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RULE SELF-CERTIFICATION 2011 JAN 20 AM 11: 02

January 19, 2011

OFFICE OF THE
SECRETARIAT

Office of the Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st St., N.W.
Washington, D.C. 20581

Re: Green Exchange LLC
Reference File: GX-2011-01

Ladies and Gentlemen:

Pursuant to Sections 40.2 and 40.6 of the regulations (the “CFTC Rules”) promulgated by the Commodity Futures Trading Commission (the “Commission”) under the Commodity Exchange Act, as amended (the “Act”), Green Exchange LLC (“GreenX”), a designated contract market under the Act, hereby submits this self-certification for the following:

1. As GreenX previously notified the Commission on December 21, 2010, GreenX is listing the 42 environmental futures and options contracts listed in the table below (the “GreenX Products”), which are being migrated from New York Mercantile Exchange, Inc. (“NYMEX”) to GreenX effective trade date January 24, 2011. GreenX also is self-certifying the rules, terms and conditions relating to the GreenX Products, each such contract specification having the rule number set under the heading “GreenX Rule” in the table below.

Contract Name	NYMEX Chapter	GreenX Rule	ClearPort Commodity Code	Globex Commodity Code
In Delivery Month European Union Allowance (EUA) Futures	850	1101	6T	EAF
In Delivery Month European Union Allowance (EUA) Option	851	1102	6U	EAX
In Delivery Month European Certified Emission Reduction (CER) Futures	852	1104	6S	CRE
In Delivery Month European Certified Emission Reduction (CER) Option	853	1105	6P	CRY
Seasonal NOX Emissions Allowance Vintage 2009 Futures	860	1502	YI	YIN
Seasonal NOX Emissions Allowance Vintage 2010 Futures	861	1503	YJ	YJN
Seasonal NOX Emissions Allowance Vintage 2011 Futures	862	1504	YN	YKN
Seasonal NOX Emissions Allowance Vintage 2012 Futures	863	1505	YM	YMN

Contract Name	NYMEX Chapter	GreenX Rule	ClearPort Commodity Code	Globex Commodity Code
Annual NOX Emissions Allowance Vintage 2009 Futures	864	1501	WW	WWN
Annual NOX Emissions Allowance Vintage 2010 Futures	865	1501	YP	YPN
Annual NOX Emissions Allowance Vintage 2011 Futures	866	1501	YQ	YQN
Annual NOX Emissions Allowance Vintage 2012 Futures	867	1501	YR	YRN
European Union Allowance (EUA) Futures	868	1701	RC	EUA
European Union Allowance (EUA) Option	869	1702	AV	EUX
Certified Emission Reduction (CER) Futures	870	1703	VA	CCR
SO2 Emission Allowance Option	871	1604	AS	RSX
Certified Emission Reduction (CER) Option	872	1704	VG	CCX
Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Futures	873	1401	RJ	RGI
Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Futures Vintage 2009 Futures	873	1401	98	98N
Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Futures Vintage 2010 Futures	873	1401	76	76X
Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Futures Vintage 2011 Futures	873	1401	86	86N
Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Futures Vintage 2012 Futures	873	1401	96	96X
Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Option	874	1402	OR	RGX
NOX Emissions Allowance Futures	783	1501	RN	RNN
SO2 Emission Allowance Futures	782	1603	RS	RSN
SO2 Emission 25-Allowance Futures	554	1601	09	SNV
SO2 Emission 25-Allowance Futures 2009	554	1601	VAF	VAF
SO2 Emission 25-Allowance Futures 2010	554	1601	10	V10
SO2 Emission 25-Allowance Futures 2011	554	1601	11	V11

Contract Name	NYMEX Chapter	GreenX Rule	ClearPort Commodity Code	Globex Commodity Code
SO2 Emission 25-Allowance Futures 2012	554	1601	12	V12
SO2 Emission 25-Allowance Futures 2013	554	1601	13	V13
SO2 Emission 25-Allowance Futures 2014	554	1601	14	V14
SO2 Emission 25-Allowance Option	606	1602	S2	S2X
Climate Action Reserve (CAR) Futures	917	1301	CR	CR
Climate Action Reserve (CAR) Futures - Vintage 2009	917	1301	92	92X
Climate Action Reserve (CAR) Futures - Vintage 2010	917	1301	93	93X
Climate Action Reserve (CAR) Futures - Vintage 2011	917	1301	94	94X
Climate Action Reserve (CAR) Futures - Vintage 2012	917	1301	95	95X
Climate Action Reserve (CAR) Option	918	1302	CO	CO
In Delivery Month European Union Allowance (EUA) Serial Option	909	1103	9G	9G
In Delivery Month European Certified Emission Reduction (CER) Serial Option	910	1106	9E	9E
Daily European Union Allowance (EUA) Futures	841	1201	EUL	EUL

2. GreenX is amending Rule 209 (Chief Regulatory Officer) to permit the Regulatory Oversight Department to conduct investigations of “potential” rule violations, and to grant the Chief Regulatory Officer authority to investigate and pursue disciplinary action against non-Participants.
3. GreenX is amending Rule 526 (Prearranged, Pre-Negotiated and Noncompetitive Trades Prohibited) to correct typographical errors.
4. GreenX is amending Rule 532.F (Position Limits And Exemptions – Violations) to eliminate the automatic fining schedule currently set forth Rule 532.F. As a result, position limit violations will be handled pursuant to the normal disciplinary process applicable to other regulatory rules for which pre-determined sanctions do not exist and may result in the issuance of charges and disposition by a Disciplinary Panel.
5. GreenX is amending Rule 534 (Reports of Large Positions) to clarify that large trader reporting also is applicable to omnibus accounts and foreign brokers.

6. GreenX is amending Rule 535 (Position Limit and Reportable Level Table) to add position limits and reportable levels for the contracts being listed by this submission.
7. GreenX is amending Chapter 1 (Definition of "No-Bust Range"), Rule 542 (Phantom Orders) and 543 (Trade Cancellations and Price Adjustments) to change the terms "no-bust range" to "non-reviewable range" and "bust" to "cancel."
8. GreenX is amending Rule 543.G. (Trade Cancellations and Price Adjustments – Non-Reviewable Ranges) to add Non-Reviewable Ranges for the contracts being listed by this submission.
9. GreenX is amending Rule 905 (Settlement Price) to state that a Participant that takes part in the creation of settlement prices agrees to assign and transfer any and all right, title and interest in and to the settlement prices to the Exchange.
10. GreenX is amending Rule 907 (Transfers of Trades) to provide that a transfer of an existing trade from one clearing member to another clearing member may be made within four Business Days after the trade date when an error has been made in the clearing of a trade. GreenX also is amending Rule 907 to provide that a transfer transaction may be recorded and carried on the books of the receiving Clearing Member either at the original trade date or the transfer date.

GreenX hereby certifies that the products to be listed and the rule amendments comply with the Act and the CFTC Rules. The listing date of the products is January 24, 2011. The effective date of the rule amendments is January 24, 2011. There were no opposing views among GreenX's Board of Directors, Participants or market participants regarding the rule amendments. The text of the rule amendments, showing deletions and additions is attached hereto.

Regards,


Kari S. Larsen
General Counsel/Chief Regulatory Officer

Attachment

CHAPTER 1

“No Bust Non-Reviewable Range” means for any Contract, the range set forth in Rule 543.G.

RULE 209. Chief Regulatory Officer

It shall be the duty of the Chief Regulatory Officer to enforce GreenX Rules. The Chief Regulatory Officer shall have available to it at all times the resources of the Regulatory Oversight Department and such other Exchange resources as may be necessary to conduct investigations of potential or alleged rule violations and market conditions. The Chief Regulatory Officer shall report to, and shall be supervised by, the Regulatory Oversight Committee. The Chief Regulatory Officer shall have the authority to inspect the books and records of all Participants and the authority to require any Participant to appear before him or her and produce its books and records and answer questions regarding alleged violations of GreenX Rules, at the time, place and in the manner it designates. The Chief Regulatory Officer shall have the authority to investigate and pursue disciplinary action against any non-Participant. ~~The Chief Regulatory Officer~~ may also delegate ~~such~~his or her authority to staff of the Regulatory Oversight Department or the Regulatory Services Provider.

RULE 526. Prearranged, Pre-Negotiated and Noncompetitive Trades Prohibited

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526.B. Exceptions

The foregoing restriction shall not apply to block trades effected pursuant to Rule 602 or Exchange of Futures for Related ~~Position~~Positions transactions pursuant to Rule 603.

526.C. Pre-Execution Communications Regarding Globex Trades

Parties may engage in pre-execution communications with regard to transactions executed on the Globex platform where one party (the first party) wishes to be assured that a contra party (the second party) will take the opposite side of the Order under the following circumstances:

1. A party may not engage in pre-execution communications with other market participants on behalf of another party unless the party for whose benefit the trade is being made has previously consented to permit such communications.
2. Parties to pre-execution communications shall not (i) disclose to a non-party the details of such communications or (ii) enter an Order to take advantage of information conveyed during such communications except in accordance with this rule.
3. In the case of Futures Orders, the first party's Order must be entered into the Globex platform first and the second party's Order may not be entered into the Globex platform until a period of 5 seconds has elapsed from the time of entry of the first Order.
4. In the case of Options Orders, subsequent to the pre-execution communication a Request for Quote (“RFQ”) for the particular option or option spread or

combination must be entered into Globex. Thereafter, a Request for Cross (“RFC”) Order which contains both the buy and the sell Orders must be entered no less than fifteen (15) seconds and no more than thirty (30) seconds after the entry of the ~~additional~~ RFQ in order to proceed with the trade. The ~~RFQs~~ RFQ and the RFC Order must be entered within the same trading session. Failure to enter the RFC Order within 30 seconds after the entry of the ~~additional~~ RFQ will require a new RFQ to be entered prior to the entry of the RFC Order, which must be entered in accordance with the time parameters described above in order to proceed with the trade.

532.F. Violations

The Regulatory Oversight Department and the Exchange Practices Committee shall have the authority to enforce the GreenX Rules regarding position limits. For purposes of this Rule 532, any positions in excess of those permitted under the GreenX Rules shall be deemed position limit violations. Additionally, any Person making a bid or offer that would, if accepted, cause such Person to exceed the applicable position limits shall be in violation of this Rule 532.

If a position exceeds position limits as a result of an Option assignment, the Person who owns or controls such position shall be allowed one Business Day to liquidate the excess position without being considered in violation of the limits. Additionally, if, at the close of trading, a position that includes Options exceeds position limits when evaluated using the delta factors as of that day’s close of trading, but does not exceed the limits when evaluated using the previous day’s delta factors, then the position shall not constitute a position limit violation.

A Clearing Member shall not be in violation of this Rule 532 if it carries positions for its Customers in excess of the applicable position limits for such reasonable period of time as the Clearing Member may require to discover and liquidate the excess positions. For the purposes of this Rule 532, a reasonable period of time shall generally not exceed one Business Day.

A Customer who exceeds the position limits as a result of maintaining positions at more than one Clearing Member shall be deemed to have waived confidentiality regarding his positions and the identity of the Clearing Members at which they are maintained. A Clearing Member carrying such positions shall not be in violation of this Rule 532 if, upon notification by the Regulatory Oversight Department, it liquidates its pro-rata share of the position in excess of the limits or otherwise ensures the Customer is in compliance with the limits within a reasonable period of time.

~~1. First Violation~~

~~The first occurrence of a position limit violation shall result in a warning letter issued by the Regulatory Oversight Department to the party in violation of the limit, with a copy provided to the carrying Clearing Member(s). In circumstances where the carrying Clearing Member has also committed a position limit violation as set forth in this Rule 532 by carrying such positions, a warning letter will be issued to the Clearing Member(s).~~

~~2. Second Violation, Sanctions and Appeals~~

~~A second position limit violation by a non-Participant Customer within 24 months of the issuance of a warning letter shall result in the imposition of an automatic fine by the Regulatory Oversight Department to the non-Participant Customer as set forth below. Such fines will be payable to the Exchange by the Clearing Member(s) carrying the non-Participant Customer’s account(s).~~

~~A second position limit violation by a Participant within 24 months of the issuance of a warning letter shall result in the imposition of an automatic fine by the Regulatory Oversight Department to the Participant as set forth below and the issuance of a cease and desist order.~~

~~The automatic fine for a position exceeding the applicable limit by up to 25% shall be \$5,000. The automatic fine for a position exceeding the applicable limit by more than 25% shall be \$15,000.~~

~~Parties may, within 10 business days of being provided notice of sanctions issued pursuant to this section, request an appeal to the Exchange Practices Committee.~~

~~Upon receiving a written request for appeal, the Chairman of the Exchange Practices Committee shall determine whether there is a reasonable basis to conclude that the appellant might be able to meet one of the standards identified below that would permit the Exchange Practices Committee to set aside, modify or amend the appealed decision. The Exchange Practices Committee Chairman's determination shall be based solely upon the written request for appeal and any written response of the Regulatory Oversight Department. The Exchange Practices Committee Chairman's determination of whether to hold a hearing on an appeal shall be final. If the Exchange Practices Committee Chairman grants the appellant's request for a hearing, the Chairman shall allow the filing of briefs in connection with the appeal.~~

~~The Exchange Practices Committee shall not set aside, modify or amend the appealed decision unless it determines by a majority vote that the decision was:~~

- ~~A. Arbitrary, capricious, or an abuse of the Regulatory Oversight Department's discretion;~~
- ~~B. In excess of the Regulatory Oversight Department's authority or jurisdiction; or~~
- ~~C. Based on a clearly erroneous application or interpretation of GreenX Rules.~~

~~The Exchange Practices Committee shall issue a written decision which shall include a statement of findings with respect to the decision from which the appeal was taken and the Exchange Practices Committee's determination that such initial decision is affirmed, set aside, modified or amended in whole or in part and, with respect to any initial decision that is not affirmed in whole, the Exchange Practices Committee's determination of the order or penalty to be imposed, if any, and the effective date. The decision of the Exchange Practices Committee shall be final and may not be appealed.~~

~~3. Referral to the Chief Regulatory Officer~~

~~Any third or subsequent position limit violation within 24 months of the issuance of a warning letter shall be referred by the Regulatory Oversight Department to the Chief Regulatory Officer for consideration of the issuance of charges. Additionally, notwithstanding Sections 1. and 2. of this Rule 532.F., the Regulatory Oversight Department, in its sole discretion, may refer any position limit violation it deems egregious to the Chief Regulatory Officer for consideration of the issuance of charges.~~

Rule 534 Reports of Large Positions

Clearing members, omnibus accounts and foreign brokers shall submit to the Exchange a daily report of all positions required to be reported as set forth in the Position Limit, Position Accountability and Reportable Level Table in Rule 535. Positions at or above the reportable level in a particular expiration month of a Futures Contract or in all puts or in all calls of a particular Option Contract expiration month trigger reportable status. For a person in reportable status in a particular Contract, all positions, regardless of size, in any Futures Contract month and in any put or call on that Futures Contract must be reported.

Additionally, the daily Large Trader submission to the Exchange must include for each reportable account 1) the EFRP volume bought and sold in the reportable instrument, by contract month, and for EOOs by put and call strike and 2) the number of delivery notices issued and the number of deliveries stopped in the reportable instrument.

All large trader reports shall be submitted in a form acceptable to the Regulatory Oversight Department. The Exchange may require that more than one large trader report be submitted daily. The Regulatory Oversight Committee or the Regulatory Oversight Department may require reports from any Clearing Member, omnibus accounts and foreign brokers on a lesser number of positions than reflected in the Position Limit, Position Accountability and Reportable Level Table.

Clearing Members, omnibus accounts and foreign brokers must provide the Regulatory Oversight Department with the required CFTC Form 102 ("Identification of Special Accounts") identifying the owner, any controlling parties and any additional required information for each reportable account. The form must be submitted to the Regulatory Oversight Department no later than the business day following the date on which the account becomes reportable. Additionally, any material changes to the information previously provided to the Regulatory Oversight Department will require the submission of a revised form within three business days of such changes becoming effective.

RULE 535 Position Limit, Position Accountability and Reportable Level Table

The reportable levels for all Contracts are set forth in the Position Limit and Reportable Level Table below.

[Note: The table below is being added to the GreenX Rulebook in its entirety.]

Contract Name	Rule	Commodity Code	All Month Accountability Level	Any One Month Accountability Level	Any/All Month Limit	Expiration Month Limit	Reporting Level	Aggregate Into (1)
			Rule 533	Rule 533	Rule 532	Rule 532	Rule 534	
Emissions								
Annual NOX Emissions Allowance Vintage 2009 Futures	1206	WW	4,500	2,500		375 (Jan-Nov 2009) 250 (Dec 2009)	25	WW
Annual NOX Emissions Allowance Vintage 2010 Futures	1207	YP	3,500	2,000		375 (Jan-Nov 2009) 250 (Dec 2009)	25	YP

Contract Name	Rule	Commodity Code	All Month Accountability Level	Any One Month Accountability Level	Any/All Month Limit	Expiration Month Limit	Reporting Level	Aggregate Into (1)
Annual NOX Emissions Allowance Vintage 2011 Futures	1208	YQ	3,500	2,000		375 (Jan-Nov 2009) 250 (Dec 2009)	25	YQ
Annual NOX Emissions Allowance Vintage 2012 Futures	1209	YR	3,500	2,000		375 (Jan-Nov 2009) 250 (Dec 2009)	25	YR
NOX Emissions Allowance Futures	1201	RN	2,500	1,200		600	25	RN
Seasonal NOX Emissions Allowance Vintage 2009 Futures	1202	YI	2,500	1,200		600	25	YI
Seasonal NOX Emissions Allowance Vintage 2010 Futures	1203	YJ	2,000	1,000		500	25	YJ
Seasonal NOX Emissions Allowance Vintage 2011 Futures	1204	YN	2,000	1,000		500	25	YN
Seasonal NOX Emissions Allowance Vintage 2012 Futures	1205	YM	2,000	1,000		500	25	YM
SO2 Emission Allowance Futures	1103	RS	17,500	12,500		2500	25	RS
SO2 Emission Allowance Option	1104	AS	17,500	12,500		2500	25	RS
SO2 Emission 25-Allowance Futures	1101	09	17,500	12,500		2500	25	RS
SO2 Emission 25-Allowance Option	1102	S2	17,500	12,500		2500	25	RS
SO2 Emission 25-Allowance Futures 2009	1101	VAF	17,500	12,500		2500	25	RS
SO2 Emission 25-Allowance Futures 2010	1101	10	17,500	12,500		2500	25	RS
SO2 Emission 25-Allowance Futures 2011	1101	11	17,500	12,500		2500	25	RS
SO2 Emission 25-Allowance Futures 2012	1101	12	17,500	12,500		2500	25	RS
SO2 Emission 25-Allowance Futures 2013	1101	13	17,500	12,500		2500	25	RS
SO2 Emission 25-Allowance Futures 2014	1101	14	17,500	12,500		2500	25	RS
In Delivery Month European Union Allowance (EUA) Futures	1502	6T	70,000	50,000		10000	25	6T
In Delivery Month European Union Allowance (EUA) Serial Option	1503	9G	70,000	50,000		10000	25	6T
In Delivery Month European Union Allowance (EUA) Option	1506	6U	70,000	50,000		10000	25	6T
European Union Allowance (EUA) Futures	1504	RC	10,000	5,000		2500	25	6T
European Union Allowance (EUA) Option	1505	AV	10,000	5,000		2500	25	6T
Daily European Union Allowance (EUA) Futures	1501	EUL	1,800	1,800		1800	1	EUL

Contract Name	Rule	Commodity Code	All Month Accountability Level	Any Month Accountability Level	One Month Accountability Level	Any/All Month Limit	Expiration Month Limit	Reporting Level	Aggregate Into (1)
In Delivery Month European Certified Emission Reduction (CER) Futures	1601	6S	30,000	20,000			4000	25	6S
In Delivery Month European Certified Emission Reduction (CER) Option	1602	6P	30,000	20,000			4000	25	6S
In Delivery Month European Certified Emission Reduction (CER) Serial Option	1605	9E	30,000	20,000			4000	25	6S
Certified Emission Reduction (CER) Futures	1603	VA	5,000	2,500			1250	25	6S
Certified Emission Reduction (CER) Option	1604	VG	5,000	2,500			1250	25	6S
Climate Action Reserve (CAR) Futures	1401	CR	700	500			100	10	CR
Climate Action Reserve (CAR) Option	1404	CO	700	500			100	10	CR
Climate Action Reserve (CAR) Futures - Vintage 2009	1401	92	700	500			100	10	CR
Climate Action Reserve (CAR) Futures - Vintage 2010	1401	93	700	500			100	10	93
Climate Action Reserve (CAR) Futures - Vintage 2011	1401	94	700	500			100	10	94
Climate Action Reserve (CAR) Futures - Vintage 2012	1401	95	700	500			100	10	95
Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Futures	1301	RJ	14,000	10,000			2000	25	RJ
Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Option	1302	OR	14,000	10,000			2000	25	RJ
Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Futures Vintage 2009 Futures	1301	98	14,000	10,000			2000	25	RJ
Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Futures Vintage 2010 Futures	1301	76	7,000	5,000			1000	25	RJ
Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Futures Vintage 2011 Futures	1301	86	7,000	5,000			1000	25	86
Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Futures Vintage 2012 Futures	1301	96	7,000	5,000			1000	25	96

Rule 542 Phantom Orders

542.A. Definition

A phantom Order is an Order: 1) that was not authorized by any Person but was caused by a failure, malfunction or negligent operation of Globex or any other Exchange system, service or facility, or 2) whose terms (e.g., Contract, contract month, quantity, price or direction) were changed without authorization of the Person placing the Order solely as a result of a failure, malfunction, or negligent operation of Globex or any other Exchange system, service or facility.

542.B. Permissible Responses

If the Exchange has reason to believe that phantom Orders have been or are being entered into and/or executed on any Exchange system, service or facility, the Exchange shall be empowered to take appropriate action with respect to any affected market, including without limitation, closing the market, deleting bids and offers, and/or suspending new bids and offers.

The Exchange shall promptly give notice that all Globex transactions that were directly or indirectly caused by the execution of phantom Orders and were executed at prices outside of the ~~no-bust~~non-reviewable range, as determined in accordance with Rule 543, shall be voided. The Exchange shall have no liability or responsibility to the parties to any transactions that are voided pursuant to this paragraph.

The Exchange shall also be empowered to void Globex transactions that were directly or indirectly caused by the execution of phantom Orders and were executed at prices within the ~~no-bust~~non-reviewable range if the Exchange concludes that such transactions impair the integrity of the market. The Exchange's liability for voiding transactions within the ~~no-bust~~non-reviewable range as provided in paragraph C.

542.C. Limitation of Liability

Any liability of the Exchange for transactions voided by the Exchange that are within the ~~no-bust~~non-reviewable range shall be subject to the limitations and conditions of Rule 539.

If phantom Order transactions executed on the Globex System or by means of any other Exchange system, service or facility, are not voided, the Person who traded opposite a phantom Order shall have no recourse against the Exchange. The gain or loss on the liquidation of positions resulting from execution of such phantom Orders shall be the Exchange's responsibility. The Exchange shall promptly direct the Participant carrying such positions to liquidate them in a commercially reasonable manner. Such Participant shall liquidate within 30 minutes of such notification or within 30 minutes of the time it knew or should have known that it had been assigned transactions resulting from phantom Orders, whichever is sooner. The Exchange's liability to such Person shall be limited to the prices at which the positions could have been liquidated during the relevant time period.

RULE 543 Trade Cancellations and Price Adjustments

543.A. Globex Control Center Authority Regarding Trade Cancellations and Price Adjustments

The following shall be applied to balance the adverse effects on market integrity of executing trades and publishing trade information inconsistent with prevailing market conditions while preserving legitimate expectations of trade certainty by market participants. This rule authorizes the Globex Control Center ("GCC") to adjust trade prices or cancel (~~bust~~) trades when such action is necessary to mitigate market disrupting events caused by the improper or erroneous use of the electronic trading system or by system defects. Notwithstanding any other provisions of this rule, the GCC may adjust trade prices or ~~bust~~cancel any trade if the GCC determines that allowing the trade to stand as executed may have a material, adverse effect on the integrity of the market. All decisions of the GCC shall be final.

543.B. Review of Trades

The GCC may determine to review a trade based on its independent analysis of market activity or upon request for review by a user of the electronic trading system. A request for review must be made within eight minutes of the execution of the trade.

The GCC shall determine whether or not a trade will be subject to review. In the absence of a timely request for review, during volatile market conditions, upon the release of significant news, or in any other circumstance in which the GCC deems it to be appropriate, the GCC may determine, in its sole discretion, that a trade shall not be subject to review.

Upon deciding to review a trade, the GCC will promptly issue an alert indicating that the trade is under review.

543.C. Trade Price Adjustment and Cancellation Process

Upon making a determination that a trade will be subject to review, the GCC will first determine whether the trade price is within the ~~No-Bust~~Non-Reviewable Range for Futures or within the Bid/Ask Reasonability Allowance for Options, as described in Section G. The Bid/Ask Reasonability Allowance for an Option is the maximum width of the bid/ask range which will be considered reasonable for use in applying the parameters necessary to establish the ~~No-Bust~~Non-Reviewable Range for the Option. In applying the ~~No-Bust~~Non-Reviewable Range, the GCC shall determine the fair value market price for that Contract at the time the trade under review occurred.

The GCC may consider any relevant information, including, but not limited to, the last trade price in the Contract or a better bid or offer price on the electronic trading system, a more recent price in a different contract month, the price of the same or related contract established in another venue or another market, the market conditions at the time of the trade, the theoretical value of an Option based on the most recent implied volatility and responses to a Request for Quote (RFQ).

1. Trade Price Inside the ~~No-Bust~~Non-Reviewable Range

If the GCC determines that the price of the trade is inside the ~~No-Bust~~Non-Reviewable Range, the GCC will issue an alert indicating that the trade shall stand.

2. Trade Price Outside the ~~No-Bust~~Non-Reviewable Range

a. Futures Contracts.

If the GCC determines that a trade price is outside the ~~No-Bust~~Non-Reviewable Range for a Futures Contract (including futures spreads), the trade price shall be adjusted to a price that equals the fair value market price for that Contract at the time the trade under review occurred, plus or minus the ~~No-Bust~~Non-Reviewable Range. In the event there are multiple parties, prices and/or contracts involved in the transactions at issue, the GCC has the authority, but not the obligation, to ~~bust~~cancel rather than price adjust such transactions. The GCC will issue an alert regarding its decision.

b. Option Contracts.

If the GCC determines that a trade price is outside the applicable ~~No-Bust~~Non-Reviewable Range for an option contract, the trade price shall be adjusted. In the case of a buy (sell) error, the price will be adjusted to the determined ask (bid) price set forth in the Bid/Ask Reasonability Allowance in Section G. plus (minus) the ~~No-Bust~~Non-Reviewable Range. In the event there are multiple parties, prices and/or contracts involved in the transactions at issue, the GCC has the authority, but not the obligation, to ~~bust~~cancel rather than price adjust such transactions. The GCC will issue an alert regarding its decision.

~~Busted~~Canceled trade prices and any prices that have been adjusted shall be ~~cancelled~~canceled in the Exchange's official record of time and sales. Trades that are price adjusted shall be inserted in the time and sales record at the adjusted trade price.

543.D. Alternative Resolution by Agreement of Parties

With the approval of the GCC, parties to a trade that is price adjusted may instead mutually agree to ~~bust~~cancel the trade. With the approval of the GCC, parties to a trade that is ~~busted~~canceled may instead mutually agree to price adjust the trade to a price consistent with the adjustment provisions of Section C.

Parties to a trade that is ~~busted~~canceled or price adjusted may mutually agree to a cash adjustment provided that such adjustments are reported to the GCC and the parties maintain a record of the adjustment.

An executed trade may not be reversed via transfer except where such trade is determined by GCC to be outside of the ~~No-Bust~~Non-Reviewable Range but not reported timely, subject to agreement of the parties and approval of the GCC. Any such transfer must occur at the original trade price and quantity; however the parties may mutually agree to a cash adjustment.

A trade that is not ~~busted~~canceled may not be reversed via a prearranged offsetting transaction unless such transactions are permitted and effected in accordance with Rule 526.C.

543.E. Liability for Losses Resulting from Price Adjustments or Cancellations

A party entering an Order that results in a price adjustment or trade ~~bust~~cancellation shall be responsible for demonstrated claims of realized losses incurred by Persons whose trade prices were adjusted or ~~busted~~canceled provided, however, that a claimant shall not be entitled to compensation for losses incurred as a result of the claimant's failure to take reasonable actions to mitigate the loss.

A claim for a loss pursuant to this section must be submitted to the Exchange on an Exchange claim form within five business days of the event giving rise to the claim. The Exchange shall

reject any claim that is not filed in a timely manner or is not permitted by this section and such decisions shall be final. Eligible claims shall be forwarded by the Exchange to the party responsible for the Order(s) that resulted in a trade ~~bust~~cancellation or a price adjustment and to the Clearing Member through which the trade was placed. Such party, or the Clearing Member on behalf of the party, shall, within ten business days of receipt of the claim, admit or deny responsibility in whole or in part. Failure to respond to the claim within ten business days shall be considered a denial of liability.

To the extent that liability is admitted, payment shall be made within ten business days. Unless otherwise agreed upon in writing by the parties, failure to make the payment within ten business days shall be considered a denial of liability for purposes of this rule. A copy of any such written agreement must be provided to the Exchange.

To the extent that liability is denied, the party making the claim may submit the claim to arbitration in accordance with Rule 823. Such claims must be submitted to the Regulatory Oversight Department within ten business days of the date the party was issued notification that liability was denied.

543.F. Schedule of Administrative Fees

When GCC ~~busts~~cancels or price adjusts a trade, the party responsible for entering the Order into the electronic trading system that gave rise to the trade ~~bust~~cancellation or price adjustment shall pay an administrative fee to the Exchange in the amount of \$500 for each such occurrence. If the party is not deemed a Participant and fails to pay the fee, the Clearing Member through which the trade was placed shall be responsible for payment of the fee.

543.G. ~~No Bust~~ Non-Reviewable Ranges

[Note: The table below is being added to the GreenX Rulebook in its entirety.]

<u>Futures Contract</u>	<u>Non-Reviewable Range</u>
European Union Allowance (EUA)	€.40 per metric ton or less
Certified Emission Reduction (CER)	€.40 per metric ton or less
In Delivery Month European Union Allowance (EUA)	€.40 per metric ton or less
In Delivery Month Certified Emission Reduction (CER)	€.40 per metric ton or less
Daily EUA	€.40 per metric ton or less
Climate Action Reserve	\$0.50 per ton or less
SO2 Emissions	\$4.00 per allowance or less
S02 Emissions 25 Allowance	\$1.00 per allowance or less
NOX Emissions	\$2.00 per ton or less
RGGI Emissions	\$0.50 per ton or less
<u>Futures Combinations</u>	<u>Non-Reviewable Range</u>
Intra-Commodity Spreads	Same as non-reviewable range of the individual legs
Inter-Commodity Spreads	The wider of the non-reviewable ranges of the individual legs
<u>Options Contract</u>	<u>Non-Reviewable Range</u>
European Union Allowance (EUA)	20% or the premium up to ¼ the underlying non-reviewable range
Certified Emission Reduction (CER)	20% or the premium up to ¼ the underlying non-reviewable range
IDM European Union Allowance	20% or the premium up to ¼ the underlying non-

	reviewable range
IDM Certified Emission Reduction (CER)	20% or the premium up to ¼ the underlying non-reviewable range
Climate Action Reserve	20% or the premium up to ¼ the underlying non-reviewable range
SO2 Emission 25-Allowance	20% or the premium up to ¼ the underlying non-reviewable range
RGGI	20% or the premium up to ¼ the underlying non-reviewable range

RULE 905 Settlement Price

For each Contract, the Exchange shall publish a daily settlement price and information regarding volume, open interest and opening and closing ranges. Any settlement price shall be determined by the Exchange in accordance with its published or shall be the price determined by the Clearing House in accordance with the Clearing House Rules. To the extent that any Participant takes part in the creation of settlement prices, such Participant agrees to assign and transfer to the Exchange any and all right, title and interest in and to the settlement prices, including, but not limited to, all copyright in the settlement prices.

RULE 907 Transfers of Trades

(a) Subject to the limitations of Rule 908, existing trades may be transferred either on the books of a Clearing Member or from one Clearing Member to another Clearing Member provided: (i) the transfer merely constitutes a change from one account to another account, provided the underlying beneficial ownership in said accounts remains the same; or (ii) an error has been made in the clearing of a trade and the error is discovered and the transfer is completed within ~~two~~four business days after the trade date.

(b) Subject to the limitations of Rule 908, Exchange Officials may, upon request by the Clearing Member(s), approve a transfer of existing trades either on the books of the same Clearing Member, or from the books of one Clearing Member to the books of another Clearing Member if the transfer is in connection with, or as a result of, a merger, asset purchase, consolidation or similar non-recurring transaction between two or more entities where one or more entities become the successor in interest to one or more other entities.

(c) Exchange Officials may, with the consent of the Clearing Member(s) involved, permit the transfer of existing trades if, in the opinion of Exchange Officials, the situation so requires and such transfer is in the best interests of the Exchange.

(d) Provided that the transfer is permitted pursuant to Sections (a), (b) or (c) above, ~~the transactions must~~may be recorded and carried on the books of the receiving Clearing Member either at the original trade dates, or the transfer date. Futures transactions may be transferred using either the original trade price or the most recent settlement price; Options transactions may be transferred using either the original trade price or a trade price of zero.

(e) All transfers shall be reported to the Clearing House in a form acceptable to the Exchange for the type of transactions involved. The proper indicator must be included in the transfer such that the transactions, including the transaction(s) to reverse an error, clear as transfers. The clearing members involved shall maintain a full and complete record of all transactions together with all pertinent memoranda.

[Note: The contract specifications below are being added to the GreenX Rulebook in their entirety.]

CHAPTER 11
IN DELIVERY MONTH EUROPEAN UNION ALLOWANCE (EUA) AND CERTIFIED EMISSION
REDUCTION (CER) CONTRACT SPECIFICATIONS

RULE 1101. In Delivery Month European Union Allowance (EUA) Futures

1101.01A. DEFINITIONS

(b) "EU ETS": In January 2005, the European Union Emissions Trading Scheme ("EU ETS") commenced operation as the largest multi-country, multi-sector Greenhouse Gas emission trading scheme world-wide. It covers over 11,500 energy-intensive installations across the EU which represent approximately half of Europe's emissions of CO₂. These installations include combustion plants, oil refineries, coke ovens, iron and steel plants, and factories making cement, glass, lime, brick, ceramics, pulp and paper. The scheme is based on Directive 2003/87/EC, which entered into force on 25 October 2003.

(c) "EUA": European Union Allowance ("EUA") granted under a National Allocation Plan of an EU member state.

(d) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively. Further, for purposes of this Contract, Sellers and Buyers may utilize a designee to perform their respective and necessary obligations with regard to transferring and accepting allowances at the eligible registries. The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer of the physical product or swap transaction.

(e) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery month. The settlement price for the last trading day shall be determined in accordance with the procedures set forth in GreenX Rule 905.

(f) "ITL" (International Transaction Log): All transactions between registries are maintained by transaction logs which verify the validity of transactions. The UNFCCC Secretariat maintains the ITL for the purposes of transfer under the Kyoto Protocol.

(g) "Community Independent Transaction Log" (CITL) shall mean the independent transaction log provided for in Article 20(1) of Directive 2003/87/EC, for the purpose of recording the issue, transfer and cancellation of EUAs under the Scheme and established, operated and maintained pursuant to Article 5 of the Registry Regulations; The EU Commission established and is the Administrator of the CITL for transfers involving EU Member States. Transfers involving EU Entities entail an additional step from the ITL to the CITL under the Kyoto Protocol for transfers of EUAs between national registries.

(h) "Communication Link" shall mean the electronic exchange of messages/notifications (1) by which a buyer and seller communicate with a Registry, and/or (2) by which a Registry communicates with CITL, and/or (3) by which CITL communicates with the UNFCCC International Transaction Log (where applicable), and/or (4) by which a Registry communicates with the UNFCCC International Transaction Log (where Applicable), and/or (5) by which the UNFCCC International Transaction Log communicates with the CDM Registry (where applicable), which in any case is necessary to facilitate a transfer;

(i) "Registry" shall mean any registry in an EU Member State meeting the eligibility criteria and which has implemented the Linking Directive in a manner that authorizes private persons to hold EUAs and has Person Holding Accounts established in order to ensure the accurate accounting of the issue of holding, transfer, acquisition, surrender, cancellation, and replacement of EUAs under the Scheme, and which has been identified as a Registry by the Clearing House from time to time for the purpose of this Futures Contract;

(j) "Registry Regulations" shall mean the EU Commission Regulation (EC) No 2216/2004 for a standardized and secured system of registries pursuant to Directive 2003/87/EC of the European Parliament and of the Council and Decision 280/2004/EC of the European Parliament and of the Council, as amended from time to time including by EU Commission Regulation (EC) No.916/2007.

1101.01.SCOPE

The provisions of these rules shall apply to all European Union EUAs bought or sold for future delivery on the Exchange with the Delivery at the UK Emissions Trading Registry.

1101.02. TIME REFERENCES

For purposes of this Rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in Greenwich Mean Time (GMT).

1101.03. CONTRACT UNIT

The Contract unit shall be one thousand (1,000) EUAs for a delivery made by transfer through UK Emissions Trading Registry.

1101.04. DELIVERY

EUA delivery shall comply with all requirements for the electronic transfer of EUAs on the UK Emissions Trading Registry. All deliveries made under this Rule shall be final and there shall be no appeal. Notwithstanding the use of a designee, all Clearing Members will remain ultimately responsible for performance of all applicable Contract terms specific to Sellers and Buyers

1101.05. DELIVERY MONTHS

Trading shall be conducted in Contracts providing for delivery in such periods as shall be determined by the Exchange.

1101.06. PRICES AND FLUCTUATIONS

Prices shall be quoted in Euros and Euro cents per EUA. The minimum price fluctuation shall be €0.01 per EUA (€ 10.00 per Contract). There shall be no maximum price fluctuation.

1101.07. TERMINATION OF TRADING

Trading in the delivery month shall cease on the last Monday of the delivery month. If the last Monday of the delivery month occurs on a UK Bank Holiday or, if a UK Bank Holiday occurs on any of the four (4) days following the last Monday of the delivery month, trading shall cease on the penultimate Monday of the delivery month. If the penultimate Monday of the delivery month occurs on a UK Bank Holiday or, if a UK Bank Holiday occurs on any of the four (4) days following the penultimate Monday of the delivery month, trading shall cease on the antepenultimate Monday of the delivery month.

1101.08. PRODUCT PLACEMENT

The Seller and Buyer shall fulfill their respective contractual obligations on a maturing Contract unless, by 5:00 p.m. GMT on the 10th Business Day prior to the first Business Day of the delivery month, such Seller and Buyer have provided account certification, in the form prescribed by the Exchange stating that: (i) If a buyer, the Buyer has an account with UK Emissions Trading Registry; and (ii) If a seller, the Seller has an account with UK Emissions Trading Registry.

The receipt of such certification shall not relieve the Seller or Buyer, or their respective Customers of any obligations under any GreenX Rule or Clearing House Rule.

1101.09. DELIVERY PROCEDURES AND OBLIGATIONS

The Clearing House is a party to all deliveries under this Contract and will receive EUAs from the Seller into the Clearing House Holding Account of the UK Emissions Trading Registry. Following receipt from the Seller, the Clearing House will deliver EUAs to the Buyer from the Clearing House Holding Account to the UK Emissions Trading Registry Holding Account nominated by the Buyer.

The Seller shall comply with such requirements and obligations imposed by or under applicable Registry Regulations. in all respects material to the submission of the forms noted in this Rule. The Buyer shall comply with such requirements and obligations imposed by or under applicable Registry Regulations in all respects material to ensure the acceptance of a valid transfer into its Holding Account. If a provision of the Regulations or the Clearing House Rules is inconsistent with a provision of the Registry Regulations, the provision of the Regulations or the

Clearing House Rules shall prevail as between the Buyer, Seller, and the Clearing House to the extent of such inconsistency and to the extent permitted by law.

(a) OPERATIONAL RESPONSIBILITIES OF CLEARING MEMBERS

(i) Notice of Intention to Accept: By 10:00 p.m. GMT on the final day of trading of the expiring delivery month, a Buyer having an open long position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include: Number of Contracts to be accepted; UK Emissions Trading Registry Account Number; Name; Telephone Number and e-mail address of the Authorized Representative(s) for that Registry account, and any additional information as may be required by the Exchange.

(ii) Notice of Intention to Deliver:

(A) By 10:00 p.m. GMT on the final day of trading of the expiring delivery month, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form prescribed by the Exchange and shall include: Number of Contracts to be delivered; UK Emissions Trading Registry Account Number; Name; Telephone Number and e-mail address of the Authorized Representative(s) for that Registry account, and any additional information as may be required by the Exchange.

(B) By 6:30 p.m. GMT on the first Business Day after the final day of trading of the delivery month, the Seller will transfer EUAs subject to delivery to the Clearing House Holding Account of the UK Emissions Trading Registry.

(C) By 7:00 p.m. GMT on the first Business Day after the final day of trading of the delivery month, for each Buyer that has satisfied its obligations under Rule 1101.09.(A)(6), the Clearing House will initiate the process of transferring the EUAs to the Buyer's account at the UK Emissions Trading Registry.

(D) By 3:00 p.m. GMT the second Business Day after the final day of trading of the delivery month, Buyer shall receive EUAs from the Clearing House Holding Account of the UK Emissions Trading Registry.

(E) By 2:00 p.m. GMT on the Business Day following the last day of trading, the Buyer shall deposit / transfer Euro currency equal to the full value of the product to the designated Clearing House bank account.

(F) By 3:00 p.m. GMT on the second Business Day following the last day of trading, for each Seller that has satisfied its obligations under Rule 1101.09(A)(3), the Clearing House shall pay the Seller full Contract value.

(b) ASSIGNMENT DAY

(i) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching positions, to the extent possible.

(ii) The Clearing House shall provide Assignment Notice Reports to the respective Clearing Members on the final day of trading of the delivery month.

(c) PAYMENT AND DELIVERY MARGINS

(i) Definitions:

(A) Daily Margin: The Buyer and Seller shall deposit with the Clearing House margins in such amounts and in such form as required by the Clearing House. Such margins which shall not be greater than the margins charged to the Buyer's Customer and Seller's Customer, shall be returned on the Business Day following notification to the Exchange that delivery and payment have been completed.

(B) "Payment" shall include the settlement price times the number of Contracts times 1,000.

(C) "Payment Date" shall mean the date on which the Clearing House transfers payment in connection with a delivery to a Seller.

(ii) Any payment made on Payment Date shall be based on EUAs that the Seller is obligated to deliver pursuant to the applicable delivery.

1101.10. VALIDITY OF DOCUMENTS

The Exchange makes no representation with respect to the authenticity, validity or accuracy of any of Tender Allocation Notice, Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these Rules.

1101.11. EXCHANGE OF FUTURES FOR RELATED POSITIONS

Any Exchange of Futures for Related Positions ("EFRP") shall be governed by the provisions of GreenX Rule 603.

An EFRP transaction is permitted at any time before 5:30 p.m. GMT on the last trading day of the delivery month.

1101.12. ALTERNATIVE DELIVERY PROCEDURE

An Alternative Buyer may agree with the Seller with which it has been matched by the Exchange under Rule 1101.09(B) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Buyers and Sellers shall execute an Alternative Delivery Procedure on a form prescribed by the Exchange and shall deliver a completed executed copy of such form to the Clearing House. The delivery of an executed Alternative Delivery Procedure form to the Clearing House shall release the Buyer, Seller and the Exchange from their respective obligations under the Exchange Contracts. In executing such Alternative Delivery Procedure form, Buyers and Sellers shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Delivery Procedure form, the Clearing House will return to the Buyer and Seller all margin monies held for the account of each with respect to the Contracts involved.

1101.13. LATE PERFORMANCE, FAILURE TO PERFORM AND FORCE MAJEURE

(a) DEFINITION. As used in this Rule 1101.13, the following terms, as well as variations thereof, shall have the meaning described below.

(i) "Late Performance" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three Business Days. Late Performance beyond three Business Days by, a Seller or a Buyer will be deemed a Failure to Perform.

(ii) "Day of Late Performance" shall mean the twenty-four hour period commencing immediately after a Buyer, a Seller, or the Clearing House was to have performed. Each subsequent Day of Late Performance shall commence twenty-four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act was to have performed shall be a Day of Late Performance.

(iii) "Failure to Perform" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.

(iv) "Contract Value" shall mean the amount equal to the settlement price on the last day of trading in a Futures Contract times 1,000 (the number of EUAs per Contract) times the number of Contracts to be delivered.

(v) (A) "Party" shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.

(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.

(vi) "Force Majeure" shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.

(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY

(i) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.

(ii) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.

(c) EMISSIONS ALLOWANCE DELIVERY COMMITTEE

(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:

(A) When the Chairman of the Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;

(B) Upon the written request of both the Buyer and the Seller;

(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or

(D) When either Party to the delivery notifies the Exchange that circumstances exist constituting Force Majeure.

(ii) The Chairman of the Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.

(iii) The Panel shall meet within one Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists, whether a Buyer or Seller is late in performing or has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.

(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable order: an extension of time not to exceed ten days from the date of the scheduled delivery; or, refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules.

(d) EXCHANGE ACTION

(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of a delivery obligation, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment, assessing a penalty of 10% of Contract value for each applicable day of Late Performance.

(ii) Whenever a Buyer or Seller is found by the Panel or otherwise deemed to have a "Failure to Perform" the Exchange, represented by the Regulatory Oversight Department shall issue a Notice of Assessment assessing penalties of twenty percent (20%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (1) above, to be paid to the Exchange.

(iii) (A) A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Exchange's Regulatory Oversight Department, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Chief Regulatory Officer.

(B) The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.

(C) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (D)(3)(a) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a party fails to Appeal, or waives the opportunity to appeal a Notice of Assessment, the Assessment and findings of the Emissions Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.

(iv) Within ten (10) days after receipt of Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied on by Regulatory Oversight Department or are otherwise relevant to the matter.

(v) In the event of an appeal by a Party, the Chief Executive Officer, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chief Executive Officer, or his designee, any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.

(vi) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:

(A) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.

(B) At such hearing: The Appellant may appear personally and may be represented by counselor or other representative of his choice at the appeal.

(C) The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.

(D) The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.

(E) The Regulatory Oversight Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.

(F) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary

evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.

(G) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.

(H) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.

(I) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the CFTC.

(vii) The Assessment Appeal Panel shall consider, and make recommendations to the Chief Executive Officer, or his designee concerning acceptance or rejection of, any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Chief Executive Officer shall constitute the final disciplinary action of the Exchange.

(e) **ARBITRATION PROCEDURE**

(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.

(ii) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.

(iii) The Arbitration will be governed by Chapter 8 of the GreenX Rules except that the Chief Executive Officer or his designee shall appoint an Arbitration Panel.

1101.14. EXCLUSION OF LIABILITY

Except as specifically provided in the GreenX Rules (and to the extent permitted by law), the Clearing House accepts no liability in connection with this Futures Contract, its performance, nonperformance or its termination whether based on breach of contract, warranty, negligence or tort. In particular, but without limitation, the Clearing House shall not be responsible for or shall have any liability whatsoever to any Buyer or Seller for the: availability, suitability, unavailability or malfunction of a Communication Link or any part thereof; performance or non-performance by a registry or CITL or UNFCCC International Transaction Log of their respective obligations under the Registry Regulations or otherwise; any act or omission of any operator of a Communication Link or any part thereof; or any act or omission of an authorized agent of any other party; or any performance or non-performance by the Clearing House in relation to its serving as a party to the deliveries and the Clearing House shall under no circumstances be liable for any indirect or consequential loss or loss of profits. Additionally, nothing in these Rules will constrain the Clearing House from performing its duties under Clearing House Rule 802.

RULE 1102. In Delivery Month European Union Allowance (EUA) Option

1102.01. EXPIRATION

An In Delivery Month European Union Allowance (EUA) Option Contract ("In Delivery Month EUA Option") listed on the Exchange shall expire at the close of trading three Business Days prior to the expiration of the underlying In Delivery Month European Union Allowance (EUA) Futures Contract ("In Delivery Month EUA Futures").

1102.02. TRADING UNIT

An In Delivery Month EUA Option Contract is a European-style option. An In Delivery Month EUA put or call Option Contract traded on the Exchange represents an option to assume a short or long position in the underlying In Delivery Month EUA Futures Contract traded on the Exchange.

1102.03. TRADING MONTHS

Trading in an In Delivery Month EUA Option Contract shall be conducted in the contract months as shall be determined by the Exchange. Trading shall commence on the day fixed by resolution of the Exchange.

1102.04. HOURS OF TRADING

The hours of trading for In Delivery Month EUA Options on the Exchange shall be the same as the hours of trading for In Delivery Month EUA Futures. All such trading shall take place within the venue and hours prescribed by the Exchange.

The In Delivery Month EUA Option are available for clearing on CPC during the hours prescribed by the Exchange.

1102.05. STRIKE PRICES

(a) Trading shall be conducted for Option Contracts with strike prices in increments as set forth below. On the first Business Day of trading in an Option Contract month, trading shall be at the following strike prices: (i) the previous day's settlement price for In Delivery Month EUA Futures Contracts in the corresponding delivery month rounded off to the nearest fifty-cent increment strike price (ii) the ten fifty-cent increment strike prices which are ten increments higher than the strike price described in (i) of this Rule 1102.05(A) and (iii) the ten fifty-cent increment strike prices which are ten increments lower than the strike price described in (i) of this Rule 1102.05(A).

(b) Thereafter, on any Business Day prior to the expiration of the Option Contract, new consecutive strike prices for both puts and calls will be added such that there will be ten increments above and below the at-the-money option.

(c) Notwithstanding the provisions of subsections (A) and (B) of this Rule, if the Exchange determines that trading in In Delivery Month EUA Option Contracts will be facilitated thereby, the Exchange may, by resolution, change the increments between strike prices, the number of strike prices which shall be traded in the first day in any new Option Contract month, the number of new strike prices which will be introduced on each Business Day or the period preceding the expiration of an In Delivery Month EUA Option Contract in which no new strike prices may be introduced.

1102.06. PRICES AND FLUCTUATIONS

Prices shall be quoted in Euros (€) and Euro cents (¢) per allowance. The minimum price fluctuation is €0.01 per allowance. A cabinet trade may occur at a price of €1.00 per Contract, however, if it results in the liquidation of positions for both parties to the trade.

1102.07. ABSENCE OF PRICE FLUCTUATION LIMITATIONS

Trading in In Delivery Month EUA Option Contracts shall not be subject to price fluctuation limitations.

RULE 1103. In Delivery Month European Union Allowance (EUA) Serial Option

1103.01 EXPIRATION

An In Delivery Month European Union Allowance (EUA) Serial Option Contract listed on the Exchange shall expire at the close of trading three Business Days prior to the expiration of the closest March, June, September, or December contract month of the In Delivery Month European Union Allowance (EUA) Futures Contract.

1103.02 TRADING UNIT

An In Delivery Month European Union Allowance (EUA) Serial Option Contract is a European-style option. An In Delivery Month European Union Allowance (EUA) Serial put Option Contract traded on the Exchange represents an option to assume a short position in the December contract month of the underlying In Delivery Month European Union Allowance (EUA) Futures Contract of the relevant year traded on the Exchange. An In Delivery Month European Union Allowance (EUA) Serial call Option Contract traded on the Exchange represents an option to assume a long position in the December contract month of the underlying In Delivery Month European Union Allowance (EUA) Futures Contract of the relevant year traded on the Exchange.

1103.03 TRADING MONTHS

Trading in an In Delivery Month European Union Allowance (EUA) Serial Option Contract shall be conducted in the contract months as shall be determined by the Exchange. Trading shall commence on the day fixed by resolution of the Exchange.

1103.04 HOURS OF TRADING

The hours of trading in European Union Allowance (EUA) Serial Option Contracts on the Exchange shall be the same as the hours of trading for Futures Contracts. All such trading shall take place within the venue and hours prescribed by the Exchange.

The European Union Allowance (EUA) Serial Option Contracts are available for clearing on CPC during the hours prescribed by the Exchange.

1103.05 STRIKE PRICES

Trading shall be conducted for Option Contracts with strike prices in increments as set forth below.

(a) On the first Business Day of trading in an Option Contract month, trading shall be at the following strike prices: (i) the previous day's settlement price for In Delivery Month European Union Allowance (EUA) Futures Contracts in the corresponding delivery month rounded off to the nearest fifty-cent increment strike price, (ii) the ten fifty-cent increment strike prices which are ten increments higher than the strike price described in (i) of this Rule 1103.05(A), and (iii) the ten fifty-cent increment strike prices which are ten increments lower than the strike price described in (i) of this Rule 1103.05(A).

(b) Thereafter, on any Business Day prior to the expiration of the Option Contract, new consecutive strike prices for both puts and calls will be added such that there will be ten increments above and below the at-the-money option.

(c) Notwithstanding the provisions of subsections (A) and (B) of this Rule, if the Exchange determines that trading in In Delivery Month European Union Allowance (EUA) Serial Option Contracts will be facilitated thereby, the Exchange may, by resolution, change the increments between strike prices, the number of strike prices which shall be traded in the first day in any new Option Contract month, the number of new strike prices which will be introduced on each Business Day or the period preceding the expiration of an In Delivery Month European Union Allowance (EUA) Serial Option Contract in which no new strike prices may be introduced.

1103.06 PRICES AND PRICE FLUCTUATIONS

Prices shall be quoted in Euros (€) and Euro cents (¢) per allowance. The minimum price fluctuation is €0.01 per allowance. A cabinet trade may occur at a price of €1.00 per Contract, however, if it results in the liquidation of positions for both parties to the trade.

1103.07 ABSENCE OF PRICE FLUCTUATION LIMITATIONS

Trading in In Delivery Month European Union Allowance (EUA) Serial Option Contracts shall not be subject to price fluctuation limitations.

RULE 1104. In Delivery Month Certified Emission Reduction (CER) Futures

1104.01A. DEFINITIONS

(a) Certified Emission Reduction (“CER”). CER shall mean a unit issued pursuant to Articles 12 and 17 of the Kyoto Protocol and the decisions adopted pursuant to the UNFCCC or the Kyoto Protocol which may be used for compliance purposes under the European Union Emissions Trading Scheme (“EU ETS”) in accordance with Article 11a(3)(a) and (b) of the Directive 2003/87/EC (as amended from time to time) and the Linking Directive 2004/101/EC as implemented into Member State law. CERs from nuclear facilities; land use, land use change and forestry activities (LULUCF); and hydroelectric projects with generating capacities exceeding 20 MW are excluded from this definition.

(b) CDM (“Clean Development Mechanism”) shall mean a mechanism established by Article 12 of the Kyoto Protocol for project-based emission reduction activities in developing countries.

(c) “Clean Development Mechanism-Executive Board” (CDM-EB): The CDM EB registers validated project activities as CDM projects, issues certified emission reductions to relevant projects participants, and manages series of technical panels and working groups meetings.

(d) The terms “Seller” and “Buyer” shall mean the short Clearing Member and the long Clearing Member, respectively. Further, for purposes of this Contract, Sellers and Buyers may utilize a designee to perform their respective and necessary obligations with regard to transferring and accepting allowances at the eligible registries.

(e) The terms “Seller's Customer” and “Buyer's Customer” shall mean the seller and buyer of the physical product or swap transaction.

(f) “ITL” (International Transaction Log): All transactions between registries are maintained by transaction logs which verify the validity of transactions. The UNFCCC Secretariat maintains the ITL for the purposes of transfer under the Kyoto Protocol. Moreover the EU Commission established and is the Administrator of the Community Transaction Independent Log (CITL) for transfers involving EU Member States. Transfers involving EU Entities entail an additional step from the ITL to the CITL under the Kyoto Protocol for transfers of CERs between national registries.

(g) The term “Settlement Price” shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery month. The settlement price for the last trading day shall be determined in accordance with the procedures set forth in GreenX Rule 905.

(h) “Communication Link” shall mean the electronic exchange of messages/notifications (1) by which a buyer and seller communicate with a Registry, and/or (2) by which a Registry communicates with CITL, and/or (3) by which CITL communicates with the UNFCCC International Transaction Log (where applicable), and/or (4) by which a Registry communicates with the UNFCCC International Transaction Log (where Applicable), and/or (5) by which the UNFCCC International Transaction Log communicates with the CDM Registry (where applicable), which in any case is necessary to facilitate a transfer;

(i) “Registry” shall mean any registry in an EU Member State meeting the eligibility criteria and which has implemented the Linking Directive in a manner that authorizes private persons to hold CERs and has Person Holding Accounts established in order to ensure the accurate accounting of the issue of holding, transfer, acquisition, surrender, cancellation, and replacement of CERs under the Scheme, and which has been identified as a Registry by the Clearing House from time to time for the purpose of this Futures Contract;

(j) “Registry Regulations” shall mean the EU Commission Regulation (EC) No 2216/2004 for a standardized and secured system of registries pursuant to Directive 2003/87/EC of the European Parliament and of the Council and Decision 280/2004/EC of the European Parliament and of the Council, as amended from time to time including by EU Commission Regulation (EC) No.916/2007.

1104.01. SCOPE

The provisions of these rules shall apply to all CERs, issued pursuant to Articles 12 and 17 of the Kyoto Protocol, bought or sold for future delivery on the Exchange with the Delivery at the UK Emissions Trading Registry or the Dutch CO2 Emissions Trading Registry.

1104.02. TIME REFERENCES

For purposes of this Rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in Greenwich Mean Time (GMT).

1104.03. CONTRACT UNIT

The Contract unit shall be one thousand (1,000) CERs for a delivery made by transfer through the UK Emissions Trading Registry or the Dutch CO2 Emissions Trading Registry.

1104.04. DELIVERY

At the registry designation of the buyer, CER delivery shall take place by electronic transfer of CERs at the UK Emissions Trading Registry or the Dutch CO2 Emissions Trading Registry. The registry will be designated by the Buyer, and it must satisfy "Eligibility Criteria" for international emissions trading specified in Article 17 of the Kyoto Protocol and Decision 11/CMP.1. All deliveries made under these Rules shall be final and there shall be no appeal. Notwithstanding the use of a designee, all Clearing Members will remain ultimately responsible for performance of all applicable Contract terms specific to Sellers and Buyers.

1104.05. DELIVERY MONTHS

Trading shall be conducted in Contracts providing for delivery in such periods as shall be determined by the Exchange.

1104.06. PRICES AND FLUCTUATIONS

Prices shall be quoted in Euro and Euro cents per CER. The minimum price fluctuation shall be €0.01 per CER (€10.00 per Contract). There shall be no maximum price fluctuation.

1104.07. TERMINATION OF TRADING

Trading in the delivery month shall cease on the last Monday of the delivery month. If the last Monday of the delivery month occurs on a UK Bank Holiday or, if a UK Bank Holiday occurs on any of the four (4) days following the last Monday of the delivery month, trading shall cease on the penultimate Monday of the delivery month. If the penultimate Monday of the delivery month occurs on a UK Bank Holiday or, if a UK Bank Holiday occurs on any of the four (4) days following the penultimate Monday of the delivery month, trading shall cease on the antepenultimate Monday of the delivery month.

1104.08. PRODUCT PLACEMENT

The Seller and Buyer shall fulfill their respective contractual obligations on a maturing Contract unless, by 5:00 p.m. GMT on the 10th Business Day prior to the first Business Day of the delivery month, such Seller and Buyer have provided account certification, in the form prescribed by the Exchange stating that: (i) If a buyer, the Buyer has an account with the UK Emissions Trading Registry or the Dutch CO2 Emissions Trading Registry; (ii) If a seller, the Seller has an account with the UK Emissions Trading Registry or the Dutch CO2 Emissions Trading Registry.

The receipt of such certification shall not relieve the Seller or Buyer, or their respective Customers of any obligations under any GreenX Rule or Clearing House Rule.

1104.09. DELIVERY PROCEDURES AND OBLIGATIONS

The Clearing House is a party to all deliveries under this Contract and will receive CERs from the Seller into the Clearing House Holding Account of the UK Emissions Trading Registry or the Dutch CO2 Emissions Trading Registry. Following receipt from the Seller, the Clearing House will deliver CERs to the Buyer from the Clearing House Holding Account to the UK Emissions Trading Registry or the Dutch CO2 Emissions Trading Registry Holding Account nominated by the Buyer.

The Seller shall comply with such requirements and obligations imposed by or under applicable Registry Regulations in all respects material to the submission of the forms noted in this Rule. The Buyer shall comply with such requirements and obligations imposed by or under applicable Registry Regulations in all respects material to ensure the acceptance of a valid transfer into its Holding Account. If a provision of the Regulations or the Clearing

House Rules is inconsistent with a provision of the Registry Regulations, the provision of the Regulations or the Clearing House Rules shall prevail as between the Buyer, Seller, and the Clearing House to the extent of such inconsistency and to the extent permitted by law.

(a) OPERATIONAL RESPONSIBILITIES OF CLEARING MEMBERS

(i) Notice of Intention to Accept:

By 10:00 p.m. GMT on the final day of trading of the delivery month, a Buyer having an open long position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include:

Number of Contracts to be accepted; Registry Name; Registry Account Number; Name, Telephone Number and e-mail address of the Authorized Representative(s) for that Registry account; and any additional information as may be required by the Exchange.

(ii) Notice of Intention to Deliver:

(A) By 10:00 p.m. GMT on the final day of trading of the delivery month, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form prescribed by the Exchange and shall include: Number of Contracts to be delivered; Registry Name; Registry Account Number; Name, Telephone Number and e-mail address of the Authorized Representative(s) for that Registry account; and any additional information as may be required by the Exchange.

(B) By 6:30 p.m. GMT on the first Business Day after the final day of trading of the delivery month, the Seller will transfer CERs subject to delivery to the Clearing House Holding Account of the UK Emissions Trading Registry or the Dutch CO2 Emissions Trading Registry.

(C) By 7:00 p.m. GMT on the first Business Day after the final day of trading of the delivery month, for each Buyer that has satisfied its obligation under Rule 1104.09(A)(6), the Clearing House will initiate the process of transferring the CERs to the Buyer's account at the UK Emissions Trading Registry or the Dutch CO2 Emissions Trading Registry.

(D) By 3:00 p.m. GMT the second Business Day after the final day of trading of the delivery month, Buyer shall receive CERs from the Clearing House Holding Account of the UK Emissions Trading Registry or the Dutch CO2 Emissions Trading Registry.

(E) By 2:00 p.m. GMT on the Business Day following the last day of trading, the Buyer shall deposit / transfer of Euro currency equal to the full value of the product to be delivered designated Clearing House bank account.

(F) By 3:00 p.m. GMT on the second Business Day following the last day of trading, for each Seller that has satisfied its obligations under Rule 1104.09(A)(3), the Clearing House shall pay the Seller full Contract value.

(b) ASSIGNMENT DAY

(i) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching positions, to the extent possible.

(ii) The Clearing House shall provide Assignment Notice Reports to the respective Clearing Members on the final day of trading of the delivery month.

(c) PAYMENT AND DELIVERY MARGINS

(i) Definitions:

(A) Daily Margin" shall mean the Exchange margins that the Buyer and Seller deposit in such amounts and in such form as required by the Exchange. Such margins which shall not be greater than the margins charged to the Buyer's Customer and Seller's Customer, shall be

returned on the Business Day following notification to the Exchange that delivery and payment have been completed.

(B) "Payment" shall include the settlement price times the number of Contracts times 1,000.

(C) "Payment Date" shall mean the date on which the Clearing House transfers payment in connection with a delivery to a Seller.

(ii) Any payment made on Payment Date shall be based on CERs that the Seller is obligated to deliver pursuant to the applicable delivery.

1104.10. VALIDITY OF DOCUMENTS

The Exchange makes no representation with respect to the authenticity, validity or accuracy of any of Tender Allocation Notice, Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these Rules.

1104.11. EXCHANGE OF FUTURES FOR RELATED POSITIONS

Any Exchange of Futures for Related Positions ("EFRP") shall be governed by the provisions of GreenX Rule 603.

An EFRP transaction is permitted at any time before 5:30 p.m. GMT on the last trading day of the delivery month.

1104.12. ALTERNATIVE DELIVERY PROCEDURE

An Alternative Buyer may agree with the Seller with which it has been matched by the Exchange under Rule 1104.09(B) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Buyers and Sellers shall execute an Alternative Delivery Procedure on a form prescribed by the Exchange and shall deliver a completed executed copy of such form to the Clearing House. The delivery of an executed Alternative Delivery Procedure form to the Clearing House shall release the Buyer, Seller and the Exchange from their respective obligations under the Exchange Contracts. In executing such Alternative Delivery Procedure form, Buyers and Sellers shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such Contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Delivery Procedure form, the Clearing House will return to the Buyer and Seller all margin monies held for the account of each with respect to the Contracts involved.

1104.13. LATE PERFORMANCE, FAILURE TO PERFORM AND FORCE MAJEURE

(a) DEFINITION. As used in this Rule 1104.13, the following terms, as well as variations thereof, shall have the meaning described below.

(i) "Late Performance" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three Business Days. Late Performance beyond three Business Days by a Seller or a Buyer will be deemed a Failure to Perform.

(ii) "Day of Late Performance" shall mean the twenty-four hour period commencing immediately after a Buyer, a Seller, or the Clearing House was to have performed. Each subsequent Day of Late Performance shall commence twenty-four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act was to have performed shall be a Day of Late Performance.

(iii) "Failure to Perform" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.

(iv) "Contract Value" shall mean the amount equal to the settlement price on the last day of trading in a Futures Contract times 1,000 (the number of CERs per Contract) times the number of Contracts to be delivered.

(v) (A) "Party" shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.

(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.

(vi) "Force Majeure" shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.

(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY

(i) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.

(ii) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.

(c) EMISSIONS ALLOWANCE DELIVERY COMMITTEE

(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:

(A) When the Chairman of the Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;

(B) Upon the written request of both the Buyer and the Seller;

(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or

(D) When either Party to the delivery notifies the Exchange that circumstances exist constituting Force Majeure.

(ii) The Chairman of the Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.

(iii) The Panel shall meet within one Business Day of notification as provided in these Rules.

Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists, whether a Buyer or Seller is late in performing, or has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.

(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable, order: an extension of time not to exceed 10 days from the date of the scheduled delivery; or refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules.

(d) EXCHANGE ACTION

(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of a delivery obligation, the Exchange, represented by the Regulatory Oversight Department, shall issue a

Notice of Assessment, assessing a penalty of 10% of Contract value for each applicable day of Late Performance.

(ii) Whenever a Buyer or Seller is found by the Panel or otherwise deemed to have a "Failure to Perform" the Exchange, represented by the Regulatory Oversight Department shall issue a Notice of Assessment assessing penalties of twenty percent (20%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (1) above, to be paid to the Exchange.

(iii) (A) A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Chief Regulatory Officer, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Chief Regulatory Officer.

(B) The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.

(C) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (D)(4)(a) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a party fails to Appeal or waives the opportunity to appeal a Notice of Assessment the Assessment, and findings of the Emissions Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.

(iv) Within ten (10) days after receipt of the Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied on by the Regulatory Oversight Department or are otherwise relevant to the matter.

(v) In the event of an appeal by a Party, the Chief Executive Officer, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chief Executive Officer or his designee any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.

(vi) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:

(A) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.

(B) At such hearing: The Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.

(C) The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.

(D) The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.

(E) The Regulatory Oversight Department and the Appellant shall be entitled to cross examine any witness called by the opposing Party at the hearing.

(F) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.

(G) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.

(H) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.

(I) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the CFTC.

(vii) The Assessment Appeal Panel shall consider, and make recommendations to the Chief Executive Officer, or his designee concerning acceptance or rejection of any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Board shall constitute the final disciplinary action of the Exchange.

(e) **ARBITRATION PROCEDURE**

(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.

(ii) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.

(iii) The Arbitration will be governed by Chapter 8 of the GreenX Rules except that the Chief Executive Officer or his designee shall appoint an Arbitration Panel.

1104.14. EXCLUSION OF LIABILITY

Except as specifically provided in the GreenX Rules (and to the extent permitted by law), the Clearing House accepts no liability in connection with this Futures Contract, its performance, nonperformance or its termination whether based on breach of contract, warranty, negligence or tort. In particular, but without limitation, the Clearing House shall not be responsible for or shall have any liability whatsoever to any Buyer or Seller for the: availability, suitability, unavailability or malfunction of a Communication Link or any part thereof; performance or non-performance by a registry or CITL or UNFCCC International Transaction Log of their respective obligations under the Registry Regulations or otherwise; any act or omission of any operator of a Communication Link or any part thereof; or any act or omission of an authorized agent of any other party; or any performance or non-performance by the Clearing House in relation to its serving as a party to the deliveries and the Clearing House shall under no circumstances be liable for any indirect or consequential loss or loss of profits. Additionally, nothing in these Rules will constrain the Clearing House from performing its duties under Clearing House Rule 802.

RULE 1105. In Delivery Month Certified Emission Reduction (CER) Option

1105.01. EXPIRATION

An In Delivery Month Certified Emission Reduction (CER) Option Contract (“In Delivery Month CER Option”) listed on the Exchange shall expire at the close of trading three Business Days prior to the expiration of the underlying In Delivery Month Certified Emission Reduction (CER) Futures Contract (“In Delivery Month CER Futures”).

1105.02. TRADING UNIT

An In Delivery Month CER Option is a European-style option. An In Delivery Month CER put or call Option Contract traded on the Exchange represents an option to assume a short or long position in the underlying In Delivery Month CER Futures Contract traded on the Exchange.

1105.03. TRADING MONTHS

Trading in an In Delivery Month CER Option Contract shall be conducted in the contract months as shall be determined by the Exchange. Trading shall commence on the day fixed by resolution of the Exchange.

1105.04. HOURS OF TRADING

The hours of trading for In Delivery Month CER Options on the Exchange shall be the same as the hours of trading for In Delivery Month CER Futures. All such trading shall take place within the venue and hours prescribed by the Exchange.

The In Delivery Month CER Options are available for clearing on CPC during the hours prescribed by the Exchange.

1105.05. STRIKE PRICES

Trading shall be conducted for Option Contracts with strike prices in increments as set forth below.

(a) On the first Business Day of trading in an Option Contract month, trading shall be at the following strike prices: (i) the previous day's settlement price for In Delivery Month EUA Futures Contracts in the corresponding delivery month rounded off to the nearest fifty-cent increment strike price (ii) the ten fifty-cent increment strike prices which are ten increments higher than the strike price described in (i) of this Rule 1105.05(A) and (iii) the ten fifty-cent increment strike prices which are ten increments lower than the strike price described in (i) of this Rule 1105.05(A).

(b) Thereafter, on any Business Day prior to the expiration of the Option Contract, new consecutive strike prices for both puts and calls will be added such that there will be ten increments above and below the at-the-money option.

(c) Notwithstanding the provisions of subsections (A) and (B) of this Rule, if the Exchange determines that trading in In Delivery Month EUA Option Contracts will be facilitated thereby, the Exchange may, by resolution, change the increments between strike prices, the number of strike prices which shall be traded in the first day in any new Option Contract month, the number of new strike prices which will be introduced on each Business Day or the period preceding the expiration of an In Delivery Month EUA Option Contract in which no new strike prices may be introduced.

1105.06. PRICES AND FLUCTUATIONS

Prices shall be quoted in Euros (€) and Euro cents (¢) per metric CER. The minimum price fluctuation is € 0.01 (1 ¢) per CER. A cabinet trade may occur at a price of €1.00 per Contract, however, if it results in the liquidation of positions for both parties to the trade.

1105.07. ABSENCE OF PRICE FLUCTUATION LIMITATIONS

Trading in In Delivery Month CER Option Contracts shall not be subject to price fluctuation limitations.

RULE 1106. In Delivery Month Certified Emission Reduction (CER) Serial Option

1106.01 EXPIRATION

An In Delivery Month Certified Emission Reduction (CER) Serial Option Contract listed on the Exchange shall expire at the close of trading three Business Days prior to the expiration of the closest March, June, September, or December contract month of the In Delivery Month Certified Emission Reduction (CER) Futures Contract.

1106.02 TRADING UNIT

An In Delivery Month Certified Emission Reduction (CER) Serial Option is a European-style option. An In Delivery Month Certified Emission Reduction (CER) Serial put Option Contract traded on the Exchange represents an option to assume a short position in the December contract month of the underlying In Delivery Month Certified Emission Reduction (CER) Futures Contract of the relevant year traded on the Exchange. An In Delivery Month Certified Emission Reduction (CER) Serial call Option Contract traded on the Exchange represents an option to assume a long position in the December contract month of the underlying In Delivery Month Certified Emission Reduction (CER) Futures Contract of the relevant year traded on the Exchange.

1106.03 TRADING MONTHS

Trading in an In Delivery Month Certified Emission Reduction (CER) Serial Option Contract shall be conducted in the contract months as shall be determined by the Exchange. Trading shall commence on the day fixed by resolution of the Exchange.

1106.04 HOURS OF TRADING

The hours of trading for In Delivery Month Certified Emission Reduction (CER) Option Contracts on the Exchange shall be the same as the hours of trading for In Delivery Month Certified Emission Reduction (CER) Futures Contracts. All such trading shall take place within the venue and hours prescribed by the Exchange.

The In Delivery Month Certified Emission Reduction (CER) Option Contracts are available for clearing on CPC during the hours prescribed by the Exchange.

1106.05 STRIKE PRICES

Trading shall be conducted for Option Contracts with strike prices in increments as set forth below:

(a) On the first Business Day of trading in an Option Contract month, trading shall be at the following strike prices: (i) the previous day's settlement price for In Delivery Month Certified Emission Reduction (CER) Futures Contracts in the corresponding delivery month rounded off to the nearest fifty-cent increment strike price; (ii) the ten fifty-cent increment strike prices which are ten increments higher than the strike price described in (i) of this Rule 1106.05(A); and (iii) the ten fifty-cent increment strike prices which are ten increments lower than the strike price described in (i) of this Rule 1106.05(A).

(b) Thereafter, on any Business Day prior to the expiration of the Option Contract, new consecutive strike prices for both puts and calls will be added such that there will be ten increments above and below the at-the-money option.

(c) Notwithstanding the provisions of subsections (A) and (B) of this Rule, if the Exchange determines that trading in In Delivery Month Certified Emission Reduction (CER) Serial Option Contracts will be facilitated thereby, the Exchange may, by resolution, change the increments between strike prices, the number of strike prices which shall be traded in the first day in any new Option Contract month, the number of new strike prices which will be introduced on each Business Day or the period preceding the expiration of an In Delivery Month Certified Emission Reduction (CER) Serial Option Contract in which no new strike prices may be introduced.

1106.06 PRICES AND PRICE FLUCTUATIONS

Prices shall be quoted in Euros (€) and Euro cents (¢) per CER. The minimum price fluctuation is € 0.01 (1 ¢) per CER. A cabinet trade may occur at a price of €1.00 per Contract, however, if it results in the liquidation of positions for both parties to the trade.

1106.07 ABSENCE OF PRICE FLUCTUATION LIMITATIONS

Trading in In Delivery Month Certified Emission Reduction (CER) Serial Option Contracts shall not be subject to price fluctuation limitations.

CHAPTER 12
DAILY EUROPEAN UNION ALLOWANCE (EUA) CONTRACT SPECIFICATIONS

RULE 1201. Daily European Union Allowance (EUA) Futures

1201.01A DEFINITIONS

(a) "EU ETS": In January 2005, the European Union Emissions Trading Scheme ("EU ETS") commenced operation as the largest multi-country, multi-sector Greenhouse Gas emission trading scheme world-wide. It covers over 11,500 energy-intensive installations across the EU which represents approximately half of Europe's emissions of CO₂. These installations include combustion plants, oil refineries, coke ovens, iron and steel plants, and factories making cement, glass, lime, brick, ceramics, pulp and paper. The scheme is based on Directive 2003/87/EC, which entered into force on 25 October 2003.

(b) "EUA": European Union Allowance ("EUA") granted under a National Allocation Plan of an EU member state.

(c) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively. Further, for purposes of this Contract, Sellers and Buyers may utilize a designee to perform their respective and necessary obligations with regard to transferring and accepting allowances at the eligible registries.

(d) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer of the physical product or swap transaction.

(e) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery day. The settlement price for the last trading day shall be determined in accordance with the procedures set forth in Rule 813.

(f) "ITL" (International Transaction Log): All transactions between registries are maintained by transaction logs which verify the validity of transactions. The UNFCCC Secretariat maintains the ITL for the purposes of transfer under the Kyoto Protocol.

(g) "Community Independent Transaction Log" (CITL) shall mean the independent transaction log provided for in Article 20(1) of Directive 2003/87/EC, for the purpose of recording the issue, transfer and cancellation of EUAs under the Scheme and established, operated and maintained pursuant to Article 5 of the Registry Regulations;

The EU Commission established and is the Administrator of the CITL for transfers involving EU Member States. Transfers involving EU Entities entail an additional step from the ITL to the CITL under the Kyoto Protocol for transfers of EUAs between national registries.

(h) "Communication Link" shall mean the electronic exchange of messages/notifications (1) by which a buyer and seller communicate with a Registry, and/or (2) by which a Registry communicates with CITL, and/or (3) by which CITL communicates with the UNFCCC International Transaction Log (where applicable), and/or (4) by which a Registry communicates with the UNFCCC International Transaction Log (where Applicable), and/or (5) by which the UNFCCC International Transaction Log communicates with the CDM Registry (where applicable), which in any case is necessary to facilitate a transfer;

(i) "Registry" shall mean any registry in an EU Member State meeting the eligibility criteria and which has implemented the Linking Directive in a manner that authorizes private persons to hold EUAs and has Person Holding Accounts established in order to ensure the accurate accounting of the issue of holding, transfer, acquisition, surrender, cancellation, and replacement of EUAs under the Scheme, and which has been identified as a Registry by the Clearing House from time to time for the purpose of this Futures Contract;

(j) "Registry Regulations" shall mean the EU Commission Regulation (EC) No 2216/2004 for a standardized and secured system of registries pursuant to Directive 2003/87/EC of the European Parliament and of the Council and Decision 280/2004/EC of the European Parliament and of the Council, as amended from time to time including by EU Commission Regulation (EC) No.916/2007;

1201.01 SCOPE

The provisions of these rules shall apply to all European Union EUAs bought or sold for future delivery on the Exchange with the Delivery at the UK Emissions Trading Registry.

1201.02 TIME REFERENCES

For purposes of this Rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in UK local time.

1201.03 CONTRACT UNIT

The Contract unit shall be one thousand (1,000) EUAs for a delivery made by transfer through UK Emissions Trading Registry.

1201.04 DELIVERY

EUA delivery shall comply with all requirements for the electronic transfer of EUAs on the UK Emissions Trading Registry. All deliveries made under this Rule shall be final and there shall be no appeal. Notwithstanding the use of a designee, all Clearing Members will remain ultimately responsible for performance of all applicable Contract terms specific to Sellers and Buyers.

1201.05 LISTED CONTRACTS

Trading shall be conducted in Contracts providing for delivery in such periods as shall be determined by the Exchange. Trading shall be conducted each Business Day.

1201.06 MINIMUM PRICE FLUCTUATIONS

Prices shall be quoted in Euros and Euro cents per EUA. The minimum price fluctuation shall be € 0.01 per EUA (€10.00 per Contract). There shall be no maximum price fluctuation.

1201.07 TERMINATION OF TRADING

No trades in Daily European Union Allowance (EUA) Futures deliverable in the contract day shall be made after the 5:00 p.m. UK local time on the contract day. Any Contracts remaining open after the last trade date must be either:

- (a) Settled by delivery which shall take place no later than 5:00 p.m. UK local time on the contract day.
- (b) Liquidated by means of a bona fide Exchange for Related Position ("EFRP") transaction in accordance with Exchange Rule 538. An EFRP is permitted in the expiring Futures Contract at any time before 6:00 p.m. UK local time on the last day of trading for the Futures Contract.

1201.08 DELIVERY PROCEDURES AND OBLIGATIONS

The Clearing House is a party to all deliveries under this Contract and will receive EUAs from the Seller into the Clearing House Holding Account of the UK Emissions Trading Registry. Following receipt from the Seller, the Clearing House will deliver EUAs to the Buyer from the Clearing House Holding Account to the UK Emissions Trading Registry Holding Account nominated by the Buyer.

The Seller shall comply with such requirements and obligations imposed by or under applicable Registry Regulations in all respects material to the submission of the forms noted in this Rule. The Buyer shall comply with such requirements and obligations imposed by or under applicable Registry Regulations in all respects material to ensure the acceptance of a valid transfer into its Holding Account. If a provision of the Regulations or the Clearing House Rules is inconsistent with a provision of the Registry Regulations, the provision of the Regulations or the Clearing House Rules shall prevail as between the Buyer, Seller, and the Clearing House to the extent of such inconsistency and to the extent permitted by law.

(a) OPERATIONAL RESPONSIBILITIES OF CLEARING MEMBERS

(i) Notice of Intention to Accept:

By 10:00 p.m. UK local time on the final day of trading of the expiring delivery day, a Buyer having an open long position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include: Number of Contracts to be accepted; UK Emissions Trading Registry Account Number; Name; Telephone Number and e-mail address of the

Authorized Representative(s) for that Registry account, and any additional information as may be required by the Exchange.

(ii) Notice of Intention to Deliver:

(A) By 10:00 p.m. UK local time on the final day of trading of the expiring delivery day, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form prescribed by the Exchange and shall include: Number of Contracts to be delivered; UK Emissions Trading Registry Account Number; Name; Telephone Number and e-mail address of the Authorized Representative(s) for that Registry account, and any additional information as may be required by the Exchange.

(B) By 6:30 p.m. UK local time on the first Business Day after the final day of trading of the delivery day, the Seller will transfer EUAs subject to delivery to the Clearing House Holding Account of the UK Emissions Trading Registry.

(C) By 7:00 p.m. UK local time on the first Business Day after the final day of trading of the delivery day, for each Buyer that has satisfied its obligations under Rule 1201.08(A)(6), the Clearing House will initiate the process of transferring the EUAs to the Buyer's account at the UK Emissions Trading Registry.

(D) By 3:00 p.m. UK local time on the second Business Day after the final day of trading of the delivery day, Buyer shall receive EUAs from the Clearing House Holding Account of the UK Emissions Trading Registry.

(E) By 2:00 p.m. UK local time on the Business Day following the last day of trading, the Buyer shall deposit / transfer Euro currency equal to the full value of the product to the designated Clearing House bank account.

(F) By 3:00 p.m. UK local time on the second Business Day following the last day of trading, for each Seller that has satisfied its obligations under Rule 1201.08(A)(3), the Clearing House shall pay the Seller full Contract value.

(b) ASSIGNMENT DAY

(i) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching positions, to the extent possible.

(ii) The Clearing House shall provide Assignment Notice Reports to the respective Clearing Members on the final day of trading of the delivery day.

(c) PAYMENT AND DELIVERY MARGINS

(i) Definitions:

(A) Daily Margin: The Buyer and Seller shall deposit with the Clearing House margins in such amounts and in such form as required by the Clearing House. Such margins which shall not be greater than the margins charged to the Buyer's Customer and Seller's Customer, shall be returned on the Business Day following notification to the Exchange that delivery and payment have been completed.

(B) "Payment" shall include the settlement price times the number of Contracts times 1,000.

(C) "Payment Date" shall mean the date on which the Clearing House transfers payment in connection with a delivery to a Seller.

(ii) Any payment made on Payment Date shall be based on EUAs that the Seller is obligated to deliver pursuant to the applicable delivery.

1201.09 VALIDITY OF DOCUMENTS

The Exchange makes no representation with respect to the authenticity, validity or accuracy of any of Tender Allocation Notice, Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these Rules.

1201.10 ALTERNATIVE DELIVERY PROCEDURE

An Alternative Buyer may agree with the Seller with which it has been matched by the Exchange under Rule 1201.08(B) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Buyers and Sellers shall execute an Alternative Delivery Procedure on a form prescribed by the Exchange and shall deliver a completed executed copy of such form to the Clearing House. The delivery of an executed Alternative Delivery Procedure form to the Clearing House shall release the Buyer, Seller and the Exchange from their respective obligations under the Exchange Contracts.

In executing such Alternative Delivery Procedure form, Buyers and Sellers shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Delivery Procedure form, the Clearing House will return to the Buyer and Seller all margin monies held for the account of each with respect to the Contracts involved.

1201.11 LATE PERFORMANCE, FAILURE TO PERFORM, AND FORCE MAJEURE

(a) DEFINITION. As used in this Rule 1201.11, the following terms, as well as variations thereof, shall have the meaning described below.

(i) "Late Performance" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three Business Days. Late Performance beyond three Business Days by, a Seller or a Buyer will be deemed a Failure to Perform.

(ii) "Day of Late Performance" shall mean the twenty-four hour period commencing immediately after a Buyer, a Seller, or the Clearing House was to have performed. Each subsequent Day of Late Performance shall commence twenty-four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act was to have performed shall be a Day of Late Performance.

(iii) "Failure to Perform" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.

(iv) "Contract Value" shall mean the amount equal to the settlement price on the last day of trading in a Futures Contract times 1,000 (the number of EUAs per Contract) times the number of Contracts to be delivered.

(v) (A) "Party" shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.

(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.

(vi) "Force Majeure" shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.

(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY

(i) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.

(ii) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.

(c) EMISSIONS ALLOWANCE DELIVERY COMMITTEE

(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:

(A) When the Chairman of the Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;

(B) Upon the written request of both the Buyer and the Seller;

(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or

(D) When either Party to the delivery notifies the Exchange that circumstances exist constituting Force Majeure.

(ii) The Chairman of the Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.

(iii) The Panel shall meet within one Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists, whether a Buyer or Seller is late in performing or has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.

(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable order: an extension of time not to exceed ten days from the date of the scheduled delivery; or, refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules.

(d) EXCHANGE ACTION

(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of a delivery obligation, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment, assessing a penalty of 10% of Contract value for each applicable day of Late Performance.

(ii) Whenever a Buyer or Seller is found by the Panel or otherwise deemed to have a "Failure to Perform" the Exchange, represented by the Regulatory Oversight Department shall issue a Notice of Assessment assessing penalties of twenty percent (20%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (1) above, to be paid to the Exchange.

(iii) (A) A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Exchange's Regulatory Oversight Department, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Chief Regulatory Officer.

(B) The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.

(C) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (D)(3)(a) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a party fails to Appeal, or waives the opportunity to appeal a Notice of Assessment, the Assessment and Findings of the Emissions Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.

(iv) Within ten (10) days after receipt of Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied upon by Regulatory Oversight Department or are otherwise relevant to the matter.

(v) In the event of an appeal by a Party, the Regulatory Oversight Department, or its designee, shall appoint a Performance Appeal Panel to hear and decide the appeal. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Regulatory Oversight Department, or its designee, any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Performance Appeal Panel.

(vi) The procedures for the hearing of the appeal before the Performance Appeal Panel shall be as follows:

(A) At a date to be set by order of the Performance Appeal Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.

(B) At such hearing: The Appellant may appear personally and may be represented by counselor or other representative of his choice at the appeal.

(C) The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.

(D) The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.

(E) The Regulatory Oversight Department and the Appellant shall be entitled to cross examine any witness called by the opposing Party at the hearing. (f) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Performance Appeal Panel by either party shall constitute the record of the hearing. The decision of the Performance Appeal Panel shall be based upon the record of the hearing.

(F) The Performance Appeal Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.

(G) The Performance Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.

(H) The decision of the Performance Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective date shall be fifteen (15) days after a copy of the written decision has been delivered to the Appellant and to the CFTC.

(vii) The Performance Appeal Panel shall consider, and make recommendations to the Exchange concerning acceptance or rejection of, any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Exchange shall constitute the final disciplinary action of the Exchange.

(e) ARBITRATION PROCEDURE

(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.

(ii) Notice of Intent to Arbitrate must be submitted to the Regulatory Oversight Department within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.

(iii) The Arbitration will be governed by Chapter 8 of the GreenX Rules except that the Regulatory Oversight Department shall appoint an Arbitration Panel.

1201.12 EXCLUSION OF LIABILITY

Except as specifically provided in the GreenX Rules (and to the extent permitted by law), the Clearing House accepts no liability in connection with this Futures Contract, its performance, nonperformance or its termination whether based on breach of contract, warranty, negligence or tort. In particular, but without limitation, the Clearing House shall not be responsible for or shall have any liability whatsoever to any Buyer or Seller for the: availability, suitability, unavailability or malfunction of a Communication Link or any part thereof; performance or non-performance by a registry or CITL or UNFCCC International Transaction Log of their respective obligations under the Registry Regulations or otherwise; any act or omission of any operator of a

Communication Link or any part thereof; or any act or omission of an authorized agent of any other party; or any performance or non-performance by the Clearing House in relation to its serving as a party to the deliveries and the Clearing House shall under no circumstances be liable for any indirect or consequential loss or loss of profits. Additionally, nothing in these Rules will constrain the Clearing House from performing its duties under Clearing House Rule 802.

CHAPTER 13
CLIMATE ACTION RESERVE (CAR) CONTRACT SPECIFICATIONS

RULE 1301. Climate Action Reserve (CAR) Futures

1301.01 SCOPE

The provisions of these Rules shall apply to all Climate Reserve Tonnes™ (CRT™) bought or sold for future delivery on the Exchange with the Delivery at the Reserve.

1301.01A DEFINITIONS

(a) The terms “Seller” and “Buyer” shall mean the short Clearing Member and the long Clearing Member, respectively.

(b) The terms “Seller’s Customer” and “Buyer’s Customer” shall mean the seller and buyer of the physical product or swap transaction.

(c) The term “Settlement Price” shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery month. The settlement price for the last trading day shall be determined in accordance with the procedures set forth in Rule 813.

(d) The “Climate Action Reserve” (“CAR”) is a private non-profit organization originally formed by the State of California. CAR serves as a voluntary greenhouse gas (GHG) registry to protect and promote early actions to reduce GHG emissions by organizations.

(e) Climate Action Reserve (CAR) defines a “Climate Reserve Tonne” (“CRT”) as being equal to an emission reduction that is equivalent to one metric tonne of verified greenhouse gas emission reductions.

(f) “Carbon Dioxide Equivalent” (“CO₂e”): The universal unit of measurement used to indicate the global warming potential of each of the six greenhouse gases. Carbon dioxide a naturally occurring gas that is a byproduct of burning fossil fuels and biomass, land-use changes, and other industrial processes is the reference gas against which the other greenhouse gases are measured.

(g) “The Reserve”: The CAR accredited System, by which CRT is issued, held, transferred or retired.

1301.02 TIME REFERENCES

For purposes of this Rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in New York.

1301.03 CONTRACT UNIT

The Contract unit shall be one thousand (1,000) Climate Reserve Tonnes (CRT) for a delivery made by transfer through the Reserve.

1301.04 DELIVERABLE CRTS

(a) For Contracts without a specified vintage year, CRTs acceptable for delivery are those having a vintage 2009 or later.

(b) For Contracts with a specified vintage year, CRTs acceptable for delivery are those having a vintage corresponding to the specified vintage year.

1301.04A DELIVERY

Climate Reserve Tonnes (CRT) delivery shall comply with all requirements for the electronic transfer through the Reserve. All deliveries made under these Rules shall be final and there shall be no appeal.

1301.05 DELIVERY MONTHS

Trading shall be conducted in Contracts providing for delivery in such periods as shall be determined by the Exchange.

1301.06 MINIMUM PRICE FLUCTUATIONS

Prices shall be quoted in dollars and cents per Climate Reserve Tonnes (CRT). The minimum price fluctuation shall be \$0.01 per CRT (\$10.00 per Contract). There shall be no maximum price fluctuations.

1301.07 TERMINATION OF TRADING

No trades in Climate Action Reserve (CAR) Futures deliverable in the current month shall be made after the termination of the last Business Day of the contract month. Any Contracts remaining open after the last day of trading must be either:

(a) Settled by delivery no later than the second Business Day after the termination of the contract month.

(b) Liquidated by means of a bona fide Exchange of Futures for Related Position (EFRP), no later than two hours after trading terminates on the last day of trading of the expiring Futures Contract.

1301.08 DELIVERY PROCEDURES

(a) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS

Notice of Intention to Accept

By 10:00 a.m. on the first Business Day after the final day of trading, a Buyer having an open position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include: Name of the Buyer's Customer, Number of Contracts to be accepted, Reserve Account Number, Name, Phone Number and e-mail address of the Account Holder for that Reserve account, and any additional information as may be required by the Exchange;

(b) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN SHORT POSITIONS

Notice of Intention to Deliver

By 10:00 a.m. on the first Business Day after the final day of trading, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form prescribed by the Exchange and shall include: Name of the Seller's Customer, Number of Contracts to be delivered, Reserve Account Number, Name, Phone Number and e-mail address of the Account holder for that Reserve account, and any additional information as may be required by the Exchange.

(c) USE OF SETTLEMENT PRICE

The final settlement price used for the delivery shall be the settlement price from the final day of trading.

(d) NOTICE DAY

(i) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions, to the extent possible.

(ii) The Clearing House shall provide Tender Allocation Notices to the respective Clearing Members on the first Business Day after the final day of trading.

(iii) The day the Tender Allocation Notices are provided to the Clearing Members shall be referred to as "Notice Day". Tender Allocation Notices are not transferable.

(e) PAYMENT AND DELIVERY MARGINS

(i) Definitions

(A) The Buyer and Seller shall deposit with the Clearing House margins in such amounts and in such form as required by the Clearing House. Such margins which shall not be greater than the margins charged to the Buyer's Customer and Seller's Customer shall be returned on the Business Day following notification to the Exchange that delivery and payment have been completed.

(B) "Payment" shall include the settlement price times the number of Contracts times 1,000.

(C) "Payment Date" shall mean the Business Day after the Buyer's Customer receipt of proper notification from the Climate Action Reserve System that CRTs have been transferred from the Seller's Customer account to the Buyer's Customer account, provided documentation is supplied to the Buyer's Customer by no later than 2:00 p.m. Documentation supplied to Buyer after 2:00 p.m. on any Exchange Business Day, shall be considered received on the following Exchange Business Day.

(D) On the first Business Day following the last day of trading, the long Clearing Member shall obtain from the long, if any, margin equal to the full value of the product to be delivered. Such margin shall consist of cash, securities issued by the United States Treasury Department maturing within ten (10) years from the date of deposit and guaranteed as to principal and interest by the United States Government or a letter of credit. Any Treasury securities so deposited shall be valued at ninety percent (90%) of the par value of such instruments. Any letter of credit so deposited shall be in a form approved by the Exchange, shall be issued or confirmed by an Exchange approved original margin depository, and shall be drawn in favor of the Clearing House.

(E) The Buyer shall pay the Seller at the office of the Seller by a certified check or electronic funds transfer, or any other method acceptable to both parties by 12:00 p.m. on the Payment Date.

(F) On the Payment Date, The Seller shall deliver a Notice of Payment to the Buyer with a copy to the Exchange by 4:30 p.m. Upon receipt of such notice, the delivery shall be complete.

(G) Any payment made on Payment Date shall be based on CRTs actually delivered.

(f) **DELIVERY DAY**

The day the Buyer receives the CRTs shall be referred to as the Delivery Day.

1301.09 DELIVERY PERIOD

Delivery shall take place on the second Business Day after the final day of trading.

1301.10 VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity or accuracy of any of Tender Allocation Notice, Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these rules.

1301.11 ALTERNATIVE DELIVERY PROCEDURE

A Seller's Customer or Buyer's Customer may agree with the Buyer's Customer or the Seller's Customer with which it has been matched by the Exchange under Rule 1301.08(D) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Clearing Members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Clearing House. The delivery of an executed Alternative Notice of Intention to Deliver to the Clearing House shall release the Clearing Members and the Exchange from their respective obligations under the Exchange Contracts.

In executing such Alternative Notice of Intention to Deliver, Clearing Members shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the Contracts involved.

1301.12 LATE PERFORMANCE, FAILURE TO PERFORM, AND FORCE MAJEURE

(a) DEFINITION. As used in this Rule 1301.12 the following terms, as well as variations thereof, shall have the meaning described below.

(i) "Late Performance" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three Business Days. Late Performance beyond three Business Days by, a Seller or a Buyer will be deemed a Failure to Perform.

(ii) "Day of Late Performance" shall mean the twenty-four hour period commencing immediately after a Buyer or a Seller was to have performed. Each subsequent Day of Late Performance shall commence twenty-four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act was to have performed shall be a Day of Late Performance.

(iii) "Failure to Perform" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.

(iv) "Contract Value" shall mean the amount equal to the settlement price on the last day of trading in a Futures Contract times 1,000 (the number of CRTs per Contract) times the number of Contracts to be delivered.

(v) (A) "Party" shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.

(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.

(vi) "Force Majeure" shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.

(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY

(i) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.

(ii) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.

(c) EMISSIONS ALLOWANCE DELIVERY COMMITTEE

(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:

(A) When the Chairman of the Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;

(B) Upon written request of both the Buyer and Seller;

(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or

(D) If either Party to the delivery notifies the Exchange that circumstances constituting a Force Majeure prevent the performance of delivery obligations.

(ii) The Chairman of the Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Each Panel Member shall disclose to the Chairman of the Emissions Allowance Delivery Committee any such interest which might preclude such Panel Member from rendering a fair and impartial determination. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.

(iii) The Panel shall meet within one Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists or whether a Buyer or Seller has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.

(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable order: an extension of time not to exceed ten days from the date of the scheduled delivery; or, refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules.

(d) EXCHANGE ACTION

(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of a delivery obligation, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment, assessing a penalty of 10% of Contract value for each applicable day of Late Performance.

(ii) Whenever a Buyer or Seller is found by the Panel or otherwise deemed to have a "Failure to Perform" the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment assessing penalties of twenty percent (20%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (1) above, to be paid to the Exchange.

(iii) (A) A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Exchange's Regulatory Oversight Department, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Exchange's Market Regulation Counsel.

(B) The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.

(C) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal within the time specified in subsection (D)(3)(a) of this Rule shall constitute a waiver, and the penalties shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a party fails to appeal, or waives the opportunity to appeal, a Notice of Assessment, the Assessment and Findings of the Emissions Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.

(iv) Within ten (10) days after receipt of Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied upon by Regulatory Oversight Department or are otherwise relevant to the matter.

(v) In the event of an appeal by a Party, the Regulatory Oversight Department, or its designee, shall appoint a Performance Appeal Panel to hear and decide the appeal. No member of the Performance Appeal Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Regulatory Oversight Department, or its designee, any such interest which

might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Performance Appeal Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Performance Appeal Panel.

(vi) The procedures for the hearing of the appeal before the Performance Appeal Panel shall be as follows:

(A) At a date to be set by order of the Performance Appeal Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.

(B) At such hearing, the Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.

(C) The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.

(D) The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.

(E) The Regulatory Oversight Department and the Appellant shall be entitled to cross examine any witness called by the opposing Party at the hearing.

(F) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Performance Appeal Panel by either Party shall constitute the record of the hearing. The decision of the Performance Appeal Panel shall be based upon the record of the hearing.

(G) The Performance Appeal Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.

(H) The Performance Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.

(I) The decision of the Performance Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective date of the decision or as specified. The effective date shall be fifteen (15) days after a copy of the written decision has been delivered to the Appellant and to the CFTC.

(vii) The Performance Appeal Panel shall consider, and make recommendations to the Exchange concerning acceptance, or rejection, of any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Exchange shall constitute the final disciplinary action of the Exchange.

(e) ARBITRATION PROCEDURE

(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.

(ii) Notice of Intent to Arbitrate must be submitted to the Regulatory Oversight Department within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.

(iii) The Arbitration will be governed by Chapter 8 of the GreenX Rules with the following exceptions:

(A) The Regulatory Oversight Department or its designee shall appoint an Arbitration Panel.

(B) The Arbitration Panel shall render its award, if any, in writing, which award shall be based on the damages proven by the injured party which may include such other relief which the Panel deems just and equitable.

(C) The award of the Arbitration Panel shall be final and binding upon each of the parties to the arbitration.

(D) Failure to comply with the terms of the award may subject the party that fails to comply with such terms to disciplinary proceedings pursuant to Chapter 6 Rule 618.

RULE 1302. Climate Action Reserve (CAR) Option

1302.01 EXPIRATION

A Climate Action Reserve (CAR) Option Contract listed on the Exchange shall expire at the close of trading three Business Days prior to the expiration of the underlying Climate Action Reserve (CAR) Futures Contract.

1302.02 TRADING UNIT

The Option Contract is a European-style option. A Climate Action Reserve (CAR) put or call Option Contract traded on the Exchange represents an option to assume a short or long position in the underlying Climate Action Reserve (CAR) Futures Contract traded on the Exchange.

1302.03 TRADING MONTHS

Trading in the Option Contract shall be conducted in contract months as shall be determined by the Exchange. Trading shall commence on the day fixed by resolution of the Exchange.

1302.04 HOURS OF TRADING

The hours of trading in Climate Action Reserve (CAR) Option Contracts on the Exchange shall be the same as the hours of trading for in Climate Action Reserve (CAR) Futures Contracts. All such trading shall take place within the venue and hours prescribed by the Exchange.

The Climate Action Reserve (CAR) Option Contracts are available for clearing on CPC during the hours prescribed by the Exchange.

1302.05 STRIKE PRICES

Trading shall be conducted for Option Contracts with strike prices in increments as set forth below.

(a) On the first Business Day of trading in an Option Contract month, trading shall be at the following strike prices: (i) the previous day's settlement price for Climate Action Reserve (CAR) Futures Contracts in the corresponding delivery month rounded off to the nearest fifty-cent increment strike price (ii) the ten fifty-cent increment strike prices which are ten increments higher than the strike price described in (i) of this Rule 1302.05(A) and (iii) the ten fifty-cent increment strike prices which are ten increments lower than the strike price described in (i) of this Rule 1302.05(A).

(b) Thereafter, on any Business Day prior to the expiration of the Option Contract, new consecutive strike prices for both puts and calls will be added such that there will be ten increments above and below the at-the-money option.

(c) Notwithstanding the provisions of subsections (A) and (B) of this Rule, if the Exchange determines that trading in the Option Contracts will be facilitated thereby, the Exchange may, by resolution, change the increments between strike prices, the number of strike prices which shall be traded in the first day in any new Option Contract month, the number of new strike prices which will be introduced on each Business Day or the period preceding the expiration of an Option Contract in which no new strike prices may be introduced.

1302.06 PRICES AND PRICE FLUCTUATIONS

Prices shall be quoted in Dollars (\$) and cents (¢) per Climate Reserve Tonnes™ (CRT™). The minimum price fluctuation is \$0.01 per CRT. A cabinet trade may occur at a price of \$1.00 per Contract, however, if it results in the liquidation of positions for both parties to the trade.

1302.07 ABSENCE OF PRICE FLUCTUATION LIMITATIONS

Trading in Climate Action Reserve (CAR) Option Contracts shall not be subject to price fluctuation limitations.

CHAPTER 14
REGIONAL GREENHOUSE GAS INITIATIVE (RGGI) CONTRACT SPECIFICATIONS

RULE 1401. Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Futures

1401.01. SCOPE

The provisions of these rules shall apply to all Regional Greenhouse Gas Initiative (RGGI) Carbon Dioxide (CO2) allowances bought or sold for future delivery on the Exchange with the delivery through the RGGI CO2 Allowance Tracking System.

1401.01.A. DEFINITIONS

(a) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively.

(b) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer of the physical product.

(c) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery month. The settlement price for the last trading day shall be determined in accordance with the procedures set forth in GreenX Rule 905.

(d) The "Regional Greenhouse Gas Initiative" ("RGGI") is a regional cap-and-trade program by Northeast and Mid-Atlantic states to limit carbon dioxide, i.e., CO2 emissions from regional power plants.

(e) "RGGI CO2 Allowance" shall mean a limited authorization under RGGI program to emit up to one ton of CO2.

(f) "RGGI CO2 Allowance Tracking System" shall mean the system by which the RGGI CO2 allowances are allocated, deducted, or transferred.

1401.02. TIME REFERENCES

For purposes of this Rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in New York.

1401.03. CONTRACT UNIT

The Contract unit shall be one thousand (1,000) RGGI CO2 allowances for a delivery made by transfer through the RGGI CO2 Allowance Tracking System.

1401.04. DELIVERY

RGGI CO2 allowances delivery shall comply with all requirements for the electronic transfer of CO2 allowances on the RGGI CO2 Allowance Tracking System. All deliveries made under this Rule shall be final and there shall be no appeal.

1401.05. DELIVERY MONTHS AND CONTRACT VINTAGES

Trading shall be conducted in contract months with and without specific vintage years providing for delivery in such periods as shall be determined by the Exchange.

1401.06. MINIMUM PRICE FLUCTUATIONS

Prices shall be quoted in dollars and cents per allowance. The minimum price fluctuation shall be \$0.01 per allowance (\$10.00 per Contract). There shall be no maximum price fluctuations.

1401.07. TERMINATION OF TRADING

No trades in Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Futures deliverable in the current month shall be made after the termination of the last Business Day of the contract month. Any Contracts remaining open after the last day of trading must be either:

- (a) Settled by delivery no later than on the third Business Day after the final day of trading.
- (b) Liquidated by means of a bona fide Exchange of Futures for Related Position (EFRP), no later than two hours after trading terminates on the last day of trading of the expiring Futures Contract.

1401.08. DELIVERABLE ALLOWANCES

- (a) Contracts without a specific vintage year: RGGI CO2 allowances acceptable for delivery must have a vintage applicable to compliance in the RGGI control period related to the calendar year of the contract month.
- (b) Contracts with a specific vintage year: RGGI CO2 allowances acceptable for delivery are allowances with a vintage corresponding to the specified vintage year.

1401.09. DELIVERY PROCEDURES

- (a) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS
 - (i) NOTICE OF INTENTION TO ACCEPT

By 4:30 p.m. on the first Business Day after the final day of trading, a Buyer having an open position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include: name of the Buyer's Customer, number of Contracts to be accepted, RGGI CO2 Allowance Tracking System account number; Name, phone number and e-mail address of the authorized account representative for that RGGI CO2 Allowance Tracking System account, and any additional information as may be required by the Exchange;

- (b) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN SHORT POSITIONS
 - (i) Notice of Intention to Deliver

By 4:30 p.m. on the first Business Day after the final day of trading, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver.

The Notice of Intention to Deliver shall be in the form prescribed by the Exchange and shall include:

Name of the Seller's Customer, number of Contracts to be delivered, RGGI CO2 Allowance Tracking System Account Number, name, phone number and e-mail address of the authorized account representative for that RGGI CO2 Allowance Tracking System account, Any additional information as may be required by the Exchange.

(c) USE OF SETTLEMENT PRICE: The final settlement price used for the delivery shall be the settlement price from the final day of trading.

(d) NOTICE DAY

(i) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions, to the extent possible.

(ii) The Clearing House shall provide Tender Allocation Notices to the respective Clearing Members on the second Business Day after the final day of trading.

(iii) The day the Tender Allocation Notices are provided to the Clearing Members shall be referred to as "Notice Day". Tender Allocation Notices are not transferable.

(e) PAYMENT AND DELIVERY MARGINS

(i) Definitions

(A) The Buyer and Seller shall deposit with the Clearing House margins in such amounts and in such form as required by the Clearing House. Such margins which shall not be greater than the margins charged to the Buyer's Customer and Seller's Customer shall be returned on the Business Day following notification to the Exchange that delivery and payment have been completed.

(B) "Payment" shall include the settlement price times the number of Contracts times 1000.

(C) "Payment Date" shall mean the Business Day after the Buyer's Customer's receipt of proper notification from the RGGI CO2 Allowance Tracking System that allowances have been transferred from the Seller's Customer's account to the Buyer's Customer's account, provided documentation is supplied to the Buyer's Customer by no later than 2:00 p.m. Documentation supplied to Buyer after 2:00 p.m. on any Exchange Business Day shall be considered received on the following Exchange Business Day.

(D) On the last Business Day following the last day of trading, the Buyer shall obtain from the Buyer's Customer, if any, margin equal to the full value of the product to be delivered. Such margin shall consist of cash, securities issued by the United States Treasury Department maturing within ten years from the date of deposit and guaranteed as to principal and interest by the United States Government or a letter of credit. Any Treasury securities so deposited shall be valued at ninety percent (90%) of the par value of such instruments. Any letter of credit so deposited shall be in a form approved by the Exchange, shall be issued or confirmed by an Exchange approved original margin depository, and shall be drawn in favor of the Clearing House.

(E) The Buyer shall pay the Seller at the office of the Seller by a certified check or electronic funds transfer, or any other method acceptable to both parties by 12:00 p.m. on the payment date.

(F) On the Payment Date, the Seller shall deliver a Notice of Payment to the Buyer with a copy to the Exchange by 4:30 p.m. Upon receipt of such notice, the delivery shall be complete.

(G) Any payment made on Payment Date shall be based on RGGI CO2 allowances actually delivered.

(f) **DELIVERY DAY**

The day the Buyer receives the allowances shall be referred to as the Delivery Day.

1401.10. DELIVERY PERIOD

Delivery shall take place on the third Business Day after the final day of trading.

1401.11. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity or accuracy of any of Tender Allocation Notice, Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these rules.

1401.12. ALTERNATIVE DELIVERY PROCEDURE

A Seller's Customer or Buyer's Customer may agree with the Buyer's Customer or the Seller's Customer with which it has been matched by the Exchange under Rule 1401.09(D) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Clearing Members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Clearing House. The delivery of an executed Alternative Notice of Intention to Deliver to the Clearing House shall release the Clearing Members and the Exchange from their respective obligations under the Exchange Contracts.

In executing such Alternative Notice of Intention to Deliver, Clearing Members shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the Contracts involved.

1401.13. FORCE MAJEURE, LATE PERFORMANCE AND FAILURE TO PERFORM

(a) DEFINITION. As used in this Rule 1401.13 the following terms, as well as variations thereof, shall have the meaning described below.

(i) "Late Performance" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. No Late Performance shall exceed the lesser of two continuous Business Days or three consecutive calendar days.

(ii) "Failure to Perform" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.

(iii) "Contract Value" shall mean the amount equal to the settlement price on the last day of trading in a Futures Contract times 1000 (the number of allowances per Contract) times the number of Contracts to be delivered.

(iv) (A) "Party" shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.

(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.

(v) "Day of Late Performance" shall mean the twenty-four hour period after a Buyer or a Seller was to have performed, provided however, with respect to the obligations of Buyers and Sellers to submit documents to the Exchange pursuant to this Rule, "Day of Late Performance" means that twenty four hour period commencing immediately after the time specified in this Rule for the submission of a document. Each subsequent Day of Late Performance shall commence twenty-four hours after the beginning of the prior Day of Late Performance.

(vi) "Force Majeure" means any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.

(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY

(i) The Parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.

(ii) A Party that has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer that has failed to make a payment shall still be required to make such payment.

(c) EMISSIONS ALLOWANCE DELIVERY COMMITTEE

(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:

(A) When the Chairman of the Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that a Party to the delivery has failed or may fail to perform;

(B) Upon written request of both the Buyer and the Seller;

(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or

(D) If either Party to the delivery notifies the Exchange that circumstances constituting a Force Majeure prevent the performance of delivery obligations.

(ii) The Chairman of the Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Each Panel Member shall disclose to the Chairman of the Emissions Allowance Delivery Committee any such interest which might preclude such Panel Member from rendering a fair and impartial determination. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as legal advisor to the Panel.

(iii) The Panel shall meet within one Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists or whether a Buyer or Seller has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible. Nothing in this Subsection shall preclude a Party or the Exchange from seeking the remedies set forth in Sections (D) and (E) of this Rule.

(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable: order an extension of time not to exceed five days from the date of the scheduled delivery; or, refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules.

(d) EXCHANGE ACTION

(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of or to have failed to perform a delivery, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment in accordance with subsection (2) of this Section, specifying the findings of the Panel with respect to the late or failed delivery.

(ii) (A) Each day of Late Performance shall result an assessment against the party for 3% of the Contract value, but not less than \$500 per Contract.

(B) When a Party has failed to perform, the Regulatory Oversight Department shall issue a Notice of Assessment assessing penalties of twenty percent (20 %) of the Contract value, but not less than \$2000 a Contract, in addition to any penalties assessed pursuant to subparagraph (2) hereof, to be paid to the Exchange.

(iii) (A) A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Exchange's Market Regulation Counsel, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Regulatory Oversight Department and a copy of the same served upon the Exchange's Market Regulation Counsel.

(B) The Regulatory Oversight Department may file with the Appellant an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.

(C) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal within the time specified in subsection (D)(4)(a) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Exchange rules. In the event a Party fails to appeal, or waives the opportunity to appeal, a Notice of Assessment, the Assessment and Findings of the Emissions Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.

(iv) Within ten (10) days after receipt of the Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or

under the control of the Exchange that are to be relied upon by the Regulatory Oversight Department or are otherwise relevant to the matter.

(v) In the event of an appeal by a Party, the Regulatory Oversight Department, or its designee, shall appoint a Performance Appeal Panel to hear and decide the appeal. No member of the Performance Appeal Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Regulatory Oversight Department, or its designee, any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Performance Appeal Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Performance Appeal Panel.

(vi) The procedures for the hearing of the appeal before the Performance Appeal Panel shall be as follows:

(A) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.

(B) At such hearing, the Appellant may appear personally and may be represented by counselor or other representative of its choice at the appeal.

(C) The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.

(D) The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.

(E) The Regulatory Oversight Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.

(F) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the transcript of the appeal, any documentary evidence or other material presented to and accepted by the Performance Appeal Panel by either party shall collectively constitute the record of the hearing. The decision of the Performance Appeal Panel shall be based upon the record of the hearing.

(G) The Performance Appeal Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.

(H) The Performance Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.

(I) The decision of the Performance Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective date of the decision or as specified. The effective date shall be fifteen (15) days after a copy of the written decision has been delivered to the Appellant and to the CFTC.

(vii) The Performance Appeal Panel shall consider, and make recommendations to the Exchange concerning acceptance or rejection of, any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Exchange shall constitute the final disciplinary action of the Exchange.

(e) ARBITRATION PROCEDURE

(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.

(ii) Notice of Intent to Arbitrate must be submitted to the Regulatory Oversight Department within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.

(iii) The Arbitration will be governed by Chapter 8 of the GreenX Rules with the following exceptions:

(A) The Regulatory Oversight Department or its designee shall appoint an Arbitration Panel.

(B) The Arbitration Panel shall render its award, if any, in writing, which award shall be based on the damages proven by the injured party which may include such other relief which the Panel deems just and equitable.

(C) The award of the Arbitration Panel shall be final and binding upon each of the parties to the arbitration.

(D) Failure to comply with the terms of the award may subject the party that fails to comply with such terms to disciplinary proceedings pursuant to Chapter 8, GreenX Rule 801.

RULE 1402. Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Option

1402.01 EXPIRATION OF REGIONAL GREENHOUSE GAS INITIATIVE (RGGI) CO2 ALLOWANCE OPTION CONTRACT

A Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Option Contract shall expire on the close of trading on the 15th day of the contract month. If the 15th day is not a Business Day, the Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Option Contract shall expire on the Business Day prior to the 15th.

1402.02 TYPE OPTION

A Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Option is a European style option. A Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance put or call Option Contract traded on the Exchange represents an option to assume a short or long position in the underlying Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Futures Contract traded on the Exchange.

1402.03 TRADING MONTHS FOR REGIONAL GREENHOUSE GAS INITIATIVE (RGGI) O2 ALLOWANCE CONTRACT

Trading in the Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Option Contracts shall be conducted in the months as shall be determined by the Exchange. Trading shall commence on the day fixed by resolution of the Exchange.

1402.04 HOURS OF TRADING IN REGIONAL GREENHOUSE GAS INITIATIVE (RGGI) CO2 ALLOWANCE OPTION CONTRACT

The hours of trading in the Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Option Contracts on the Exchange shall be the same as the hours of trading for Futures Contracts. All such trading shall take place within the venue and hours prescribed by the Exchange.

The Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Option Contracts are available for clearing on CPC during the hours prescribed by the Exchange.

1402.05 STRIKE PRICES

(a) Trading shall be conducted for Option Contracts with strike prices in increments as set forth below.

(b) On the first Business Day of trading in an Option Contract month, trading shall be at the following strike prices: (i) the previous day's settlement price for Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Futures Contracts in the corresponding delivery month rounded off to the nearest fifty-cent strike price unless such settlement price is precisely midway between two strike prices in which case it shall be rounded off to the lower strike price and (ii) the five fifty-cent increment strike prices which are five increments higher than the strike price described in (i) of this Rule 1402.05(B) and (iii) the five fifty-cent increment strike prices which are five increments lower than the strike price described in (i) of this Rule 1402.05(B).

(c) Thereafter, on any Business Day prior to the expiration of the Option Contract, (i) new consecutive strike prices for both puts and calls will be added such that at all times there will be at least five fifty cent strike prices above and below the at-the-money strike price available for trading in all Option Contract months.

(d) Notwithstanding the provisions of subsections (a) through (c) of this Rule, if the Exchange determines that trading in Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Option Contracts will be facilitated thereby, the Board may, by resolution, change the increments between strike prices, the number of strike prices which shall be traded on the first day in any new Option Contract month the number of new strike prices which will be introduced on each Business Day or the period preceding the expiration of a Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Option Contracts in which no new strike prices may be introduced.

1402.06 PRICES IN REGIONAL GREENHOUSE GAS INITIATIVE (RGGI) CO2 ALLOWANCE OPTION CONTRACTS

Prices shall be quoted in dollars and cents per emission allowance. The minimum price fluctuation is \$0.01 per allowance.

1402.07 ABSENCE OF PRICE FLUCTUATION LIMITATIONS FOR REGIONAL GREENHOUSE GAS INITIATIVE (RGGI) CO2 ALLOWANCE OPTION CONTRACTS

Trading in Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Option Contracts shall not be subject to price fluctuation limitations.

CHAPTER 15
NOX EMISSIONS ALLOWANCE CONTRACT SPECIFICATIONS

RULE 1501. NOX Emissions Allowance Futures

1501.01. SCOPE

The provisions of these rules shall apply to all Seasonal NOx emissions allowances vintage 2012 (or earlier vintages) bought or sold for future delivery on the Exchange with the Delivery at the U.S Environmental Protection Agency's (EPA) NOx Allowance Management System (NAMS).

1501.01A. DEFINITIONS

(a) "EPA" means the U.S. Environmental Protection Agency or any successor agency with similar jurisdiction.

(b) "NOx Allowance" refers to a tradable permit to emit NOx as specified further by EPA.

(c) "NOx Allowance Management System" ("NAMS") means the system established by the EPA for recording the transfer of Allowances among various entities under the Clean Air Act as set.

(d) "Vintage Year" means the first calendar year for which the allowance may be utilized for compliance.

(e) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively.

(f) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer of the physical product or swap transaction.

(g) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery month. The settlement price for the last day of the trading shall be determined in accordance with the procedures set forth in GreenX Rule 905.

1501.02. TIME REFERENCES

For purposes of this Rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in New York.

1501.03. CONTRACT UNIT

The Contract unit shall be ten (10) allowances of NOx emissions allowances for delivery made by transfer through NAMS. Deliverable NOx emissions allowances are of the current vintage year.

1501.04. DELIVERY

Emission allowance delivery shall comply with all requirements for the electronic transfer of Seasonal NOX allowances through the NOX Allowance Management System. All deliveries made under this Rule shall be final and there shall be no appeal.

1501.05. DELIVERY MONTHS

Trading shall be conducted in Contracts providing for delivery in such periods as shall be determined by the Exchange.

1501.06. MINIMUM PRICE FLUCTUATIONS

Prices shall be quoted in dollars per allowance. The minimum price fluctuation shall be \$25.00 per allowance (\$250.00 per Contract). There shall be no maximum price fluctuation.

1501.07. TERMINATION OF TRADING

Trading in the current delivery month shall cease at termination of the third Business Day prior to the last Business Day of the contract month.

1501.08 RESERVED

1501.09. DELIVERY PROCEDURES

(a) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS

(i) NOTICE OF INTENTION TO ACCEPT

By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Buyer having an open position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include the Name of the Buyer's Customer, Number of Contracts to be accepted, and any additional information as may be required by the Exchange.

(ii) INFORMATION PROVIDED BY SELLER TO BUYER

By 4:00 p.m. on Notice Day, the Buyer shall provide the Seller with the following information: NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.

(b) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN SHORT POSITIONS

(i) NOTICE OF INTENTION TO DELIVER

By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form prescribed by the Exchange and shall include: Name of the Seller's Customer, Number of Contracts to be delivered, NAMS Account Number, Vintage Year, Name, Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account, any additional information as may be required by the Exchange.

(ii) INFORMATION PROVIDED BY SELLER TO BUYER

By 4:00 p.m. on Notice Day, the Seller shall provide the Buyer with the following information: NAMS Account Number, Vintage Year, Name, Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.

(c) USE OF SETTLEMENT PRICE: The final settlement price used for the delivery shall be the settlement price from the final day of trading.

(d) Notice Day

(i) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions, to the extent possible.

(ii) The Clearing House shall provide Tender Allocation Notices to the respective Clearing Members by 2:00 p.m. on the second Business Day prior to the last Business Day of the delivery month.

(iii) The day the Tender Allocation Notices are provided to the Clearing Members shall be referred to as "Notice Day". Tender Allocation Notices are not transferable.

(e) Payment and Delivery Margins

(i) Definitions

(A) "Payment" shall include the settlement price times the number of Contracts times 10.

(B) "Payment Date" shall mean the Business Day after the Buyer's Customer receipt of proper notification from the NAMS that allowances have been transferred from the Seller's Customer account to the Buyer's Customer account, provided documentation is supplied to the Buyer's Customer by no later than 2:00 p.m. Documentation supplied to Buyer after 2:00 noon on

any Exchange Business Day, shall be considered received on the following Exchange Business Day.

(C) On the Business Day following the last day of trading, the long Clearing Member shall obtain from the long, if any, margin equal to the full value of the product to be delivered. Such margin shall consist of cash, securities issued by the United States Treasury Department maturing within ten (10) years from the date of deposit and guaranteed as to principal and interest by the United States Government or a letter of credit. Any Treasury securities so deposited shall be valued at ninety percent (90%) of the par value of such instruments. Any letter of credit so deposited shall be in a form approved by the Exchange, shall be issued or confirmed by an Exchange approved original margin depository, and shall be drawn in favor of the Clearing House.

(D) The Buyer shall pay the Seller at the office of the Seller by a certified check or electronic funds transfer, or any other method acceptable to both parties by 12:00 p.m. on the payment date.

(E) The Buyer and Seller shall deposit with the Clearing House margins in such amounts and in such form as required by the Clearing House. Such margins which shall not be greater than the margins charged to the Buyer's Customer and Seller's Customer, shall be returned on the Business Day following notification to the Exchange that delivery and payment have been completed. (f) On the Payment Date, the Seller shall deliver a Notice of Payment to the Buyer with a copy to the Exchange by 4:30 p.m. Upon receipt of such notice the delivery shall be complete.

(F) Any payment made on Payment Date shall be based on allowances actually delivered.

(f) Delivery Day

The day the Buyer receives the allowances shall be referred to as the Delivery Day.

1501.10. DELIVERY PERIOD

Delivery shall take place on one Business Day prior to the last Business Day of the delivery month.

1501.11. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity or accuracy of any of Tender Allocation Notice, Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these rules.

1501.12. EXCHANGE OF FUTURES FOR RELATED POSITIONS

Any Exchange of Futures for Related Positions ("EFRP") shall be governed by the provisions of GreenX Rule 603.

An EFRP is permitted in the expiring futures contract until two hours after trading terminates on the last day of trading of the expiring futures contract.

1501.13. ALTERNATIVE DELIVERY PROCEDURE

A Seller's Customer or Buyer's Customer may agree with the Buyer's Customer or the Seller's Customer with which it has been matched by the Exchange under Rule 1505.09(D) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Clearing Members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Clearing House. The delivery of an executed Alternative Notice of Intention to Deliver to the Clearing House shall release the Clearing Members and the Exchange from their respective obligations under the Exchange Contracts.

In executing such Alternative Notice of Intention to Deliver, Clearing Members shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the Contracts involved.

1501.14. FORCE MAJEURE, LATE PERFORMANCE AND FAILURE TO PERFORM

(a) DEFINITION. As used in this Rule 1501.14, the following terms, as well as variations thereof, shall have the meaning described below.

(i) "Late Performance" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three Business Days. Late Performance beyond three Business Days by, a Seller or a Buyer will be deemed a Failure to Perform.

(ii) "Day of Late Performance" shall mean the twenty-four hour period commencing immediately after a Buyer, a Seller, or the Clearing House was to have performed. Each subsequent Day of Late Performance shall commence twenty-four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act was to have performed shall be a Day of Late Performance.

(iii) "Failure to Perform" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.

(iv) "Contract Value" shall mean the amount equal to the settlement price on the last day of trading in a Futures Contract times 10 (the number of allowances per Contract) times the number of Contracts to be delivered.

(v) (A) "Party" shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.

(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.

(vi) "Force Majeure" shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.

(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY

(i) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.

(ii) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.

(c) EMISSIONS ALLOWANCE DELIVERY COMMITTEE

(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:

(A) When the Chairman of the Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;

(B) Upon the written request of both the Buyer and the Seller;

(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or

(D) When either Party to the delivery notifies the Exchange that circumstances exist constituting Force Majeure.

(ii) The Chairman of the Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.

(iii) The Panel shall meet within one Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists, whether a Buyer or Seller is late in performing or has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.

(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable order: an extension of time not to exceed ten days from the date of the scheduled delivery; or, refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules.

(d) EXCHANGE ACTION

(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of a delivery obligation, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment, assessing a penalty of 10% of Contract value for each applicable day of Late Performance.

(ii) Whenever a Buyer or Seller is found by the Panel or otherwise deemed to have a "Failure to Perform" the Exchange, represented by the Regulatory Oversight Department shall issue a Notice of Assessment assessing penalties of twenty percent (20%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (1) above, to be paid to the Exchange.

(iii) (A) A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Exchange's Regulatory Oversight Department, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Chief Regulatory Officer.

(B) The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.

(C) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (D)(3)(a) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a party fails to Appeal, or waives the opportunity to appeal a Notice of Assessment, the Assessment and findings of the Emissions Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.

(iv) Within ten (10) days after receipt of Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied on by Regulatory Oversight Department or are otherwise relevant to the matter.

(v) In the event of an appeal by a Party, the Chief Executive Officer, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chief Executive Officer, or his designee, any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.

(vi) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:

(A) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.

(B) At such hearing: The Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.

(C) The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.

(D) The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.

(E) The Regulatory Oversight Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.

(F) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.

(G) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.

(H) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.

(I) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the CFTC.

(vii) The Assessment Appeal Panel shall consider, and make recommendations to the Chief Executive Officer, or his designee concerning acceptance or rejection of, any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Chief Executive Officer shall constitute the final disciplinary action of the Exchange.

(e) ARBITRATION PROCEDURE

(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.

(ii) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.

(iii) The Arbitration will be governed by Chapter 8 of the GreenX Rules except that the Chief Executive Officer or his designee shall appoint an Arbitration Panel.

RULE 1502. Seasonal NOx Emissions Allowance Vintage 2009 Futures

1502.01. SCOPE

The provisions of these rules shall apply to all Seasonal NOx emissions allowances vintage 2009 (or earlier vintages) bought or sold for future delivery on the Exchange with the Delivery at the U.S Environmental Protection Agency's (EPA) NOx Allowance Management System (NAMS).

1502.01A. DEFINITIONS

(a) "EPA" means the U.S. Environmental Protection Agency or any successor agency with similar jurisdiction.

(b) "Seasonal NOx Allowance" refers to a tradable permit to emit NOx from May 1 to September 30 in a given or subsequent calendar year under the Clean Air Interstate Rule (CAIR) Seasonal NOx Budget Trading Program as specified further by EPA.

(c) "NOx Allowance Management System" ("NAMS") means the system established by the EPA for recording the transfer of Allowances among various entities under the Clean Air Act as set.

(d) "Vintage Year" means the first calendar year for which the allowance may be utilized for compliance.

(e) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively.

(f) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer of the physical product or swap transaction.

(g) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery month. The settlement price for the last day of the trading shall be determined in accordance with the procedures set forth in GreenX Rule 905.

1502.02. TIME REFERENCES

For purposes of this Rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in New York.

1502.03. CONTRACT UNIT

The Contract unit shall be ten (10) allowances of Seasonal NOx emissions allowances vintage 2009 (or earlier vintages) for delivery made by transfer through NAMS.

1502.04. DELIVERY

Emission allowance delivery shall comply with all requirements for the electronic transfer of Seasonal NOx allowances through the NOx Allowance Management System. All deliveries made under this Rule shall be final and there shall be no appeal.

1502.05. DELIVERY MONTHS

Trading shall be conducted in Contracts providing for delivery in such periods as shall be determined by the Exchange.

1502.06. MINIMUM PRICE FLUCTUATIONS

Prices shall be quoted in dollars per allowance. The minimum price fluctuation shall be \$25.00 per allowance (\$250.00 per Contract). There shall be no maximum price fluctuation.

1502.07. TERMINATION OF TRADING

Trading in the current delivery month shall cease at termination of the third Business Day prior to the last Business Day of the contract month.

1502.08 RESERVED

1502.09. DELIVERY PROCEDURES

(a) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS

(i) NOTICE OF INTENTION TO ACCEPT

By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Buyer having an open position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include the Name of the Buyer's Customer, Number of Contracts to be accepted, and any additional information as may be required by the Exchange.

By 4:00 p.m. on Notice Day, the Buyer shall provide the Seller with the following information: NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.

(b) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN SHORT POSITIONS

(i) NOTICE OF INTENTION TO DELIVER

By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form prescribed by the Exchange and shall include: Name of the Seller's Customer; Number of Contracts to be delivered; NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account, and any information as may be required by the Exchange.

(ii) INFORMATION PROVIDED BY SELLER TO BUYER

By 4:00 p.m. on Notice Day, the Seller shall provide the Buyer with the following information: NAMS Account Number, Vintage Year, Name, Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.

(c) USE OF SETTLEMENT PRICE: The final settlement price used for the delivery shall be the settlement price from the final day of trading.

(d) Notice Day

(i) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions, to the extent possible.

(ii) The Clearing House shall provide Tender Allocation Notices to the respective Clearing Members by 2:00 p.m. on the second Business Day prior to the last Business Day of the delivery month.

(iii) The day the Tender Allocation Notices are provided to the Clearing Members shall be referred to as "Notice Day". Tender Allocation Notices are not transferable.

1502.10. DELIVERY PERIOD

Delivery shall take place on one Business Day prior to the last Business Day of the delivery month.

1502.11. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity or accuracy of any of Tender Allocation Notice, Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these rules.

1502.12. EXCHANGE OF FUTURES FOR RELATED POSITIONS

Any Exchange of Futures for Related Positions ("EFRP") shall be governed by the provisions of GreenX Rule 603.

An EFRP is permitted in the expiring futures contract until two hours after trading terminates on the last day of trading of the expiring futures contract.

1502.13. ALTERNATIVE DELIVERY PROCEDURE

A Seller's Customer or Buyer's Customer may agree with the Buyer's Customer or the Seller's Customer with which it has been matched by the Exchange under Rule 1502.09(D) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Clearing Members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Clearing House. The delivery of an executed Alternative Notice of Intention to Deliver to the Clearing House shall release the Clearing Members and the Exchange from their respective obligations under the Exchange Contracts.

In executing such Alternative Notice of Intention to Deliver, Clearing Members shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the Contracts involved.

1502.14. FORCE MAJEURE, LATE PERFORMANCE AND FAILURE TO PERFORM

(a) DEFINITION. As used in this Rule 1502.14, the following terms, as well as variations thereof, shall have the meaning described below.

(i) "Late Performance" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three Business Days. Late Performance beyond three Business Days by, a Seller or a Buyer will be deemed a Failure to Perform.

(ii) "Day of Late Performance" shall mean the twenty-four hour period commencing immediately after a Buyer, a Seller, or the Clearing House was to have performed. Each subsequent Day of Late Performance shall commence twenty-four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act was to have performed shall be a Day of Late Performance.

(iii) "Failure to Perform" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.

(iv) "Contract Value" shall mean the amount equal to the settlement price on the last day of trading in a Futures Contract times 10 (the number of allowances per Contract) times the number of Contracts to be delivered.

(v) (A) "Party" shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.

(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.

(vi) "Force Majeure" shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.

(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY

(i) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.

(ii) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.

(c) EMISSIONS ALLOWANCE DELIVERY COMMITTEE

(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:

(A) When the Chairman of the Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;

(B) Upon the written request of both the Buyer and the Seller;

(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or

(D) When either Party to the delivery notifies the Exchange that circumstances exist constituting Force Majeure.

(ii) The Chairman of the Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.

(iii) The Panel shall meet within one Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists, whether a Buyer or Seller is late in performing or has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.

(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable order: an extension of time not to exceed ten days from the date of the scheduled delivery; or, refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules.

(d) EXCHANGE ACTION

(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of a delivery obligation, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment, assessing a penalty of 10% of Contract value for each applicable day of Late Performance.

(ii) Whenever a Buyer or Seller is found by the Panel or otherwise deemed to have a "Failure to Perform" the Exchange, represented by the Regulatory Oversight Department shall issue a Notice of Assessment assessing penalties of twenty percent (20%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (1) above, to be paid to the Exchange.

(iii) (A) A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Exchange's Regulatory Oversight Department, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Chief Regulatory Officer.

(B) The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.

(C) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (D)(3)(a) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a party fails to Appeal, or waives the opportunity to appeal a Notice of Assessment, the Assessment and findings of the Emissions Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.

(iv) Within ten (10) days after receipt of Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied on by Regulatory Oversight Department or are otherwise relevant to the matter.

(v) In the event of an appeal by a Party, the Chief Executive Officer, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chief Executive Officer, or his designee, any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.

(vi) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:

(A) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.

(B) At such hearing: The Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.

(C) The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.

(D) The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.

(E) The Regulatory Oversight Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.

(F) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.

(G) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.

(H) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.

(I) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the CFTC.

(vii) The Assessment Appeal Panel shall consider, and make recommendations to the Chief Executive Officer, or his designee concerning acceptance or rejection of, any offer of settlement submitted

by Appellant. In the case of an offer of settlement, acceptance by the Chief Executive Officer shall constitute the final disciplinary action of the Exchange.

(e) ARBITRATION PROCEDURE

(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.

(ii) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.

(iii) The Arbitration will be governed by Chapter 8 of the GreenX Rules except that the Chief Executive Officer or his designee shall appoint an Arbitration Panel.

RULE 1503. Seasonal NOx Emissions Allowance Vintage 2010 Futures

1503.01. SCOPE

The provisions of these rules shall apply to all Seasonal NOx emissions allowances vintage 2010 (or earlier vintages) bought or sold for future delivery on the Exchange with the Delivery at the U.S Environmental Protection Agency's (EPA) NOx Allowance Management System (NAMS).

1503.01A. DEFINITIONS

(a) "EPA" means the U.S. Environmental Protection Agency or any successor agency with similar jurisdiction.

(b) "Seasonal NOx Allowance" refers to a tradable permit to emit NOx from May 1 to September 30 in a given or subsequent calendar year under the Clean Air Interstate Rule (CAIR) Seasonal NOx Budget Trading Program as specified further by EPA.

(c) "NOx Allowance Management System" ("NAMS") means the system established by the EPA for recording the transfer of Allowances among various entities under the Clean Air Act as set.

(d) "Vintage Year" means the first calendar year for which the allowance may be utilized for compliance.

(e) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively.

(f) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer of the physical product or swap transaction.

(g) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery month. The settlement price for the last day of the trading shall be determined in accordance with the procedures set forth in GreenX Rule 905.

1503.02. TIME REFERENCES

For purposes of this Rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in New York.

1503.03. CONTRACT UNIT

The Contract unit shall be ten (10) allowances of Seasonal NOx emissions allowances vintage 2010 (or earlier vintages) for delivery made by transfer through NAMS.

1503.04. DELIVERY

Emission allowance delivery shall comply with all requirements for the electronic transfer of Seasonal NOx allowances through the NOx Allowance Management System. All deliveries made under this Rule shall be final and there shall be no appeal.

1503.05. DELIVERY MONTHS

Trading shall be conducted in Contracts providing for delivery in such periods as shall be determined by the Exchange.

1503.06. MINIMUM PRICE FLUCTUATIONS

Prices shall be quoted in dollars per allowance. The minimum price fluctuation shall be \$25.00 per allowance (\$250.00 per Contract). There shall be no maximum price fluctuation.

1503.07. TERMINATION OF TRADING

Trading in the current delivery month shall cease at termination of the third Business Day prior to the last Business Day of the contract month.

1503.08 RESERVED

1503.09.DELIVERY PROCEDURES

(a) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS

(i) NOTICE OF INTENTION TO ACCEPT

By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Buyer having an open position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include the Name of the Buyer's Customer, Number of Contracts to be accepted, and any additional information as may be required by the Exchange.

By 4:00 p.m. on Notice Day, the Buyer shall provide the Seller with the following information: NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.

(b) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN SHORT POSITIONS

(i) NOTICE OF INTENTION TO DELIVER

By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form prescribed by the Exchange and shall include: Name of the Seller's Customer; Number of Contracts to be delivered; NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account, and any information as may be required by the Exchange.

(ii) INFORMATION PROVIDED BY SELLER TO BUYER

By 4:00 p.m. on Notice Day, the Seller shall provide the Buyer with the following information: NAMS Account Number, Vintage Year, Name, Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.

(c) USE OF SETTLEMENT PRICE: The final settlement price used for the delivery shall be the settlement price from the final day of trading.

(d) Notice Day

(i) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions, to the extent possible.

(ii) The Clearing House shall provide Tender Allocation Notices to the respective Clearing Members by 2:00 p.m. on the second Business Day prior to the last Business Day of the delivery month.

(iii) The day the Tender Allocation Notices are provided to the Clearing Members shall be referred to as "Notice Day". Tender Allocation Notices are not transferable.

1503.10.DELIVERY PERIOD

Delivery shall take place on one Business Day prior to the last Business Day of the delivery month.

1503.11.VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity or accuracy of any of Tender Allocation Notice, Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these rules.

1503.12.EXCHANGE OF FUTURES FOR RELATED POSITIONS

Any Exchange of Futures for Related Positions ("EFRP") shall be governed by the provisions of GreenX Rule 603.

An EFRP is permitted in the expiring futures contract until two hours after trading terminates on the last day of trading of the expiring futures contract.

1503.13. ALTERNATIVE DELIVERY PROCEDURE

A Seller's Customer or Buyer's Customer may agree with the Buyer's Customer or the Seller's Customer with which it has been matched by the Exchange under Rule 1503.09(D) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Clearing Members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Clearing House. The delivery of an executed Alternative Notice of Intention to Deliver to the Clearing House shall release the Clearing Members and the Exchange from their respective obligations under the Exchange Contracts.

In executing such Alternative Notice of Intention to Deliver, Clearing Members shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the Contracts involved.

1503.14. FORCE MAJEURE, LATE PERFORMANCE AND FAILURE TO PERFORM

(a) DEFINITION. As used in this Rule 1503.14, the following terms, as well as variations thereof, shall have the meaning described below.

(i) "Late Performance" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three Business Days. Late Performance beyond three Business Days by, a Seller or a Buyer will be deemed a Failure to Perform.

(ii) "Day of Late Performance" shall mean the twenty-four hour period commencing immediately after a Buyer, a Seller, or the Clearing House was to have performed. Each subsequent Day of Late Performance shall commence twenty-four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act was to have performed shall be a Day of Late Performance.

(iii) "Failure to Perform" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.

(iv) "Contract Value" shall mean the amount equal to the settlement price on the last day of trading in a Futures Contract times 10 (the number of allowances per Contract) times the number of Contracts to be delivered.

(v) (A) "Party" shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.

(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.

(vi) "Force Majeure" shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.

(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY

(i) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.

(ii) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.

(c) EMISSIONS ALLOWANCE DELIVERY COMMITTEE

(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:

(A) When the Chairman of the Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;

(B) Upon the written request of both the Buyer and the Seller;

(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or

(D) When either Party to the delivery notifies the Exchange that circumstances exist constituting Force Majeure.

(ii) The Chairman of the Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.

(iii) The Panel shall meet within one Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists, whether a Buyer or Seller is late in performing or has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.

(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable order: an extension of time not to exceed ten days from the date of the scheduled delivery; or, refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules.

(d) EXCHANGE ACTION

(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of a delivery obligation, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment, assessing a penalty of 10% of Contract value for each applicable day of Late Performance.

(ii) Whenever a Buyer or Seller is found by the Panel or otherwise deemed to have a "Failure to Perform" the Exchange, represented by the Regulatory Oversight Department shall issue a Notice of Assessment assessing penalties of twenty percent (20%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (1) above, to be paid to the Exchange.

(iii) (A) A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Exchange's Regulatory Oversight Department, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Chief Regulatory Officer.

(B) The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.

(C) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (D)(3)(a) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a party fails to Appeal, or waives the opportunity to appeal a Notice of Assessment, the Assessment and findings of the Emissions Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.

(iv) Within ten (10) days after receipt of Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied on by Regulatory Oversight Department or are otherwise relevant to the matter.

(v) In the event of an appeal by a Party, the Chief Executive Officer, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chief Executive Officer, or his designee, any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.

(vi) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:

(A) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.

(B) At such hearing: The Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.

(C) The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.

(D) The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.

(E) The Regulatory Oversight Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.

(F) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.

(G) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.

(H) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.

(I) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the CFTC.

(vii) The Assessment Appeal Panel shall consider, and make recommendations to the Chief Executive Officer, or his designee concerning acceptance or rejection of, any offer of settlement submitted

by Appellant. In the case of an offer of settlement, acceptance by the Chief Executive Officer shall constitute the final disciplinary action of the Exchange.

(e) ARBITRATION PROCEDURE

(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.

(ii) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.

(iii) The Arbitration will be governed by Chapter 8 of the GreenX Rules except that the Chief Executive Officer or his designee shall appoint an Arbitration Panel.

RULE 1504. Seasonal NOx Emissions Allowance Vintage 2011 Futures

1504.01.SCOPE

The provisions of these rules shall apply to all Seasonal NOx emissions allowances vintage 2011 (or earlier vintages) bought or sold for future delivery on the Exchange with the Delivery at the U.S Environmental Protection Agency's (EPA) NOx Allowance Management System (NAMS).

1504.01A. DEFINITIONS

(a) "EPA" means the U.S. Environmental Protection Agency or any successor agency with similar jurisdiction.

(b) "Seasonal NOx Allowance" refers to a tradable permit to emit NOx from January 1 to December 31 in a given or subsequent calendar year under the Clean Air Interstate Rule (CAIR) Seasonal NOx Budget Trading Program as specified further by EPA.

(c) "NOx Allowance Management System" ("NAMS") means the system established by the EPA for recording the transfer of Allowances among various entities under the Clean Air Act as set.

(d) "Vintage Year" means the first calendar year for which the allowance may be utilized for compliance.

(e) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively.

(f) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer of the physical product or swap transaction.

(g) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery month. The settlement price for the last day of the trading shall be determined in accordance with the procedures set forth in GreenX Rule 905.

1504.02. TIME REFERENCES

For purposes of this Rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in New York.

1504.03. CONTRACT UNIT

The Contract unit shall be ten (10) allowances of Seasonal NOx emissions allowances vintage 2011 (or earlier vintages) for delivery made by transfer through NAMS.

1504.04. DELIVERY

Emission allowance delivery shall comply with all requirements for the electronic transfer of Seasonal NOx allowances through the NOx Allowance Management System. All deliveries made under this Rule shall be final and there shall be no appeal.

1504.05. DELIVERY MONTHS

Trading shall be conducted in Contracts providing for delivery in such periods as shall be determined by the Exchange.

1504.06. MINIMUM PRICE FLUCTUATIONS

Prices shall be quoted in dollars per allowance. The minimum price fluctuation shall be \$25.00 per allowance (\$250.00 per Contract). There shall be no maximum price fluctuation.

1504.07. TERMINATION OF TRADING

Trading in the current delivery month shall cease at termination of the third Business Day prior to the last Business Day of the contract month.

1504.08 RESERVED

1504.09. DELIVERY PROCEDURES

(a) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS

(i) NOTICE OF INTENTION TO ACCEPT

By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Buyer having an open position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include the Name of the Buyer's Customer, Number of Contracts to be accepted, and any additional information as may be required by the Exchange.

By 4:00 p.m. on Notice Day, the Buyer shall provide the Seller with the following information: NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.

(b) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN SHORT POSITIONS

(i) NOTICE OF INTENTION TO DELIVER

By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form prescribed by the Exchange and shall include: Name of the Seller's Customer; Number of Contracts to be delivered; NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account, and any information as may be required by the Exchange.

(ii) INFORMATION PROVIDED BY SELLER TO BUYER

By 4:00 p.m. on Notice Day, the Seller shall provide the Buyer with the following information: NAMS Account Number, Vintage Year, Name, Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.

(c) USE OF SETTLEMENT PRICE: The final settlement price used for the delivery shall be the settlement price from the final day of trading.

(d) Notice Day

(i) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions, to the extent possible.

(ii) The Clearing House shall provide Tender Allocation Notices to the respective Clearing Members by 2:00 p.m. on the second Business Day prior to the last Business Day of the delivery month.

(iii) The day the Tender Allocation Notices are provided to the Clearing Members shall be referred to as "Notice Day". Tender Allocation Notices are not transferable.

1504.10. DELIVERY PERIOD

Delivery shall take place on one Business Day prior to the last Business Day of the delivery month.

1504.11. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity or accuracy of any of Tender Allocation Notice, Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these rules.

1504.12. EXCHANGE OF FUTURES FOR RELATED POSITIONS

Any Exchange of Futures for Related Positions ("EFRP") shall be governed by the provisions of GreenX Rule 603.

An EFRP is permitted in the expiring futures contract until two hours after trading terminates on the last day of trading of the expiring futures contract.

1504.13. ALTERNATIVE DELIVERY PROCEDURE

A Seller's Customer or Buyer's Customer may agree with the Buyer's Customer or the Seller's Customer with which it has been matched by the Exchange under Rule 1505.09(D) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Clearing Members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Clearing House. The delivery of an executed Alternative Notice of Intention to Deliver to the Clearing House shall release the Clearing Members and the Exchange from their respective obligations under the Exchange Contracts.

In executing such Alternative Notice of Intention to Deliver, Clearing Members shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the Contracts involved.

1504.14. FORCE MAJEURE, LATE PERFORMANCE AND FAILURE TO PERFORM

(a) DEFINITION. As used in this Rule 1505.14, the following terms, as well as variations thereof, shall have the meaning described below.

(i) "Late Performance" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three Business Days. Late Performance beyond three Business Days by, a Seller or a Buyer will be deemed a Failure to Perform.

(ii) "Day of Late Performance" shall mean the twenty-four hour period commencing immediately after a Buyer, a Seller, or the Clearing House was to have performed. Each subsequent Day of Late Performance shall commence twenty-four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act was to have performed shall be a Day of Late Performance.

(iii) "Failure to Perform" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.

(iv) "Contract Value" shall mean the amount equal to the settlement price on the last day of trading in a Futures Contract times 10 (the number of allowances per Contract) times the number of Contracts to be delivered.

(v) (A) "Party" shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.

(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.

(vi) "Force Majeure" shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.

(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY

(i) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.

(ii) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.

(c) EMISSIONS ALLOWANCE DELIVERY COMMITTEE

(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:

(A) When the Chairman of the Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;

(B) Upon the written request of both the Buyer and the Seller;

(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or

(D) When either Party to the delivery notifies the Exchange that circumstances exist constituting Force Majeure.

(ii) The Chairman of the Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.

(iii) The Panel shall meet within one Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists, whether a Buyer or Seller is late in performing or has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.

(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable order: an extension of time not to exceed ten days from the date of the scheduled delivery; or, refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules.

(d) EXCHANGE ACTION

(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of a delivery obligation, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment, assessing a penalty of 10% of Contract value for each applicable day of Late Performance.

(ii) Whenever a Buyer or Seller is found by the Panel or otherwise deemed to have a "Failure to Perform" the Exchange, represented by the Regulatory Oversight Department shall issue a Notice of Assessment assessing penalties of twenty percent (20%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (1) above, to be paid to the Exchange.

(iii) (A) A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Exchange's Regulatory Oversight Department, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Chief Regulatory Officer.

(B) The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.

(C) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (D)(3)(a) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a party fails to Appeal, or waives the opportunity to appeal a Notice of Assessment, the Assessment and findings of the Emissions Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.

(iv) Within ten (10) days after receipt of Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied on by Regulatory Oversight Department or are otherwise relevant to the matter.

(v) In the event of an appeal by a Party, the Chief Executive Officer, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chief Executive Officer, or his designee, any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.

(vi) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:

(A) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.

(B) At such hearing: The Appellant may appear personally and may be represented by counselor or other representative of his choice at the appeal.

(C) The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.

(D) The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.

(E) The Regulatory Oversight Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.

(F) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.

(G) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.

(H) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.

(I) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the CFTC.

(vii) The Assessment Appeal Panel shall consider, and make recommendations to the Chief Executive Officer, or his designee concerning acceptance or rejection of, any offer of settlement submitted

by Appellant. In the case of an offer of settlement, acceptance by the Chief Executive Officer shall constitute the final disciplinary action of the Exchange.

(e) ARBITRATION PROCEDURE

(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.

(ii) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.

(iii) The Arbitration will be governed by Chapter 8 of the GreenX Rules except that the Chief Executive Officer or his designee shall appoint an Arbitration Panel.

RULE 1505. Seasonal NOx Emissions Allowance Vintage 2012 Futures

1505.01. SCOPE

The provisions of these rules shall apply to all Seasonal NOx emissions allowances vintage 2012 (or earlier vintages) bought or sold for future delivery on the Exchange with the Delivery at the U.S Environmental Protection Agency's (EPA) NOx Allowance Management System (NAMS).

1505.01A. DEFINITIONS

(a) "EPA" means the U.S. Environmental Protection Agency or any successor agency with similar jurisdiction.

(b) "Seasonal NOx Allowance" refers to a tradable permit to emit NOx from May 1 to September 30 in a given or subsequent calendar year under the Clean Air Interstate Rule (CAIR) Seasonal NOx Budget Trading Program as specified further by EPA.

(c) "NOx Allowance Management System" ("NAMS") means the system established by the EPA for recording the transfer of Allowances among various entities under the Clean Air Act as set.

(d) "Vintage Year" means the first calendar year for which the allowance may be utilized for compliance.

(e) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively.

(f) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer of the physical product or swap transaction.

(g) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery month. The settlement price for the last day of the trading shall be determined in accordance with the procedures set forth in GreenX Rule 905.

1505.02. TIME REFERENCES

For purposes of this Rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in New York.

1505.03. CONTRACT UNIT

The Contract unit shall be ten (10) allowances of Seasonal NOx emissions allowances vintage 2012 (or earlier vintages) for delivery made by transfer through NAMS.

1505.04. DELIVERY

Emission allowance delivery shall comply with all requirements for the electronic transfer of Seasonal NOx allowances through the NOx Allowance Management System. All deliveries made under this Rule shall be final and there shall be no appeal.

1505.05. DELIVERY MONTHS

Trading shall be conducted in Contracts providing for delivery in such periods as shall be determined by the Exchange.

1505.06. MINIMUM PRICE FLUCTUATIONS

Prices shall be quoted in dollars per allowance. The minimum price fluctuation shall be \$25.00 per allowance (\$250.00 per Contract). There shall be no maximum price fluctuation.

1505.07. TERMINATION OF TRADING

Trading in the current delivery month shall cease at termination of the third Business Day prior to the last Business Day of the contract month.

1505.08 RESERVED

1505.09. DELIVERY PROCEDURES

(a) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS

(i) NOTICE OF INTENTION TO ACCEPT

By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Buyer having an open position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include the Name of the Buyer's Customer, Number of Contracts to be accepted, and any additional information as may be required by the Exchange.

By 4:00 p.m. on Notice Day, the Buyer shall provide the Seller with the following information: NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.

(b) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN SHORT POSITIONS

(i) NOTICE OF INTENTION TO DELIVER

By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form prescribed by the Exchange and shall include: Name of the Seller's Customer; Number of Contracts to be delivered; NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account, and any information as may be required by the Exchange.

(ii) INFORMATION PROVIDED BY SELLER TO BUYER

By 4:00 p.m. on Notice Day, the Seller shall provide the Buyer with the following information: NAMS Account Number, Vintage Year, Name, Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.

(c) USE OF SETTLEMENT PRICE: The final settlement price used for the delivery shall be the settlement price from the final day of trading.

(d) Notice Day

(i) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions, to the extent possible.

(ii) The Clearing House shall provide Tender Allocation Notices to the respective Clearing Members by 2:00 p.m. on the second Business Day prior to the last Business Day of the delivery month.

(iii) The day the Tender Allocation Notices are provided to the Clearing Members shall be referred to as "Notice Day". Tender Allocation Notices are not transferable.

1505.10. DELIVERY PERIOD

Delivery shall take place on one Business Day prior to the last Business Day of the delivery month.

1505.11. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity or accuracy of any of Tender Allocation Notice, Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these rules.

1505.12. EXCHANGE OF FUTURES FOR RELATED POSITIONS

Any Exchange of Futures for Related Positions ("EFRP") shall be governed by the provisions of GreenX Rule 603.

An EFRP is permitted in the expiring futures contract until two hours after trading terminates on the last day of trading of the expiring futures contract.

1505.13. ALTERNATIVE DELIVERY PROCEDURE

A Seller's Customer or Buyer's Customer may agree with the Buyer's Customer or the Seller's Customer with which it has been matched by the Exchange under Rule 1505.09(D) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Clearing Members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Clearing House. The delivery of an executed Alternative Notice of Intention to Deliver to the Clearing House shall release the Clearing Members and the Exchange from their respective obligations under the Exchange Contracts.

In executing such Alternative Notice of Intention to Deliver, Clearing Members shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the Contracts involved.

1505.14. FORCE MAJEURE, LATE PERFORMANCE AND FAILURE TO PERFORM

(a) **DEFINITION.** As used in this Rule 1505.14, the following terms, as well as variations thereof, shall have the meaning described below.

(i) "Late Performance" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three Business Days. Late Performance beyond three Business Days by, a Seller or a Buyer will be deemed a Failure to Perform.

(ii) "Day of Late Performance" shall mean the twenty-four hour period commencing immediately after a Buyer, a Seller, or the Clearing House was to have performed. Each subsequent Day of Late Performance shall commence twenty-four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act was to have performed shall be a Day of Late Performance.

(iii) "Failure to Perform" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.

(iv) "Contract Value" shall mean the amount equal to the settlement price on the last day of trading in a Futures Contract times 10 (the number of allowances per Contract) times the number of Contracts to be delivered.

(v) (A) "Party" shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.

(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.

(vi) "Force Majeure" shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.

(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY

(i) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.

(ii) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.

(c) EMISSIONS ALLOWANCE DELIVERY COMMITTEE

(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:

(A) When the Chairman of the Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;

(B) Upon the written request of both the Buyer and the Seller;

(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or

(D) When either Party to the delivery notifies the Exchange that circumstances exist constituting Force Majeure.

(ii) The Chairman of the Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.

(iii) The Panel shall meet within one Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists, whether a Buyer or Seller is late in performing or has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.

(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable order: an extension of time not to exceed ten days from the date of the scheduled delivery; or, refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules.

(d) EXCHANGE ACTION

(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of a delivery obligation, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment, assessing a penalty of 10% of Contract value for each applicable day of Late Performance.

(ii) Whenever a Buyer or Seller is found by the Panel or otherwise deemed to have a "Failure to Perform" the Exchange, represented by the Regulatory Oversight Department shall issue a Notice of Assessment assessing penalties of twenty percent (20%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (1) above, to be paid to the Exchange.

(iii) (A) A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Exchange's Regulatory Oversight Department, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Chief Regulatory Officer.

(B) The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.

(C) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (D)(3)(a) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a party fails to Appeal, or waives the opportunity to appeal a Notice of Assessment, the Assessment and findings of the Emissions Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.

(iv) Within ten (10) days after receipt of Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied on by Regulatory Oversight Department or are otherwise relevant to the matter.

(v) In the event of an appeal by a Party, the Chief Executive Officer, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chief Executive Officer, or his designee, any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.

(vi) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:

(A) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.

(B) At such hearing: The Appellant may appear personally and may be represented by counselor or other representative of his choice at the appeal.

(C) The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.

(D) The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.

(E) The Regulatory Oversight Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.

(F) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.

(G) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.

(H) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.

(I) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the CFTC.

(vii) The Assessment Appeal Panel shall consider, and make recommendations to the Chief Executive Officer, or his designee concerning acceptance or rejection of, any offer of settlement submitted

by Appellant. In the case of an offer of settlement, acceptance by the Chief Executive Officer shall constitute the final disciplinary action of the Exchange.

(e) ARBITRATION PROCEDURE

(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.

(ii) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.

(iii) The Arbitration will be governed by Chapter 8 of the GreenX Rules except that the Chief Executive Officer or his designee shall appoint an Arbitration Panel.

RULE 1506. Annual NOX Emissions Allowance Vintage 2009 Futures

1506.01. SCOPE

The provisions of these rules shall apply to all Annual NOx emissions allowances vintage 2009 (or earlier vintages) bought or sold for future delivery on the Exchange with the Delivery at the U.S Environmental Protection Agency's (EPA) NOx Allowance Management System (NAMS).

1506.01A. DEFINITIONS

(a) "EPA" means the U.S. Environmental Protection Agency or any successor agency with similar jurisdiction.

(b) "Annual NOx Allowance" refers to a tradable permit to emit NOx from January 1 to December 31 in a given or subsequent calendar year under the Clean Air Interstate Rule (CAIR) Annual NOx Budget Trading Program as specified further by EPA.

(c) "NOx Allowance Management System" ("NAMS") means the system established by the EPA for recording the transfer of Allowances among various entities under the Clean Air Act as set.

(d) "Vintage Year" means the first calendar year for which the allowance may be utilized for compliance.

(e) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively.

(f) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer of the physical product or swap transaction.

(g) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery month. The settlement price for the last day of the trading shall be determined in accordance with the procedures set forth in GreenX Rule 905.

1506.02. TIME REFERENCES

For purposes of this Rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in New York.

1506.03. CONTRACT UNIT

The Contract unit shall be ten (10) allowances of Annual NOx emissions allowances vintage 2009 (or earlier vintages) for delivery made by transfer through NAMS.

1506.04. DELIVERY

Emission allowance delivery shall comply with all requirements for the electronic transfer of Annual NOX allowances through the NOX Allowance Management System. All deliveries made under this Rule shall be final and there shall be no appeal.

1506.05. DELIVERY MONTHS

Trading shall be conducted in Contracts providing for delivery in such periods as shall be determined by the Exchange.

1506.06. MINIMUM PRICE FLUCTUATIONS

Prices shall be quoted in dollars per allowance. The minimum price fluctuation shall be \$25.00 per allowance (\$250.00 per Contract). There shall be no maximum price fluctuation.

1506.07. TERMINATION OF TRADING

Trading in the current delivery month shall cease at termination of the third Business Day prior to the last Business Day of the contract month.

1506.08 RESERVED

1506.09. DELIVERY PROCEDURES

(a) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS

(i) NOTICE OF INTENTION TO ACCEPT

By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Buyer having an open position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include the Name of the Buyer's Customer, Number of Contracts to be accepted, and any additional information as may be required by the Exchange.

By 4:00 p.m. on Notice Day, the Buyer shall provide the Seller with the following information: NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.

(b) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN SHORT POSITIONS

(i) NOTICE OF INTENTION TO DELIVER

By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form prescribed by the Exchange and shall include: Name of the Seller's Customer; Number of Contracts to be delivered; NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account, and any information as may be required by the Exchange.

(ii) INFORMATION PROVIDED BY SELLER TO BUYER

By 4:00 p.m. on Notice Day, the Seller shall provide the Buyer with the following information: NAMS Account Number, Vintage Year, Name, Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.

(c) USE OF SETTLEMENT PRICE: The final settlement price used for the delivery shall be the settlement price from the final day of trading.

(d) Notice Day

(i) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions, to the extent possible.

(ii) The Clearing House shall provide Tender Allocation Notices to the respective Clearing Members by 2:00 p.m. on the second Business Day prior to the last Business Day of the delivery month.

(iii) The day the Tender Allocation Notices are provided to the Clearing Members shall be referred to as "Notice Day". Tender Allocation Notices are not transferable.

(e) Payment and Delivery Margins

(i) Definitions

(A) "Payment" shall include the settlement price times the number of Contracts times 10.

(B) "Payment Date" shall mean the Business Day after the Buyer's Customer receipt of proper notification from the NAMS that allowances have been transferred from the Seller's Customer account to the Buyer's Customer account, provided documentation is supplied to the Buyer's Customer by no later than 2:00 p.m. Documentation supplied to Buyer after 2:00 noon on any Exchange Business Day, shall be considered received on the following Exchange Business Day.

(C) On the Business Day following the last day of trading, the long Clearing Member shall obtain from the long, if any, margin equal to the full value of the product to be delivered. Such margin shall consist of cash, securities issued by the United States Treasury Department maturing within ten years from the date of deposit and guaranteed as to principal and interest by the United States Government or a letter of credit. Any Treasury securities so deposited shall be valued at ninety percent (90%) of the par value of such instruments. Any letter of credit so deposited shall be in a form approved by the Exchange, shall be issued or confirmed by an Exchange approved original margin depository, and shall be drawn in favor of the Clearing House.

(D) The Buyer shall pay the Seller at the office of the Seller by a certified check or electronic funds transfer, or any other method acceptable to both parties by 12:00 p.m. on the payment date.

(E) The Buyer and Seller shall deposit with the Clearing House margins in such amounts and in such form as required by the Clearing House. Such margins, which shall not be greater than the margins charged to the Buyer's Customer and Seller's Customer, shall be returned on the Business Day following notification to the Exchange that delivery and payment have been completed.

(F) On the Payment Date, The Seller shall deliver a Notice of Payment to the Buyer with a copy to the Exchange by 4:30 p.m. Upon receipt of such notice the delivery shall be complete.

(G) - Any payment made on Payment Date shall be based on allowances actually delivered.

(f) Delivery Day

The day the Buyer's customer receives the allowances shall be referred to as the Delivery Day.

1506.10. DELIVERY PERIOD

Delivery shall take place on one Business Day prior to the last Business Day of the delivery month.

1506.11. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity or accuracy of any of Tender Allocation Notice, Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these rules.

1506.12. EXCHANGE OF FUTURES FOR RELATED POSITIONS

Any Exchange of Futures for Related Positions ("EFRP") shall be governed by the provisions of GreenX Rule 603.

An EFRP is permitted in the expiring futures contract until two hours after trading terminates on the last day of trading of the expiring futures contract.

1506.13. ALTERNATIVE DELIVERY PROCEDURE

A Seller's Customer or Buyer's Customer may agree with the Buyer's Customer or the Seller's Customer with which it has been matched by the Exchange under Rule 1506.09(D) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Clearing Members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Clearing House. The delivery of an executed Alternative Notice of Intention to Deliver to the Clearing House shall release the Clearing Members and the Exchange from their respective obligations under the Exchange Contracts.

In executing such Alternative Notice of Intention to Deliver, Clearing Members shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution,

delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the Contracts involved.

1506.14. FORCE MAJEURE, LATE PERFORMANCE AND FAILURE TO PERFORM

(a) **DEFINITION.** As used in this Rule 1506.14, the following terms, as well as variations thereof, shall have the meaning described below.

(i) "Late Performance" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three Business Days. Late Performance beyond three Business Days by, a Seller or a Buyer will be deemed a Failure to Perform.

(ii) "Day of Late Performance" shall mean the twenty-four hour period commencing immediately after a Buyer, a Seller, or the Clearing House was to have performed. Each subsequent Day of Late Performance shall commence twenty-four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act was to have performed shall be a Day of Late Performance.

(iii) "Failure to Perform" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.

(iv) "Contract Value" shall mean the amount equal to the settlement price on the last day of trading in a Futures Contract times 10 (the number of allowances per Contract) times the number of Contracts to be delivered.

(v) (A) "Party" shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.

(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.

(vi) "Force Majeure" shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.

(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY

(i) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.

(ii) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.

(c) EMISSIONS ALLOWANCE DELIVERY COMMITTEE

(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:

(A) When the Chairman of the Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;

(B) Upon the written request of both the Buyer and the Seller;

(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or

(D) When either Party to the delivery notifies the Exchange that circumstances exist constituting Force Majeure.

(ii) The Chairman of the Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.

(iii) The Panel shall meet within one Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists, whether a Buyer or Seller is late in performing or has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.

(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable order: an extension of time not to exceed ten days from the date of the scheduled delivery; or, refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules.

(d) EXCHANGE ACTION

(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of a delivery obligation, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment, assessing a penalty of 10% of Contract value for each applicable day of Late Performance.

(ii) Whenever a Buyer or Seller is found by the Panel or otherwise deemed to have a "Failure to Perform" the Exchange, represented by the Regulatory Oversight Department shall issue a Notice of Assessment assessing penalties of twenty percent (20%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (1) above, to be paid to the Exchange.

(iii) (A) A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Exchange's Regulatory Oversight Department, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Chief Regulatory Officer.

(B) The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.

(C) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (D)(3)(a) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a party fails to Appeal, or waives the opportunity to appeal a Notice of Assessment, the Assessment and findings of the Emissions Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.

(iv) Within ten (10) days after receipt of Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied on by Regulatory Oversight Department or are otherwise relevant to the matter.

(v) In the event of an appeal by a Party, the Chief Executive Officer, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chief Executive Officer, or his designee, any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.

(vi) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:

(A) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.

(B) At such hearing: The Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.

(C) The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.

(D) The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.

(E) The Regulatory Oversight Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.

(F) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.

(G) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.

(H) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.

(I) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the CFTC.

(vii) The Assessment Appeal Panel shall consider, and make recommendations to the Chief Executive Officer, or his designee concerning acceptance or rejection of, any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Chief Executive Officer shall constitute the final disciplinary action of the Exchange.

(e) ARBITRATION PROCEDURE

(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.

(ii) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.

(iii) The Arbitration will be governed by Chapter 8 of the GreenX Rules except that the Chief Executive Officer or his designee shall appoint an Arbitration Panel.

RULE 1507. Annual NOX Emissions Allowance Vintage 2010 Futures

1507.01.SCOPE

The provisions of these rules shall apply to all Annual NOx emissions allowances vintage 2010 (or earlier vintages) bought or sold for future delivery on the Exchange with the Delivery at the U.S Environmental Protection Agency's (EPA) NOx Allowance Management System (NAMS).

1507.01A. DEFINITIONS

(a) "EPA" means the U.S. Environmental Protection Agency or any successor agency with similar jurisdiction.

(b) "Annual NOx Allowance" refers to a tradable permit to emit NOx from January 1 to December 31 in a given or subsequent calendar year under the Clean Air Interstate Rule (CAIR) Annual NOx Budget Trading Program as specified further by EPA.

(c) "NOx Allowance Management System" ("NAMS") means the system established by the EPA for recording the transfer of Allowances among various entities under the Clean Air Act as set.

(d) "Vintage Year" means the first calendar year for which the allowance may be utilized for compliance.

(e) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively.

(f) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer of the physical product or swap transaction.

(g) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery month. The settlement price for the last day of the trading shall be determined in accordance with the procedures set forth in GreenX Rule 905.

1507.02. TIME REFERENCES

For purposes of this Rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in New York.

1507.03. CONTRACT UNIT

The Contract unit shall be ten (10) allowances of Annual NOx emissions allowances vintage 2010 (or earlier vintages) for delivery made by transfer through NAMS.

1507.04. DELIVERY

Emission allowance delivery shall comply with all requirements for the electronic transfer of Annual NOX allowances through the NOX Allowance Management System. All deliveries made under this Rule shall be final and there shall be no appeal.

1507.05. DELIVERY MONTHS

Trading shall be conducted in Contracts providing for delivery in such periods as shall be determined by the Exchange.

1507.06. MINIMUM PRICE FLUCTUATIONS

Prices shall be quoted in dollars per allowance. The minimum price fluctuation shall be \$25.00 per allowance (\$250.00 per Contract). There shall be no maximum price fluctuation.

1507.07. TERMINATION OF TRADING

Trading in the current delivery month shall cease at termination of the third Business Day prior to the last Business Day of the contract month.

1507.08 RESERVED

1507.09. DELIVERY PROCEDURES

(a) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS

(i) NOTICE OF INTENTION TO ACCEPT

By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Buyer having an open position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include the Name of the Buyer's Customer, Number of Contracts to be accepted, and any additional information as may be required by the Exchange.

By 4:00 p.m. on Notice Day, the Buyer shall provide the Seller with the following information: NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.

(b) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN SHORT POSITIONS

(i) NOTICE OF INTENTION TO DELIVER

By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form prescribed by the Exchange and shall include: Name of the Seller's Customer; Number of Contracts to be delivered; NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account, and any information as may be required by the Exchange.

(ii) INFORMATION PROVIDED BY SELLER TO BUYER

By 4:00 p.m. on Notice Day, the Seller shall provide the Buyer with the following information: NAMS Account Number, Vintage Year, Name, Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.

(c) USE OF SETTLEMENT PRICE: The final settlement price used for the delivery shall be the settlement price from the final day of trading.

(d) Notice Day

(i) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions, to the extent possible.

(ii) The Clearing House shall provide Tender Allocation Notices to the respective Clearing Members by 2:00 p.m. on the second Business Day prior to the last Business Day of the delivery month.

(iii) The day the Tender Allocation Notices are provided to the Clearing Members shall be referred to as "Notice Day". Tender Allocation Notices are not transferable.

(e) Payment and Delivery Margins

(i) Definitions

(A) "Payment" shall include the settlement price times the number of Contracts times 10.

(B) "Payment Date" shall mean the Business Day after the Buyer's Customer receipt of proper notification from the NAMS that allowances have been transferred from the Seller's Customer account to the Buyer's Customer account, provided documentation is supplied to the Buyer's Customer by no later than 2:00 p.m. Documentation supplied to Buyer after 2:00 noon on any Exchange Business Day, shall be considered received on the following Exchange Business Day.

(C) On the Business Day following the last day of trading, the long Clearing Member shall obtain from the long, if any, margin equal to the full value of the product to be delivered. Such margin shall consist of cash, securities issued by the United States Treasury Department maturing within ten years from the date of deposit and guaranteed as to principal and interest by the United States Government or a letter of credit. Any Treasury securities so deposited shall be valued at ninety percent (90%) of the par value of such instruments. Any letter of credit so deposited shall be in a form approved by the Exchange, shall be issued or confirmed by an Exchange approved original margin depository, and shall be drawn in favor of the Clearing House.

(D) The Buyer shall pay the Seller at the office of the Seller by a certified check or electronic funds transfer, or any other method acceptable to both parties by 12:00 p.m. on the payment date.

(E) The Buyer and Seller shall deposit with the Clearing House margins in such amounts and in such form as required by the Clearing House. Such margins, which shall not be greater than the margins charged to the Buyer's Customer and Seller's Customer, shall be returned on the Business Day following notification to the Exchange that delivery and payment have been completed.

(F) On the Payment Date, The Seller shall deliver a Notice of Payment to the Buyer with a copy to the Exchange by 4:30 p.m. Upon receipt of such notice the delivery shall be complete.

(G) Any payment made on Payment Date shall be based on allowances actually delivered.

(f) Delivery Day

The day the Buyer's customer receives the allowances shall be referred to as the Delivery Day.

1507.10. DELIVERY PERIOD

Delivery shall take place on one Business Day prior to the last Business Day of the delivery month.

1507.11. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity or accuracy of any of Tender Allocation Notice, Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these rules.

1507.12. EXCHANGE OF FUTURES FOR RELATED POSITIONS

Any Exchange of Futures for Related Positions ("EFRP") shall be governed by the provisions of GreenX Rule 603.

An EFRP is permitted in the expiring futures contract until two hours after trading terminates on the last day of trading of the expiring futures contract.

1507.13. ALTERNATIVE DELIVERY PROCEDURE

A Seller's Customer or Buyer's Customer may agree with the Buyer's Customer or the Seller's Customer with which it has been matched by the Exchange under Rule 1507.09(D) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Clearing Members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Clearing House. The delivery of an executed Alternative Notice of Intention to Deliver to the Clearing House shall release the Clearing Members and the Exchange from their respective obligations under the Exchange Contracts.

In executing such Alternative Notice of Intention to Deliver, Clearing Members shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution,

delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the Contracts involved.

1507.14. FORCE MAJEURE, LATE PERFORMANCE AND FAILURE TO PERFORM

(a) DEFINITION. As used in this Rule 1507.14, the following terms, as well as variations thereof, shall have the meaning described below.

(i) "Late Performance" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three Business Days. Late Performance beyond three Business Days by, a Seller or a Buyer will be deemed a Failure to Perform.

(ii) "Day of Late Performance" shall mean the twenty-four hour period commencing immediately after a Buyer, a Seller, or the Clearing House was to have performed. Each subsequent Day of Late Performance shall commence twenty-four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act was to have performed shall be a Day of Late Performance.

(iii) "Failure to Perform" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.

(iv) "Contract Value" shall mean the amount equal to the settlement price on the last day of trading in a Futures Contract times 10 (the number of allowances per Contract) times the number of Contracts to be delivered.

(v) (A) "Party" shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.

(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.

(vi) "Force Majeure" shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.

(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY

(i) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.

(ii) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.

(c) EMISSIONS ALLOWANCE DELIVERY COMMITTEE

(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:

(A) When the Chairman of the Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;

(B) Upon the written request of both the Buyer and the Seller;

(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or

(D) When either Party to the delivery notifies the Exchange that circumstances exist constituting Force Majeure.

(ii) The Chairman of the Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.

(iii) The Panel shall meet within one Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists, whether a Buyer or Seller is late in performing or has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.

(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable order: an extension of time not to exceed ten days from the date of the scheduled delivery; or, refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules.

(d) EXCHANGE ACTION

(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of a delivery obligation, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment, assessing a penalty of 10% of Contract value for each applicable day of Late Performance.

(ii) Whenever a Buyer or Seller is found by the Panel or otherwise deemed to have a "Failure to Perform" the Exchange, represented by the Regulatory Oversight Department shall issue a Notice of Assessment assessing penalties of twenty percent (20%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (1) above, to be paid to the Exchange.

(iii) (A) A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Exchange's Regulatory Oversight Department, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Chief Regulatory Officer.

(B) The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.

(C) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (D)(3)(a) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a party fails to Appeal, or waives the opportunity to appeal a Notice of Assessment, the Assessment and findings of the Emissions Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.

(iv) Within ten (10) days after receipt of Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied on by Regulatory Oversight Department or are otherwise relevant to the matter.

(v) In the event of an appeal by a Party, the Chief Executive Officer, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chief Executive Officer, or his designee, any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.

(vi) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:

(A) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.

(B) At such hearing: The Appellant may appear personally and may be represented by counselor or other representative of his choice at the appeal.

(C) The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.

(D) (d) The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.

(E) The Regulatory Oversight Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.

(F) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.

(G) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.

(H) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.

(I) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the CFTC.

(vii) The Assessment Appeal Panel shall consider, and make recommendations to the Chief Executive Officer, or his designee concerning acceptance or rejection of, any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Chief Executive Officer shall constitute the final disciplinary action of the Exchange.

(e) ARBITRATION PROCEDURE

(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.

(ii) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.

(iii) The Arbitration will be governed by Chapter 8 of the GreenX Rules except that the Chief Executive Officer or his designee shall appoint an Arbitration Panel.

RULE 1508. Annual NOX Emissions Allowance Vintage 2011 Futures

1508.01.SCOPE

The provisions of these rules shall apply to all Annual NOx emissions allowances vintage 2011 (or earlier vintages) bought or sold for future delivery on the Exchange with the Delivery at the U.S Environmental Protection Agency's (EPA) NOx Allowance Management System (NAMS).

1508.01A. DEFINITIONS

(a) "EPA" means the U.S. Environmental Protection Agency or any successor agency with similar jurisdiction.

(b) "Annual NOx Allowance" refers to a tradable permit to emit NOx from January 1 to December 31 in a given or subsequent calendar year under the Clean Air Interstate Rule (CAIR) Annual NOx Budget Trading Program as specified further by EPA.

(c) "NOx Allowance Management System" ("NAMS") means the system established by the EPA for recording the transfer of Allowances among various entities under the Clean Air Act as set.

(d) "Vintage Year" means the first calendar year for which the allowance may be utilized for compliance.

(e) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively.

(f) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer of the physical product or swap transaction.

(g) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery month. The settlement price for the last day of the trading shall be determined in accordance with the procedures set forth in GreenX Rule 905.

1508.02. TIME REFERENCES

For purposes of this Rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in New York.

1508.03. CONTRACT UNIT

The Contract unit shall be ten (10) allowances of Annual NOx emissions allowances vintage 2011 (or earlier vintages) for delivery made by transfer through NAMS.

1508.04. DELIVERY

Emission allowance delivery shall comply with all requirements for the electronic transfer of Annual NOX allowances through the NOX Allowance Management System. All deliveries made under this Rule shall be final and there shall be no appeal.

1508.05. DELIVERY MONTHS

Trading shall be conducted in Contracts providing for delivery in such periods as shall be determined by the Exchange.

1508.06. MINIMUM PRICE FLUCTUATIONS

Prices shall be quoted in dollars per allowance. The minimum price fluctuation shall be \$25.00 per allowance (\$250.00 per Contract). There shall be no maximum price fluctuation.

1508.07. TERMINATION OF TRADING

Trading in the current delivery month shall cease at termination of the third Business Day prior to the last Business Day of the contract month.

1508.08 RESERVED

1508.09. DELIVERY PROCEDURES

(a) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS

(i) NOTICE OF INTENTION TO ACCEPT

By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Buyer having an open position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include the Name of the Buyer's Customer, Number of Contracts to be accepted, and any additional information as may be required by the Exchange.

By 4:00 p.m. on Notice Day, the Buyer shall provide the Seller with the following information: NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.

(b) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN SHORT POSITIONS

(i) NOTICE OF INTENTION TO DELIVER

By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form prescribed by the Exchange and shall include: Name of the Seller's Customer; Number of Contracts to be delivered; NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account, and any information as may be required by the Exchange.

(ii) INFORMATION PROVIDED BY SELLER TO BUYER

By 4:00 p.m. on Notice Day, the Seller shall provide the Buyer with the following information: NAMS Account Number, Vintage Year, Name, Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.

(c) USE OF SETTLEMENT PRICE: The final settlement price used for the delivery shall be the settlement price from the final day of trading.

(d) Notice Day

(i) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions, to the extent possible.

(ii) The Clearing House shall provide Tender Allocation Notices to the respective Clearing Members by 2:00 p.m. on the second Business Day prior to the last Business Day of the delivery month.

(iii) The day the Tender Allocation Notices are provided to the Clearing Members shall be referred to as "Notice Day". Tender Allocation Notices are not transferable.

(e) Payment and Delivery Margins

(i) Definitions

(A) "Payment" shall include the settlement price times the number of Contracts times 10.

(B) "Payment Date" shall mean the Business Day after the Buyer's Customer receipt of proper notification from the NAMS that allowances have been transferred from the Seller's Customer account to the Buyer's Customer account, provided documentation is supplied to the Buyer's Customer by no later than 2:00 p.m. Documentation supplied to Buyer after 2:00 noon on any Exchange Business Day, shall be considered received on the following Exchange Business Day.

(C) On the Business Day following the last day of trading, the long Clearing Member shall obtain from the long, if any, margin equal to the full value of the product to be delivered. Such margin shall consist of cash, securities issued by the United States Treasury Department maturing within ten (10) years from the date of deposit and guaranteed as to principal and interest by the United States Government or a letter of credit. Any Treasury securities so deposited shall be valued at ninety percent (90%) of the par value of such instruments. Any letter of credit so deposited shall be in a form approved by the Exchange, shall be issued or confirmed by an Exchange approved original margin depository, and shall be drawn in favor of the Clearing House.

(D) The Buyer shall pay the Seller at the office of the Seller by a certified check or electronic funds transfer, or any other method acceptable to both parties by 12:00 p.m. on the payment date.

(E) The Buyer and Seller shall deposit with the Clearing House margins in such amounts and in such form as required by the Clearing House. Such margins, which shall not be greater than the margins charged to the Buyer's Customer and Seller's Customer, shall be returned on the Business Day following notification to the Exchange that delivery and payment have been completed.

(F) On the Payment Date, The Seller shall deliver a Notice of Payment to the Buyer with a copy to the Exchange by 4:30 p.m. Upon receipt of such notice the delivery shall be complete.

(G) Any payment made on Payment Date shall be based on allowances actually delivered.

(f) Delivery Day

The day the Buyer's customer receives the allowances shall be referred to as the Delivery Day.

1508.10. DELIVERY PERIOD

Delivery shall take place on one Business Day prior to the last Business Day of the delivery month.

1508.11. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity or accuracy of any of Tender Allocation Notice, Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these rules.

1508.12. EXCHANGE OF FUTURES FOR RELATED POSITIONS

Any Exchange of Futures for Related Positions ("EFRP") shall be governed by the provisions of GreenX Rule 603.

An EFRP is permitted in the expiring futures contract until two hours after trading terminates on the last day of trading of the expiring futures contract.

1508.13. ALTERNATIVE DELIVERY PROCEDURE

A Seller's Customer or Buyer's Customer may agree with the Buyer's Customer or the Seller's Customer with which it has been matched by the Exchange under Rule 1507.09(D) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Clearing Members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Clearing House. The delivery of an executed Alternative Notice of Intention to Deliver to the Clearing House shall release the Clearing Members and the Exchange from their respective obligations under the Exchange Contracts.

In executing such Alternative Notice of Intention to Deliver, Clearing Members shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution,

delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the Contracts involved.

1508.14. FORCE MAJEURE, LATE PERFORMANCE AND FAILURE TO PERFORM

(a) **DEFINITION.** As used in this Rule 1507.14, the following terms, as well as variations thereof, shall have the meaning described below.

(i) "Late Performance" means the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three Business Days.

(ii) "Failure to Perform" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.

(iii) "Contract Value" shall mean the amount equal to the settlement price on the last day of trading in a Futures Contract times 10 (the number of allowances per Contract) times the number of Contracts to be delivered.

(iv) (A) "Party" shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.

(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.

(v) "Day of Late Performance" means the twenty-four hour period commencing twelve hours after a Buyer or a Seller was to have performed, provided however, with respect to the obligations of Buyers and Sellers to submit documents to the Exchange pursuant to this Rule, and with respect to the failure to transfer allowances within the delivery period, "Day of Late Performance" means that twenty four hour period commencing immediately after the time specified in this Rule for the submission of a document. Each subsequent Day of Late Performance shall commence twenty-four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act is performed shall be a Day of Late Performance.

(vi) "Force Majeure" shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.

(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY

(i) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.

(ii) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.

(c) EMISSIONS ALLOWANCE DELIVERY COMMITTEE

(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:

(A) When the Chairman of the Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;

(B) Upon the written request of both the Buyer and the Seller;

(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or

(D) When either Party to the delivery notifies the Exchange that circumstances exist constituting Force Majeure.

(ii) The Chairman of the Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.

(iii) The Panel shall meet within one Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists, whether a Buyer or Seller is late in performing or has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.

(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable order: an extension of time not to exceed ten days from the date of the scheduled delivery; or, refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules.

(d) EXCHANGE ACTION

(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of a delivery obligation, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment, assessing a penalty of 10% of Contract value for each applicable day of Late Performance.

(ii) Whenever a Buyer or Seller is found by the Panel or otherwise deemed to have a "Failure to Perform" the Exchange, represented by the Regulatory Oversight Department shall issue a Notice of Assessment assessing penalties of twenty percent (20%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (1) above, to be paid to the Exchange.

(iii) (A) A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Exchange's Regulatory Oversight Department, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Chief Regulatory Officer.

(B) The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.

(C) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (D)(3)(a) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a party fails to Appeal, or waives the opportunity to appeal a Notice of Assessment, the Assessment and findings of the Emissions Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.

(iv) Within ten (10) days after receipt of Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied on by Regulatory Oversight Department or are otherwise relevant to the matter.

(v) In the event of an appeal by a Party, the Chief Executive Officer, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chief Executive Officer, or his designee, any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.

(vi) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:

(A) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.

(B) At such hearing: The Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.

(C) The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.

(D) The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.

(E) The Regulatory Oversight Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.

(F) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.

(G) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.

(H) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.

(I) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the CFTC.

(vii) The Assessment Appeal Panel shall consider, and make recommendations to the Chief Executive Officer, or his designee concerning acceptance or rejection of, any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Chief Executive Officer shall constitute the final disciplinary action of the Exchange.

(e) ARBITRATION PROCEDURE

(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.

(ii) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.

(iii) The Arbitration will be governed by Chapter 8 of the GreenX Rules except that the Chief Executive Officer or his designee shall appoint an Arbitration Panel.

RULE 1509. Annual NOx Emissions Allowance Vintage 2012 Futures

1509.01. SCOPE

The provisions of these rules shall apply to all Annual NOx emissions allowances vintage 2012 (or earlier vintages) bought or sold for future delivery on the Exchange with the Delivery at the U.S Environmental Protection Agency's (EPA) NOx Allowance Management System (NAMS).

1509.01A. DEFINITIONS

(a) "EPA" means the U.S. Environmental Protection Agency or any successor agency with similar jurisdiction.

(b) "Annual NOx Allowance" refers to a tradable permit to emit NOx from January 1 to December 31 in a given or subsequent calendar year under the Clean Air Interstate Rule (CAIR) Annual NOx Budget Trading Program as specified further by EPA.

(c) "NOx Allowance Management System" ("NAMS") means the system established by the EPA for recording the transfer of Allowances among various entities under the Clean Air Act as set.

(d) "Vintage Year" means the first calendar year for which the allowance may be utilized for compliance.

(e) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively.

(f) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer of the physical product or swap transaction.

(g) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery month. The settlement price for the last day of the trading shall be determined in accordance with the procedures set forth in GreenX Rule 905.

1509.02. TIME REFERENCES

For purposes of this Rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in New York.

1509.03. CONTRACT UNIT

The Contract unit shall be ten (10) allowances of Annual NOx emissions allowances vintage 2012 (or earlier vintages) for delivery made by transfer through NAMS.

1509.04. DELIVERY

Emission allowance delivery shall comply with all requirements for the electronic transfer of Annual NOx allowances through the NOx Allowance Management System. All deliveries made under this Rule shall be final and there shall be no appeal.

1509.05. DELIVERY MONTHS

Trading shall be conducted in Contracts providing for delivery in such periods as shall be determined by the Exchange.

1509.06. MINIMUM PRICE FLUCTUATIONS

Prices shall be quoted in dollars per allowance. The minimum price fluctuation shall be \$25.00 per allowance (\$250.00 per Contract). There shall be no maximum price fluctuation.

1509.07. TERMINATION OF TRADING

Trading in the current delivery month shall cease at termination of the third Business Day prior to the last Business Day of the contract month.

1509.08 RESERVED

1509.09. DELIVERY PROCEDURES

(a) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS

(i) NOTICE OF INTENTION TO ACCEPT

By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Buyer having an open position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include the Name of the Buyer's Customer, Number of Contracts to be accepted, and any additional information as may be required by the Exchange.

By 4:00 p.m. on Notice Day, the Buyer shall provide the Seller with the following information: NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.

(b) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN SHORT POSITIONS

(i) NOTICE OF INTENTION TO DELIVER

By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form prescribed by the Exchange and shall include: Name of the Seller's Customer; Number of Contracts to be delivered; NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account, and any information as may be required by the Exchange.

(ii) INFORMATION PROVIDED BY SELLER TO BUYER

By 4:00 p.m. on Notice Day, the Seller shall provide the Buyer with the following information: NAMS Account Number, Vintage Year, Name, Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.

(c) USE OF SETTLEMENT PRICE: The final settlement price used for the delivery shall be the settlement price from the final day of trading.

(d) Notice Day

(i) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions, to the extent possible.

(ii) The Clearing House shall provide Tender Allocation Notices to the respective Clearing Members by 2:00 p.m. on the second Business Day prior to the last Business Day of the delivery month.

(iii) The day the Tender Allocation Notices are provided to the Clearing Members shall be referred to as "Notice Day". Tender Allocation Notices are not transferable.

(e) Payment and Delivery Margins

(i) Definitions

(A) "Payment" shall include the settlement price times the number of Contracts times 10.

(B) "Payment Date" shall mean the Business Day after the Buyer's Customer receipt of proper notification from the NAMS that allowances have been transferred from the Seller's Customer account to the Buyer's Customer account, provided documentation is supplied to the Buyer's Customer by no later than 2:00 p.m. Documentation supplied to Buyer after 2:00 noon on any Exchange Business Day, shall be considered received on the following Exchange Business Day.

(C) On the Business Day following the last day of trading, the long Clearing Member shall obtain from the long, if any, margin equal to the full value of the product to be delivered. Such margin shall consist of cash, securities issued by the United States Treasury Department maturing within ten (10) years from the date of deposit and guaranteed as to principal and interest by the United States Government or a letter of credit. Any Treasury securities so deposited shall be valued at ninety percent (90%) of the par value of such instruments. Any letter of credit so deposited shall be in a form approved by the Exchange, shall be issued or confirmed by an Exchange approved original margin depository, and shall be drawn in favor of the Clearing House.

(D) The Buyer shall pay the Seller at the office of the Seller by a certified check or electronic funds transfer, or any other method acceptable to both parties by 12:00 p.m. on the payment date.

(E) The Buyer and Seller shall deposit with the Clearing House margins in such amounts and in such form as required by the Clearing House. Such margins, which shall not be greater than the margins charged to the Buyer's Customer and Seller's Customer, shall be returned on the Business Day following notification to the Exchange that delivery and payment have been completed.

(F) On the Payment Date, The Seller shall deliver a Notice of Payment to the Buyer with a copy to the Exchange by 4:30 p.m. Upon receipt of such notice the delivery shall be complete.

(G) Any payment made on Payment Date shall be based on allowances actually delivered.

(f) Delivery Day

The day the Buyer's customer receives the allowances shall be referred to as the Delivery Day.

1509.10. DELIVERY PERIOD

Delivery shall take place on one Business Day prior to the last Business Day of the delivery month.

1509.11. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity or accuracy of any of Tender Allocation Notice, Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these rules.

1509.12. EXCHANGE OF FUTURES FOR RELATED POSITIONS

Any Exchange of Futures for Related Positions ("EFRP") shall be governed by the provisions of GreenX Rule 603.

An EFRP is permitted in the expiring futures contract until two hours after trading terminates on the last day of trading of the expiring futures contract.

1509.13. ALTERNATIVE DELIVERY PROCEDURE

A Seller's Customer or Buyer's Customer may agree with the Buyer's Customer or the Seller's Customer with which it has been matched by the Exchange under Rule 1507.09(D) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Clearing Members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Clearing House. The delivery of an executed Alternative Notice of Intention to Deliver to the Clearing House shall release the Clearing Members and the Exchange from their respective obligations under the Exchange Contracts.

In executing such Alternative Notice of Intention to Deliver, Clearing Members shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution,

delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the Contracts involved.

1509.14. FORCE MAJEURE, LATE PERFORMANCE AND FAILURE TO PERFORM

(a) **DEFINITION.** As used in this Rule 1507.14, the following terms, as well as variations thereof, shall have the meaning described below.

(i) "Late Performance" means the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three Business Days.

(ii) "Day of Late Performance" shall mean the twenty-four hour period commencing immediately after a Buyer, a Seller, or the Clearing House was to have performed. Each subsequent Day of Late Performance shall commence twenty-four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act was to have performed shall be a Day of Late Performance.

(iii) "Failure to Perform" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.

(iv) "Contract Value" shall mean the amount equal to the settlement price on the last day of trading in a Futures Contract times 10 (the number of allowances per Contract) times the number of Contracts to be delivered.

(v) (A) "Party" shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.

(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.

(vi) "Day of Late Performance" means the twenty-four hour period commencing twelve hours after a Buyer or a Seller was to have performed, provided however, with respect to the obligations of

(vii) "Force Majeure" shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.

(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY

(i) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.

(ii) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.

(c) EMISSIONS ALLOWANCE DELIVERY COMMITTEE

(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:

(A) When the Chairman of the Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;

(B) Upon the written request of both the Buyer and the Seller;

(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or

(D) When either Party to the delivery notifies the Exchange that circumstances exist constituting Force Majeure.

(ii) The Chairman of the Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.

(iii) The Panel shall meet within one Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists, whether a Buyer or Seller is late in performing or has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.

(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable order: an extension of time not to exceed ten days from the date of the scheduled delivery; or, refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules.

(d) EXCHANGE ACTION

(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of a delivery obligation, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment, assessing a penalty of 10% of Contract value for each applicable day of Late Performance.

(ii) Whenever a Buyer or Seller is found by the Panel or otherwise deemed to have a "Failure to Perform" the Exchange, represented by the Regulatory Oversight Department shall issue a Notice of Assessment assessing penalties of twenty percent (20%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (1) above, to be paid to the Exchange.

(iii) (A) A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Exchange's Regulatory Oversight Department, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Chief Regulatory Officer.

(B) The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.

(C) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (D)(3)(a) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a party fails to Appeal, or waives the opportunity to appeal a Notice of Assessment, the Assessment and findings of the Emissions Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.

(iv) Within ten (10) days after receipt of Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied on by Regulatory Oversight Department or are otherwise relevant to the matter.

(v) In the event of an appeal by a Party, the Chief Executive Officer, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chief Executive Officer, or his designee, any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.

(vi) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:

(A) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.

(B) At such hearing: The Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.

(C) The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.

(D) The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.

(E) The Regulatory Oversight Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.

(F) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.

(G) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.

(H) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.

(I) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the CFTC.

(vii) The Assessment Appeal Panel shall consider, and make recommendations to the Chief Executive Officer, or his designee concerning acceptance or rejection of, any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Chief Executive Officer shall constitute the final disciplinary action of the Exchange.

(e) ARBITRATION PROCEDURE

(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.

(ii) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.

(iii) The Arbitration will be governed by Chapter 8 of the GreenX Rules except that the Chief Executive Officer or his designee shall appoint an Arbitration Panel.

CHAPTER 16
SO2 EMISSION ALLOWANCE CONTRACT SPECIFICATIONS

RULE 1601. SO2 Emission 25-Allowance Futures

1601.01 SCOPE

The provisions of these rules shall apply to all SO2 emission allowances bought or sold for future delivery on the Exchange with the delivery at the U.S Environmental Protection Agency's (EPA) Allowance Management System (AMS).

1601.01A DEFINITIONS

(a) "EPA" means the U.S. Environmental Protection Agency or any successor agency with similar jurisdiction.

(b) "SO2 Emission Allowance" refers to a tradable permit to emit SO2 as specified further by EPA.

(c) "SO2 Allowance Management System" ("AMS") means the system established by the EPA for recording the transfer of Allowances among various entities under the Clean Air Act as set.

(d) "Vintage Year" means the first calendar year for which the allowance may be utilized for compliance.

(e) "The Clean Air Markets Division (CAMD) Business System" is the EPA's electronic platform for recording information submitted by regulated entities and other Program participants, including the electronic transfer of allowances between accounts.

(f) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively.

(g) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer of the physical product or swap transaction.

(h) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery month. The settlement price for the last day of the trading shall be determined in accordance with the procedures set forth in GreenX Rule 905.

1601.02 TIME REFERENCES

For purposes of this Rule 1601, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in New York.

1601.03 CONTRACT UNIT

The Contract unit shall be twenty-five (25) SO2 emission allowances for delivery made by transfer through AMS.

1601.04 DELIVERABLE ALLOWANCES

(a) Contracts without a specified vintage year

(i) For March through December Contract terminations, SO2 emission allowances acceptable for delivery are allowances with either a vintage corresponding to the calendar year of the terminating contract month or a vintage of any year prior to the calendar year of the terminating contract month.

(ii) For January and February Contract terminations, SO2 emission allowances acceptable for delivery are allowances with a vintage of any year prior to the calendar year of the terminating contract month.

(b) Contracts with a specified vintage year

SO2 emission allowances acceptable for delivery are allowances with a vintage corresponding to the specific vintage year of the terminating contract month or a vintage of any year prior to the specified vintage year of the terminating contract month.

1601.05 DELIVERY

SO2 Emission allowance delivery shall comply with all the requirements for the electronic transfer of SO2 emission allowances on the AMS through CAMD Business System. All deliveries made under this Rule shall be final and there shall be no appeal.

1601.06 DELIVERY MONTHS AND CONTRACT VINTAGES

Trading shall be conducted in Contracts providing for delivery of SO2 emission allowances with and without specified vintage years in such months as shall be determined by the Exchange.

1601.07 MINIMUM PRICE FLUCTUATIONS

Prices shall be quoted in dollars and cents per allowance. The minimum price fluctuation shall be \$0.10 per SO2 emission allowance (\$2.50 per Contract). There shall be no maximum price fluctuation.

1601.08 TERMINATION OF TRADING

With the exception of February Contracts, trading in the current delivery month shall cease on the last Business Day of the contract month. Trading in the February Contracts shall cease on the third to last Business Day of the expiring contract month.

Trading in the February Contracts shall cease on the third to last Business Day of the expiring contract month.

1601.09 PRODUCT PLACEMENT

The Seller and Buyer shall fulfill their respective contractual obligation on a maturing contract unless, by 12:00 noon on the day preceding the last trading day in the applicable delivery month, such Seller and Buyer have received AMS account certification from his customer, in the form prescribed by the Exchange stating that the Customer has an account with AMS, with access to CAMD Business System.

The receipt of such certification shall not relieve the Seller or Buyer, or their respective Customers of any obligations under any GreenX Rule or Clearing House Rule.

1601.10 DELIVERY PROCEDURES

(a) Responsibilities of Clearing Members Having Open Long Positions

Notice of Intention to Accept:

By 11:30 a.m. on the first Business Day after the termination of the delivery month, a Buyer having an open position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include: Name of the Buyer's Customer, Number of Contracts to be accepted, and any additional information as may be required by the Exchange.

By 4:00 p.m. on Notice Day, the Seller shall provide the Buyer with the following information: AMS Account Number, Vintage Year, Name, Phone Number and e-mail address of the Authorized Account Representative (AAR) or the authorized alternate for that AMS account.

(b) Responsibilities of Clearing Members Having Open Short Positions

Notice of Intention to Deliver:

By 11:30 a.m. on the first Business Day after the termination of the delivery month, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form prescribed by the Exchange and shall include: Name of the Seller's Customer, Number of Contracts to be delivered, AMS Account Number, Vintage Year, Name, Phone Number and e-mail address of the Authorized Account Representative (AAR) or the authorized alternate for that AMS account, and any additional information as may be required by the Exchange.

(c) Use of Settlement Price

The final settlement price used for the delivery shall be the settlement price from the final day of trading.

(d) Notice Day

(i) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions, to the extent possible.

(ii) The Clearing House shall provide Tender Allocation Notices to the respective Clearing Members by 2:00 p.m. on the first Business Day after the termination of the delivery month. The day the Tender Allocation Notices are provided to the Clearing Members shall be referred to as "Notice Day."

(iii) Tender Allocation Notices are not transferable.

(e) Payment and Delivery Margins Definitions

(i) "Payment" shall include the settlement price times the number of Contracts times 25.

(ii) "Payment Date" shall mean the Business Day after the Buyer's Customer receipt of proper notification from the AMS that allowances have been transferred from the Seller's Customer account to the Buyer's Customer account, provided documentation is supplied to the Buyer's Customer by no later than 2:00 p.m. Documentation supplied by the Seller's Customer to Buyer's Customer after 2:00 p.m. on any Exchange Business Day, shall be considered received on the following Exchange Business Day.

(iii) On the Business Day following the last day of trading, the long Clearing Member shall obtain from the long, if any, margin equal to the full value of the product to be delivered. Such margin shall consist of cash, securities issued by the United States Treasury Department maturing within ten (10) years from the date of deposit and guaranteed as to principal and interest by the United States Government or a letter of credit. Any Treasury securities so deposited shall be valued at ninety percent (90%) of the par value of such instruments. Any letter of credit so deposited shall be in a form approved by the Exchange, shall be issued or confirmed by an Exchange approved original margin depository, and shall be drawn in favor of the Clearing House.

(iv) The Buyer shall pay the Seller at the office of the Seller by a certified check or electronic funds transfer, or any other method acceptable to both parties by 12:00 p.m. on the payment date.

(v) The Buyer and Seller shall deposit with the Clearing House margins in such amounts and in such form as required by the Clearing House. Such margins, which shall not be greater than the margins charged to the Buyer's Customer and Seller's Customer, shall be returned on the Business Day following notification to the Exchange that delivery and payment have been completed.

(vi) On the Payment Date, The Seller shall deliver a Notice of Payment to the Buyer with a copy to the Exchange by 4:30 p.m. Upon receipt of such notice the delivery shall be complete.

(vii) Any payment made on Payment Date shall be based on SO₂ emission allowances actually delivered.

(viii) Delivery Day. The day the Buyer receives the allowances shall be referred to as the Delivery Day.

1601.11 DELIVERY PERIOD

Delivery shall take place on the second Business Day after the termination of the delivery month.

1601.12 VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity or accuracy of any of Tender Allocation Notice, Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these rules.

1601.13 EXCHANGE OF FUTURES FOR RELATED POSITIONS

Any Exchange of Futures for Related Positions ("EFRP") shall be governed by the provisions of GreenX Rule 603.

An EFRP is permitted in the expiring futures contract until two hours after trading terminates on the last day of trading of the expiring futures contract.

1601.14 ALTERNATIVE DELIVERY PROCEDURE

A Seller's Customer or Buyer's Customer may agree with the Buyer's Customer or the Seller's Customer with which it has been matched by the Exchange under Rule 1601.10 (D) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Clearing Members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Clearing House. The delivery of an executed Alternative Notice of Intention to Deliver to the Clearing House shall release the Clearing Members and the Exchange from their respective obligations under the Exchange Contracts.

In executing such Alternative Notice of Intention to Deliver to the Exchange, Clearing Members shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the Contracts involved.

1601.15 FORCE MAJEURE, LATE PERFORMANCE AND FAILURE TO PERFORM

(a) DEFINITION. As used in this Rule, the following terms, as well as variations thereof, shall have the meaning described below.

(i) "Late Performance" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three Business Days. Late Performance beyond three Business Days by, a Seller or a Buyer will be deemed a Failure to Perform.

(ii) "Day of Late Performance" shall mean the twenty-four hour period commencing immediately after a Buyer or a Seller was to have performed. Each subsequent Day of Late Performance shall commence twenty-four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act was to have performed shall be a Day of Late Performance.

(iii) "Failure to Perform" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.

(iv) "Contract Value" shall mean the amount equal to the settlement price on the last day of trading in a Futures Contract times 25 (the number of SO2 emission allowances per Contract) times the number of Contracts to be delivered.

(v) (A) "Party" shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.

(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.

(vi) "Force Majeure" shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.

(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY

(i) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.

(ii) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.

(c) EMISSIONS ALLOWANCE DELIVERY COMMITTEE

(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:

(A) When the Chairman of the Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;

(B) Upon the written request of both the Buyer and the Seller;

(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or

(D) When either Party to the delivery notifies the Exchange that circumstances exist constituting Force Majeure.

(ii) The Chairman of the Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.

(iii) The Panel shall meet within one Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists, whether a Buyer or Seller is late in performing or has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.

(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable order: an extension of time not to exceed ten days from the date of the scheduled delivery; or, refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules as provided in Exchange Rules.

(d) EXCHANGE ACTION

(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of a delivery obligation, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment, assessing a penalty of 10% of Contract value for each applicable day of Late Performance.

(ii) Whenever a Buyer or Seller is found by the Panel or otherwise deemed to have a "Failure to Perform" the Exchange, represented by the Regulatory Oversight Department shall issue a Notice of Assessment assessing penalties of twenty percent (20%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (1) above, to be paid to the Exchange.

(iii) (A) A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Exchange's Regulatory Oversight Department, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Chief Regulatory Officer.

(B) The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.

(C) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (D)(3)(a) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a party fails to Appeal, or waives the opportunity to appeal a Notice of Assessment, the Assessment and findings of the Emissions Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.

(iv) Within ten (10) days after receipt of Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied on by Regulatory Oversight Department or are otherwise relevant to the matter.

(v) In the event of an appeal by a Party, the Chief Executive Officer, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chief Executive Officer, or his designee, any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.

(vi) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:

(A) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.

(B) At such hearing: The Appellant may appear personally and may be represented by counselor or other representative of his choice at the appeal.

(C) The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.

(D) The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.

(E) The Regulatory Oversight Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.

(F) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.

(G) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.

(H) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.

(I) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the CFTC.

(vii) The Assessment Appeal Panel shall consider, and make recommendations to the Chief Executive Officer, or his designee concerning acceptance or rejection of, any offer of settlement submitted

by Appellant. In the case of an offer of settlement, acceptance by the Chief Executive Officer shall constitute the final disciplinary action of the Exchange.

(e) ARBITRATION PROCEDURE

(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.

(ii) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.

(iii) The Arbitration will be governed by Chapter 8 of the GreenX Rules except that the Chief Executive Officer or his designee shall appoint an Arbitration Panel.

RULE 1602. SO2 Emission 25-Allowance Option

1602.01 EXPIRATION

An SO2 Emission 25-Allowance Option Contract listed on the Exchange shall expire at the close of trading three Business Days prior to the expiration of the underlying SO2 Emission 25-Allowance Futures Contract.

1602.02 TRADING UNIT

An SO2 Emission 25-Allowance Option Contract is European-style option. An SO2 Emission 25-Allowance put or call Option Contract traded on the Exchange represents an option to assume a short or long position in the underlying SO2 Emissions 25-Allowance Futures Contract without a specified vintage year traded on the Exchange.

1602.03 TRADING MONTHS

Trading in an SO2 Emission 25-Allowance Option Contract shall be conducted in the contract months as shall be determined by the Exchange. Trading shall commence on the day fixed by resolution of the Exchange.

1602.04 HOURS OF TRADING

The hours of trading in SO2 Emission 25-Allowance Option Contracts on the Exchange shall be the same as the hours of trading for SO2 Emission 25-Allowance Futures Contracts. All such trading shall take place within the venue and hours prescribed by the Exchange.

The SO2 Emission 25-Allowance Option Contract is available for clearing on CPC during the hours prescribed by the Exchange.

1602.05 STRIKE PRICES

Trading shall be conducted for Option Contracts with strike prices in increments as set forth below.

(a) On the first Business Day of trading in an Option Contract month, trading shall be at the following strike prices: (i) the previous day's settlement price for SO2 Emission 25-Allowance Futures Contracts in the corresponding delivery month rounded off to the nearest one dollar increment strike price; (ii) the ten one-dollar increment strike prices which are ten increments higher than the strike price described in (i) of this Rule 1602.05(A); and (iii) the ten one-dollar increment strike prices which are ten increments lower than the strike price described in (i) of this Rule 1602.05(A).

(b) Thereafter, on any Business Day prior to the expiration of the Option Contract, new consecutive strike prices for both puts and calls will be added such that there will be ten increments above and below the at-the-money option.

(c) Notwithstanding the provisions of subsections (A) and (B) of this Rule, if the Exchange determines that trading in SO2 Emission 25-Allowance Option Contracts will be facilitated hereby, the Exchange may, by resolution, change the increments between strike prices, the number of strike prices which shall be traded in the first day in any new Option Contract month, the number of new strike prices which will be introduced on each Business Day or the period preceding the expiration of an SO2 Emission 25-Allowance Option Contract in which no new strike prices may be introduced.

1602.06 PRICES AND PRICE FLUCTUATIONS

Prices shall be quoted in dollar and cents per allowance. The minimum price fluctuation is \$0.10 per allowance. A cabinet trade may occur at a price of \$1.00 per Contract, however, if it results in the liquidation of positions for both parties to the trade.

1602.07 ABSENCE OF PRICE FLUCTUATION LIMITATIONS

Trading in SO2 Emission 25-Allowance Option Contracts shall not be subject to price fluctuation limitations.

RULE 1603. SO2 Emissions Allowance Futures Contract

1603.01. SCOPE

The provisions of these rules shall apply to all SO2 emissions allowances bought or sold for future delivery on the Exchange with the Delivery at the U.S Environmental Protection Agency's (EPA) Allowance Tracking System.

1603.01A. DEFINITIONS

(a) "EPA" means the U.S. Environmental Protection Agency or any successor agency with similar jurisdiction.

(b) "SO2 Allowance" refers to a tradable permit to emit SO2 as specified further by EPA.

(c) "SO2 Allowance Management System" ("AMS") means the system established by the EPA for recording the transfer of Allowances among various entities under the Clean Air Act as set.

(d) "Vintage Year" means the first calendar year for which the allowance may be utilized for compliance.

(e) "The Clean Air Markets Division (CAMD) Business System" is the EPA's electronic platform for recording information submitted by regulated entities and other Program participants, including the electronic transfer of allowances between accounts.

(f) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively.

(g) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer of the physical product.

(h) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery month. The settlement price for the last day of the trading shall be determined in accordance with the procedures set forth in GreenX Rule 905.

1603.02. TIME REFERENCES

For purposes of this Rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in New York.

1603.03. CONTRACT UNIT

The Contract unit shall be one hundred (100) SO2 emissions allowances of current or earlier year vintage for a delivery made by transfer through AMS.

1603.04. DELIVERY

Emissions allowances delivery shall comply with all requirements for the electronic transfer of SO2 allowances on the AMS through CAMD Business System. All deliveries made under this Rule shall be final and there shall be no appeal.

1603.05. DELIVERY MONTHS

Trading shall be conducted in Contracts providing for delivery in such periods as shall be determined by the Exchange.

1603.06. MINIMUM PRICE FLUCTUATIONS

Prices shall be quoted in dollars and cents per allowance. The minimum price fluctuation shall be \$0.25 per allowance (\$25.00 per Contract). There shall be no maximum price fluctuation.

1603.07. TERMINATION OF TRADING

Trading in the current delivery month shall cease at termination of the third Business Day prior to the last Business Day of the contract month.

1603.08. RESERVED

1603.09. DELIVERY PROCEDURES

(a) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS

NOTICE OF INTENTION TO ACCEPT

By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Buyer having an open position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include: Name of the Buyer's Customer, Number of Contracts to be accepted, and any additional information as may be required by the Exchange;

By 4:00 p.m. on Notice Day, the Seller shall provide the Buyer with the following information: AMS Account Number, Vintage Year, Name, Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that AMS account.

(b) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN SHORT POSITIONS

NOTICE OF INTENTION TO DELIVER

By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form prescribed by the Exchange and shall include: Name of the Seller's Customer, Number of Contracts to be delivered, AMS Account Number, Vintage Year, Name, Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that AMS account, and any additional information as may be required by the Exchange.

By 4:00 p.m. on Notice Day, the Seller shall provide the Buyer with the following information: AMS Account Number, Vintage Year, Name, Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.

(c) USE OF SETTLEMENT PRICE: The final settlement price used for the delivery shall be the settlement price from the final day of trading.

(d) Notice Day

(i) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions, to the extent possible.

(ii) The Clearing House shall provide Tender Allocation Notices to the respective Clearing Members by 2:00 p.m. on the second Business Day prior to the last Business Day of the delivery month. The day the Tender Allocation Notices are provided to the Clearing Members shall be referred to as "Notice Day."

(iii) Tender Allocation Notices are not transferable.

(e) Payment and Delivery Margins

(i) Definitions

(A) "Payment" shall include the settlement price times the number of Contracts times 100.

(B) "Payment Date" shall mean the Business Day after the Buyer's Customer receipt of proper notification from the AMS that allowances have been transferred from the Seller's Customer account to the Buyer's Customer account, provided documentation is supplied to the Buyer's Customer by no later than 2:00 p.m. Documentation supplied to Buyer after 2:00 noon on any Exchange Business Day, shall be considered received on the following Exchange Business Day.

(C) On the Business Day following the last day of trading, the long Clearing Member shall obtain from the long, if any, margin equal to the full value of the product to be delivered. Such margin shall consist of cash, securities issued by the United States Treasury Department maturing within ten (10) years from the date of deposit and guaranteed as to principal and interest by the United States Government or a letter of credit. Any Treasury securities so deposited shall be valued at ninety percent (90%) of the par value of such instruments. Any letter of credit so deposited shall be in a form approved by the Exchange, shall be issued or confirmed by an Exchange approved original margin depository, and shall be drawn in favor of the Clearing House.

(D) The Buyer shall pay the Seller at the office of the Seller by a certified check or electronic funds transfer, or any other method acceptable to both parties by 12:00 p.m. on the payment date.

(E) The Buyer and Seller shall deposit with the Clearing House margins in such amounts and in such form as required by the Clearing House. Such margins which shall not be greater than the margins charged to the Buyer's Customer and Seller's Customer, shall be returned on the Business Day following notification to the Exchange that delivery and payment have been completed.

(F) On the Payment Date, The Seller shall deliver a Notice of Payment to the Buyer with a copy to the Exchange by 4:30 p.m. Upon receipt of such notice the delivery shall be complete.

(G) Any payment made on Payment Date shall be based on allowances actually delivered.

(f) Delivery Day

The day the Buyer receives the allowances shall be referred to as the Delivery Day.

1603.10. DELIVERY PERIOD

Delivery shall take place on one Business Day prior to the last Business Day of the delivery month.

1603.11. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity or accuracy of any of Tender Allocation Notice, Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these rules.

1603.12. EXCHANGE OF FUTURES FOR RELATED POSITIONS

Any Exchange of Futures for Related Positions ("EFRP") shall be governed by the provisions of GreenX Rule 603.

An EFRP is permitted in the expiring futures contract until two hours after trading terminates on the last day of trading of the expiring futures contract.

1603.13. ALTERNATIVE DELIVERY PROCEDURE

A Seller's Customer or Buyer's Customer may agree with the Buyer's Customer or the Seller's Customer with which it has been matched by the Exchange under Rule 1603.09(D) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Clearing Members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Clearing House. The delivery of an executed Alternative Notice of Intention to Deliver to the Clearing House shall release the Clearing Members and the Exchange from their respective obligations under the Exchange Contracts.

In executing such Alternative Notice of Intention to Deliver, Clearing Members shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution,

delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the Contracts involved.

1603.14. FORCE MAJEURE, LATE PERFORMANCE FAILURE TO PERFORM

(a) **DEFINITION.** As used in this Rule 1603.14, the following terms, as well as variations thereof, shall have the meaning described below.

(i) "Late Performance" means the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three Business Days. Late Performance beyond three Business Days by a Seller or a Buyer will be deemed a Failure to Perform.

(ii) "Day of Late Performance" means the twenty-four hour period commencing immediately after a Buyer or a Seller was to have performed. Each subsequent Day of Late Performance shall commence twenty-four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act was to have performed shall be a Day of Late Performance.

(iii) "Failure to Perform" means the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.

(iv) "Contract Value" means the amount equal to the settlement price on the last day of trading in a Futures Contract times 100 (the number of allowances per Contract) times the number of Contracts to be delivered.

(v) (A) "Party" means a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.

(B) "Other Party" means the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.

(vi) "Force Majeure" means any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.

(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY

(i) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.

(ii) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.

(c) EMISSION ALLOWANCE DELIVERY COMMITTEE

(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:

(A) When the Chairman of the Emission Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;

(B) Upon the written request of both the Buyer and the Seller;

(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or

(D) When either Party to the delivery notifies the Exchange that circumstances exist constituting Force Majeure.

(ii) The Chairman of the Emission Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.

(iii) The Panel shall meet within one Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists, whether a Buyer or Seller is late in performing or has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.

(iv) Absent a declaration of a Force Majeure, the Panel may, with the consent of both the Buyer and the Seller, take anyone or combination of the following actions as it deems suitable grant an extension of time not to exceed five days from the date of the scheduled delivery.

This Subsection shall not preclude a Party or the Exchange from seeking the remedies set forth in Sections (D) and (E) of this Rule.

(v) Upon a finding of Force Majeure, the Panel may take anyone or combination of the following actions as it deems suitable order an extension of time not to exceed five days from the date of the scheduled delivery; or, refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules as provided in Exchange Rules.

(d) EXCHANGE ACTION

(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of or to have failed to perform a delivery, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment, assessing a penalty of 10% of Contract value for each applicable day of Late Performance.

(ii) When a Party has failed to perform, the Regulatory Oversight Department shall issue a Notice of Assessment assessing penalties of ten percent (10%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (2) hereof, to be paid to the Exchange.

(iii) (A) A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Chief Regulatory Officer, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Chief Regulatory Officer.

(B) The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.

(C) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (D)(4)(a) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a party fails to Appeal, or waives the opportunity to appeal a Notice of Assessment the Assessment and findings of the Delivery Committee shall constitute a final disciplinary action of the Exchange.

(iv) Within ten (10) days after receipt of the Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or

under the control of the Exchange that are to be relied on by the Regulatory Oversight Department or are otherwise relevant to the matter.

(v) In the event of an appeal by a Party, the Chief Executive Officer, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chief Executive Officer, or his designee, any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.

(vi) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:

(A) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.

(B) At such hearing: The Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.

(C) The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.

(D) The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.

(E) The Regulatory Oversight Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.

(F) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.

(G) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.

(H) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.

(I) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the CFTC.

(vii) The Assessment Appeal Panel shall consider, and make recommendations to the Board concerning acceptance or rejection of, any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Board shall constitute the final disciplinary action of the Exchange.

(e) ARBITRATION PROCEDURE

(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.

(ii) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of

Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.

(iii) The Arbitration will be governed by Chapter 5 of the GreenX Rules except that the Chairman of the Exchange or his designee shall appoint an Arbitration Panel composed of three Members of the Exchange, at least one of whom shall be a Member of the Board of Directors.

RULE 1604. SO2 Emissions Allowance Option

1604.01 EXPIRATION OF SO2 EMISSIONS OPTION CONTRACT

A SO2 Emissions Option Contract on the Exchange shall expire at the close of trading on the 15th calendar day of the contract month. If the 15th is not a Business Day, the Option Contract will expire on the Business Day prior to the 15th.

1604.02 TRADING UNIT FOR OPTION CONTRACT

A SO2 Option Contract is European Style option. SO2 Emissions put or call Option Contract traded on the Exchange represents an option to assume a short or long position in the underlying SO2 Emissions Allowance Futures Contract traded on the Exchange.

1604.03 TRADING MONTHS FOR SO2 EMISSIONS OPTION CONTRACT

Trading in SO2 Emissions Option Contracts shall be conducted in the months as shall be determined by the Board of Directors. Trading shall commence on the day fixed by resolution of the Board of Directors.

1604.04 HOURS OF TRADING IN SO2 EMISSIONS OPTION CONTRACTS

The hours of trading in SO2 Emissions Option Contracts on the Exchange shall be the same as the hours of trading for SO2 Emissions Futures Contracts. All such trading shall take place within the venue and hours prescribed by the Exchange.

The SO2 Emissions Option Contracts are available for clearing on CPC during the hours prescribed by the Exchange.

1604.05 STRIKE PRICES FOR SO2 EMISSIONS OPTION CONTRACTS

(a) Trading shall be conducted for Option Contracts with strike prices in increments as set forth below.

(b) On the first Business Day of trading in an Option Contract month, trading shall be at the following strike prices: (i) the previous day's settlement price for SO2 Futures Contracts in the corresponding delivery month rounded off to the nearest five dollar increment strike price (ii) the five five-dollar increment strike prices which are five increments higher than the strike price described in (i) of this Rule 1604.05(B) and (iii) the five five-dollar increment strike prices which are five increments lower than the strike price described in (i) of this Rule 1604.05(B).

(c) Thereafter, on any Business Day prior to the expiration of the Option Contract, new consecutive strike prices for both puts and calls will be added such that there will be five increments above and below the at-the-money option.

(d) Notwithstanding the provisions of subsections (a) through (c) of this Rule, if the Board determines that trading in SO2 Option Contracts will be facilitated thereby, the Board may, by resolution, change the increments between strike prices, the number of strike prices which shall be traded in the first day in any new Option Contract month, the number of new strike prices which will be introduced on each Business Day or the period preceding the expiration of a SO2 Option Contracts in which no new strike prices may be introduced.

1604.06 PRICES AND PRICE FLUCTUATIONS

Prices shall be quoted in dollar and cent (c) per allowance. The minimum price fluctuation is \$0.05 per allowance. A cabinet trade may occur at a price of \$1.00 per Contract.

1604.07 ABSENCE OF PRICE FLUCTUATION LIMITATIONS FOR SO2 EMISSIONS OPTION CONTRACT

Trading in SO2 Emissions Option Contracts shall not be subject to price fluctuation limitations.

CHAPTER 17
LEGACY EUROPEAN UNION ALLOWANCE (EUA) AND CERTIFIED EMISSION REDUCTION (CER)
CONTRACT SPECIFICATIONS

RULE 1701. European Union Allowance (EUA) Futures

1701.01A DEFINITIONS

(a) "EU ETS": In January 2005, the European Union Emissions Trading Scheme ("EU ETS") commenced operation as the largest multi-country, multi-sector Greenhouse Gas emission trading scheme world-wide. It covers over 11,500 energy-intensive installations across the EU, which represent approximately half of Europe's emissions of CO₂. These installations include combustion plants, oil refineries, coke ovens, iron and steel plants, and factories making cement, glass, lime, brick, ceramics, pulp and paper. The scheme is based on Directive 2003/87/EC, which entered into force on 25 October 2003.

(b) "EUA": European Union Allowance ("EUA") granted under a National Allocation Plan of an EU member state.

(c) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively. Further, for purposes of this Contract, Sellers and Buyers may utilize a designee to perform their respective and necessary obligations with regard to transferring and accepting allowances at the eligible registries. The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer of the physical product or swap transaction.

(d) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery month. The settlement price for the last trading day shall be determined in accordance with the procedures set forth in GreenX Rule 905.

(e) "ITL" (International Transaction Log): All transactions between registries are maintained by transaction logs which verify the validity of transactions. The UNFCCC Secretariat maintains the ITL for the purposes of transfer under the Kyoto Protocol. (F) Community Independent Transaction Log (CITL) shall mean the independent transaction log provided for in Article 20(1) of Directive 2003/87/EC, for the purpose of recording the issue, transfer and cancellation of EUAs under the Scheme and established, operated and maintained pursuant to Article 5 of the Registry Regulations;

The EU Commission has established and is the Administrator of the CITL for transfers involving EU Member States. Transfers involving EU Entities entail an additional step from the ITL to the CITL under the Kyoto Protocol for transfers of EUAs between national registries.

(f) "Communication Link" shall mean the electronic exchange of messages/notifications (1) by which a buyer and seller communicate with a Registry, and/or (2) by which a Registry communicates with CITL, and/or (3) by which CITL communicates with the UNFCCC International Transaction Log (where applicable), and/or (4) by which a Registry communicates with the UNFCCC International Transaction Log (where Applicable), and/or (5) by which the UNFCCC International Transaction Log communicates with the CDM Registry (where applicable), which in any case is necessary to facilitate a transfer;

(g) "Registry" shall mean any registry in an EU Member State meeting the eligibility criteria and which has implemented the Linking Directive in a manner that authorizes private persons to hold EUAs and has Person Holding Accounts established in order to ensure the accurate accounting of the issue of holding, transfer, acquisition, surrender, cancellation, and replacement of EUAs under the Scheme, and which has been identified as a Registry by the Clearing House from time to time for the purpose of this Futures Contract;

(h) "Registry Regulations" shall mean the EU Commission Regulation (EC) No 2216/2004 for a standardized and secured system of registries pursuant to Directive 2003/87/EC of the European Parliament and of the Council and Decision 280/2004/EC of the European Parliament and of the Council, as amended from time to time including by EU Commission Regulation (EC) No.916/2007;

1701.01 SCOPE

The provisions of these rules shall apply to all European Union EUA bought or sold for future delivery on the Exchange with the Delivery at the UK Emissions Trading Registry.

1701.02 TIME REFERENCES

For purposes of this Rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in Greenwich Mean Time (GMT).

1701.03 CONTRACT UNIT

The Contract unit shall be one thousand (1,000) EUAs for a delivery made by transfer through the UK Emissions Trading Registry.

1701.04 DELIVERY

EUA delivery shall comply with all requirements for the electronic transfer of EUAs on the UK Emissions Trading Registry. All deliveries made under this Rule shall be final and there shall be no appeal. Notwithstanding the use of a designee, all Clearing Members will remain ultimately responsible for performance of all applicable Contract terms specific to Sellers and Buyers.

1701.05 DELIVERY MONTHS

Trading shall be conducted in Contracts providing for delivery in such periods as shall be determined by the Exchange.

1701.06 MINIMUM PRICE FLUCTUATIONS

Prices shall be quoted in Euros and Euro cents per EUAs. The minimum price fluctuation shall be € 0.01 per EUA (€10.00 per Contract). There shall be no maximum price fluctuation.

1701.07 TERMINATION OF TRADING

Trading in the delivery month shall cease two Business Days prior to the first Business Day of the delivery month.

1701.08 RESERVED

1701.09 DELIVERY PROCEDURES AND OBLIGATIONS

The Clearing House is a party to all deliveries under this Contract and will receive EUAs from the Seller into the Clearing House Holding Account of the UK Emissions Trading Registry. Following receipt from the Seller, the Clearing House will deliver EUAs to the Buyer from the Clearing House Holding Account to the UK Emissions Trading Registry Holding Account nominated by the Buyer.

The Seller shall comply with such requirements and obligations imposed by or under applicable Registry regulations in all respects material to the submission of the forms noted in this Rule. The Buyer shall comply with such requirements and obligations imposed by or under applicable Registry Regulations in all respects material to ensure the acceptance of a valid transfer into its Holding Account. If a provision of the Regulations or the Clearing House Rules is inconsistent with a provision of the Registry Regulations, the provision of the Regulations or the Clearing House Rules shall prevail as between the Buyer, Seller, and the Clearing House to the extent of such inconsistency and to the extent permitted by law.

(a) OPERATIONAL RESPONSIBILITIES OF CLEARING MEMBERS

(i) Notice of Intention to Accept

By 10:00 p.m. GMT on the final day of trading of the expiring delivery month, a Buyer having an open long position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include: Number of Contracts to be accepted; UK Emissions Trading Registry Account Number; Name; Telephone Number and e-mail address of the Authorized Representative(s) for that Registry account, and any additional information as may be required by the Exchange.

(ii) Notice of Intention to Deliver

(A) By 10:00 p.m. GMT on the final day of trading of the expiring delivery month, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form prescribed by the Exchange and shall include: Number of Contracts to be delivered; UK Emissions Trading Registry Account Number; Name; Telephone Number and e-mail address of the Authorized Representative(s) for that Registry account, and any additional information as may be required by the Exchange.

(B) By 6:30 p.m. GMT on the first Business Day after the final day of trading of the delivery month, the Seller will transfer EUAs subject to delivery to the Clearing House Holding Account of the UK Emissions Trading Registry.

(C) By 7:00 p.m. GMT on the first Business Day after the final day of trading of the delivery month, for each Buyer that has satisfied its obligation under Rule 1701.09(A)(6), the Clearing House will initiate the process of transferring the EUAs to the Buyer's account at the UK Emissions Trading Registry.

(D) By 3:00 p.m. GMT the second Business Day after the final day of trading of the delivery month, Buyer shall receive EUAs from the Clearing House Holding Account of the UK Emissions Trading Registry.

(E) By 2:00 p.m. GMT on the Business Day following the last day of trading, the Buyer shall deposit / transfer Euro currency equal to the full value of the product to the designated Clearing House bank account.

(F) By 3:00 p.m. GMT on the second Business Day following the last day of trading, for each Seller that has satisfied its obligation under Rule 1701.09(A)(3), the Clearing House shall pay the Seller full Contract value.

(b) **ASSIGNMENT DAY**

(i) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching positions, to the extent possible.

(ii) The Clearing House shall provide Assignment Notice Reports to the respective Clearing.

(c) **PAYMENT AND DELIVERY MARGINS**

(i) **Definitions**

(A) **Daily Margin:** The Buyer and Seller shall deposit with the Clearing House margins in such amounts and in such form as required by the Clearing House. Such margins which shall not be greater than the margins charged to the Buyer's Customer and Seller's Customer, shall be returned on the Business Day following notification to the Exchange that delivery and payment have been completed.

(B) "Payment" shall include the settlement price times the number of Contracts times 1,000.

(C) "Payment Date" shall mean the date on which the Clearing House transfers payment in connection with a delivery to a Seller.

(ii) Any payment made on Payment Date shall be based on EUAs that the Seller is obligated to deliver pursuant to the applicable delivery.

1701.10 VALIDITY OF DOCUMENTS

The Exchange makes no representation with respect to the authenticity, validity or accuracy of any of Tender Allocation Notice, Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these Rules.

1701.11 EXCHANGE OF FUTURES FOR RELATED POSITIONS

Any Exchange of Futures for Related Positions ("EFRP") shall be governed by the provisions of GreenX Rule 603.

An EFRP is permitted in the expiring futures contract until two hours after trading terminates on the last day of trading of the expiring futures contract.

1701.12 ALTERNATIVE DELIVERY PROCEDURE

An Alternative Buyer may agree with the Seller with which it has been matched by the Exchange under Rule 1701.09(B) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Buyers and Sellers shall execute an Alternative Delivery Procedure on a form prescribed by the Exchange and shall deliver a completed executed copy of such form to the Clearing House. The delivery of an executed Alternative Delivery Procedure form to the Clearing House shall release the Buyer, Seller and the Exchange from their respective obligations under the Exchange Contracts.

In executing such Alternative Delivery Procedure form, Buyers and Sellers shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Delivery Procedure form, the Clearing House will return to the Buyer and Seller all margin monies held for the account of each with respect to the Contracts involved.

1701.13 LATE PERFORMANCE, FAILURE TO PERFORM AND FORCE MAJEURE

(a) DEFINITION. As used in this Rule 1701.13 the following terms, as well as variations thereof, shall have the meaning described below.

(i) "Late Performance" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three Business Days. Late Performance beyond three Business Days by, a Seller or a Buyer will be deemed a Failure to Perform.

(ii) "Day of Late Performance" shall mean the twenty-four hour period commencing immediately after a Buyer, a Seller, or the Clearing House was to have performed. Each subsequent Day of Late Performance shall commence twenty-four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act was to have performed shall be a Day of Late Performance.

(iii) "Failure to Perform" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.

(iv) "Contract Value" shall mean the amount equal to the settlement price on the last day of trading in a Futures Contract times 1,000 (the number of EUAs per Contract) times the number of Contracts to be delivered.

(v) (A) "Party" shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.

(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.

(vi) "Force Majeure" shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.

(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY

(i) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.

(ii) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.

(c) EMISSIONS ALLOWANCE DELIVERY COMMITTEE

(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:

(A) When the Chairman Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;

(B) Upon the written request of both the Buyer and the Seller;

(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or

(D) When either Party to the delivery notifies the Exchange that circumstances exist constituting Force Majeure.

(ii) The Chairman Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.

(iii) The Panel shall meet within one Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists, whether a Buyer or Seller is late in performing or has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.

(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable order: an extension of time not to exceed ten days from the date of the scheduled delivery; or, refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules.

(d) EXCHANGE ACTION

(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of a delivery obligation, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment, assessing a penalty of 10% of Contract value for each applicable day of Late Performance.

(ii) Whenever a Buyer or Seller is found by the Panel or otherwise deemed to have a "Failure to Perform" the Exchange, represented by the Regulatory Oversight Department shall issue a Notice of Assessment assessing penalties of twenty percent (20%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (1) above, to be paid to the Exchange.

(iii) (A) A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Exchange's Regulatory Oversight Department, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Chief Regulatory Officer.

(B) The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.

(C) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (D)(3)(a) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a party fails to Appeal, or waives the opportunity to appeal a Notice of Assessment, the Assessment and findings of the Emission Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.

(iv) Within ten (10) days after receipt of Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied on by Regulatory Oversight Department or are otherwise relevant to the matter.

(v) In the event of an appeal by a Party, the Chief Executive Officer, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chief Executive Officer, or his designee, any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.

(vi) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:

(A) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.

(B) At such hearing: The Appellant may appear personally and may be represented by counselor or other representative of his choice at the appeal.

(C) The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.

(D) The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.

(E) The Regulatory Oversight Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.

(F) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.

(G) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.

(H) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.

(I) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the CFTC.

(vii) The Assessment Appeal Panel shall consider, and make recommendations to the Chief Executive Officer, or his designee, concerning acceptance or rejection of, any offer of settlement submitted

by Appellant. In the case of an offer of settlement, acceptance by the Board shall constitute the final disciplinary action of the Exchange.

(e) ARBITRATION PROCEDURE

(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.

(ii) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.

(iii) The Arbitration will be governed by Chapter 8 of the GreenX Rules except that the Chief Executive Officer or his designee shall appoint an Arbitration Panel.

1701.14 EXCLUSION OF LIABILITY

Except as specifically provided in the GreenX Rules (and to the extent permitted by law), the Clearing House accepts no liability in connection with this Futures Contract, its performance, nonperformance or its termination whether based on breach of contract, warranty, negligence or tort. In particular, but without limitation, the Clearing House shall not be responsible for or shall have any liability whatsoever to any Buyer or Seller for: the availability, suitability, unavailability or malfunction of a Communication Link or any part thereof; the performance or non-performance by a registry or CITL or UNFCCC International Transaction Log of their respective obligations under the Registry Regulations or otherwise; any act or omission of any operator of a Communication Link or any part thereof; or any act or omission of an authorized agent of any other party; or any performance or non-performance by the Clearing House in relation to its serving as a party to the deliveries and the Clearing House shall under no circumstances be liable for any indirect or consequential loss or loss of profits. Additionally, nothing in these Rules will constrain the Clearing House from performing its duties under Clearing House Rule 802.

RULE 1702. European Union Allowance (EUA) Option

1702.01 EXPIRATION

A European Union Allowance (EUA) Option ("EUA Option") Contract on the Exchange shall expire at the close of trading three Business Days prior to the expiration of the underlying European Union Allowance (EUA) Futures ("EUA Futures") Contract.

1702.02 TRADING UNIT

An EUA Option is a European-style Option Contract. An EUA put or call Option Contract traded on the Exchange represents an option to assume a short or long position in the underlying EUA Futures Contract traded on the Exchange.

1702.03 TRADING MONTHS

Trading in EUA Option Contracts shall be conducted in the contract months as shall be determined by the Exchange. Trading shall commence on the day fixed by resolution of the Exchange.

1702.04 HOURS OF TRADING

The hours of trading in European Union Allowance (EUA) Option Contracts on the Exchange shall be the same as the hours of trading for Futures Contracts. All such trading shall take place within the venue and hours prescribed by the Exchange.

The European Union Allowance (EUA) Option Contracts are available for clearing on CPC during the hours prescribed by the Exchange.

1702.05 STRIKE PRICES

Trading shall be conducted for Option Contracts with strike prices in increments as set forth below.

(a) On the first Business Day of trading in an Option Contract month, trading shall be at the following strike prices: (i) the previous day's settlement price for EUA Futures Contracts in the corresponding delivery month rounded off to the nearest fifty-cent increment strike price (ii) the ten fifty-cent increment strike prices which are ten increments higher than the strike price described in (i) of this Rule 1702.05(A) and (iii) the ten fifty-cent increment strike prices which are ten increments lower than the strike price described in (i) of this Rule 1702.05(A).

(b) Thereafter, on any Business Day prior to the expiration of the Option Contract, new consecutive strike prices for both puts and calls will be added such that there will be ten increments above and below the at-the-money option;

(c) Notwithstanding the provisions of subsections (B) and (C) of this Rule, if the Exchange determines that trading in EUA Option Contracts will be facilitated thereby, the Exchange may, by resolution, change the increments between strike prices, the number of strike prices which shall be traded in the first day in any new Option Contract month, the number of new strike prices which will be introduced on each Business Day or the period preceding the expiration of an EUA Option Contract in which no new strike prices may be introduced.

1702.06 PRICES AND PRICE FLUCTUATIONS

Prices shall be quoted in Euros (€) and Euro cents (¢) per EUA. The minimum price fluctuation is €0.01 per EUA. A cabinet trade may occur at a price of €1.00 per Contract.

1702.07 ABSENCE OF PRICE FLUCTUATION LIMITATIONS

Trading in EUA Option Contracts shall not be subject to price fluctuation limitations.

RULE 1703. Certified Emission Reduction (CER) Futures

1703.01A DEFINITIONS

(a) Certified Emission Reduction ("CER"). CER shall mean a unit issued pursuant to Articles 12 and 17 of the Kyoto Protocol and the decisions adopted pursuant to the UNFCCC or the Kyoto Protocol which may be used for compliance purposes under the European Union Emissions Trading Scheme ("EU ETS") in accordance with Article 11a (3)(a) and (b) of the Directive 2003/87/EC (as amended from time to time) and the Linking Directive 2004/101/EC as implemented into Member State law. CERs from nuclear facilities; land use, land use change and forestry activities (LULUCF); and hydroelectric projects with generating capacities exceeding 20 MW are excluded from this definition.

(b) CDM ("Clean Development Mechanism") shall mean a mechanism established by Article 12 of the Kyoto Protocol for project-based emission reduction activities in developing countries.

(c) "Clean Development Mechanism-Executive Board" (CDM-EB): The CDM EB registers validated project activities as CDM projects, issues certified emission reductions to relevant projects participants, and manages series of technical panels and working groups meetings.

(d) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively. Further, for purposes of this Contract, Sellers and Buyers may utilize a designee to perform their respective and necessary obligations with regard to transferring and accepting allowances at the eligible registries.

(e) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer of the physical product or swap transaction.

(f) "ITL" (International Transaction Log): All transactions between registries are maintained by transaction logs which verify the validity of transactions. The UNFCCC Secretariat maintains the ITL for the purposes of transfer under the Kyoto Protocol. Moreover the EU Commission established and is the Administrator of the Community Transaction Independent Log (CITL) for transfers involving EU Member States. Transfers involving EU Entities entail an additional step from the ITL to the CITL under the Kyoto Protocol for transfers of CERs between national registries.

(g) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery month. The settlement price for the last trading day shall be determined in accordance with the procedures set forth in GreenX Rule 905.

(h) "Communication Link" shall mean the electronic exchange of messages/notifications (1) by which a buyer and seller communicate with a Registry, and/or (2) by which a Registry communicates with CITL, and/or (3) by which CITL communicates with the UNFCCC International Transaction Log (where applicable), and/or (4) by which a Registry communicates with the UNFCCC International Transaction Log (where Applicable), and/or (5) by which the UNFCCC International Transaction Log communicates with the CDM Registry (where applicable), which in any case is necessary to facilitate a transfer;

(i) "Registry" shall mean any registry in an EU Member State meeting the eligibility criteria and which has implemented the Linking Directive in a manner that authorizes private persons to hold CERs and has Person Holding Accounts established in order to ensure the accurate accounting of the issue of holding, transfer, acquisition, surrender, cancellation, and replacement of CERs under the Scheme, and which has been identified as a Registry by the Clearing House from time to time for the purpose of this Futures Contract;

(j) "Registry Regulations" shall mean the EU Commission Regulation (EC) No 2216/2004 for a standardized and secured system of registries pursuant to Directive 2003/87/EC of the European Parliament and of the Council and Decision 280/2004/EC of the European Parliament and of the Council, as amended from time to time including by EU Commission Regulation (EC) No.916/2007.

1703.01 SCOPE

The provisions of these rules shall apply to all CERs, issued pursuant to Articles 12 and 17 of the Kyoto Protocol, bought or sold for future delivery on the Exchange with the Delivery at the UK Emissions Trading Registry or the Dutch CO2 Emissions Trading Registry.

1703.02 TIME REFERENCES

For purposes of this Rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in Greenwich Mean Time (GMT).

1703.03 CONTRACT UNIT

The Contract unit shall be one thousand (1,000) CERs for a delivery made by transfer through the UK Emissions Trading Registry or the Dutch CO2 Emissions Trading Registry.

1703.04 DELIVERY

At the registry designation of the buyer, CER delivery shall take place by electronic transfer of CERs at the UK Emissions Trading Registry or the Dutch CO2 Emissions Trading Registry. The registry will be designated by the Buyer, and it must satisfy "Eligibility Criteria" for international emissions trading specified in Article 17 of the Kyoto Protocol and Decision 11/CMP.1. All deliveries made under these Rules shall be final and there shall be no appeal. Notwithstanding the use of a designee, all Clearing Members will remain ultimately responsible for performance of all applicable Contract terms specific to Sellers and Buyers.

1703.05 DELIVERY MONTHS

Trading shall be conducted in Contracts providing for delivery in such periods as shall be determined by the Exchange.

1703.06 MINIMUM PRICE FLUCTUATIONS

Prices shall be quoted in Euro and Euro cents per CER. The minimum price fluctuation shall be € 0.01 per CER (€10.00 per Contract). There shall be no maximum price fluctuations.

1703.07 TERMINATION OF TRADING

Trading in the delivery month shall cease two Business Days prior to the first Business Day of the delivery month.

1703.08 RESERVED

1703.09 DELIVERY PROCEDURES AND OBLIGATIONS

The Clearing House is a party to all deliveries under this Contract and will receive CERs from the Seller into the Clearing House Holding Account of the UK Emissions Trading Registry or the Dutch CO2 Emissions Trading Registry. Following receipt from the Seller, the Clearing House will deliver CERs to the Buyer from the Clearing House Holding Account to the UK Emissions Trading Registry or the Dutch CO2 Emissions Trading Registry Holding Account nominated by the Buyer.

The Seller shall comply with such requirements and obligations imposed by or under applicable Registry Regulations in all respects material to the submission of the forms noted in this Rule. The Buyer shall comply with such requirements and obligations imposed by or under applicable Registry Regulations in all respects material to ensure the acceptance of a valid transfer into its Holding Account. If a provision of the Regulations or the Clearing House Rules is inconsistent with a provision of the Registry Regulations, the provision of the Regulations or the Clearing House Rules shall prevail as between the Buyer, Seller, and the Clearing House to the extent of such inconsistency and to the extent permitted by law.

(a) OPERATIONAL RESPONSIBILITIES OF CLEARING MEMBERS

(i) Notice of Intention to Accept: By 10:00 p.m. GMT on the final day of trading of the delivery month, a Buyer having an open long position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include: Number of Contracts to be accepted; Registry Name; Registry Account Number; Name, Telephone Number and e-mail address of the Authorized Representative(s) for that that registry account; and any additional information as may be required by the Exchange

(ii) Notice of Intention to Deliver

(A) By 10:00 p.m. GMT on the final day of trading of the delivery month, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form prescribed by the Exchange and shall include: Number of Contracts to be delivered; Registry Name; Registry Account Number; Name, Telephone Number and e-mail address of the Authorized Representative(s) for that that registry account; and any additional information as may be required by the Exchange.

(B) By 6:30 p.m. GMT on the first Business Day after the final day of trading of the delivery month, the Seller will transfer CERs subject to delivery to the Clearing House Holding Account of the UK Emissions Trading Registry or the Dutch CO2 Emissions Trading Registry.

(C) By 7:00 p.m. GMT on the first Business Day after the final day of trading of the delivery month, for each Buyer that has satisfied its obligation under Rule 1703.09 (A)(6), the Clearing House will initiate the process of transferring the CERs to the Buyer's account at the UK Emissions Trading Registry or the Dutch CO2 Emissions Trading Registry.

(D) By 3:00 p.m. GMT the second Business Day after the final day of trading of the delivery month, Buyer shall receive CERs from the Clearing House Holding Account of the UK Emissions Trading Registry or the Dutch CO2 Emissions Trading Registry.

(E) By 2:00 p.m. GMT on the Business Day following the last day of trading, the Buyer shall deposit / transfer of Euro currency equal to the full value of the product to be delivered designated Clearing House bank account.

(F) By 3:00 p.m. GMT on the second the Business Day following the last day of trading, for each Seller that has satisfied its obligation under Rule 1703.09 (A)(3), the Clearing House shall pay the Seller full Contract value.

(b) ASSIGNMENT DAY

(i) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching positions, to the extent possible.

(ii) The Clearing House shall provide Assignment Notice Reports to the respective Clearing Members on the final day of trading of the delivery month.

(c) PAYMENT AND DELIVERY MARGINS

(i) Definitions:

(A) "Daily Margin" shall mean the Exchange margins that the Buyer and Seller deposit in such amounts and in such form as required by the Exchange. Such margins which shall not be greater than the margins charged to the Buyer's Customer and Seller's Customer, shall be returned on the Business Day following notification to the Exchange that delivery and payment have been completed.

(B) "Payment" shall include the settlement price times the number of Contracts times 1,000.

(C) "Payment Date" shall mean the date on which the Clearing House transfers payment in connection with a delivery to a Seller.

(ii) Any payment made on Payment Date shall be based on CERs that the Seller is obligated to deliver pursuant to the applicable delivery.

1703.10 VALIDITY OF DOCUMENTS

The Exchange makes no representation with respect to the authenticity, validity or accuracy of any of Tender Allocation Notice, Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these Rules.

1703.11 EXCHANGE OF FUTURES FOR RELATED POSITIONS

Any Exchange of Futures for Related Positions ("EFRP") shall be governed by the provisions of GreenX Rule 603.

An EFRP is permitted in the expiring futures contract until two hours after trading terminates on the last day of trading of the expiring futures contract.

1703.12 ALTERNATIVE DELIVERY PROCEDURE

An Alternative Buyer may agree with the Seller with which it has been matched by the Exchange under Rule 1703.09(B) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Buyers and Sellers shall execute an Alternative Delivery Procedure on a form prescribed by the Exchange and shall deliver a completed executed copy of such form to the Clearing House.

The delivery of an executed Alternative to Delivery Procedure form to the Exchange shall release the Buyer, Seller and the Exchange from their respective obligations under the Exchange Contracts.

In executing such Alternative Delivery Procedure form, Buyers and Sellers shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default there under.

Upon receipt of an executed Alternative Delivery Procedure form, the Exchange will return to the Buyers and Sellers all margin monies held for the account of each with respect to the Contracts involved.

1703.13 LATE PERFORMANCE, FAILURE TO PERFORM AND FORCE MAJEURE

(a) DEFINITION. As used in this Rule 1703.13 the following terms, as well as variations thereof, shall have the meaning described below.

(i) "Late Performance" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three Business Days. Late Performance beyond three Business Days by a Seller or a Buyer will be deemed a Failure to Perform.

(ii) "Day of Late Performance" shall mean the twenty-four hour period commencing immediately after a Buyer, a Seller, or the Clearing House was to have performed. Each subsequent Day of Late Performance shall commence twenty-four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act was to have performed shall be a Day of Late Performance.

(iii) "Failure to Perform" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.

(iv) "Contract Value" shall mean the amount equal to the settlement price on the last day of trading in a Futures Contract times 1,000 (the number of CERs per Contract) times the number of Contracts to be delivered.

(v) (A) "Party" shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.

(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.

(vi) "Force Majeure" shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.

(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY

(i) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.

(ii) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.

(c) EMISSIONS ALLOWANCE DELIVERY COMMITTEE

(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:

(A) When the Chairman Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;

(B) Upon the written request of both the Buyer and the Seller;

(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or

(D) When either Party to the delivery notifies the Exchange that circumstances exist constituting Force Majeure.

(ii) The Chairman Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.

(iii) The Panel shall meet within one Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists, whether a Buyer or Seller is late in performing, or has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.

(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable, order: an extension of time not to exceed 10 days from the date of the scheduled delivery; or refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules

(d) EXCHANGE ACTION

(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of a delivery obligation, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment, assessing a penalty of 10% of Contract value for each applicable day of Late Performance.

(ii) Whenever a Buyer or Seller is found by the Panel or otherwise deemed to have a "Failure to Perform" the Exchange, represented by the Regulatory Oversight Department shall issue a Notice of Assessment assessing penalties of twenty percent (20%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (1) above, to be paid to the Exchange.

(iii) (A) A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Chief Regulatory Officer, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Chief Regulatory Officer.

(B) The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.

(C) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (D)(4)(a) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a party fails to Appeal or waives the opportunity to appeal a Notice of Assessment the Assessment, and findings of the Emission Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.

(iv) Within ten (10) days after receipt of the Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied on by the Regulatory Oversight Department or are otherwise relevant to the matter.

(v) In the event of an appeal by a Party, the Chief Executive Officer, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chief Executive Officer or his designee any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel. Exchange outside counsel shall advise the Panel.

(vi) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:

(A) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.

(B) At such hearing: The Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.

(C) The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.

(D) The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.

(E) The Regulatory Oversight Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.

(F) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.

(G) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.

(H) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.

(I) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a

copy of the written decision has been delivered to the appellant and to the CFTC. (7) The Assessment Appeal Panel shall consider, and make recommendations to the Chief Executive Officer or his designee concerning acceptance or rejection of any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Board shall constitute the final disciplinary action of the Exchange.

(e) **ARBITRATION PROCEDURE**

(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.

(ii) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.

(iii) The Arbitration will be governed by Chapter 8 of the GreenX Rules except that the Chief Executive Officer or his designee shall appoint an Arbitration Panel.

1703.14 EXCLUSION OF LIABILITY

Except as specifically provided in the GreenX Rules (and to the extent permitted by law), the Clearing House accepts no liability in connection with this Futures Contract, its performance, nonperformance or its termination whether based on breach of contract, warranty, negligence or tort. In particular, but without limitation, the Clearing House shall not be responsible for or shall have any liability whatsoever to any Buyer or Seller for: the availability, suitability, unavailability or malfunction of a Communication Link or any part thereof; the performance or non-performance by a registry or CITL or UNFCCC International Transaction Log of their respective obligations under the Registry Regulations or otherwise; any act or omission of any operator of a Communication Link or any part thereof; or any act or omission of an authorized agent of any other party; or any performance or non-performance by the Clearing House in relation to its serving as a party to the deliveries and the Clearing House shall under no circumstances be liable for any indirect or consequential loss or loss of profits. Additionally, nothing in these Rules will constrain the Clearing House from performing its duties under Clearing House Rule 802.

RULE 1704. Certified Emission Reduction (CER) Option

1704.01 EXPIRATION

A Certified Emission Reduction (CER) Option ("CER Option") Contract on the Exchange shall expire at the close of trading three Business Days prior to the expiration of the underlying Certified Emission Reduction (CER) Futures ("CER Futures") Contract.

1704.02 TRADING UNIT

A CER Options is a European-style Option Contract. A CER put or call Option Contract traded on the Exchange represents an option to assume a short or long position in the underlying CER Futures Contract traded on the Exchange.

1704.03 TRADING MONTHS

Trading in CER Option Contracts shall be conducted in the contract months as shall be determined by the Exchange. Trading shall commence on the day fixed by resolution of the Exchange.

1704.04 HOURS OF TRADING

The hours of trading in CER Option Contracts on the Exchange shall be the same as the hours of trading for Futures Contracts. All such trading shall take place within the venue and hours prescribed by the Exchange.

The CER Option Contracts are available for clearing on CPC during the hours prescribed by the Exchange.

1704.05 STRIKE PRICES

Trading shall be conducted for Option Contracts with strike prices in increments as set forth below.

(a) On the first Business Day of trading in an Option Contract month, trading shall be at the following strike prices: (i) the previous day's settlement price for CER Futures Contracts in the corresponding delivery month rounded off to the nearest fifty-cent increment strike price; (ii) the ten fifty-cent increment strike prices which are ten increments higher than the strike price described in (i) of this Rule 1704.05(A); and (iii) the ten fifty-cent increment strike prices which are ten increments lower than the strike price described in (i) of this Rule 1704.05(A).

(b) Thereafter, on any Business Day prior to the expiration of the option, new consecutive strike prices for both puts and calls will be added such that there will be ten increments above and below the at-the-money option.

(c) Notwithstanding the provisions of subsections (A) and (B) of this Rule, if the Exchange determines that trading in CER Option Contracts will be facilitated thereby, the Exchange may, by resolution, change the increments between strike prices, the number of strike prices which shall be traded in the first day in any new Option Contract month, the number of new strike prices which will be introduced on each Business Day or the period preceding the expiration of a CER Option Contract in which no new strike prices may be introduced.

1704.06 PRICES AND PRICE FLUCTUATIONS

Prices shall be quoted in Euros (€) and Euro cents (¢) per CER. The minimum price fluctuation is € 0.01 (1 ¢) per CER. A cabinet trade may occur at a price of €1.00 per a Contract.

1704.07 ABSENCE OF PRICE FLUCTUATION LIMITATIONS FOR CER OPTION CONTRACT

Trading in CER Option Contracts shall not be subject to price fluctuation limitations.