



Chicago Climate Exchange®

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November 3, 2008

Mr. David Stawick
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: **Chicago Climate Futures Exchange, LLC
Submission No. 08-13 Supplemental**

Dear Mr. Stawick:

On May 1, 2008 the Chicago Climate Futures Exchange, LLC ("CCFE") made a submission to the Commodity Futures Trading Commission ("CFTC"), reference number 08-13, which implemented a new market maker program pursuant to Rule 309 of the CCFE Rulebook (the "Market Maker Program"); further supplements to that submission 08-13 were made on May 5, 2008, June 18, 2008 and September 2, 2008.

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the "Act") and Part 40.6 of the regulations promulgated by the CFTC under the Act, CCFE hereby submits as attached a fourth supplement to that Submission 08-13 to provide further information regarding the terms of the Market Maker Program as requested by CFTC staff. Please note that on June 18, 2008, CCFE requested FOIA Confidential Treatment for Annex B of the attached document.

The Exchange certifies that this Market Maker Program neither violates nor is inconsistent with any portion of the Act or of the rules thereunder.

Should you require additional information regarding this submission, please contact me at 312.554.0812. Please reference our submission number 08-13 Supplemental in any related correspondence.

Very truly yours,

Ann M. Cresce
Senior Vice President & General Counsel

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enc.

cc: Riva Adriance
Nancy Markowitz
Kevin Pepple

OFFICE OF THE SECRETARIAT

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CFTC.

www.chicagoclimateexchange.com

MARKET MAKER AGREEMENT

This Market Maker Agreement ("Agreement") is entered into and effective as of _____ (the "Effective Date") between Chicago Climate Futures Exchange, LLC ("CCFE"), a Delaware limited liability company, and _____ (the "Authorized Market Maker"), each a "Party" and collectively, the "Parties".

WHEREAS, CCFE operates a designated contract market pursuant to Section 5 of the Commodity Exchange Act, as amended, and Part 38 of the regulations promulgated by the Commodity Futures Trading Commission (the "CFTC") thereunder.

WHEREAS, CCFE may from time to time designate and approve certain Trading Privilege Holders, Clearing Members or others to act as market makers for a CCFE market pursuant to the Chicago Climate Futures Exchange, LLC Rulebook as amended from time to time (the "CCFE Rulebook").

WHEREAS, the Parties desire that the Authorized Market Maker function as a nonexclusive market maker for the CCFE futures contracts and options on one or more of the contracts set forth on Annex A hereto (the "CCFE Program Contracts") as listed and traded on CCFE's electronic trading platform.

WHEREAS, CCFE may enter into additional agreements with other market makers in connection with the CCFE Program Contracts and with the Authorized Market Maker and/or other market makers in connection with other futures contracts under substantially the same terms as this Agreement (such agreements, together with this Agreement, the "CCFE Market Maker Program").

WHEREAS, pursuant to a warrant issuance agreement (the "Warrant Issuance Agreement") between CCFE and CCFE's ultimate parent, Climate Exchange PLC ("CLE"), on the Effective Date, CLE will issue to CCFE XXX warrants of CLE (the "CLE Warrants"), each exercisable for one ordinary share of CLE as described in the Warrant Issuance Agreement subject to the terms and conditions of this Agreement and the Warrant Issuance Agreement.

NOW THEREFORE, in consideration of the mutual promises contained herein, it is agreed as follows:

1. Interpretation. Any capitalized term used and not otherwise defined in this Agreement shall have the meaning assigned to such term in the CCFE Rulebook.
2. Market Making Obligations. At all times during the Market Maker Term (as defined in Section 4(a)) and for 85% of the time the applicable contract(s) is available for trading on CCFE, the Authorized Market Maker shall maintain the maximum bid/ask spreads and minimum quantities for the [list products] contracts set forth in the Market Making addendum attached as Annex B hereto (the "Market Making Obligations").

3. Market Making Incentives.

- (a) The Authorized Market Maker will receive a quarterly rebate for any of the transaction fees paid by the Authorized Market Maker in the previous quarter and as established by CCFE pursuant to Rule 306 of the CCFE Rulebook, if the Authorized Market Maker meets its Market Maker obligations (as determined by CCFE) as described in accordance with Section 2 of this Agreement for the prior quarter.
- (b) As set forth in Annex C, on October 1, 2008; each January 1, April 1, July 1 and October 1 of 2009, 2010, and January 1, 2011, if the Authorized Market Maker meets its Market Maker obligations as described in accordance with Section 2 of this Agreement for the prior quarter, Even CLE Warrants will vest. "Even CLE Warrants" means XXX warrants for each of calendar year 2008, 2009 and 2010, distributed quarterly and evenly to all qualifying CCFE Market Makers in the CCFE Market Maker Program. For purposes of this Section 3(b), "qualifying CCFE Market Maker" means each CCFE Market Maker in the CCFE Market Maker Program that achieves the XXX vesting target for the prior quarter. The Even CLE Warrants for calendar year 2008 will be distributed evenly in the second, third and fourth quarters of such calendar year.
- (c) On each of January 1, 2009, 2010, 2011, if the Authorized Market Maker meets its Market Making Obligations as described in accordance with Section 2 of this Agreement for the prior calendar year, Pro Rata CLE Warrants (as defined below) will vest. The rebate of transactions fees as specified in Section 3(a) above and Pro Rata CLE Warrants along with the Even CLE Warrants in (b) above, if vested, shall constitute the "Market Making Incentive".
- (d) "Pro Rata CLE Warrants" means a number of CLE Warrants equal to the product obtained by multiplying the number of CLE Warrants Pro Rata for vesting in a given year. The number of CLE Warrants eligible for vesting in each calendar year will be XXX multiplied by the percentage vesting target as set forth in Annex C hereto achieved for such calendar year based on the aggregate number of contracts traded by all CCFE Market Maker Program participants, and which for calendar year 2008 will also include the number of contracts traded prior to the start of the CCFE Market Maker Program.
- (e) The "Apportionment Percentage" means the percentage attributable to the Authorized Market Maker of the aggregate number of all CCFE futures contracts and options on those contracts traded pursuant to the CCFE Market Maker Program in the prior year.

- (f) The Market Making Incentives specified in Section 3(c) above shall be the only incentives provided to the Authorized Market Maker in connection with its market making activities performed hereunder.

4. Term.

- (a) The Market Maker Obligations set forth in this Agreement will be in effect as of the date written above for an initial term through and including December 31, 2009 and will automatically renew for two (2) 6-month terms (such period the "Market Maker Term"). Either Party may terminate this Agreement by providing written notice 30 days prior to the end of any renewal period. The term of this Agreement shall extend through March 31, 2011 ("Agreement Term").
- (b) If the Authorized Market Maker does not meet its Market Making Obligations as described under Section 2 of this Agreement for any calendar month, CCFE will notify the Authorized Market Maker of its noncompliance. If the Authorized Market Maker does not comply in any subsequent month, CCFE may terminate this Agreement, effective immediately upon written notification to the Authorized Market Maker.
- (c) Notwithstanding the foregoing, either Party may terminate this Agreement, upon ten days' written notice to the other Party, in the event of any change in applicable laws, regulations, exchange rules or orders or any other cause outside the control of CCFE or the Authorized Market Maker that materially impairs the Authorized Market Maker's ability to act as a market maker for the CCFE Program Contracts.

5. Representations and Warranties of Both Parties. Each Party represents to the other Party that, as of the date hereof and during the term of this Agreement:

- (a) It is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and in good standing in each other jurisdiction in which the nature or conduct of its business requires such qualification. It has full power and authority (corporate and otherwise) to execute and deliver this Agreement and to perform its obligations under this Agreement.
- (b) This Agreement has been duly and validly authorized, executed and delivered on its behalf and constitutes a valid, binding and enforceable agreement in accordance with its terms, subject to the effect of bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance, and other similar laws relating to or affecting creditors' rights generally, now or hereafter in effect, to the application of principles of public policy underlying all such laws, and the application of equitable principles in any proceeding, whether at law or in equity. The individual

executing and delivering this Agreement has full power and authority to do so on its behalf.

- (c) It has all governmental, regulatory, and self-regulatory licenses, memberships and approvals and has affected all filings and registrations with all governmental, regulatory and self-regulatory agencies necessary to perform its obligations under this Agreement and effect the transactions contemplated hereunder.
- (d) The execution and delivery of this Agreement, the incurrence of the obligations set forth herein and the consummation of the transactions contemplated herein will not constitute a breach of, or default under (i) its organizational documents, any agreement or instrument by which it is bound, or (ii) any order, law, rule or regulation applicable to it.
- (e) There is not pending or to the best of its knowledge threatened, any action, suit or proceeding before or by any court or governmental, regulatory or self-regulatory body to which it is a party or to which it is subject and which seeks to affect the enforceability of this Agreement and is not subject to any statutory disqualification which may prevent it from executing its obligations under this agreement.

6. Authorized Market Maker Covenant.

- (a) The Authorized Market Maker hereby covenants and warrants that it shall at all times comply with the requirements applicable to Trading Privilege Holders, Clearing Members and others approved and designated as market makers pursuant to (i) the Commodity Exchange Act, as amended, and the regulations promulgated thereunder by the CFTC, as in effect from time to time; (ii) the CCFE Rulebook; and (iii) the policies and procedures promulgated and published by CCFE as in effect from time to time.
- (b) The Authorized Market Maker hereby covenants and warrants that it shall not enter into any agreement to provide or otherwise provide market making services in the eleven (11) specifically identified contracts set forth in Annex A to any other designated contract market or trading facility at any time during the Agreement Term. For purposes of this paragraph, market making services includes the services contemplated by this Agreement including but not limited to the regular posting of bid/ask spreads of minimum quantity on another market.

7. Force Majeure. No Party shall bear any responsibility or liability for any losses arising out of any delay in or interruption of the performance of its obligations under this Agreement due to any act of God, fire, flood, severe or adverse weather conditions, communications line failure, act of governmental authority, judicial decree, act of the public enemy or due to war, riot, civil commotion, insurrection,

labor difficulty (including, without limitation, any strike or other work stoppage or slowdown), or other cause beyond the reasonable control of the Party so affected.

8. Assignment. Except as otherwise explicitly provided herein, this Agreement may not be assigned, delegated, or transferred by any Party without the prior written consent of the other Party. Any attempt to assign or transfer this Agreement without such written consent shall be null and void. Notwithstanding the foregoing, either Party may, without the written consent of the other Party, assign this Agreement to its parent or any of its subsidiaries or Affiliates. For purposes of this Agreement, the term "Affiliate" shall mean any (a) entity in which the relevant Party hereto owns or otherwise controls, directly or indirectly, at least 50.01% of the voting equity or interests; or (b) entity in which the ultimate parent of the relevant Party hereto owns or otherwise controls, directly or indirectly, at least 50.01% of the voting equity or interests; provided, that in the event of any such assignment, the assigning Party will remain liable under the terms of this Agreement in all respects and that the other Party to this Agreement is notified in writing of such assignment at least 10 business days prior to the assignment.
9. Entire Agreement; Amendment. This Agreement constitutes the entire agreement of the Parties hereto with respect to its subject matter and may be amended or modified only in writing signed by the duly authorized officers of each Party. This Agreement supersedes in full all previous oral or written agreements between the Parties with respect to the subject matter hereof. There are no oral or written collateral representations, agreements, or understandings except as provided herein. This Agreement will be binding upon and will inure to the benefit of the Parties hereto and their respective successors and permitted assigns.
10. Waiver. Neither Party shall, by mere lapse of time, without giving notice or taking any other action, be deemed to have waived any breach by the other Party of any of the provisions of this Agreement.
11. No Third Party Rights. This Agreement is not intended to benefit or create any rights in favor of any third party, and persons who are not party to this Agreement have no right to enforce any term of this Agreement or claim any right or benefits hereunder.
12. Expenses. Each party hereto shall pay its own legal fees, internal development costs and all other expenses and costs incurred in connection with the CCFE Program Contracts, the fulfillment of its obligations hereunder and the preparation, negotiation and execution of this Agreement.
13. Confidentiality. During the term of this Agreement and thereafter, each Party agrees that it will not, without the other Party's prior written consent, disclose or otherwise make available to any third party, other than its Affiliates, and its and its Affiliates' advisors, consultants, agents or representatives (i) any confidential

or proprietary information belonging to the other Party relating to such other Party's business or performance of its obligations hereunder; or (ii) this Agreement or any term hereof, unless otherwise required to do so by applicable law or by governmental, regulatory or self-regulatory agency action.

14. Dispute Resolution. Neither Party shall commence litigation against the other Party relating in any way to the arrangement set forth in this Agreement without first providing written notice to the other Party specifying the nature and grounds of the dispute. For the avoidance of doubt, the Authorized Market Maker acknowledges and agrees that nothing in the Agreement shall limit the ability of CCFE to take disciplinary action against the Authorized Market Maker and its related parties pursuant to Chapter 7 of the CCFE Rulebook. Any legal action, suit or proceeding arising under, in connection with, or as a result of, this Agreement shall be subject to arbitration in accordance with Rule 801 of the CCFE Rulebook and the arbitration rules incorporated therein by reference.
15. Counterparts. This Agreement may be executed in one or more counterparts, all of which taken together, shall constitute the Agreement.
16. Relationship of Parties. The relationship of the Parties is that of independent contractor; and nothing herein will be construed to create any agency, partnership, joint venture, or similar relationship, or subject the Parties to any implied duties or obligations respecting the conduct of their affairs that are not expressly stated herein.
17. Governing Law. This Agreement shall be governed by and interpreted in accordance with the substantive laws of the State of Illinois, without reference to its conflicts of laws principles. Any litigation in connection herewith shall be filed and pursued solely in state or federal court in Illinois.
18. Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given when received at the address or number below or such other address or number as each party may specify by written notice to the other parties.

If to the Authorized Market Maker:

with a copy to:

If to CCFE:

Ann M. Cresce
Senior Vice President & General Counsel
190 S. LaSalle Street, Suite 1100
Chicago, IL 60603
312-554-0812 Phone
312-229-1211 Fax

19. Other Activities. Nothing in this Agreement shall be construed to prevent the parties and their respective Affiliates from conducting any lawful business activity.
20. Application of CCFE Rule 416; Limitation of Liability. In serving as a market maker under this Agreement, Authorized Market Maker hereby acknowledges and affirms that it is subject to CCFE Rule 416 (Limitation of Liability; Legal Proceedings).

Agreed to this ___ day of _____, 2008

CHICAGO CLIMATE FUTURES
EXCHANGE, LLC.
190 S. LaSalle Street
Chicago, IL 60603

By: _____
Name: Ann M. Cresce
Title: SVP & General Counsel

By: _____
Name: _____
Title: _____

CCFE Program Contracts

CER Futures and Options

CFI Futures and Options

ECO-Index Futures and Options

DJSI World Futures and Options (when launched; pending self-certification with CFTC)

IFEX-ELF Futures

IFEX-FLW Futures

IFEX-GCW Futures

NFI Annual Futures and Options

NFI OS Futures and Options

RGGI Futures and Options

SFI Futures and Options

Additional CCFE Program Contracts(s) as may be determined by CCFE