrument or agreement executed on behalf of the Corporation by a Signing Officer is not invalid merely because the corporate seal is not affixed thereto.
- 2.03 Financial Year.** - Unless otherwise ordered by the Board, the financial year of the Corporation shall end on the last day of December in each year.
- 2.04 Execution of Instruments.** – Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by the President or, in his absence, the General Counsel, and all such deeds, transfers, assignments, contracts, obligations, certificates and other instruments so signed shall be binding upon the Corporation without any further authorization or formality. In the absence of the President and the General Counsel, the Chairman of the Board or his designate shall be authorized as a signing officer for the Corporation. In addition, the Board may from time to time, by resolution, direct the manner in which, and the person or persons by whom, any particular instrument or class of instruments may or shall be signed.
- 2.05 Banking Arrangements.** - The banking business of the Corporation shall be transacted with such banks, trust companies or other firms or corporations as may from time to time be designated by or under the authority of the Board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the Board may from time to time prescribe or authorize.
- 2.06 Voting Rights in Other Bodies Corporate.** – The signing officers of the Corporation may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments, certificates or other evidence shall be in favour of such person or persons as may be determined by the officers executing such proxies or arranging for the issuance of voting certificates or such other evidence of the right to exercise such voting rights. In addition, the Board may from time, by resolution, to time direct the manner in which, and the person or persons by whom, any particular voting rights or class of voting rights may or shall be exercised.

## **ARTICLE THREE**

### **BORROWING**

#### **3.01 Borrowing**

The Board may, from time to time on behalf of the Corporation without the authorization of the Shareholders:

- a. Borrow money upon the credit of the Corporation;
- b. Issue, reissue, sell or pledge debt obligations of the Corporation, including bonds, debentures, notes or other evidences of indebtedness or guarantees, whether secured or unsecured;
- c. Subject to the Act, give a guarantee on behalf of the Corporation to secure performance of any present or future indebtedness, liability or obligation of any Person; and
- d. Mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any present or future obligation of the Corporation.

**ARTICLE FOUR  
DIRECTORS**

**4.01 Number of Directors.** – Subject to the limits imposed by the Articles of the Corporation, the exact number of directors to form the Board shall be designated from time to time by the Shareholders of the Corporation entitled to vote at a meeting of shareholders.

**4.02 Ex Officio Directors.** – The Shareholders may appoint such number of *ex officio* directors as they determine reasonable. *Ex officio* directors will be entitled to attend meetings of the Board, unless the Board determines otherwise, but shall not be entitled to vote at meetings of the Board.

**4.03 Powers of the Board** - The Board shall be the governing body of the Corporation and shall be vested with all powers necessary for the governance of the Corporation, for the regulation of the conduct of Clearing Participants and for the promotion of the welfare, objects and purposes of the Corporation. The Board shall have control of the property and finances of the Corporation. The Board may also adopt, amend or rescind Rules, make such interpretations of the Rules and impose such fees, charges and dues as deemed necessary or appropriate.

a. Without limiting the generality of the foregoing, the Board shall have the following powers:

- (1) The Board may from time to time fix the fees or other compensation to be paid to the members of the Board, the President and the non-employee officers of the Board and the members of any committee for services rendered in performing their duties as such;
- (2) The Board may regulate the partnership and corporate arrangements of Clearing Participants, including the establishment of requirements as to financial condition;
- (3) The Board may pass a by-law, Rule, order or direction restricting or suspending the privileges or otherwise disciplining any Clearing Participant before a hearing of the matter is held, provided that any such restriction, or disciplinary suspension action shall only be imposed when the Board deems it necessary for the protection of the markets and/or of the public and that the restriction or suspension shall expire within fifteen (15) days after the date on which the order was made, unless a hearing is held within that period of time to confirm or set aside the said by-law, Rule, order or direction;
- (4) At any time and from time to time the Board may impose, modify or rescind any requirements to be complied with by Clearing Participants governing the form, content and timely submission of information and reports required to be submitted; and
- (6) The Board shall have the power to adopt arbitration rules to govern the settlement of claims, grievances, disputes and controversies amongst Clearing Participants.

**4.04 Election and Term.** - Each director shall be appointed by the Shareholders to hold office for the term of office for which he or she is appointed, but if upon expiry of the term for which a director is appointed no successor director is appointed, the director whose term otherwise expires shall continue in office until his or her successor is duly appointed.

- 4.05 Removal of Directors.** - Subject to the provisions of the Act, the Shareholders may by resolution remove any director from office and the vacancy created by such removal may be filled in the same resolution.
- 4.06 Regular Meetings.** - Regular meetings of the Board shall be held no less than four (4) times per year, on such dates and at such times as the Board shall determine. Notice of such meetings may be given in writing served at the addresses of the members of the Board, by telephone, by telecopier transmission or by any other means of communication.
- 4.07 Special Meetings.** – Meetings of the Board may be called upon 48 hours notice in writing, by telephone, by telecopier transmission or other means of communication by the Chairman of the Board or any two officers or directors of the Corporation. If the purpose of a meeting is to deal with the administration of the Rules or any emergency matter, notice of the meeting may be given to each director not less than one hour before the time the meeting is to be held. Any meeting of the Board may be held at any place and time without such notice if all the members are present or if a quorum is present and those members who are absent have signified their consent to the holding of the meeting by an instrument in writing or subsequently thereto signify their consent in writing. Any resolution passed or proceeding had or action taken at such meeting shall be as valid and effectual as if it had been passed or taken at a meeting duly called. Notice of any meeting or any irregularity in any meeting or in the notice thereof may be waived by any member.
- 4.08 Place of Meetings.** – Meetings of the Board may be held at any place determined by the Board.
- 4.09 Adjournment.** – Any meeting of the Board may be adjourned from time to time by the chairman of the meeting with the consent of a quorum, to a fixed time and place. Notice of any adjourned meeting of the Board is not required to be given if the time and place of the adjourned meeting is announced at the original meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.
- 4.10 Quorum.** – A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board and unless otherwise specifically provided herein, any action taken pursuant to a vote of the majority of the members of the Board present at any meeting at which a quorum is present shall be deemed to be a valid action of the Board.
- 4.11 Participation by Telephone:** –Any one or more members of the Board or any committee thereof may participate in any meeting of the Board, or any committee, by means of a conference telephone or similar communications device allowing all members participating in the meeting to hear each other at the same time. A member participating in the meeting by such means is deemed to be present at the meeting for the purposes of the Act.
- 4.12 Action by Consent.** – Any action required or permitted to be taken by the Board may be taken without a meeting if all of the members of the Board consent in writing to the adoption of a resolution authorizing such action.
- 4.13 Rules of Order.** - All meetings of the Board shall be conducted in accordance with the then current edition of *Wainberg's Company Meetings*.
- 4.14 Power When Composition Incomplete.** - Notwithstanding any vacancy on the Board, the remaining members may exercise all the powers of the Board so long as a quorum of the Board remains in office, but if the remaining number of members falls below the number required to constitute a quorum, the Board shall not act, except for the purpose of filling vacancies.

- 4.15 Right to Attend.** - Unless otherwise provided herein, the only persons entitled to attend meetings of the Board shall be those eligible to vote thereat, except that at any meeting, any person may be permitted to attend but not vote, with the consent of the meeting.
- 4.16 Waiver of Notice.** - The provisions governing the giving of notice for meetings of the Board or any committee may be waived by a quorum of the members thereof present and attending such meeting.
- 4.17 Voting.**
- a. At all meetings of the Board, each member then present, shall be entitled to one (1) vote.
  - b. No proxy votes shall be allowed for meetings of the Board.
  - c. The Chairman of the Board is entitled to vote at a meeting of the Board in his or her discretion. The Chairman shall not have a casting vote.
- 4.18 Resignation or Removal of Board Member.**
- a. A member of the Board may resign at any time by giving written notice of his or her resignation to the President, or in the case of the President, to the Chairman of the Board, and such resignation, unless specifically contingent upon its acceptance, will be effective as of its date or the date specified therein.
  - b. Except in the case of the President, in the event of the refusal, failure, neglect or inability of any member of the Board to discharge his or her duties, or for any cause affecting the best interests of the Exchange, the Board shall have the power, by the affirmative vote of at least two-thirds of the members of the Board then in office, to remove such member and declare his or her office vacant.
  - c. Except in the case of the President, in the event that any Board member ceases to be such a member, he or she shall automatically be deemed to have resigned from the Board and his or her office shall be declared vacant.
  - d. In the event that the President should resign or cease holding such office, for any reason, he or she shall automatically be deemed to have resigned from the Board and his or her office as a member of the Board shall be declared vacant.
- 4.19 Filling of Vacancies.**
- a. Any vacancy on the Board (other than a vacancy in the office of President), including any vacancy resulting from an increase by the Board in the number of members, may first be filled by the Board until the next annual meeting of the Shareholders, at which time, if a director has been appointed by the Board to fill the vacancy, the Shareholders in attendance at such meeting shall nominate and elect, by simple majority, a replacement member.
  - b. In the event of a vacancy in the office of President, such vacancy shall be filled by a vote of a majority of the members of the Board then in office.
  - c. Any person designated to fill a vacancy shall serve until his or her successor is elected or appointed, and such successor shall serve for the balance of the term of the office that had become vacant.

**4.20 Remuneration and Expenses.** – The members of the Board shall be entitled to receive such remuneration as may be determined by the Board and approved by the Shareholders from time to time and shall be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the Board or any committee thereof. Nothing herein contained shall preclude any member from serving the Corporation in any other capacity and receiving remuneration therefore.

**4.21 Conflict of Interest** - The following rules apply to the Board and to every committee.

a. For the purpose of this section the following definitions apply:

- (1) "Affiliated Firm" shall mean, with respect to any person, any firm of which such person is a partner, trustee, officer, director or employee or over which such person has control, and any firm which controls, is controlled by or is under common control with such person.
- (2) "Control" shall mean the power to direct or cause the direction of the management or policies of a person, whether through ownership of securities, by contract or otherwise.
- (3) "Disclosure" shall mean: With respect to any particular month or months that are under consideration by the Board or any committee, and any other months which the Board or the committee determines may also be affected, the size of the gross positions held by each member of the Board or the committee and any affiliated firm of such member shall be disclosed in accordance with the following:
  - (i) the positions to be disclosed shall include positions in futures or options on Winnipeg Commodity Exchange Inc. (the "Exchange") in such month or months and, if the Board or Committee so determines, positions in the physical commodity (including any by-products or related products that may be hedged by Exchange futures or options) and positions in futures or options in any other month or months or in forward or futures contracts on other exchanges or markets;
  - (ii) the size of positions shall be disclosed by reference to ranges as determined by the Board or the Committee;
  - (iii) disclosure shall be made with respect to the following three categories of account:
    - the personal account of the member (including any account of members of his immediate family);
    - the proprietary accounts of any Affiliated Firm of the member and (to the extent known by the member) any Affiliated Firm of, and individuals associated with, such firm; and
    - the customer accounts (in the aggregate) of any Affiliated Firm of the member and (to the extent known by the member) of any Affiliated Firm of such firm.

b. Board and committee members are required to avoid deliberating and/or voting on any matters in which they have a conflict of interest position. The possibility of any significant and/or direct financial interest in a matter constitutes a conflict of interest position. Board and committee members must recuse themselves from all matters in which they, or an Affiliated Firm to them, have a conflict and at all times when they are unwilling to provide Disclosure. The decision that any matter is subject to this conflict of interest section may be made by the Chairman of the Board or the Chairman of the committee or by one-third of the Board or committee members present, as the case may be.



- c. All Board members and Committee members are obligated to provide Disclosure or recuse themselves on all issues in which Disclosure is required. In the event that a member refuses to provide Disclosure or recuse himself, that member(s) must withdraw from the room before Disclosure by other members begins and may not be present or participate in the discussions of the matter under consideration. After Disclosure is made the Board shall consider the matter and must excuse all members from the meeting during the Board's or committee's consideration of such matter in the event the said member(s);
  - (4) directly or indirectly owns or controls an account that is likely to be directly and materially affected by the Board's or committee's decision;
  - (5) has substantial financial interest in a Clearing Participant that may be directly and materially affected by the Board's or the committee's decision; or
  - (6) has any other interest in the outcome, which a majority of the Board or committee, present and voting, deems to require his disqualification.
- d. If there is no committee quorum then the matter shall be referred to the Board. If there is no Board quorum available to deliberate the matter at issue as a result of the number of persons who have recused themselves or are excused by the Board, the Chairman of the Exchange, or if the Chairman is disqualified, the President or his designate shall appoint an ad hoc committee of five non-conflicted persons to act for the Board in the matter at issue.
- e. The corporation is required to prepare written records to document that the procedures required by these conflict rules have been followed. Such records will include (a) the names of all members who attended the meeting in person or who otherwise were present by electronic means; (b) the name of any member who voluntarily recused himself or was required to abstain from deliberations and/or voting on a matter and the reason for the recusal or abstention, if stated; and (c) information on the position information that was reviewed for each member (if relevant).

**4.22 Rules.** - Subject to the receipt of all necessary approvals, if any, from regulatory authorities having jurisdiction pursuant to applicable law, the Board may from time to time make such Rules as it may determine to regulate the conduct and business of the Corporation and the Clearing Participants, and may make, repeal, alter or add to any of the Rules.

## ARTICLE FIVE

### COMMITTEES

- 5.01 Constitution of Committees.** – The Board may, from time to time, constitute, establish and appoint one or more committees of the Board, however designated, and delegate to any such committee any of the powers of the Board, except those which pertain to items which, under the Act, a committee of the Board has no authority to exercise.
- 5.02 Meetings.** – Except as may be provided by the Board, the committees may meet for the transaction of business, adjourn and otherwise regulate their meetings as they think fit provided, however, that a majority of the members of each committee shall constitute a quorum thereof for the transaction of business. Questions arising at any meeting of a committee shall be decided by a majority of votes of the committee members present at the meeting, and in case of an equality of votes the chairman of the meeting shall have a second or casting vote.
- 5.03 Transaction of Business.** – The powers of a committee of the Board may be exercised by a meeting at which a quorum is present, or by resolution in writing, signed by all of the members of such committee who would have been entitled to vote on that resolution at a meeting of that committee.

## ARTICLE SIX

### OFFICERS

**6.01 Election of Chairman and Appointment of Officers.** - The Board shall, by resolution, elect a Chairman and Vice-Chairman of the Board each of whom shall be a member of the Board. The Board shall also appoint a President, a Secretary and a Treasurer, none of whom need be a member of the Board. All officers appointed pursuant to this section shall serve at the pleasure of the Board.

**6.02 Chairman of the Board.** - The Chairman of the Board shall preside at all meetings of the Board.

The Chairman of the Board shall promote the interests of the Corporation and the enforcement of the Rules and By-Laws of the Corporation. The Chairman of the Board shall be ex officio a member of any committee appointed or constituted by the Board of Directors.

**6.03 Vice-Chairman of the Board.** - In the absence or incapacity or refusal to act of the Chairman of the Board, or if the Chairman of the Board cannot or should not preside at a meeting of the Board, the Vice-Chairman of the Board shall assume all of the duties of the Chairman of the Board, and in the case of a vacancy in the office of the Chairman of the Board, shall succeed to that office. In case a vacancy shall occur in the office of Vice-Chairman of the Board, the Board, shall, by resolution, fill such vacancy by the appointment to such office of a member of the Board.

**6.04 President.** – The President shall be appointed by the Board and shall serve at the pleasure of the Board. The President may not be a director, officer or employee of a Clearing Participant, or of a Participant registered with the Exchange.

In the absence, incapacity or refusal to act of the President, the Board may, by vote of the members then in office, delegate the powers and duties of the President to another officer appointed by the Board, until such time as the President can or will resume his duties, or until otherwise advised by the Board.

**6.05 Duties of the President.** - The President shall be the Chief Operating Officer of the Corporation. Subject to the authority and direction of the Board, the President shall have and be responsible for the management and direction of the business and affairs of the Corporation. The President shall appoint such other officers, and authorize the engagement of such employees, as the President deems necessary for the efficient operation of the Corporation. The President shall have the authority to hire and dismiss employees of the Corporation and to establish their qualifications, duties and salaries and to provide such other duties in the management of the Corporation as may be provided in the By-laws or by the Board.

The President shall, in the absence in capacity or refusal to act of the Chairman and Vice-Chairman of the Board, assume all the functions and discharge all of the duties of the Chairman of the Board until such time as the Chairman of the Board can or will assume his duties as prescribed in the By-Laws, or until otherwise advised by the Board. The President may delegate all or any part of his authority to others subject to the approval of the Board.

The President shall perform such other duties as the Board may prescribe.

**6.06 Secretary.** - The Secretary shall attend and be the Secretary of all meetings of the Board and shall enter or cause to be entered in books kept for that purpose minutes of all proceedings therein. The Secretary shall give or cause to be given, as and when instructed, all notices to the Shareholders and members of the Board, and shall perform such other duties as the President and the Board may prescribe.

- 6.07 Treasurer.** - The Treasurer shall cause to be kept full and accurate books of accounts in which shall be recorded all receipts and disbursements of the Corporation. The Treasurer shall render to the Board whenever required an account of all of his transactions as Treasurer and of the financial position of the Corporation, and shall perform such other duties as the President and the Board may prescribe.
- 6.08 Appointment of Other Officers.** - The Board may from time to time, appoint or remove one or more additional officers to carry out any and all duties specified by the President and the Board. All such officers shall be responsible to the President for the proper performance of their duties.
- 6.09 Fidelity Bonds.** – The Board may require such officers, employees and agents of the Corporation as the Board deems advisable to furnish bonds for the faithful discharge of their duties, in such form and with such surety as the Board may prescribe.
- 6.10 Variation of Duties.** – The Board may from time to time vary, add to or limit the powers and duties of any officer.
- 6.11 Duties of Officers may be Delegated.** – In case of the absence or incapacity or refusal to act of any officer of the Corporation or for any other reason that the Board may deem sufficient, the Board may delegate any or all of the powers of such officer to any other officer or to any member of the Board for the period of time of such absence incapacity or refusal to act.
- 6.12 Terms of Office.** – The Board may remove at its pleasure any officer of the Corporation at any time in its absolute discretion. Otherwise, each officer elected or appointed by the Board shall hold office until his successor is elected or appointed.
- 6.13 Agents and Attorneys.** – The Board shall have the power from time to time to appoint agents or attorneys for the Corporation with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

## ARTICLE SEVEN

### PROTECTION OF DIRECTORS, OFFICERS, EMPLOYEES AND COMMITTEE MEMBERS

**7.01 Limitation of Liability.** – All directors, officers, employees and committee member of the Corporation, in exercising their powers and discharging their duties shall act honestly and in good faith with a view to the best interests of the Corporation, and exercise the case, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director, officer, employee or committee member of the Corporation shall be liable for the acts, omissions, failures, neglects or defaults of any other director, officer, employee or committee member, or for any loss, damage or expense suffered or incurred by the Corporation through the insufficiency or deficiency of title to any property acquired on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any Person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss or damage resulting from any dealings with any monies, securities or other assets belonging to the Corporation, or for any loss occasioned by any error of judgment or oversight on his or her part, or of any other loss, damage or misfortune which shall happen in the execution of the duties of his or her office or in relation thereto, unless the same shall happen by or through his or her own wilful neglect or default; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.

**7.02 Indemnity.** – Subject to the Act, the Corporation shall indemnify a director, officer, employee or committee member of the Corporation, a former director, officer, employee or committee member, or a person who acts or acted at the Corporation's request as a director, officer, employee or committee member of a body corporate of which the Corporation is or was a shareholder or creditor and his or her heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal or administrative action or proceeding to which he or she is made a party by reason of being or having been a director, officer, employee or committee member of the Corporation or such body corporate, if:

- a. he or she acted honestly and in good faith with a view to the best interests of the Corporation; and
- b. in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful.

The Corporation shall also indemnify such Persons in such other circumstances as the Act or law permits or requires. Nothing in this By-law shall limit the right of any Person entitled to, the claim indemnity apart from the provisions of this By-law.

**7.03 Insurance.** – Subject to the Act, the Corporation may purchase and maintain insurance for the benefit of any Person referenced to in section 7.02, as the Board may from time to time, by resolution determine.

## ARTICLE EIGHT

### SHARES AND SHAREHOLDERS

- 8.01 Allotment of Shares.** – Shares of the capital stock of the Corporation shall be allotted at such times and in such manner and on such terms and conditions and to such Persons or classes of Persons as the Board may from time to time, by resolution, determine, subject always to the provisions, if any, of the Articles of Incorporation, and any special agreements respecting the allotment of shares (if any) made between the Shareholders of the Corporation.
- 8.02 Dividends.** – The Board may from time to time, by resolution, declare dividends and pay the same out of any funds of the Corporation properly available for the purpose.
- 8.03 Annual Meetings.** – The annual meeting of the Shareholders shall be at such place and on such date in each year as the Board may, by Resolution, determine.
- 8.04 Other Meetings.** – Other meetings of the Shareholders may be convened at any time and any place by order of the President or by the Board on their own motion or on requisition of the Shareholders as provided for by the Act.
- 8.05 Notice.** – No public notice or advertisement of the annual or other meeting of the Shareholders shall be required.
- 8.06 Quorum.** – The quorum for the transaction of business at meetings of the Shareholders shall consist of not less than one (1) Shareholder present or represented by proxy and holding in all not less than Fifty (50%) percent plus one (1) of the issued stock of the Corporation carrying voting rights.
- 8.07 Voting.** – Questions arising at any meeting of Shareholders shall be decided by a majority of the votes cast by the Shareholders at the meeting. PROVIDED he is a Shareholder, the chairman at all meetings of the shareholders may move, second or vote upon any Resolution, By-Law or any other matter or thing, and may act in any matter whatsoever as if he were a Shareholder only and not chairman of the meeting. If he is not a Shareholder, the chairman shall not move, second or vote upon any Resolution, By-Law or any other matter or thing. In case of an equality of votes, the chairman at the meeting shall not have a second or casting vote.
- 8.08 Persons Entitled to be Present.** – The only Persons entitled to be present at a meeting of the Shareholders shall be those entitled to vote thereat, the members of the Board and the auditor of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act, or of the Articles or By-Laws to be present at the meeting. Any other person may be admitted only on the invitation of the Chairman of the meeting or with the consent of the meeting.
- 8.09 Resolution in Writing.** – A resolution in writing signed by all of the Shareholders entitled to vote on that resolution at a meeting of the Shareholders is as valid as if it has been passed at a meeting of the Shareholders. Any such resolution in writing may be signed in one or more counterparts, all of which, together shall constitute one and the same resolution, and a facsimile of a signed counterpart of such resolution shall be deemed to be as valid as an originally signed counterpart, unless it is proven that such facsimile does not accurately reflect an authentic originally signed counterpart.
- 8.10 Only One Shareholder.** – Where the Corporation has only one Shareholder or only one holder of any class or series of shares, the Shareholder present in person or duly represented by proxy constitutes a meeting.

## ARTICLE NINE

### CLEARING PARTICIPANTS AND CLEARING PARTICIPANT AGREEMENTS

**9.01 Status of Clearing Participants.** – Only Clearing Participants shall be entitled to clear contracts with the Corporation, except that, if the Board so determines, the Corporation may clear contracts, options or other instruments for any other clearing organization in connection with the linkage of the Exchange with another Board of trade, exchange or market. A Clearing Participant shall have the privilege of clearing with the Corporation all contracts traded on or subject to the Rules of the Exchange. Each Clearing Participant shall have the rights and obligations provided for in and pursuant to the By-Laws, the Rules of the Corporation and the Clearing Participation Agreement entered into between that Clearing Participant and the Corporation. Such privilege, and the rights, obligations and status of any person as a Clearing Participant, may be terminated or altered in any respect at any time as provided in the By-Laws, the Rules, or the Clearing Participant Agreement.

**9.02 Conditions to Being a Clearing Participant.** – Conditional to becoming and remaining a Clearing Participant, a Person must:

- a. Meet such standards of eligibility as the Corporation may, from time to time, prescribe, subject to the provisions of the By-Laws;
- b. Be approved by the Corporation;
- c. Satisfy such operational requirements as the Corporation may from time to time prescribe in or pursuant to the By-Laws or the Rules; and
- d. Have on file with the Corporation such agreements, undertakings and documents, and on deposit with the Corporation such amounts in the Clearing Fund or otherwise, as the Corporation may require.

Any Person desiring to become a Clearing Participant must file an application/agreement with the Corporation and sign such documents and make such undertakings as may be required by the Corporation in such form(s) as the Corporation may prescribe. The filing of such application/agreement, and the action by the Corporation thereon, shall be as provided in the Rules.

**9.03 Conditions of Admission.** – No person shall be admitted as a Clearing Participant until it has deposited with the Corporation its initial deposit with the relevant Clearing Fund in the amount and at the time required by the Rules and has signed and delivered to the Corporation a Clearing Participation application/agreement in such form as the Board shall require, including agreements:

- a. to clear through the Corporation, all of its exchange transactions and all other transactions which the By-Laws or the Rules may require to be cleared through the Corporation;
- b. to abide by all of the provisions of the By-Laws and the Rules and by all other procedures adopted pursuant thereto;
- c. that the By-Laws and the Rules shall be a part of the terms and conditions of every transaction with the Exchange or other contract or transaction which the applicant, while a Clearing Participant, may make or have with the Corporation, or with other Clearing Participants in respect of options or futures, or which may be cleared or required to be cleared through the Corporation;
- d. to grant the Corporation all liens, rights and remedies set forth in the By-Laws and the Rules;

- e. to pay to the Corporation all fees and other compensation provided by or pursuant to the Rules for clearance and for all other services rendered by the Corporation to the applicant while a Clearing Participant;
- f. to pay such fines as may be imposed on it in accordance with the Rules;
- g. to permit inspection of its books and records by the representatives of the Corporation in accordance with the Rules;
- h. to make such payments to or in respect of the Clearing Fund as may be required from time to time;
- i. to fulfil such conditions regarding withdrawal from Clearing Participant status as may be imposed by the Corporation; and
- j. to comply with the provisions of all laws applicable to the Corporation or the applicant.



## ARTICLE TEN

### NOTICES

- 10.01 Method of Giving Notices.** - Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, the Articles of Incorporation, the By-laws or otherwise to a Shareholder, director, officer, auditor or member of a committee of the Board shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his Recorded Address or if mailed to him at his Recorded Address by prepaid ordinary or air mail or if sent to him at his Recorded Address by any means of prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or to the Recorded Address as aforesaid; a notice so mailed shall be deemed to have been received when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when confirmation of transmission is noted. The Secretary may change or cause to be changed the Recorded Address of any Shareholder, director, officer, auditor or committee member in accordance with any information believed by him to be reliable or as notified by the Shareholder. Notices to the Clearing Participants may be provided by any means set out in the Rules or in the Clearing Participant application/agreement.
- 10.02 Computation of Time.** - In computing the date when notice must be given under any provision requiring a specified number of days' notice of any event, the date of giving the notice shall be excluded and the date of the meeting or other event shall be included.
- 10.03 Omissions and Errors.** - The accidental omission to give any notice to any Shareholder, Clearing Participant, director, officer, auditor or committee member or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.
- 10.04 Waiver of Notice.** - Any Shareholder (or his duly appointed proxy holder), Clearing Participant, director, officer, auditor or committee member may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him under any provision of the Act, the regulations thereunder, the Articles, of Incorporation, the By-laws or otherwise and such waiver or abridgement shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of Shareholders or of the Board, which may be given in any manner.
- 10.05 Signature to Notices.** - The signature or signatures to any notice to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.
- 10.06 Undelivered Notices.** - If any notice given to a Shareholder or Clearing Participant pursuant to paragraph 10.01 is returned on three consecutive occasions because he cannot be found, the Corporation shall not be required to give any further notices to such Shareholder or Clearing Participant until he informs the Corporation in writing of his new address.
- 10.07 Proof of Service.** - A certificate of the Secretary or other duly authorized officer of the Corporation in office at the time of the making of the certificate as to facts in relation to the mailing or delivery of any notice to any Shareholder, Clearing Participant, director, auditor or officer or publication of any notice shall be conclusive evidence thereof and shall be binding on every Shareholder, Clearing Participant, director, auditor or officer of the Corporation as the case may be.

**ARTICLE ELEVEN**

**MISCELLANEOUS**

**11.01 Invalidity of Any Provision of this By-Law.** – The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

**11.02 Repeal.** - Subject to Section 11.03, all previous by-laws of the Corporation are repealed as of the coming into force of this by-law. Such repeal shall not affect the previous operation of any by-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under, or the validity of any contract or agreement made pursuant to, or the validity of any articles or predecessor charter documents of the Corporation obtained pursuant to, any such by-law prior to its repeal. All officers and Persons acting under any by-law so repealed shall continue to act as if appointed under the provisions of this by-law and all resolutions of the Shareholders or a committee of the Board with continuing effect passed under any repealed by-law shall continue good and valid except to the extent inconsistent with this by-law and until amended or repealed.

**11.03 Transitional.** – Nothing in this by-law shall render ineffective any by-law, rule, regulation, policy statement, decision, order, ruling or other instrument enforced prior to the adoption of this by-law, which instrument shall remain in force, mutatis mutandis, for the purpose of addressing acts, omissions, circumstances or events prior to the effective date of this by-law and former members of the Corporation shall remain subject thereto and the Corporation shall benefit therefrom.

**11.04 Precedence of Statute -**

- a. If any Government or agency thereof, in Canada, having jurisdiction, issues an order, rule, directive, or law that conflicts with or modifies the requirements of these By-laws, it shall have precedence over and become part of this By-law within the extent of its jurisdiction.
- b. If any such Government or agency requires, by written order, specific reports by the Corporation of its activities, or consolidated reports of the transactions of the Shareholders, the Board may authorize the Corporation Secretary or his or her delegate to provide such reports.

**11.05 Information Sharing Agreement** - The Corporation may enter into agreements with domestic or foreign self regulatory organizations, commodity futures or securities enforcement authorities or commodity futures or securities regulatory authorities providing for the exchange of information and other forms of mutual assistance for market surveillance, investigative, enforcement and other regulatory purposes.

**MADE** by the Board as of the 21st day of January, 2008 .

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary

**CONFIRMED** by the sole Shareholder in accordance with the Act the \_\_\_\_ day of \_\_\_\_\_, 2008.

ICE Futures Canada, Inc.

Per:\_\_\_\_\_

January 2008