

Commodity Markets Council Europe (CMCE)

Bylaws

December 2016

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Article I – Name

The name of the group shall be Commodity Markets Council Europe (hereinafter referred to as the “CMCE”), a Division of the Commodity Markets Council (hereinafter referred to as the “CMC”).

Article II – Mission and Objectives

The CMCE’s mission and objectives are those of the CMC. It advocates open, competitive commerce by combining the expertise, knowledge and resources of its members to develop and support market-based policy.

The CMC provides the forum for exchanges, exchange users and related industry participants to take a leadership role in addressing global market and risk management issues. The CMC supports an open and competitive marketplace in exchange-based and other risk management products and services.

The CMCE will address related industry issues focusing on agriculture, energy, finance, transportation, and infrastructure in the EU and UK.

Article III – Members

SECTION 1 – MEMBERSHIP

- A. Requirements for Membership. CMCE shall be a voluntary association. Subject to approval by the Executive Committee of CMCE (hereinafter referred to as “Exco”), membership shall be open to all non-financial commodity market users, exchanges, benchmark providers and others who are interested in the mission and objectives of the CMCE and who support the activities of the CMCE or any activities or projects of the CMCE. The Exco will consider an application for membership upon receipt and will communicate its decision to the applicant.
- B. Member Representatives. Each member of the CMCE (hereinafter referred to as a “Member”) must designate at least one person who is authorized to vote and act on behalf of such Member in the activities and projects of the CMCE and shall inform the Chairman of Exco of the name(s) and contact information, including but not limited to the mailing address(es), email address(es) and phone number(s), of such person(s) as designated from time to time.
- C. Transferability of Membership. Membership in CMCE may not be transferred by sale, assignment or otherwise.
- D. Termination. A Member may resign as a Member at any time by giving written notice to the Chairman of Exco and the President of CMC. The resignation will be effective upon fulfillment by the Member of all of its financial obligations to CMCE for the current fiscal year of the CMCE and receipt by the Chairman of Exco and the President of CMC of the written notice.

Except for resignation, membership in CMCE may be terminated for the following causes:

- 1. Non-payment of dues,
- 2. Action injurious to the reputation and standing of CMCE in the opinion of Exco,
- 3. Failure to continuously meet the qualifications of the Member’s membership class, or

4. Other good cause in the opinion of Exco.

Except in the case of termination for non-payment of dues, termination for cause shall occur only after the Member has been given at least thirty (30) days' notice to present to the CMCE Exco why said membership should not be terminated and after such notice period has expired a vote of the majority of the Exco shall be necessary to terminate membership.

SECTION 2 – CLASSES OF MEMBERSHIP

The following classes of membership are established.

1. *Exchange Members:* An Exchange Member shall meet all membership criteria as may be established by the Exco.
 - a Rights and Privileges. An Exchange Member shall have full voting rights, the right to appoint a representative to the Exco, the right to appoint representatives to serve on committees, and such other rights and privileges as may be established by the Exco.
 - b Dues. Exchange Members shall pay dues to CMCE in such amounts as may be established from time to time by the Exco.
2. *Industry Members.* An Industry Member shall meet all membership criteria as may be established by the Exco. Industry Members must be non-banks that are actively involved in the sale, marketing, processing, transporting, or delivery of commodities; trading of commodity-based derivatives; or other related activity such as price reporting.
 - a Rights and Privileges. Industry Members shall have full voting rights, the right to appoint representatives to serve on committees, and such other rights and privileges as may be established by the Exco. At least fifty-one (51) percent of the Exco shall be composed of Exco members representing Industry Members.
 - b Dues. Industry Members shall pay dues in such amounts as may be established from time to time by the Exco.

Article IV – Exco

SECTION 1 – POWERS AND NUMBERS

- A. Powers. The property, affairs, business, and activities of the CMCE shall be managed by the Exco. The Exco shall also be responsible for determining and communicating the policies and positions of the CMCE, unless otherwise delegated by the Exco. Any references in these bylaws to “Exco Members” shall mean the members of the Exco.
- B. Numbers. The minimum number of Exco Members shall be five (5) and the maximum number of Exco Members shall be determined by the Exco. Beyond the minimum five EXCO Members, further candidates shall be subject to election. A majority of voting Members is required to approve additional Exco Members.

SECTION 2 – ELECTION AND TERMS OF OFFICE

- A. Election. All Exco Members, subject to election, shall be elected by the Members with the right to vote and who are in good standing at the Annual Meeting or if required at another General Meeting.
- B. Term of Office.
 - 1. The Exco Members shall be entitled to hold office for a two-year term that expires immediately before the Annual Meeting. In order to provide continuity to the organization, Exco Member terms shall be staggered so that each year, half of the Exco Members will begin to serve the first year of a two year term, while the other half will begin the second year of a two year term.
 - 2. Members of Exco may be eligible to serve consecutive terms, as determined by the Members; however, in the ordinary course each Exco Member will serve no more than two consecutive terms. A member that has served two consecutive terms may serve additional terms and additional consecutive terms in accordance with these rules.

SECTION 3 – VACANCIES AND INCREASES In Exco Members

- A. Vacancies. Any vacancy occurring on the Exco and any additional membership created by the Exco through an increase in the maximum number of members of Exco may be filled by the Exco for an interim period until the next Annual Meeting so long as such appointment is in accordance with the representation requirements of Article IV Section 1.
- B. Increases/Decreases In Exco Members. Any increase or decrease in memberships shall be at the discretion of the Exco in accordance with these rules.

SECTION 4 – ACTION BY THE Exco

Any action required or permitted to be taken by the Exco or any committee thereof may be taken either at a meeting of the Exco or without a meeting if all members of the Exco or the committee consent in writing to the adoption of a resolution authorizing the action. Any Exco Member may consent in writing to such action by email.

SECTION 5 – Chairman and Vice-chairman of Exco

- A. Officers. At each Annual Meeting, Members shall appoint from among the Exco Members a Chairman and a Vice-Chairman.
 - 1. Chairman
 - a Term. The Chairman shall be appointed to serve a two year term. The Chairman's term shall begin at the Annual Meeting at which he/she is installed and run until the Annual Meeting at the end of the Chairman's term or until a successor has been elected and installed. At the expiration of the term of the Chairman, he/she may continue to serve as an Exco Member .
 - b Powers. The Chairman shall have the usual and customary general executive authority over the affairs and activities of CMCE, subject to the oversight of the Exco. The Chairman shall serve without compensation. The Chairman may delegate any of his/her duties to the Vice-chairman.
 - 2. Vice-chairman
 - a Term. The Vice-chairman shall be appointed to serve a two-year term The Vice-chairman's term shall begin at the Annual Meeting at which he/she is installed and run until the Annual Meeting at the end of his/her term or until a successor has been

elected and installed.

- b Powers. The Vice-chairman shall, in the absence of the Chairman, have the usual and customary general executive authority over the affairs and activities of CMC, subject to the oversight of the Exco. The Vice-chairman shall have any powers delegated by the Chairman. The Vice-chairman shall serve without compensation.
 - 3. Other Officers: Other officers may be appointed by and serve at the discretion of the Exco.
- B. Executive Committee (Exco)
- 1. Members: The Exco shall be composed of the Chairman, the Vice-chairman and elected Member representatives.

2. Powers: The Exco shall have specific authority to take such actions as are required for the operation and administration of CMCE and are not specifically delegated to the Members under these bylaws.

SECTION 6 – RESIGNATION AND REMOVAL of Exco Members

- A. Resignation. Any Exco Member may resign as an Exco Member at any time by giving written notice to the Chairman and Vice-Chairman of CMCE and the President of the CMC. The resignation will be deemed effective upon receipt of the written notice unless otherwise indicated in the written notice.
- B. Termination. A Member's tenure on the Exco may be terminated by a two-thirds vote of the Exco voting at a meeting or in a written ballot in which a quorum participates for the following causes:
 1. Action injurious to the reputation and standing of CMCE in the opinion of the Exco,
 2. Failure to continuously meet the qualifications of the Member's membership class, or
 3. Other good cause in the opinion of the Exco.

Termination for cause shall occur only after the Member has been given at least thirty (30) days' notice to present to the Exco reasons why said Member's tenure should not be terminated. A vote of the majority of the Appeals Committee shall be necessary to terminate the directorship.

SECTION 7 – COMPENSATION

No Exco Member is authorized to receive a salary or other compensation for services rendered to CMCE unless the same is authorized by a two-thirds majority of the Members and the CMC Board of Directors.

Article VI – Committees

The Exco shall convene, and ask for volunteers for, such committees as it may choose to set up from time to time.

Article VII – Dues

SECTION 1 – ANNUAL DUES LEVELS

The Exco shall establish Annual Dues Levels for membership. Annual Dues Levels shall be established no later than December 31 of the fiscal year preceding the fiscal year in which the revised Annual Dues Levels are to be applied.

SECTION 2 – PAYMENT

Unless otherwise set by Exco, Annual Dues are due to be paid within 60 days of receipt of invoice which is sent to members in March . For new Members, Annual Dues shall be submitted no less than thirty (30) days after the application for membership has been accepted by the Exco. Membership applications accepted by the Exco on or after June 1 shall pay fifty (50) percent of the dues paid by its membership class for the fiscal year or at the discretion of the CMC President, on a Pro Rata basis for the remainder of the year in which its membership application is accepted. No Member whose dues shall remain outstanding for ninety (90) days after proper demand for payment shall be permitted to exercise the rights and privileges of membership and the Exco may terminate the membership.

Article VIII – Meetings

SECTION 1 – Exco MEETINGS

- A. Exco Meetings. The Exco shall meet at least every six months or at such other intervals as the Exco may decide from time to time. Exco Members may participate in Exco meetings by conference call or in person.

SECTION 2 – MEMBERSHIP MEETINGS

- A. Annual Membership Meeting. There shall be an Annual Meeting of the Members (hereinafter referred to as “Annual Membership Meeting”) held at such time and place as determined and notified to Members by the Exco.
- B. Other Membership Meetings. Other meetings of the Members shall be held whenever called by the Exco, Chairman, or by written demand or resolution of one-third of the Members delivered to the Chairman . The Chairman upon receiving the written demand or resolution shall promptly give notice of such meeting to all of the Members .

SECTION 3 – NOTICE OF MEETINGS

- A. Annual Meeting. Written notice of the place, date and time of the Annual Meeting shall be sent to all Members by Exco no less than thirty (30) days prior to the date of the Annual Meeting. Members may propose items of business for the AGM within fourteen days of receiving such notice. The final agenda for the meeting shall be published by the Exco no later than seven days prior to the meeting.
- B. Other Meetings.
1. Written Notice: Written notice of the place, date and time of any Other Meeting shall be sent to all Members no less than five (5) days before the date of any such Other Meeting.
 2. Conference Call: At the discretion of the Chairman, or in the absence of the Chairman, at the discretion of the Vice-chairman, any meeting may be conducted by telephonic conference call provided each individual entitled to participate in the call is notified at least twenty-four (24) hours prior to the time of the call.

SECTION 4 – QUORUM AND ACTION

- A. Exco Meetings. At all meetings of the Exco, a majority of the Exco Members, present in person or by proxy, shall constitute a quorum for the transaction of business. The vote of a majority of Exco Members present at a meeting at which a quorum is present shall constitute the action of the Exco unless otherwise provided for in these bylaws.
- B. Membership Meetings. At all meetings of the Members, a majority of the Members, present in person or by proxy, shall constitute a quorum for the transaction of business. In the absence of a quorum, a majority of the Members present in person or by proxy may adjourn the meeting. The vote of a majority of Members present at a meeting at which a quorum is present shall constitute the action of the Membership unless otherwise provided for in these bylaws.

SECTION 5 – VOTING

- A. Membership Meetings. At any meeting of the Members, each Member present, in person or by proxy, and in good standing shall be entitled to vote. If a Member joins on or after June 1, that Member shall be eligible to exercise its full voting authority, even if that Member pays fifty (50) percent or less of its dues, so long as that Member has paid in full the dues amount required by the Exco at the time of accepting the Member's application.
- B. Upon demand of any Member, any question before the meeting shall be by written ballot.
- C. Exco Meetings. Voting by proxy shall be subject to such regulations as may be determined by the Exco from time to time but shall be notified to the Chairman at least twenty-four hours in advance of the start of the meeting .
- D. Voting Eligibility. The record of eligibility of voting rights shall be set no more than five (5) days before the date of the meeting.
- E. Participation. Any one or more Members and/or Members of Exco may participate in a meeting by means of a conference call or similar communication equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

SECTION 6 – ORGANIZATION

The Chairman of the Exco of CMCE shall preside at all meetings of the Members and the Exco. In the absence of the Chairman, the Vice-chairman shall act. In the absence of either of the above mentioned officers, an acting Chair for that meeting shall be chosen by a majority of the Members or Exco Members present (as applicable).

Article IX – Records and Employees

SECTION 1 – RECORDS

There shall be kept at the secretariat of CMCE correct books of account of the activities and transactions of CMCE including but not limited to minutes of the Annual Membership Meetings, minutes of the meetings of the Exco, and a copy of these bylaws.

SECTION 2 – EMPLOYEES and Contractors

The Exco, with the advice and consent of the CMC Board of Directors, may: 1) employ such persons as they may consider proper and necessary to carry on the business of CMCE; and 2) may outline the proper duties of such employees and Contractors, and set their terms of office and rates of remuneration.

Article X – Budget and Finances

SECTION 1 – FISCAL YEAR

The CMCE fiscal year shall be January 1 to December 31.

SECTION 3 – ANNUAL BUDGET AND FINANCIAL STATEMENTS

- A. Annual Budget. The Chairman of CMCE shall prepare and present to the Exco and the President of CMC, a budget for the fiscal year. The Exco and President of CMC, after considering the proposal of the Chairman, shall adopt a budget for the fiscal year.
- B. Annual Financial Statements. The Chairman shall present at least once a year to an Exco meeting, unless otherwise determined by the Exco, updated financial statements provided by the President of the CMC. Annual financial statements shall be available for distribution to any CMCE Member who requests such information.

SECTION 5 – AUDITS

Any CMCE annual financial statements shall be audited as part of the annual audit of the CMC .

Article XI – Amendments

These Bylaws may be amended, repealed, or altered, in whole or in part, by the Exco at a duly organized meeting of the Exco, provided each member receives notice of proposed changes at least thirty (30) days before the time of the meeting where the change is to be voted upon.

Article XII – Organizational Structure

CMCE is a Division of CMC, a nonprofit corporation.

All income and earnings of CMCE shall be used exclusively for purposes of the CMCE and/or CMC and no part of the net income or net earnings of CMCE shall inure to the benefit or profit of any individual Member.

Notwithstanding any terms of these By-Laws, the CMC Board of Directors shall have ultimate authority and discretion over the activities of the CMCE Division of the CMC.