

Confidential DRAFT 08/25/04

Rules of The Clearing Corporation *

1. INTERPRETATION

101. Definitions.

Board; Board of Directors

The Board of Directors of The Clearing Corporation.

Business Day

Any day (other than Saturdays, Sundays and holidays observed by The Clearing Corporation) on which The Clearing Corporation is open for business. References in these Rules to a “day” or “Business Day” shall, unless the context otherwise requires, mean the “Business Day” corresponding to the trading day declared by the relevant Market.

Bylaws

The Bylaws of The Clearing Corporation, as in effect from time to time.

Certificate of Incorporation

The Restated Certificate of Incorporation of The Clearing Corporation, as amended from time to time.

* Note: The “Euro Link” between The Clearing Corporation and Eurex Clearing, which will permit certain Contracts traded on Eurex to be cleared through either The Clearing Corporation or Eurex Clearing, remains subject to approval by applicable regulatory authorities, including the Commission. Until such approval has been obtained, the Rules in Chapter 9B relating to the Euro Link and all references in these Rules to Eurex, Eurex Clearing, the Link Agreement, a Linked Exchange or Linked Clearinghouse remain solely advisory in nature and to be of no force or effect. The Clearing Corporation will advise Participants and market users, through publication of notice on its Web site and otherwise, before making those Rules effective.

Collateral

At any time, such property, other than Margin, as may be delivered, or in which a security interest may be granted, by a Participant to The Clearing Corporation or its custodian, as collateral for the Obligations, and all proceeds of the foregoing.

Commission

The U.S. Commodity Futures Trading Commission.

Commodities

All goods, articles, services, rights and interests in which Exchange Contracts are dealt in.

Contracts

Exchange Contracts and OTC Contracts.

Default

Any event that would constitute a default under Rule 605.

Eurex

The exchanges operating as Eurex Deutschland and Eurex Zurich AG.

Eurex Clearing

Eurex Clearing AG, Frankfurt, a German corporation.

EurexUS

U.S. Futures Exchange, L.L.C., a Delaware limited liability company.

Exchange Contract

A Futures Contract, Option on a Futures Contract or Option on a Commodity that is dealt in on or subject to the rules of an Exchange Market or a Linked Exchange and submitted to The Clearing Corporation for clearance in accordance with these Rules.

Exchange Market

An exchange or market that has been designated by or registered with the Commodity Futures Trading Commission as a contract market or derivatives

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transaction execution facility, is party to an agreement with The Clearing Corporation for the provision of clearing services, and is specifically identified in these Rules as an Exchange Market.

. . . Interpretations and Policies:

- .01 The following exchanges and markets are Exchange Markets in respect of the following Exchange Contracts:
- (a) EurexUS, with respect to (i) 30-year Treasury Bond Futures, (ii) 10-year Treasury Note Futures, (iii) 5-year Treasury Note Futures, (iv) 2-year Treasury Note Futures, (v) Options on 30-year Treasury Bond Futures, (vi) Options on 10-year Treasury Note Futures, (vii) Options on 5-year Treasury Note Futures, and (viii) Options on 2-year Treasury Note Futures, as set forth more fully in Chapter 9A.
 - (b) Merchants' Exchange LLC, with respect to (i) Cash-Settled Brent Crude Oil Futures, (ii) Cash-Settled European Gas Oil Futures, (iii) Cash-Settled Light "Sweet" Crude Oil Futures, (iv) Cash-Settled Natural Gas Futures, (v) Cash-Settled No. 2 Heating Oil (New York Harbor Delivery) Futures, (vi) Cash-Settled Unleaded Gasoline (New York Harbor Delivery) Futures, (vii) Barge Freight Futures on the Illinois Waterway, and (viii) Barge Freight Futures on St. Louis Harbor ("ME Contracts").
 - (c) CCX Futures Exchange, LLC, with respect to (i) Sulfur Dioxide Futures (SO₂), and (ii) Nitrogen Oxide Futures (NO_x).

Final Settlement

With respect to a Participant that has open Trades or positions in Contracts at the close of trading on the Last Trading Day, the issuance of instructions by The Clearing Corporation to such Participant's settlement bank to debit or credit the Participant's variation settlement account on the next Business Day and the acceptance thereof by such settlement bank.

Futures Contracts

Contracts for the purchase or sale of a Commodity for future delivery dealt in pursuant to the rules of an Exchange Market.

General Guaranty Fund

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At any time, funds or other property of The Clearing Corporation, set aside and recorded on the books of The Clearing Corporation in support of the Obligations of Participants in respect of Contracts specified in Rule 801.02.

Guaranty Funds

The General Guaranty Fund and such Special Guaranty Funds as are in existence from time to time.

Last Trading Day

The final day of trading in a Contract, as set forth in the rules of the relevant Market or in these Rules.

Link Agreement

“Link Agreement” has the meaning given that term in Rule 9-102B.

Linked Clearinghouse

The clearinghouse for a Linked Exchange, whether a separate entity or a division of such linked exchange.

. . . Interpretations and Policies:

.01 The following clearinghouses are Linked Clearinghouses in respect of the following Linked Exchanges:

- (a) Eurex Clearing in respect of Eurex.

Linked Exchange

An Exchange Market whose Contracts are submitted to The Clearing Corporation for clearing in accordance with these Rules pursuant to an agreement between The Clearing Corporation and the primary clearinghouse for such Exchange Market.

. . . Interpretations and Policies:

.01 The following Exchange Markets are Linked Exchanges in respect of the following Exchange Contracts:

- (a) Eurex, with respect to (i) DAX Futures, (ii) Dow Jones EURO STOXX 50 Futures, (iii) Euro Schatz Futures, (iv) Options on Euro Schatz Futures, (v) Euro Bobl Futures, (vi) Options on Euro

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BoBl Futures, (vii) Euro Bund Futures, (viii) Options on Euro Bund Futures, (ix) Dow Jones Global Titans Index 50 Futures, (x) Dow Jones STOXX 50 Futures, (xi) Dow Jones STOXX 600 Banks Futures, (xii) Dow Jones EURO STOXX Banks Index Futures, (xiii) One-Month EONIA Futures, (xiv) Three-Month EURIBOR Futures, (xv) Options on Three-Month EURIBOR Futures, and (xvi) Euro Buxl Futures, as set forth more fully in Chapter 9B.

Margin

Original Margin (including super and special margin), Option premiums and variation settlements paid or payable by or to a Participant to or by The Clearing Corporation.

Markets

Exchange Markets and OTC Markets.

Obligations

All financial obligations of a Participant arising under these Rules in respect of or arising out of Contracts, in either case however created, arising or evidenced, whether direct or indirect, absolute or contingent, existing, due or to become due.

Option

An Option on a Futures Contract or Option on a Commodity, dealt in pursuant to the rules of an Exchange Market.

OTC Contract

An agreement, contract, or transaction that is specifically identified in these Rules as an OTC Contract and submitted to The Clearing Corporation in accordance with these Rules and that is: (i) (A) an interest rate swap, option, or forward agreement, including a rate floor, rate cap, rate collar, cross-currency rate swap, basis swap, or forward rate agreement; (B) a same day-tomorrow, tomorrow-next, forward, or other foreign exchange or precious metals agreement; a currency swap, option, or forward agreement; (C) an equity index or equity swap; (D) a debt index or debt swap; (E) a credit spread or credit swap, option, or forward agreement; (F) a commodity index or commodity swap, option, or forward agreement; or (G) a weather swap, weather derivative, or weather option; (ii) similar to any other agreement, contract, or transaction referred to above that is a forward, swap, or option on one or more occurrences of any event, rates, currencies, commodities, economic or other indices or measures of economic or other risk or value; (iii) excluded from the Commodity Exchange Act under section 2(c), 2(d), 2(f), or 2(g) of such Act, or exempted under section 2(h)

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or 4(c) of such Act; or (iv) an option to enter into any, or any combination of, agreements, contracts or transactions referred to herein.

OTC Market

A market that is party to an agreement with The Clearing Corporation for the provision of clearing services and that is specifically identified in these Rules as an OTC Market.

. . . Interpretations and Policies:

.01 The following exchanges and markets are OTC Markets in respect of the following OTC Contracts:

- (a) Commodities Management Exchange, Inc. with respect to (i) CMX AL London NA A380 (Single-Day Settlement), (ii) CMX AL NA A380 (Monthly-Average Settlement), (iii) CMX AL Midwest Survey A380 (Single-Day Settlement), (iv) CMX AL Midwest Survey A380 (Monthly-Average Settlement), (v) CMX AL London Alloy (Single-Day Settlement), (vi) CMX AL London Alloy (Monthly-Average Settlement), (vii) CMX AL London Hi Grade (Single-Day Settlement), (viii) CMX AL London Hi Grade (Monthly-Average Settlement), (ix) CMX AL Midwest Transaction Price Survey (Single-Day Settlement), (x) CMX AL Midwest Survey Transaction Price (Monthly-Average Settlement), (xi) CMX AL New York Primary (Single-Day Settlement), (xii) CMX AL New York Primary (Monthly-Average Settlement), (xiii) CMX AL MW Transaction Premium (Single-Day Settlement), and (xiv) CMX AL MW Transaction Premium (Monthly-Average Settlement) (each, a “CMX Contract,” and collectively, “CMX Contracts”), as set forth more fully in Chapter 11 and Appendix 11-A.
- (b) ChemConnect, Inc. with respect to (i) Ethane Forward (F.O.B. at Enterprise Product Partners L.P. facility at Mt. Belvieu, Texas), (ii) Ethane Swap (Settled to Ethane Forward), (iii) Options on Ethane Forward, (iv) Propane Forward (F.O.B. at Texas Eastern Pipeline Company facility at Mt. Belvieu, Texas), (v) Propane Swap (Settled to Propane Forward), (vi) Options on Propane Forward (each, a “ChemConnect Contract,” and collectively, “ChemConnect Contracts”), as set more fully in Chapter 12 and Appendix 12-A.
- (c) IntercontinentalExchange, Inc., with respect to (i) PJM West Peak Power Contracts, and (ii) Into Cinergy, Sellers Daily Choice Peak Power Contracts (each, an “ICE Contract,” and collectively, “ICE Contracts”), as set forth more fully in Chapter 13 and Appendix 13-A.

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Participant

A person (other than Eurex Clearing) as Special Clearing Member) that has been approved by The Clearing Corporation for the submission of Contracts and that is party to an agreement with The Clearing Corporation specifically relating to transactions in Contracts.

Person

An individual, sole proprietorship, partnership, limited liability company, association, firm, trust, corporation or other entity, as the context may require.

President

The President of The Clearing Corporation.

Rule

References to a “Rule” or “Rules” are references to the Rules of The Clearing Corporation.

Settlement Price

The price, established in accordance with Rule 404, for open Contracts.

Special Clearing Member

A Linked Clearinghouse that acts on behalf of its own members or Participants as a clearing member of another Linked Clearinghouse pursuant to an agreement between The Clearing Corporation and such Linked Clearinghouse.

... **Interpretations and Policies:**

- .01 The following Linked Clearinghouses are Special Clearing Members:
 - (a) The Clearing Corporation is a Special Clearing Member of Eurex Clearing, as set forth more fully in Chapter 9.
 - (b) Eurex Clearing is a Special Clearing Member of The Clearing Corporation, as set forth more fully in Chapter 9.

Special Guaranty Fund

One or more Guaranty Funds established by The Clearing Corporation in support of the Obligations of Participants in respect of Contracts made on or subject to the rules of the Markets specified herein.

... **Interpretations and Policies:**

- .01 The following Guaranty Fund is a Special Guaranty Fund in respect of the following Markets:
 - (a) Emerging Markets Guaranty Fund, with respect to (i) Merchants' Exchange LLC, (ii) Commodities Management Exchange, Inc., (iii) ChemConnect, Inc., and (iv) IntercontinentalExchange, Inc.

Trades

Transactions in Contracts.

Transfer Trades

With respect to Exchange Contracts, transactions commonly referred to as give-ups, office transfers, exchanges of futures for physicals or exchanges of futures for swaps, as well as such other transactions in Exchange Contracts as may be defined as Transfer Trades by The Clearing Corporation. With respect to OTC Contracts, transactions in OTC Contracts that are defined as Transfer Trades by The Clearing Corporation.

102. Scope and Interpretation.

- (a) The Rules set forth herein are applicable only to Trades and related obligations arising out of Exchange Contracts and OTC Contracts. In the event of a conflict between these Rules and the Bylaws of The Clearing Corporation, these Rules will prevail. In the event of a conflict between these Rules generally and Rules adopted by The Clearing Corporation specifically governing Trades and related obligations made on a particular Market or particular types of transactions, the Rules specifically governing such Trades, obligations or transactions will prevail. More particularly:
 - (i) The Rules in Chapters 1 - 8 are supplemented for specific Markets and Contracts by the Rules in Chapters 9 *et seq.* (Thus, for example, the definitions in Rule 101 are supplemented, for purposes of Chapter 9A, by the additional definitions in Rule 9-101A.) The Rules in Chapters 9 *et seq.* shall apply only to the Market or Contracts specified in the caption to such Chapter.
 - (ii) Where the numbering of a Rule in Chapters 9 *et seq.* corresponds to that of a Rule in Chapters 1 - 8, the Rule in Chapters 1 - 8 is superseded to the extent applicable by the correspondingly numbered Rule in Chapter 9 *et seq.* (Thus, for example, references in Chapter 10 to the term "Settlement Price" mean the Settlement Price established in accordance with Rule 10-404.)
 - (iii) Where a Rule in Chapter 9 *et seq.* is "[Reserved]," the correspondingly numbered Rule in Chapters 1 - 8 is made expressly inapplicable to the Market and Contracts that are the subject of the Rules in that Chapter.

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- (b) In these Rules, unless a clear contrary intention appears, (i) the singular number includes the plural number and vice versa, (ii) reference to the masculine, feminine or neuter gender includes each other gender, (iii) any reference to a number of days shall mean calendar days unless Business Days, or, for purposes of Chapter 9B, Exchange days, are specified, and (iv) any reference to times shall mean the time in Chicago, Illinois. Except as otherwise specifically provided in these Rules, an act that otherwise would be required or permitted by these Rules to be performed on a date that is not a Business Day may be performed on the next day that is a Business Day.

2. MEMBERSHIP

201. Qualifications of Participants.

- (a) The Clearing Corporation shall have the sole power to determine whether any applicant for status of Participant, or any existing Participant, satisfies the qualifications established by The Clearing Corporation. Only persons found by the Corporation to be so qualified shall be permitted to be Participants. For the purpose of determining whether any applicant or Participant is thus qualified, The Clearing Corporation may establish minimum capital and other financial requirements for Participants, examine the books and records of any applicant or Participant, and may take such other steps as it may deem necessary to ascertain the facts bearing upon the question of qualification.

- (b) In order to justify The Clearing Corporation assuming the risk of clearing their Trades, Participants must meet and maintain such standards of business integrity, financial capacity, creditworthiness, operational capability, experience and competence as may be established by The Clearing Corporation from time to time. Without limitation of the foregoing, no applicant shall be admitted as a Participant unless:
 - (i) It meets, at the time of admission and maintains thereafter, such minimum capital requirements as may be established from time to time by The Clearing Corporation;
 - (ii) It makes and maintains, so long as it is a Participant, a deposit or deposits of Collateral in one or more Guaranty Funds as required by these Rules;
 - (iii) It has established satisfactory relationships with, and has designated to The Clearing Corporation, an approved settlement bank for confirmation and payment of all Margins and settlements with The Clearing Corporation;
 - (iv) It maintains back-office facilities staffed with experienced and competent personnel or has entered into a facilities management agreement in form and substance acceptable to The Clearing Corporation; and
 - (v) It files in a timely manner all reports and information relating to the Participant, Persons controlling the Participant, and related or affiliated organizations as required by these Rules or otherwise required by The Clearing Corporation.

202. Application for Participant Status.

- (a) Persons desiring to clear Trades through The Clearing Corporation shall make application in such form as shall be prescribed by The Clearing Corporation. Each applicant must agree to abide by the Rules, interpretations and policies of The Clearing Corporation as in effect from time to time. Further, each person desiring to clear Trades in USD Contracts (as defined in Chapter 9A of these Rules) must be a member of EurexUS and must abide by the applicable rules of Eurex US; each person desiring to clear Trades in Euro Contracts (as defined in Chapter 9B) must abide by the rules of Eurex and Eurex Clearing to the extent applicable. An applicant for Participant status shall be conclusively deemed to have agreed to have no recourse against The Clearing Corporation in the event that its application to become a Participant is rejected.
- (b) Notwithstanding the termination of Participant status, a Person qualified as a Participant agrees to be responsible for any violation of the Rules, interpretations and policies of The Clearing Corporation committed by such Person while a Participant and agrees to have any disputes which arise while a Participant which relate to or arise out of any transaction with The Clearing Corporation or status of a Participant in The Clearing Corporation resolved in accordance with the Rules.

203. Restriction on Activity.

The failure to continue to comply with the conditions of the Rules may subject a Participant to a suspension or revocation of clearing privileges. In addition, or in the alternative, and in either case in its sole discretion, The Clearing Corporation shall be authorized: (a) to impose such additional capital, Margin or other requirements as it shall deem appropriate for the protection of The Clearing Corporation and its Participants; (b) to allow such Participant to submit Trades solely for the Participant's own account; (c) to allow such Participant to submit Trades for liquidation only; (d) to limit or restrict the type of Contracts that may be cleared by such Participant in any of its accounts with The Clearing Corporation; or (e) to limit or restrict the number of Contracts that are permitted to be maintained by such Participant in any of its accounts with The Clearing Corporation.

204. Financial Statements of Participants.

Each Participant shall submit statements of its financial condition at such times and in such manner as shall be prescribed from time to time.

205. Parent Guarantee.

- (a) A Participant that is organized as a corporation, the majority of whose outstanding capital stock is owned or controlled by another corporation or by a partnership or limited liability company, shall be approved for the clearing of Contracts only if its controlling parent organization or individuals with a significant ownership interest guarantee the Participant's obligations relating to Contracts. For purposes of this paragraph, stock of a corporate applicant or Participant which is owned or controlled by an officer, stockholder, or partner of another organization will be considered owned or controlled by such other organization. The Clearing Corporation may, for good cause shown, waive this provision.
- (b) A partnership whose partners include one or more other partnerships, corporations or limited liability companies shall be approved for the clearing of Contracts only if all of its partners are general partners. The Clearing Corporation may, for good cause shown, waive this provision.
- (c) A limited liability company, the majority of whose membership interests are owned or controlled by another limited liability company or by a corporation or partnership, shall be approved for the clearing of Contracts only if its controlling parent organization or individuals with a significant ownership interest guarantee the Participant's obligations relating to Contracts. For purposes of this paragraph, membership interests which are owned or controlled by a manager, managing Participant, an officer, shareholder or partner of another organization will be considered owned or controlled by such other organization. The Clearing Corporation may, for good cause shown, waive this provision.

. . . Interpretations and Policies:

- .01 The guarantee of a Participant's obligations required by this Rule shall, unless otherwise provided in particular cases, be applicable only to Trades made for a proprietary account (as such term is defined in Commission Regulation 1.3(y)) or other non-customer accounts of the Participant.

206. Common Owner Guarantee.

- (a) No more than one Participant shall be owned or controlled, directly or indirectly, by the same Person unless:

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- (i) Each such Participant consents to the use by The Clearing Corporation of any and all assets of the Participant in the possession of The Clearing Corporation or under its control to satisfy the obligations of all such commonly owned or controlled Participant to The Clearing Corporation;
 - (ii) Each such Participant guarantees to The Clearing Corporation all obligations of all such commonly owned or controlled Participants, including, without limitation, obligations arising out of house and customer account positions maintained by The Clearing Corporation; and
 - (iii) Each such Participant irrevocably consents to its immediate suspension or expulsion from its status as a Participant should it fail timely and fully to honor its guarantee of the obligations of such commonly owned or controlled Participants or should such a commonly owned or controlled Participant fail to honor its guarantee of such Participant.
- (b) The Clearing Corporation may grant exemptions from the requirements of this Rule 206 for good cause shown if it determines that such exemptions will not jeopardize the financial integrity of The Clearing Corporation.

207. Notices Required of Participants.

- (a) Each Participant shall immediately notify The Clearing Corporation, orally and in writing, of:
 - (i) Any material adverse change in the Participant's financial condition including, but not limited to, a decline in net capital or, with respect to Participants that are not registered with the Commission as futures commission merchants, net worth equal of 20% or more, or if such Participant knows or has reason to believe that its adjusted net capital has fallen below The Clearing Corporation's minimum capital requirements;
 - (ii) Any proposed material reduction (and, in all cases, if the reduction is 30% or more) in the Participant's operating capital, including the incurrence of a contingent liability which would materially affect the Participant's capital or other representations contained in the latest financial statement submitted to The Clearing Corporation should such liability become fixed; provided, that any such reduction in operating capital shall not be effected by the Participant if The Clearing Corporation specifically objects thereto, in writing, within thirty days after receipt of written notice thereof;

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- (iii) Any refusal of admission to, withdrawal of any application for membership in, any suspension, expulsion, bar, fine, censure, denial of membership, registration or license, withdrawal of any application for registration, cease and desist order, temporary or permanent injunction, denial of trading privileges, or any other sanction or discipline through an adverse determination, voluntary settlement or otherwise, by the Commission, the Securities and Exchange Commission, any commodity or securities exchange, clearing organization, the National Futures Association, the National Association of Securities Dealers, any self-regulatory organization or other business or professional association;
- (iv) The imposition of any restriction or limitation on the business conducted by the Participant on or with any securities or futures clearing organization or exchange (including, without limitation, any contract market, derivatives transaction facility, exempt board of trade, Linked Exchange, other trading facility, or Linked Clearinghouse, other than restrictions or limitations imposed generally on all Participants of or participants in such clearing organization or exchange;
- (v) Any failure by such Participant, or any guarantor or commonly owned or controlled Participant (as provided in Rules 205 and 206) to perform any of its material contracts, obligations or agreements;
- (vi) Any determination that it, or any guarantor or commonly owned or controlled Participant (as provided in Rules 205 and 206), will be unable to perform any of its material contracts, obligations or agreements;
- (vii) The insolvency of such Participant, or of any guarantor or commonly owned or controlled Participant (as provided in Rules 205 and 206);

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- (viii) The institution of any proceeding by or against the Participant, any affiliate of the Participant, or any Person with an ownership interest of greater than 5% in the Participant, under any provision of the bankruptcy laws of the United States, or under the Securities Investor Protection Act of 1970, any other statute or equitable power of a court of like nature or purpose, in which such Participant or Person is designated as the bankrupt, debtor or equivalent, or a receiver is appointed or if a receiver, trustee or similar official is appointed for the Participant, such Person, or its or their property;
 - (ix) The receipt by such Participant, or the filing by such Participant with a self-regulatory organization, of a notice of material inadequacy; and
 - (x) The receipt by such Participant from its independent auditors of an audit opinion that is not unqualified.
- (b) Each Participant shall promptly provide written notice to The Clearing Corporation of:
- (i) Any changes in its name, business address, its telephone or facsimile number, electronic mail address, or any number or access code for any electronic communication device used by it to communicate with The Clearing Corporation;
 - (ii) Any proposed change in the organizational or ownership structure or management of a Participant; and
 - (iii) Any transfer, offer to transfer, or termination of an Exchange Market membership, where such membership has been designated under the rules of such Exchange Market for the benefit of the Participant.

. . . Interpretations and Policies:

- .01 As used in paragraph (a)(i), the term “net capital” means the greatest of: (a) the minimum net capital requirement established by The Clearing Corporation for such Participant; (b) with respect to a Participant that is a registered futures commission merchant, adjusted net capital as provided in Commission Regulation 1.17; and, (c) with respect to a Participant that is a registered broker-dealer, excess adjusted net capital as provided in Securities and Exchange Commission Regulation 15c3-1.

208. Exchange Membership.

The Clearing Corporation may decline or restrict the ability of a Participant to clear Trades made on any Exchange where such Participant is not admitted to the privileges of membership or is not approved by such Exchange Market to clear Trades made on or subject to the rules of such Exchange Market.

209. Termination of Participant Status.

- (a) Upon the occurrence of a Termination Event (as defined herein), The Clearing Corporation may, in its sole discretion, impose limitations, conditions and restrictions upon a Participant or terminate the status of the Participant. In such circumstances, The Clearing Corporation may, in its sole discretion, (i) decline to accept new Trades, (ii) cause open Contracts to be transferred to another clearing organization designated by the Market, with such security against claims and liabilities as The Clearing Corporation shall deem necessary for its protection, (iii) permit Trades to be tendered for liquidation only, (iv) cause open Contracts to be settled in cash or liquidated in the open market, and (v) otherwise take or omit to take such actions, or any combination thereof, as it deems necessary or appropriate in the circumstances.
- (b) As used herein, "Termination Event" shall mean the occurrence of any of the following:
 - (i) The expiration or termination of the agreement for clearing services between The Clearing Corporation and the relevant Market;
 - (ii) The expiration or termination of the agreement between the Participant and The Clearing Corporation;
 - (iii) A representation or warranty made by the Participant to The Clearing Corporation under or in connection with any agreement between The Clearing Corporation and the Participant shall be false or misleading in any material respect as of the date on which made;
 - (iv) The breach by the Participant of the Rules or any of the terms or provisions of any agreement between The Clearing Corporation and the Participant which is not remedied promptly after notice from The Clearing Corporation; or
 - (v) The Participant is in Default.

3. CLEARING OF CONTRACTS

301. Effect of Clearance.

Trades submitted for clearance by or for the account of a Participant shall be submitted to The Clearing Corporation as required by the Rules and the rules of the Market, and if The Clearing Corporation accepts the same, as provided in Rule 310, the buying Participant shall be deemed to have bought such Contract from The Clearing Corporation and the selling Participant shall be deemed to have sold such Contract to The Clearing Corporation. Upon such substitution, such buyers and sellers shall be released from their obligations to each other, and The Clearing Corporation shall be deemed to have succeeded to all the rights, and to have assumed all the obligations, of the original parties to such contracts, to the extent provided in these Rules.

302. Tender of Trades.

The filing of a Trade confirmation by or on behalf of a Participant, as hereinafter provided, shall be deemed a tender to The Clearing Corporation for clearance of the Trade listed on such confirmation. These Rules shall constitute part of the terms of each Contract tendered to The Clearing Corporation.

303. Adjustments.

- (a) Where a Futures Contract is cleared and the contract price is less than the Settlement Price of the day, the selling Participant shall pay to The Clearing Corporation and the buying Participant shall receive from The Clearing Corporation the difference between the value of the Futures Contract based upon the Settlement Price of the day and the contract price, in accordance with the policies and procedures of The Clearing Corporation. In like manner, if the contract price of a Futures Contract is more than the Settlement Price of the day, the buying Participant shall pay to The Clearing Corporation, and the selling Participant shall receive from The Clearing Corporation, the difference between the value of the Futures Contract based upon the Settlement Price of the day and the Contract price, in accordance with the policies and procedures of The Clearing Corporation.

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- (b) Such payments shall be at the time and in the manner prescribed by The Clearing Corporation. Thereupon, the selling Participant shall be deemed to have sold such Futures Contract to The Clearing Corporation, and the buying Participant shall be deemed to have bought such Futures Contract from The Clearing Corporation, in each case at the Settlement Price of the day. Thereafter, from day to day, to the extent such transaction remains open, similar payments shall be made to bring the Trade to the Settlement Price of that day, and after such payments have been made, the buying Participant shall be deemed to have bought, and the selling Participant shall be deemed to have sold, such Futures Contract to The Clearing Corporation at the Settlement Price of such day.

304. Offsets.

Where, as the result of substitution under Rule 301, a Participant has bought from The Clearing Corporation any amount of a given Futures Contract for a particular delivery, and subsequently, and prior to such delivery, such Participant sells to The Clearing Corporation any amount of the same Futures Contract for the same delivery, the second transaction shall be deemed pro tanto a settlement or adjustment of the prior transaction, except as provided in Rule 311, and except with respect to Options. In like manner, where a Participant sells to The Clearing Corporation any amount of a given Futures Contract for a particular delivery, and subsequently, and before delivery, such Participant buys any amount of the same Futures Contract for the same delivery, the second transaction shall be deemed pro tanto a settlement or adjustment of the prior transaction, except as provided in Rule 311, and except with respect to Options. Thereupon, such Participant shall become liable to pay the loss or entitled to collect the profit, as the case may be, upon such adjusted transactions, and shall be under no further liability to receive or make delivery with respect thereto. For purposes of this Rule, the first Trades made shall be deemed the first Trades offset.

305. Trade Confirmations.

Each Business Day, the exact hours as from time to time fixed by The Clearing Corporation, Participants shall file with The Clearing Corporation confirmations, in the manner prescribed by The Clearing Corporation (which, in the case of electronic trading systems that submit matched trades to The Clearing Corporation, shall be satisfied by confirming reports automatically generated by such system that contain the information set forth herein), covering Trades made during the day (including scratch Trades) showing for each Trade (a) the identity of both Participants, (b) whether bought or sold, (c) the quantity involved, (d) the delivery month, (e) the Contract expiration and series involved, (f) the price and/or premium, (g) whether for house, customer, non-customer or floor trader account, and (h) such other information as may be required by The Clearing Corporation to effect the matching of Trades between the buyer and the seller.

306. Disagreement in Trade Confirmations.

If a Trade confirmation of any Participant shall not correspond in all material respects with the confirmation of the other party to such Trade, The Clearing Corporation may reject such Trade and notify both Participants, setting forth the basis of such objection.

307. Statement of Trades and Positions.

The Clearing Corporation shall make available to a Participant a statement of Trades and positions for each Business Day on which such Participant has Trades to be cleared or a position open with The Clearing Corporation. Such statement shall show the amounts the Participant shall pay to or receive from The Clearing Corporation under Rule 303 and the amount of premium the Participant shall pay to or receive from The Clearing Corporation, in all cases at the time and in the manner prescribed by The Clearing Corporation.

308. Daily Variation Settlements.

If the statement of Trades and positions made available to a Participant under Rule 307 shows a net balance in favor of The Clearing Corporation, the Participant shall, at the time and in the manner prescribed by The Clearing Corporation, pay such net balance to The Clearing Corporation. Payment will be considered made hereunder only if made in a manner prescribed by The Clearing Corporation and results in immediate credit to the account of The Clearing Corporation. If such statement shows a net balance in favor of the Participant, The Clearing Corporation shall promptly pay, at the time and in the manner prescribed by The Clearing Corporation, the amount of such net balance to the Participant.

309. Statement of Original Margins and Premiums.

At the time a statement of the Participant's Trades and positions is made available pursuant to Rule 307, The Clearing Corporation shall also make available a statement showing original Margins and Option premiums deposited by the Participant, the amount of such Margins and premiums required by The Clearing Corporation, and the Participant's net surplus of, or deficit in, such Margins and premiums.

310. Acceptance of Trades by Clearing Corporation.

The Clearing Corporation shall accept no Trades for clearance except for the account of its Participants. A Trade, except a Transfer Trade, is accepted upon either The Clearing Corporation's receipt and acknowledgment of a matched Trade or matching of Trade confirmations. A Transfer Trade is accepted upon

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receipt of all payments and deposits required to be made pursuant to these Rules by the Participants who are parties to the Transfer Trade. Issuance by The Clearing Corporation, to a Participant, of a statement of Trades and positions as provided in Rule 307 shall constitute confirmation that the Trades listed on such statement, except Transfer Trades, have been accepted by The Clearing Corporation.

311. Trades for Customers.

Where a Participant clears a Trade for a customer, whether a member or non-member of an Exchange Market, the Participant becomes liable to The Clearing Corporation and The Clearing Corporation liable to the Participant on such Trade in the same manner and to the same extent as if the Trade were for the account of the Participant; provided, however, that Trades made on or subject to the rules of an Exchange Market and designated by the Participant as for the Participant's customer shall not be offset under Rule 304 against Trades designated by the Participant as for the Participant's own account.

312. Separate Accounts.

A Participant required by law to segregate a particular class of transactions with The Clearing Corporation shall maintain a separate account for that purpose (the "separate account"). When appropriately so designated by the Participant, the separate account shall be treated as to Margins, Option premiums, daily variation settlements, deliveries and all other operations as though it were the account of a different Participant except that, (a) excess funds in any other account of the Participant may be allocated by The Clearing Corporation to the separate account to the extent necessary to meet applicable Margin and variation deposit requirements of these Rules, and (b) if the Participant is in Default under Rule 605 as to any account maintained by the Participant with The Clearing Corporation or for any reason ceases to be a Participant, the open Trades in all such accounts may be closed in the open market, transferred to any other Participant, or otherwise resolved and the deficit, if any, in the separate account applied against the balance in any other account of the Participant. The Clearing Corporation shall maintain all funds held in the separate accounts in accordance with relevant provisions of the Commodity Exchange Act and Commission regulations.

313. Records.

Participants shall keep permanent records showing, with respect to each purchase or sale, the names of both Participants, the Futures Contract, Option series, quantity, date, price, delivery or expiration month, the name or account identifier of the customer for whom the Trade was made and such other information as may be required by law, regulation, or by The Clearing Corporation. Such permanent records shall be retained for at least five years,

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either in original form or in such other form as The Clearing Corporation may from time to time authorize, and shall be deemed the joint property of The Clearing Corporation and the Participant keeping such records. The Clearing Corporation shall be entitled to inspect or take temporary possession of such records at any time upon demand.

314. Reporting.

Participants shall make reports of their positions at the time and in the manner prescribed by The Clearing Corporation.

315. Limitation of Liability.

The liability of The Clearing Corporation relating to or arising out of Contracts shall be limited to losses resulting from the substitution of The Clearing Corporation upon Contracts in accordance with these Rules, **but in no event shall the amount of such liability exceed the amount on deposit in the General Guaranty Fund.** The Clearing Corporation shall not be liable for obligations of a non-Participant or obligations of a Participant to a non-Participant (other than, in each case, Eurex Clearing), obligations of a Participant to another Participant who is acting for such other Participant as broker, or obligations of a Participant to a customer, nor shall The Clearing Corporation become liable to make deliveries to or accept deliveries from a customer of a Participant.

. . . Interpretations and Policies:

- .01** The liability of Eurex Clearing as a Special Clearing Member is governed by the provisions of the Link Agreement.

316. Non-Acceptance of Trades.

In case of the non-acceptance of the Trades of any Participant, The Clearing Corporation shall be deemed to have incurred no obligations respecting the Trades that are not so accepted. It shall be incumbent upon the Participants who are parties to any such Trades to take such steps as the Participants may deem necessary or proper for such Participants' own protection.

317. Authority of President.

Without limitation of any authority conferred by the Certificate of Incorporation, the Bylaws, other provisions of these Rules, or resolutions of the Board or any committee of the Board, the President is authorized, should he deem it necessary or advisable, to take such action as he deems necessary or appropriate for the protection of The Clearing Corporation. The President may take such action pending a meeting of the Board or committee of the Board, but shall modify or rescind such action if so instructed by the Board or such committee.

4. MARGIN AND SETTLEMENTS

401. Clearing Corporation Lien.

Each Participant agrees that The Clearing Corporation shall have a first lien and security interest on all Margin, Option premiums, Trades, positions and other property held in or for the accounts of such Participant as security for all obligations of such Participant to The Clearing Corporation.

402. Original Margin.

- (a) Margin deposits, other than variation deposits, shall be known as original Margin. The Clearing Corporation shall, from time to time, fix the amount of original Margin which shall be deposited by Participants to protect The Clearing Corporation on Trades in Contracts.
- (b) Original Margin shall be deposited in the manner prescribed in Rules 405 and 406. Upon performance or closing out of contracts thus secured, the original Margin deposits may be withdrawn by the Participant upon the authorization of The Clearing Corporation. Margin calls shall ordinarily be uniform, but where particular risks are deemed hazardous, The Clearing Corporation may, in its sole discretion, depart from the rule of uniformity and call for additional Margin.

403. Variation Deposits.

Margin called by reason of market fluctuations shall be known as variation deposits and shall be paid by Participants to The Clearing Corporation on demand in the manner prescribed by Rule 308. Variation deposits shall be deemed payments on account of Trades and positions for that Business Day and shall be reflected on statements of Trades and positions for that day. The Clearing Corporation may require Participants to make additional variation deposits at any time to the extent of market fluctuations.

404. Settlement Price.

- (a) The Settlement Price for each open Exchange Contract shall be the price recommended for such Contract by the relevant Exchange Market as determined pursuant to the rules of such Exchange Market.

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- (b) Notwithstanding the foregoing, when deemed necessary by The Clearing Corporation in order to protect the respective interests of The Clearing Corporation and Participants, The Clearing Corporation may establish the Settlement Price for any Contract at a price deemed appropriate by The Clearing Corporation under the circumstances. When The Clearing Corporation determines that circumstances necessitate the application of this paragraph, the reasons for that determination and the basis for the establishment of the Settlement Price in such circumstances shall be recorded.

405. Cash Margin Deposits.

If the statement of original Margins furnished to a Participant under Rule 309 shows a deficit in original Margins, such Participant shall, at the time and in the manner prescribed by The Clearing Corporation, pay an amount in U.S. Dollars, or foreign currency acceptable to The Clearing Corporation, sufficient to cover such deficit to The Clearing Corporation. Payment will be considered made hereunder only if made in a manner prescribed by The Clearing Corporation and if such payment results in immediate credit to the account of The Clearing Corporation.

406. Non-Cash Margin Deposits.

In lieu of maintaining original Margins in cash, as provided for in Rule 405, Participants may deposit such types of collateral as may be approved by The Clearing Corporation.

When a Participant is in default, all non-cash Margins may be converted to cash or otherwise transferred by The Clearing Corporation for the account of the Participant or its customers.

407. Option Premiums.

Participants shall deposit Option premiums with The Clearing Corporation at the time and in the manner prescribed by The Clearing Corporation.

5. DELIVERIES

501. Delivery Notices.

A selling Participant obligated or desiring to make delivery of a Commodity shall issue and deliver to The Clearing Corporation a delivery notice containing the name and business address of the issuer of such notice; the date of issue; the date of delivery; the name of such Commodity; the total contracted quantity in satisfaction of which the delivery is being tendered; and such other information as The Clearing Corporation shall require. Delivery notices shall be furnished to The Clearing Corporation electronically in such form as may be specified by The Clearing Corporation.

The Clearing Corporation shall assign deliveries to Participants having Contracts to take delivery, for their own account or for one or more customers, of the same or lesser amount of the same Commodity. The Clearing Corporation shall notify such Participants of the deliveries that have been assigned to them and shall furnish to the Participant issuer of a delivery notice the name of the Participant obligated to accept delivery and the number of contracts for which such buying Participant is obligated. Participants receiving delivery notices shall assign delivery to the oldest open contracts on their books at the close of business on the previous day.

502. Purchases and Sales for Physical Delivery.

Issuance of a notice of intention to deliver by a Participant to The Clearing Corporation shall constitute an offer by such Participant to sell to The Clearing Corporation the specified quantity of the Commodity involved, at the delivery price, and to purchase from The Clearing Corporation the same quantity of the same Commodity at the same price. Acceptance of such notice by The Clearing Corporation shall constitute its acceptance of the Participant's offer to sell and repurchase. Such acceptance is effective at the time delivery is required to be made according to the Rules of The Clearing Corporation, and, to the extent not specified herein, to the rules and regulations of the relevant Exchange Market.

Assignment of delivery to a Participant by The Clearing Corporation shall constitute an offer of The Clearing Corporation to sell to such Participant the specified quantity of the Commodity involved, at the delivery price, and to purchase from such Participant the same quantity of the same Commodity at the same price. Acceptance of such assignment of delivery by such Participant shall constitute his acceptance of The Clearing Corporation's offer to sell and repurchase. Such acceptance is effective at the time delivery is required to be made pursuant to these Rules, and, to the extent not specified herein, to the rules and regulations of the relevant Exchange Market.

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The Clearing Corporation shall, at the time delivery is required to be made, consider the corresponding sales to such assigned buyers made hereunder as having been settled and shall apply the opposing repurchase made hereunder as an adjustment of the respective Participants' futures positions with The Clearing Corporation in the manner prescribed by these Rules.

503. Delivery Price.

All deliveries on Futures Contracts shall be made at the Settlement Price of the day preceding the day of issuance of notice of intention to deliver, or at the price required in the contract terms and conditions, if such terms and conditions require a different price. The statement of Trades and positions specified in Rule 307 will reflect futures positions closed by delivery and the amount of final adjustment bringing delivery prices to Settlement Prices of the day of notice.

504. Posting of Deliveries.

During each delivery month, The Clearing Corporation shall cause to be posted, not later than the Business Day following the filing of notices of intention to deliver, the name of each Participant issuing notices of intention to deliver on Futures Contracts and the total amount of each Commodity tendered by such Participant for delivery, together with the name of each Participant to which such deliveries have been assigned and the total amount of each Commodity assigned to such Participant.

505. Settlements on Defaulted Deliveries.

- (a) If a Participant fails to fulfill its delivery obligations as prescribed in these Rules, The Clearing Corporation's sole obligation shall be to pay reasonable damages proximately caused by the Default, but in no event shall The Clearing Corporation be obligated to: (i) pay any damages greater than the difference of the delivery price of the specific Commodity and the reasonable market price of such Commodity at the time delivery is required to be made in accordance with and the Rules of The Clearing Corporation and, to the extent not specified herein, the rules and regulations of the relevant Exchange Market; (ii) make or accept delivery of the Commodity; (iii) pay any damages relating to the accuracy, genuineness, completeness, or acceptability of certificates, instruments, warehouse receipts or other similar documents; or (iv) pay any damages relating to the failure or insolvency of banks, custodians, escrow agents, depositories, warehouses, or similar entities that may be involved with a delivery.

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- (b) Notwithstanding any other provision of these Rules, The Clearing Corporation has no obligation or liability to any Participant or any other Person relating to a failure to fulfill a delivery obligation unless it is notified by the non-defaulting Participant of such failure as soon as possible, but in no event later than sixty minutes after the time the delivery obligation was to have been discharged in accordance with the Rules of The Clearing Corporation and, to the extent not specified herein, the rules and regulations of the relevant Exchange Market.

- (c) If a buying Participant fails to effect payment to its assigned seller by 1:00 p.m. on the date scheduled for delivery, the selling Participant shall immediately notify The Clearing Corporation. The Clearing Corporation will then determine, in its sole discretion, whether the failure of the buying Participant to effect such payment was technical in nature and is likely to be remedied or whether the such buying Participant's failure to effect payment constitutes a delivery default. If The Clearing Corporation determines, in its sole discretion, that the failure was technical in nature (including a bank instruction error or failure of the Federal Reserve wire), the buying Participant will be allowed to make payment subsequent to 1:00 p.m. (but in no event later than the time, if any, specified by The Clearing Corporation). If The Clearing Corporation determines, in its sole discretion, that such failure constitutes a delivery default, The Clearing Corporation will instruct the selling Participant to sell the invoiced securities as soon as reasonably practicable. The defaulting buying Participant will in such circumstances be liable for the amount, if any, that the reasonable sale price of the invoiced securities (including costs) is less than the original invoiced amount.

- (d) If a selling Participant fails to effect delivery to its assigned buyer by 1:00 p.m. on the date scheduled for delivery, the buying Participant shall immediately notify The Clearing Corporation. The Clearing Corporation will then determine, in its sole discretion, whether such failure to effect delivery is technical in nature and is likely to be remedied or whether such failure to effect delivery constitutes a delivery default. If The Clearing Corporation determines that such failure was technical in nature (including a bank instruction error or failure of the Federal Reserve wire), the selling Participant will be allowed to make delivery subsequent to 1:00 p.m. (but in no event later than the time, if any, specified by The Clearing Corporation). If The Clearing Corporation determines that the failure constitutes a delivery default, The Clearing Corporation will instruct the buying Participant to purchase substitute deliverable securities as soon as reasonably practicable. The defaulting selling Participant will in such circumstances be liable for the reasonable damages (including costs) incurred by the buying Participant relating to the purchase of the substitute securities.

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- (e) Delivery obligations of a Participant to another Participant that are not discharged timely (as provided in paragraphs (c) and (d)) and in full by the Participant shall thereupon be deemed an obligation of such Participant to The Clearing Corporation. The defaulting Participant's obligations to The Clearing Corporation must be discharged by (i) not later than sixty minutes after the time such obligations originally were required to be discharged to the non-defaulting Participant, or (ii) such later time as may be established by The Clearing Corporation pursuant to paragraphs (c) and (d).

- (f) Notwithstanding any other provision of these Rules to the contrary, The Clearing Corporation's delivery obligations to a non-defaulting buying or selling Participant shall in all cases be subject to the provisions of Rule 505(a) and Chapter 8 hereof.

Any claim for damages or other dispute relating to a delivery failure or default brought by one Participant against another shall be resolved by such Participants pursuant to binding arbitration before the National Futures Association ("NFA"). Failure by a Participant to comply with the NFA's determination may result in the suspension of the Participant's clearing privileges at The Clearing Corporation or such other or additional penalty (including, but not limited to assessment of fines and charges) as The Clearing Corporation may deem appropriate under the circumstances.

506. Assignment of Exercises of Options.

Upon receipt of notices of intention to exercise Options cleared through The Clearing Corporation, issued by buyers in accordance with the rules and regulations of the Exchange Market, The Clearing Corporation shall assign such exercises to eligible sellers in accordance with such rules and regulations. The Clearing Corporation shall promptly notify selling Participants as to the exercises assigned to them and shall furnish to buying Participants the names of selling Participants obligated to accept such assignments. Delivery and payment shall be made in the time and manner prescribed by the rules and regulations of the Exchange Market.

Any Option not exercised by the date and time fixed for expiration of the Option in the rules and regulations of the Exchange Market shall not be exercisable.

507. Exercise Price.

All Option exercises shall be made at the strike price of the Option. The statement of Trades and positions issued pursuant to Rule 307 will reflect the offsetting of each Option that was exercised and assigned, Trades and positions in Futures Contracts resulting therefrom, and the amount of the final adjustment

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(being the strike price marked to the Settlement Price on the day the Option was exercised).

508. Deliveries in the Event of Bankruptcy.

- (a) This Rule shall be applicable to Contracts made on or through the facilities of an Exchange Market as and to the extent such Exchange Market has in effect one or more rules (each, a “Bankruptcy Delivery Rule”) adopted in accordance with Commission Regulation 190.05(b).
- (b) If any customer of a Participant that is a debtor shall wish to make or take delivery under a Futures Contract as provided in a Bankruptcy Delivery Rule, such customer shall deliver written notification thereof to The Clearing Corporation not later than noon on the second Business Day, which Business Day must be within the current delivery period, following the date of the entry of the order for relief with respect to such debtor, whereupon such customer shall assume all of the obligations of the debtor to The Clearing Corporation and the opposite Participant with respect to such Futures Contract.
 - (i) If such customer is seeking to make delivery in fulfillment of such Futures Contract, such notification shall be accompanied by:
 - (A) evidence, satisfactory to The Clearing Corporation, that the debtor, on behalf of the customer, or the customer, has presented a notice of delivery to The Clearing Corporation; and
 - (B) evidence verifying to The Clearing Corporation that the customer owns and has in its possession or under its control, such certificates, instruments, warehouse receipts or other documents as are required pursuant to the Rules and the Bankruptcy Delivery Rule to make delivery in fulfillment of such Contract.
 - (ii) If such customer is seeking to take delivery in fulfillment of such futures Contract, such notification shall be accompanied by:
 - (A) the notice of delivery which has been issued by The Clearing Corporation to the debtor and allocated by the debtor to the customer, and

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- (B) evidence verifying to The Clearing Corporation that the customer owns and has in its possession or under its control a certified check, drawn on an approved depository bank and made payable to the order of the opposite Participant in the full amount payable on the delivery of the Contract.

- (c) The Clearing Corporation shall provide to the opposite Participant copies of all information provided to The Clearing Corporation pursuant to paragraph (b) above, provided, however, that The Clearing Corporation shall have no responsibility to investigate or otherwise verify the accuracy, genuineness or completeness of any certificate, instrument, warehouse receipt or other document or check delivered to or by The Clearing Corporation pursuant to the Bankruptcy Delivery Rule and this Rule and shall, in no event, have any liability for the quantity or quality of the commodity or other interest delivered.

509. Cash Settlement.

After trading ceases on the last day of trading for Futures Contracts without physical delivery, The Clearing Corporation shall consider the maintenance of an open position by a Participant to constitute an offer to sell to or an offer to purchase from The Clearing Corporation the specific quantity of the Futures Contract involved at the Settlement Price determined for such Futures Contract on the last day of trading in such contracts.

The Clearing Corporation shall, once trading in such Futures Contracts has terminated pursuant to the rules and regulations of the Exchange Market, consider the corresponding sales or purchases made hereunder as an adjustment of the respective Participants' positions in Futures Contracts with The Clearing Corporation in the manner prescribed by these Rules.

6. MISCELLANEOUS

601. Emergencies.

- (a) The Board, upon the affirmative vote of the Directors voting at a meeting where a quorum is deemed present, may adopt an emergency resolution which shall supersede and supplant all contrary or inconsistent resolutions or Rules. Absent extraordinary circumstances, a Director who has a substantial financial interest in the outcome of such a vote shall abstain from deliberating and voting on the matter in question.
- (b) An emergency resolution shall expire upon the happening of either of the following events: (i) the Board shall have voted to rescind the emergency resolution; or (ii) 90 days shall have elapsed since the emergency resolution was adopted.
- (c) All Trades, all accounts and positions with The Clearing Corporation, and all Participants shall be subject to the exercise of these emergency powers by the Board.
- (d) As used herein, the term “emergency” shall include without limitation all emergency circumstances now or hereafter referenced in the Commodity Exchange Act and the Regulations of the Commission, and all other circumstances in which an emergency may lawfully be declared by the Board.
- (e) Except as otherwise stated in an emergency resolution adopted hereunder, the powers exercised by the Board under this Rule shall be in addition to and not in derogation of authority granted by the Certificate of Incorporation and Bylaws to a committee or officer of The Clearing Corporation to take action as specified therein.

602. Physical Emergencies.

In the event the physical functions of The Clearing Corporation are, or are threatened to be, severely and adversely affected by a physical emergency such as, but not limited to, fire or other casualty, bomb threats, substantial inclement weather, power failures, communications breakdowns or transportation breakdowns, the Chairman, a Vice Chairman or the President of The Clearing Corporation or, in their absence, another officer of The Clearing Corporation, is authorized to take such action as he or she shall deem necessary or appropriate to deal with such emergency.

603. Force Majeure.

Notwithstanding any other provision of these Rules, The Clearing Corporation shall not be obligated to perform its obligations under these Rules or any agreement with a Participant relating to Contracts, or to compensate any person for losses occasioned by any delay or failure of performance, to the extent such delay or failure is the result of acts of God, lightning, earthquake, fire, epidemic, landslide, drought, hurricane, tornado, storm, explosion, flood, nuclear radiation, act of a public enemy or blockade, insurrection, riot or civil disturbance, strike or labor disturbance, or any other cause beyond The Clearing Corporation's reasonable control (whether or not similar to any of the foregoing).

If The Clearing Corporation shall, as a result of any of the above-described events, fail to perform any of its obligations, such failure shall be excused for a period equal to the period of delay caused by such event. In such an event, The Clearing Corporation shall give written notice thereof to the affected Market or such Participant, as the case may be, as soon as it is reasonably practicable and attempt diligently to remove such condition.

604. Suspension of Rules.

The time frames fixed by these Rules, interpretations or policies of The Clearing Corporation for the doing of any act or acts may be extended, or the doing of any act or acts required by these Rules or any interpretations or policies of The Clearing Corporation may be waived, and any provision of these Rules or any interpretations or policies of The Clearing Corporation may be suspended by the Board or by any officer of The Clearing Corporation having a rank of Vice President or higher whenever, in the judgment of the Board or such officer, such extension, waiver or suspension is necessary or expedient. Any such extension or waiver may continue in effect after the event or events giving rise thereto but shall not continue in effect for more than thirty calendar days after the date thereof unless it shall be approved by The Clearing Corporation within such period of thirty calendar days.

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605. Defaults.

- (a) A Participant is in Default (i) who fails to meet any of the Participant's obligations upon the Participant's Contracts with The Clearing Corporation, (ii) who fails to deposit Margin (whether original, special or variation) or premiums within one hour after demand by The Clearing Corporation, or (iii) who is suspended or expelled by a Market, Linked Exchange, Linked Clearinghouse or by The Clearing Corporation. Upon such Default, The Clearing Corporation may cause all Trades of such Participant (whether or not carried in a separate account as provided in Rule 312) to be closed in the open market, transferred to any other Participant, or otherwise resolved as deemed appropriate by The Clearing Corporation and any debit balance owing to The Clearing Corporation shall be immediately due and payable.

- (b) In closing, transferring or otherwise resolving the Trades of a Participant as provided in paragraph (a) of this Rule, The Clearing Corporation shall have the right:
 - (i) With respect to Trades in a separate account of such Participant provided for in Rule 312, to set off (A) any proceeds received by The Clearing Corporation from the disposition of such Trades and any property or proceeds thereof deposited with or held by The Clearing Corporation as Margin for such account against (B) any amounts paid by The Clearing Corporation in the disposition of such Trades, including any commissions or other losses or expenses incurred in connection therewith or in connection with the liquidation of Margin deposits in such account and any other amounts owed to The Clearing Corporation as a result of transactions in the account or otherwise lawfully chargeable against the account;

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- (ii) With respect to the Trades in any other account of such Participant, to set off (A) any proceeds by The Clearing Corporation from the disposition of such Trades, any property or proceeds thereof deposited with or held by The Clearing Corporation as Margin for such accounts, and any other property of the Participant within the possession or control of The Clearing Corporation other than property which has been identified by such Participant as required to be segregated as provided for in Rule 312, against (B) any amounts paid by The Clearing Corporation in the disposition of such Trades, including any commissions or other losses or expenses incurred in connection therewith or in connection with the liquidation of Margin deposits in such accounts, and any other obligations of the Participant to The Clearing Corporation, including obligations of the Participant to The Clearing Corporation remaining after the setoffs referred to in paragraph (b)(i) of this Rule, and any obligations arising from any other accounts maintained by the Participant with The Clearing Corporation;
 - (iii) To cause Trades and positions held in accounts of the Participant that is in Default to be offset against each other and, to the extent of any remaining imbalance, against the Trades and positions of other Participants;
 - (iv) To cause Trades and positions in Contracts held in accounts of the Participant that is in Default and of other Participants to be settled at the Settlement Price for such Contracts, or at such other price or prices as The Clearing Corporation may deem fair and reasonable in the circumstances; and
 - (v) To defer closing or otherwise settling such Trades and Contracts if, in its discretion, it determines that the closing out of some or all of the suspended Participant's Trades or Contracts would not be in the best interests of Clearing Corporation or other Participants, taking into account the size and nature of the positions in question, market conditions prevailing at the time, the potential market effects of such liquidating transactions as might be directed by Clearing Corporation, and such other circumstances as it deems relevant.
- (c) Notwithstanding the foregoing, the liquidation and disposition of positions, Margin and other property subject to a cross-margin, cross-netting or common banking and settlement arrangement between The Clearing Corporation and another clearing organization shall be subject to the terms of the agreement between The Clearing Corporation and such other clearing organization.

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- (d) Any obligation of The Clearing Corporation to a Participant arising from a Trade or from any provision of these Rules shall be subject to all the terms of the Rules, including the setoff and other rights set forth herein. The rights of The Clearing Corporation set forth herein shall be in addition to other rights that The Clearing Corporation may have under applicable law and governmental regulations, other provisions of the Rules, additional agreements with the Participant or any other source.

606. Fees; Fines and Charges.

- (a) Clearing fees and other charges for Clearing Corporation services shall be as fixed from time to time by The Clearing Corporation.
- (b) The President or his authorized representative may assess, in compliance with the policies and procedures of The Clearing Corporation, fines and charges against Participants, for the failure to comply with these Rules or any other requirement of The Clearing Corporation.

607. Trading by Employees Prohibited.

- (a) No employee of The Clearing Corporation shall:
 - (i) trade or participate directly or indirectly in any transaction in any commodity interest, except to the extent necessary to carry out the provisions of Rule 605 or as otherwise permitted pursuant to an exemption granted in accordance with this Rule; or
 - (ii) disclose any material, non-public information obtained as a result of such Person's employment with The Clearing Corporation where the employee has or should have a reasonable expectation that the information disclosed may assist another Person in trading any commodity interest; provided, that an employee is not prohibited from making disclosures in the course of the employee's duties, or to another self-regulatory organization, linked exchange, court of competent jurisdiction or representative of any agency or department of the federal or state government acting in his or her official capacity.
- (b) From time to time, The Clearing Corporation may adopt additional Rules which set forth circumstances under which exemptions from the trading prohibition contained in paragraph (a)(i) will be granted. The effectiveness of such rules and the procedures for administration of such rules shall be governed by applicable regulations of the Commission.

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- (c) All terms used in this Rule shall be construed consistently with the definitions appearing in Commission Regulation 1.59.

608. Forms; Transmission of Data to The Clearing Corporation.

- (a) In connection with any transaction or matter handled through, with or by The Clearing Corporation under or pursuant to the Rules, the form of any required list, notice or other document shall be as from time to time prescribed by The Clearing Corporation, and additions to, changes in and elimination of any such forms may be made by The Clearing Corporation at any time in its discretion.
- (b) A Participant may execute any document to be delivered to The Clearing Corporation or to any other Participant pursuant to these Rules by means of a mechanically or electronically reproduced facsimile signature of a representative of the Participant; provided, that the Participant shall have complied with such requirements as may be prescribed by The Clearing Corporation in connection with the use of such facsimile signatures.

609. Just and Equitable Principles of Trade; Acts Detrimental to the Interest or Welfare of The Clearing Corporation.

- (a) The Clearing Corporation shall have the power to suspend or revoke clearing privileges or authorize the assessment of fines or charges against Participants for engaging in conduct inconsistent with just and equitable principles of trade.
- (b) The Clearing Corporation shall have the power to suspend or revoke clearing privileges or authorize the assessment of fines or charges against Participants for engaging in acts detrimental to the interest or welfare of The Clearing Corporation.

610. Death, Disappearance or Incapacity of Individual Participant.

- (a) Upon the death, disappearance or incapacity (all as reasonably determined by The Clearing Corporation) of an Individual Participant, The Clearing Corporation may cause all open Trades of such Participant to be closed in the open market, transferred to any other Participant, or otherwise resolved as deemed appropriate by The Clearing Corporation and any debit balance owing to The Clearing Corporation shall be immediately due and payable.

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- (b) In closing, transferring or otherwise resolving the open Trades of an Individual Participant as provided in paragraph (a), The Clearing Corporation shall have the right, with respect to any account of such Participant, to set off (A) any proceeds received by The Clearing Corporation from the disposition of open Trades, any property or proceeds thereof deposited with or held by The Clearing Corporation as Margin for such account, and any other property of the Participant within the possession or control of The Clearing Corporation, against (B) (i) any amounts paid by The Clearing Corporation in connection with the disposition of such open Trades, including any losses, commissions or other expenses incurred in connection therewith or in connection with the liquidation of Margin deposits in such account, and (ii) any other obligations of the Participant to The Clearing Corporation.

- (c) Any obligation of The Clearing Corporation to a Participant arising from a Trade or from any provision of these Rules shall be subject to all the terms of these Rules, including the setoff and other rights set forth herein. The rights of The Clearing Corporation set forth in this Rule shall be in addition to other rights that The Clearing Corporation may have under applicable law and governmental regulations, other provisions of the Rules, additional agreements with the Participant or any other source. The Clearing Corporation shall be authorized to take all such actions under this Rule as The Clearing Corporation in its sole discretion determines is appropriate or necessary under the circumstances.

611. Construction in Accordance with Illinois Law.

The Rules of The Clearing Corporation, and all rights and obligations thereunder, shall be construed in accordance with the internal laws of the State of Illinois, without giving effect to the conflict of law provisions thereof.

7. [RESERVED]

8. GUARANTY FUND

801. General Guaranty Fund.

- (a) *Collateral Requirements.* Each Participant shall make, and maintain so long as it is a Participant, a deposit or deposits of Collateral to the General Guaranty Fund in the form and in such amounts as may be determined by The Clearing Corporation from time to time in its sole discretion (“Required Contribution”). The Clearing Corporation shall cause appropriate entries to be made in its books and records to reflect the deposit of Collateral into the General Guaranty Fund. The Clearing Corporation shall have the sole right to withdraw cash, securities or other property from, and to authorize the sale or other disposition of any securities or other property held in, the General Guaranty Fund.

- (b) *Participant Default; Application of Proceeds.* If a Participant is in Default and, as a result thereof, The Clearing Corporation or a Special Clearing Member suffers any loss or expense upon any liquidation or other disposition of a Participant’s open Contracts, or a Participant shall fail to make any other payment or render any other performance required under these Rules, then The Clearing Corporation shall (after appropriate application of Margin posted by such Participant and other funds in or payable to the accounts of the Participant) apply the Participant’s contributions to the General Guaranty Fund, in the manner and in the order of priority set forth below:
 - (i) **FIRST:** To the payment of the costs and expenses of any sale, collection or other realization of such Margin or Collateral, including, without limitation, fees and expenses of counsel, and all reasonable expenses, liabilities and advances made or incurred by The Clearing Corporation in connection therewith;

 - (ii) **SECOND:** To the satisfaction of any deficiencies in the customer segregated fund account (if any) maintained by such Participant pursuant to rules of the Commission resulting, caused by or arising, directly or indirectly, from such Default;

 - (iii) **THIRD:** To the payment of any other obligations of The Clearing Corporation arising out of or in any way relating to such Participant’s Default, including obligations to a Special Clearing Member, as provided in Chapter 9 of these Rules (such other obligations, together with the costs, expenses, and deficiencies described in paragraphs (i) and (ii), the “Reimbursement Obligations”);

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- (iv) FOURTH: To the payment of any other Obligations; and
 - (v) FIFTH: To or upon the order of the Participant that is in Default, to The Clearing Corporation or to whomsoever may be lawfully entitled to receive the same (including, without limitation, any insurer, surety or guarantor of the obligations of The Clearing Corporation) or as a court of competent jurisdiction may direct, of any surplus then remaining from such Proceeds.
- (c) *Application of General Guaranty Fund; Other Funding.* If the Margin and other funds of a Participant that is in Default and its contributions to the General Guaranty Fund are insufficient to discharge in full the Reimbursement Obligations of such Participant, any remaining deficiency shall be charged against the remaining assets in the General Guaranty Fund, pro rata from each other Participant's contributions.
- Any such deficiency shall remain a liability of the Participant to The Clearing Corporation, which it may collect from any other assets of such Participant or by legal process.
- (d) *Linked Clearinghouse Default; Application of Proceeds.* If a Linked Clearinghouse of which The Clearing Corporation is a Special Clearing Member is in default under the terms of the Link Agreement or shall fail to make any payment or render any other performance required under the Link Agreement, The Clearing Corporation may apply the General Guaranty Fund in the manner and in the order of priority set forth below:
- (i) FIRST: To the payment of the costs and expenses of any sale, collection or other realization of Collateral in the General Guaranty Fund, including, without limitation, fees and expenses of counsel, and all reasonable expenses, liabilities and advances made or incurred by The Clearing Corporation in connection therewith; and
 - (ii) SECOND: To the payment of any other obligations of The Clearing Corporation arising out of or in any way relating to such Linked Clearinghouse's default.

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- (e) *Reimbursement of Collateral.* The Clearing Corporation shall notify Participants whenever an amount is paid out of the General Guaranty Fund to meet Obligations to The Clearing Corporation as provided in paragraphs (b), (c) or (d) above. If Collateral is withdrawn from the General Guaranty Fund pursuant to paragraph (c) or (d) and, as a result, the amount of Collateral credited to a Participant is less than the amount it was required to maintain pursuant to paragraph (a) immediately prior to such withdrawal, the Participant shall deposit additional Collateral into the General Guaranty Fund in an amount at least sufficient to restore that Participant's Required Contribution. All such additional Collateral shall be deposited prior to The Clearing Corporation's opening of business on the third Business Day following such notice or such later time as The Clearing Corporation shall determine in its sole discretion. A Participant that fails to deposit the full amount of such additional Collateral shall be in Default, and The Clearing Corporation may, in addition to any other remedies it may have, debit such Participant's house margin account for any or all or such unpaid amount and assess fines and charges against such Participant as provided in Rule 606.
- (f) *Lien.* As security for any and all Obligations of a Participant to The Clearing Corporation, including, but not limited to, the Reimbursement Obligations, each Participant grants The Clearing Corporation a first priority perfected security interest in the Participant's Collateral. In furtherance and not in limitation of the foregoing, all outstanding shares of Class A common stock of The Clearing Corporation shall be Collateral deposited in the General Guaranty Fund and subject to the foregoing grant of security interest until the same shall have been released in accordance with these Rules and the policies and practices of The Clearing Corporation (including, but not limited to, release of such stock upon substitution of acceptable alternative collateral of equivalent value.)
- (g) *Non-Interference.* A Participant shall take no action, including but not limited to attempting to obtain a court order, that could interfere with the ability of The Clearing Corporation to apply its Margin, Collateral or other assets.

... **Interpretations and Policies:**

- .01** As used in this Rule 801, "Participant" includes a Participant that has been suspended or expelled by The Clearing Corporation or whose privileges in respect of Trades and Contracts have been restricted pursuant to Rule 403.
- .02** The General Guaranty Fund is solely in respect of applicable Contracts traded on EurexUS, Eurex, and CCX Futures Exchange, LLC.

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802. Special Guaranty Funds.

- (a) *Collateral Requirements.* The Clearing Corporation may from time to time require Participants who desire to clear Contracts traded on Markets other than EurexUS or a Linked Exchange to provide Collateral for deposit into one or more Special Guaranty Funds. All such Collateral shall be in the form and in such amounts as may be determined by The Clearing Corporation from time to time in its sole discretion (“Required Special Contribution”). The Clearing Corporation shall cause appropriate entries to be made in its books and records to reflect the deposit of Collateral into each such Special Guaranty Fund. The Clearing Corporation shall have the sole right to withdraw cash, securities or other property from, and to authorize the sale or other disposition of any securities or other property held in, a Special Guaranty Fund.
- (b) *Participants Default; Application of Proceeds.* If a Participant is in Default and, as a result thereof, The Clearing Corporation suffers any loss or expense upon any liquidation or other disposition of a Participant’s open Contracts, or a Participant shall fail to make any other payment or render any other performance required under these Rules, then The Clearing Corporation shall (after appropriate application of Margin posted by such Participant and other funds in or payable to the accounts of the Participant) apply the Participant’s contributions to the Special Guaranty Fund established in respect of each Market as to which the Participant is in Default, in the manner and in the order of priority set forth below:
- (i) FIRST: To the payment of the costs and expenses of any sale, collection or other realization of such Margin or Collateral, including, without limitation, fees and expenses of counsel, and all reasonable expenses, liabilities and advances made or incurred by The Clearing Corporation in connection therewith;
 - (ii) SECOND: To the satisfaction of any deficiencies in the customer segregated fund account maintained by Participants pursuant to the rules of the Commission resulting, caused by or arising, directly or indirectly, from such Default;
 - (iii) THIRD: To the payment of any other obligations of such Participant to The Clearing Corporation (such other obligations, together with the costs and expenses, and deficiencies described in paragraphs (i) and (ii), the “Special Reimbursement Obligations”);
 - (iv) FOURTH: To the payment of any other Obligations; and

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- (v) FIFTH: To or upon the order of the Participant that is in Default, to The Clearing Corporation or to whomsoever may be lawfully entitled to receive the same (including, without limitation, any insurer, surety or guarantor of the obligations of The Clearing Corporation) or as a court of competent jurisdiction may direct, of any surplus then remaining from such Proceeds.
- (c) *Application of Special Guaranty Funds; Other Funding.* If the Margin and other funds of a Participant that is in Default and its contributions to a Special Guaranty Fund are insufficient to discharge in full the Special Reimbursement Obligations of such Participant, any remaining deficiency shall be charged against the remaining assets in such Special Guaranty Fund(s), ratably, in proportion to the amount of such Special Reimbursement Obligations that is, in the judgment of The Clearing Corporation, reasonably attributable to the Market(s) that are supported by the Special Guaranty Fund(s).
- Any such deficiency shall remain a liability of the Participant to The Clearing Corporation, which it may collect from any other assets of such Participant or by legal process.
- (d) *Reimbursement of Collateral.* The Clearing Corporation shall notify Participants authorized to clear Contracts for a Market whenever an amount is paid out of the Special Guaranty Fund for such Market to meet Obligations to The Clearing Corporation as provided in paragraphs (b) or (c) above. If Collateral is withdrawn from a Special Guaranty Fund pursuant to paragraph (c) and, as a result, the amount of Collateral credited to a Participant is less than such Participant's Required Special Contribution, the Participant shall deposit additional Collateral into that Special Guaranty Fund in an amount such that the Participant's total Collateral in that Special Guaranty Fund is at least equal to its Required Special Contribution. All such additional Collateral shall be deposited prior to The Clearing Corporation's opening of business on the third Business Day following such assessment or such later time as The Clearing Corporation shall determine in its sole discretion. A Participant that fails to deposit the full amount of such additional Collateral shall be in Default and The Clearing Corporation, in addition to any other remedies that it may have, may assess fines and charges against such Participant as provided in Rule 606.
- (e) *Lien.* As security for any and all Obligations of a Participant to The Clearing Corporation, including but not limited to, the Special Reimbursement Obligations, each Participant grants to The Clearing Corporation a first priority perfected security interest in the Collateral.

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- (f) *Non-Interference.* A Participant shall take no action, including but not limited to attempting to obtain a court order, that could interfere with the ability of The Clearing Corporation to apply its Margin, Collateral or other assets.

... **Interpretations and Policies:**

- .01** As used in this Rule 802, "Participant" includes a Participant that has been suspended or expelled by The Clearing Corporation or whose privileges in respect of Trades and Contracts have been restricted pursuant to Rule 403.

14. CCX Futures Exchange, LLC

14-101. Definitions.

Exchange

CCX Futures Exchange, LLC

CCX Contract

The term "CCX Contract" has the meaning set forth in Rule 101 in relation to the definition of "Exchange Market."

14-315. Limitation of Liability.

The liability of The Clearing Corporation relating to or arising out of CCX Contracts shall be limited to losses resulting from the substitution of The Clearing Corporation upon such contracts between Participants in accordance with these Rules, but in no event shall the amount of such liability hereunder or under any other provision of these Rules exceed the total amount available from the General Guaranty Fund. The Clearing Corporation shall not be liable for obligations of a non-Participant, obligations of a Participant to a non-Participant, obligations of a Participant to another Participant of The Clearing Corporation who is acting for such other Participant as broker, or obligations of a Participant to a customer, nor shall The Clearing Corporation become liable to make deliveries to or accept deliveries from a customer of its Participants.

14-501. Assignment of Deliveries.

Upon receipt of notices of intention to deliver on CCX Contracts cleared through The Clearing Corporation, issued by sellers in accordance with the rules and regulations of the Exchange, The Clearing Corporation shall assign such deliveries to eligible buyers in accordance with such rules and regulations. The Clearing Corporation shall promptly notify buyers as to deliveries assigned to them and shall furnish to sellers the names of buyers obligated to accept such deliveries from them. Delivery and payment therefor shall be made by and between such buyers and sellers in the time and manner prescribed by the rules and regulations of the Exchange.

If on the last notice day of a delivery month the total of notices of intention to deliver any Commodity is less than the total of CCX Contracts of such Commodity remaining open and required to be settled by delivery, The Clearing Corporation shall allocate the total quantity of such Commodity tendered for final delivery pro rata, as near as may be practicable, among buyers entitled to

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receive delivery of such Commodity, and the shortfalls shall be allocated in the same manner.

14-505. Delivery Default.

The Clearing Corporation shall under no circumstances be obligated to make or accept deliveries in satisfaction of CCX Contracts made on or through the facilities of the Exchange, nor shall The Clearing Corporation have any obligation or liability to any Participant or to any other person relating to a failure to fulfill a delivery Obligation following The Clearing Corporation's assignment of Participant buyers to selling Participant as provided herein.

Following The Clearing Corporation's issuance of notices regarding delivery assignments, the Participants shall be substituted in lieu of The Clearing Corporation as buyers and sellers in the CCX Contracts between The Clearing Corporation and Participant sellers and buyers, respectively, and the CCX Contracts between such Participants and The Clearing Corporation will be deemed discharged and terminated, in each case effective from and after Final Settlement.