

RECEIVED
C.F.T.C.

File No. SR-OCC-2006-18

Page 2 of 13

2006 OCT -4 AM 8:14

OFF. OF THE SECRETARIAT

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 19b-4

Proposed Rule Change

by

THE OPTIONS CLEARING CORPORATION

Pursuant to Rule 19b-4 under the
Securities Exchange Act of 1934

Item 1. Text of the Proposed Rule Change

The Options Clearing Corporation (“OCC”) proposes to amend its By-Laws and Rules as set forth below to provide for the clearance and settlement of cash-settled interest rate futures. Specifically, the Philadelphia Board of Trade (“PBOT”) is proposing to trade futures contracts on the London Interbank Offered Rate (“LIBOR”). OCC also proposes to amend and restate the Agreement for Clearing and Settlement Services (the “Clearing Agreement”) entered into between OCC and The Philadelphia Board of Trade that was filed for immediate effectiveness in SR-OCC-2003-12. The proposed Amended and Restated Clearing Agreement is attached as Exhibit 5.

THE OPTIONS CLEARING CORPORATION

BY LAWS

ARTICLE I

Definitions

SECTION 1. Unless the context requires otherwise (or except as otherwise specified in the By-Laws), the terms defined herein shall, for all purposes of these By-Laws and the Rules of the Corporation, have the meanings herein specified.

A. - H. [Unchanged]

I.

(1) – (4) [Unchanged]

Interest Rate Future

(5) The term "interest rate future" means a commodity future for which the underlying interest is a specified interest rate expressed either as an annualized percentage or as 100 minus the annualized percentage (100 minus the interest rate).

(5) – (7) [Renumbered as (6) to (9), but otherwise unchanged]¹

J. – L. [Unchanged]

M.

(1) – (7) [Unchanged]

Multiplier

(8) The term “multiplier” as used in reference to an index option contract or index futures of any series means an index multiplier and as used in reference to other [variance] cash-settled futures contracts [of any series] means the [dollar] amount (as specified by the futures market on which a [variance] futures contract is traded) by which a contract price, settlement price or[the] final settlement price in respect of such futures contract is to be multiplied [to obtain] in determining a [the final] variation payment or final variation payment.

N. – T. [Unchanged]

U.

(1) – (4) [Unchanged]

Unit of Trading

(5) The term “unit of trading” in respect of any series of options or [stock] futures means the number of units of the underlying interest which have been designated by the Corporation as the minimum number to be the subject of a single option contract or single [stock] future in such series. In the absence of any such designation for a series of options or [stock] futures in which the underlying security is a common stock the unit of trading shall be 100 shares.

(6) [Unchanged]

V. – Z. [unchanged]

* * *

¹ Currently two definitions are numbered (7). OCC proposes to renumber the definition of “International Option” as (9).

ARTICLE XII

Futures and Futures Options

* * *

Adjustments to Futures and Futures Options

SECTION 3. (a) Section 11 of Article VI of the By-Laws shall not apply to futures or futures options. Determinations as to whether and how to adjust the terms of futures and futures options to reflect events affecting underlying interests shall be made by the Corporation based on its judgment as to what is appropriate for the protection of investors and the public interest, taking into account such factors as fairness to the buyers and sellers of such futures and futures options, the maintenance of a fair and orderly market in futures on the underlying interest and options on such futures, consistency of interpretation and practice (including consistency with the actions of the Securities Committee in making adjustments to options on the same underlying interest), efficiency of settlement of delivery obligations arising from physically-settled stock futures, and the coordination with other clearing agencies of the clearance and settlement of transactions in the underlying interest. The Corporation may, in addition to determining adjustments to futures and futures options on a case-by-case basis, adopt statements of policy or interpretations having general application to specified types of events. Every determination by the Corporation in respect of futures or futures options pursuant to this Section 3, or pursuant to Section 4 or Section 4A of this Article shall be within the sole discretion of the Corporation and shall be conclusive and binding on all investors and not subject to review. The following paragraphs of this Section 3 apply to stock futures only. Special rules for adjustment of index futures and futures options and variance futures and futures options are set out in Section 4. Special rules for adjustment of other cash-settled [foreign currency] futures are set out in Section 4A.

(b) - (j) [no change]

* * *

Adjustments to Other Cash-Settled [Foreign Currency] Futures

SECTION 4A. (a) Cash-settled foreign currency futures. In the event that (i) the currency underlying a cash-settled foreign currency future is officially replaced by a new currency, or (ii) such currency's exchange rate or exchange characteristics with respect to other currencies are officially altered, the Corporation may adjust the underlying interest, unit of trading, settlement price, final settlement price or any other terms of futures affected by such event. The Corporation shall determine whether to make adjustments to reflect particular events, and the nature and extent of any such adjustment, based on its judgment as to what is appropriate for the protection of investors and the public interest, taking into account such

factors as fairness to the buyers and sellers, the maintenance of a fair and orderly market in futures on the underlying interest, and consistency of interpretation and practice (including consistency with the actions of the Securities Committee in making adjustments to option contracts on the same underlying interest).

(b) Other cash-settled futures. In the case of any futures contract that does not require physical delivery of the underlying interest and that is not covered under Section 4 or 4A(a), the Corporation may adjust the underlying interest, unit of trading, settlement price, final settlement price or any other terms of such futures if the Corporation determines that an adjustment is appropriate to reflect the occurrence of an event affecting such underlying interest. The Corporation shall determine whether to make adjustments to reflect particular events, and the nature and extent of any such adjustment, based on its judgment as to what is appropriate for the protection of investors and the public interest, taking into account such factors as fairness to the buyers and sellers, the maintenance of a fair and orderly market in futures on the underlying interest, and consistency of interpretation and practice (including consistency with the actions of the Securities Committee in making adjustments to option contracts on the same underlying interest).

[Section 4A of this Article replaces Section 11(a)-(j), and the Interpretations and Policies promulgated thereunder, of Article VI of the By-Laws.]

...Interpretations and Policies:

.01 [no change]

RULES

* * *

CHAPTER XIII

* * *

Variation Payments

RULE 1301. (a) At each settlement time for variation payments as set forth below, the Corporation shall determine the amount of the variation payment to be paid or received by buyers and sellers in respect of each outstanding contract in each series of futures. The amount of the variation payment for each such contract shall be equal to the relevant unit of trading (in the case of stock futures and cash-settled foreign currency futures) or multiplier (in the case of index futures [or], variance futures or interest rate futures) multiplied by: (i) in the case of a contract that was opened since the most recent variation settlement, the current settlement price less the contract price at which such contract was opened, (ii) in the case of a contract that was closed since the most recent settlement of variation payments was effected, the

contract price at which such contract was closed less the previous settlement price, (iii) in the case of a contract that was neither opened nor closed since the most recent variation settlement, the current settlement price less the previous settlement price, and (iv) in the case of a contract that was both opened and closed since the most recent variation settlement, the contract price at which such contract was closed less the contract price at which it was opened. If the result of the foregoing calculation is positive, the variation payment shall be owed by the Clearing Member that is, or represents, the seller to the Corporation and by the Corporation to the Clearing Member that is, or represents, the buyer. If the result is negative, the variation payment shall be owed by the Clearing Member that is, or represents, the buyer to the Corporation and by the Corporation to the Clearing Member that is, or represents, the seller.

(b) – (e) [Unchanged]

. . . *Interpretations and Policies:* [Unchanged]

* * *

Item 2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Board of Directors of OCC at a meeting held on July 26, 2006.

Questions regarding the proposed rule change should be addressed to Jean M. Cawley, First Vice President and Deputy General Counsel, at (312)322-6269.

Item 3. Self-Regulatory Organization's Statement of the Purpose of and Statutory Basis for the Proposed Rule Change

OCC is seeking to clear and settle cash-settled interest rate futures. The Philadelphia Board of Trade ("PBOT") has proposed to trade futures contracts on the three-month London Interbank Offered Rate for U.S. dollars as announced by the British Bankers Association ("BBA") ("LIBOR Futures"). PBOT intends to list LIBOR Futures with eleven and one-half consecutive years of daily maturities. A separate series of LIBOR Futures will mature on each day on which PBOT and OCC are both open for business. A new series will be opened

each business day to replace the maturing series, so that on any given date approximately 2,900 series will be outstanding.

The daily settlement price for each LIBOR Future will be the average of the closing PBOT best bid/best offer, and the final settlement price will be based on the three-month LIBOR rate as reported by the BBA in its daily fixing at 6:00 a.m. Greenwich Mean Time on the maturity date. PBOT has set the multiplier at \$2,500 in order to size the contract to reflect the three-month return on a deposit of \$1,000,000 earning interest at LIBOR. Prices for LIBOR Futures will be quoted as 100 minus a percentage rate expressed in increments of .0025. For example, if the three-month LIBOR rate is 5.0050%, the 100-RATE futures contract would be priced at 94.9950.

The final variation payment will be made on the business day following the last day of trading and will equal the difference between the final settlement price and the most recent settlement price (or the contract price, if the contract was entered into since the most recent daily settlement price was established) times the multiplier.

Interest rate futures fall within the definition of “commodity futures” in Section 1a(4) of the Commodity Exchange Act (“CEA”), which includes “all . . . rights, and interests in which contracts for future delivery are presently or in the future dealt in.” OCC therefore proposes to clear this product in its capacity as a “derivatives clearing organization” registered under Section 5b of the CEA.

OCC's Proposed By-Law and Rule Changes

OCC's rules already contemplate the trading of cash-settled futures contracts, and only very minor changes are needed to accommodate these futures. From OCC's perspective, they will look like any other cash-settled future. OCC proposes to amend its By-Laws to add the defined term "interest rate future." The definition of "multiplier" is being amended to make it more generic and more accurate as applied to cash-settled futures contracts. OCC is also proposing to amend the definition of "unit of trading" to make it more generic in its application to futures contracts even though, for purposes of the present rule change, there is no need to use the term in respect of interest rate futures. OCC further proposes to add a reference to interest rate futures in Rule 1301, which describes the manner in which variation payments are calculated.

Changes to Agreement for Clearing and Settlement Services

OCC is proposing to make several changes to the Clearing Agreement. The most significant of these changes is to expand the types of PBOT commodity contracts that are cleared and settled by OCC. The Clearing Agreement currently provides for the clearance and settlement of foreign currency futures only. OCC is proposing to amend Section 3 of the Clearing Agreement to provide for the clearance and settlement of futures with underlyings other than foreign currencies, as well as to provide for the trading of futures options and commodity options, and to permit the parties to agree on underlyings for futures, futures options and commodity options by completion and execution of a schedule in the form attached to the

Clearing Agreement as Schedule C. The parties have also agreed upon, and included with the Clearing Agreement, a Schedule C-1 for interest rate futures. See Schedule C-1 to the Amended and Restated Clearing Agreement. The provisions of Section 3 of the Amended and Restated Clearing Agreement with respect to the selection of underlying interests are similar to those in the Agreement for Clearing and Settlement Services between OCC and CBOE Futures Exchange, LLC (the "CFE Agreement") filed for immediate effectiveness in SR-OCC-2003-06.

In addition, OCC is proposing to amend the Clearing Agreement to: provide that OCC will, where possible, attempt to consult with PBOT with respect to margin requirements for products governed by the Clearing Agreement; allow PBOT to consult with OCC to the extent it believes margin requirements are too high or otherwise inappropriate; provide for indemnification of OCC by PBOT based on based on claims of infringement of intellectual property rights or similar claims in connection with commodity contracts governed by the Clearing Agreement; and provide for the transfer of open positions from OCC to a successor clearing organization in the event PBOT makes alternative clearing arrangements. OCC is proposing to make several other less significant changes to the Clearing Agreement, many of which are designed to conform to the agreement between OCC and CFE.

* * *

The proposed rule change is consistent with Section 17A of the Securities Exchange Act of 1934, as amended ("Exchange Act") because it is designed to permit OCC to clear certain commodity futures transactions without creating any adverse impact upon the prompt and accurate clearance and settlement of transactions in securities. The proposed rule

change is not inconsistent with the existing rules of OCC, including any other rules proposed to be amended.

Item 4. Self-Regulatory Organization's Statement on Burden on Competition

OCC does not believe that the proposed rule change would impose any burden on competition.

Item 5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

Written comments were not and are not intended to be solicited with respect to the proposed rule change and none have been received.

Item 6. Extension of Time Period for Commission Action

OCC does not consent to an extension of the time period specified in Section 19(b)(2) of the Exchange Act.

Item 7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

OCC is filing the proposed rule change for immediate effectiveness pursuant to Section 19(b)(3) of the Exchange Act and Rule 19b-4(f)(4) thereunder. Pursuant to Rule 19b-4(f)(4), a rule change may take effect upon filing with the Commission if it effects a change in an existing service of OCC that does not (i) adversely affect the safeguarding of securities or funds in OCC's custody or control or for which OCC is responsible or (ii) significantly affect the

respective rights or obligations of OCC or persons using the service. Interest rate futures are commodity futures within the exclusive jurisdiction of the CFTC, and OCC will therefore clear interest rate futures in its capacity as a registered derivatives clearing organization under the CFTC's regulatory jurisdiction. Accordingly, although this rule change represents a change in OCC's existing service of clearing commodity futures contracts, that service is not within the jurisdiction of the Commission. This rule change will not affect the safeguarding of funds or securities in OCC's possession because OCC will apply the same procedures and safeguards to the clearing of these contracts that it does to the clearing of securities options and security futures over which the Commission has direct regulatory authority. The respective rights and obligations of OCC and Clearing Members with respect to matters within the Commission's jurisdiction will be unaffected.

Item 8. Proposed Rule Change Based on Rule of Another Self-Regulatory Organization or of the Commission

The proposed rule change is not based on a rule of another self-regulatory organization or of the Commission.

Item 9. Exhibits

Exhibit 1. Completed Notice of Proposed Rule Change for publication in the Federal Register.

Exhibit 5. Amended and Restated Agreement for Clearing and Settlement Services between The Options Clearing Corporation and the Philadelphia Board of Trade, Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, The Options Clearing Corporation has caused this filing to be signed on its behalf by the undersigned hereunto duly authorized.

THE OPTIONS CLEARING CORPORATION

By: William H. Navin
William H. Navin
Executive Vice President and
General Counsel

EXHIBIT 5

AMENDED AND RESTATED

AGREEMENT FOR CLEARING AND SETTLEMENT SERVICES

This Amended and Restated Agreement for Clearing and Settlement Services (this "Agreement") is entered into as of September 28, 2006 between The Options Clearing Corporation, a Delaware corporation (the "Corporation"), and the Philadelphia Board of Trade, Inc., a Pennsylvania corporation (the "Market").

WHEREAS, the Corporation is registered with the Commodity Futures Trading Commission (the "CFTC") as a derivatives clearing organization and, as part of its business, provides clearing and settlement services in respect of commodity futures, options thereon and commodity options;

WHEREAS, the Market is a board of trade that has been designated as a contract market by the CFTC;

WHEREAS, the Market is an "affiliate" (as defined in Article I, Section I of the Corporation's By-Laws) of the Philadelphia Stock Exchange, Inc., which is an exchange that clears security option transactions through the Corporation (an "Options Exchange");

WHEREAS, the Market wishes to engage the Corporation to provide clearing and settlement services in respect of commodity futures, options thereon and commodity options, in each case on underlying interests that are selected in accordance with Section 3(a) (collectively, the "Cleared Contracts");

WHEREAS, the Corporation is prepared to provide such services to the Market, subject to the terms and conditions of this Agreement; and

WHEREAS, the Corporation and the Market had previously entered into an Agreement for Clearing and Settlement Services dated October 1, 2003 (the "Original Agreement"), which they wish to amend and restate in its entirety by this Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants, terms and conditions herein set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1. Market Representations.

The Market represents that, as of the Effective Date (as defined in Section 26), (a) it is a corporation duly organized and validly existing in good standing under the laws of the State of Pennsylvania, (b) it is a board of trade that has been designated by the CFTC as a contract market pursuant to Section 5 of the Commodity Exchange Act (the "CEA"), (c) it has rules that comply with the provisions of the CEA and regulations of the CFTC thereunder for the trading of any commodity futures, options thereon, and commodity options ("Commodity Contracts") that are to be cleared by the Corporation (as amended from time to time, the "Market Rules"), (d) it

has all governmental and other approvals and consents that are required to have been obtained by it with respect to the Market Rules, (e) the Market Rules are in full force and effect, (f) it has all requisite power and authority to enter into and perform its obligations hereunder and to conduct its business as currently conducted, (g) this Agreement is the legal, valid and binding obligation of the Market, enforceable against the Market in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally, and subject, as to enforceability, to equitable principles of general application, regardless of whether enforcement is sought in a proceeding in equity or at law, (h) its entry into this Agreement and performance of its obligations hereunder do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any other agreement binding on or affecting it or any of its assets, (i) it is in compliance with all regulations of the CFTC applicable to a designated contract market, and (j) all governmental and other approvals and consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such approvals and consents have been complied with.

Section 2. Corporation Representations.

The Corporation represents that, as of the Effective Date, (a) it is a corporation duly organized and validly existing in good standing under the laws of the State of Delaware, (b) it is a derivatives clearing organization registered under Section 5b(c) of the CEA and is permitted to provide facilities for the clearance and settlement of Commodity Contracts, subject to applicable regulations of the CFTC, (c) it has all requisite power and authority to enter into and perform its obligations hereunder and to conduct its business as currently conducted, (d) the Agreement is the legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally, and subject, as to enforceability, to equitable principles of general application, regardless of whether enforcement is sought in a proceeding in equity or at law, (e) its entry into this Agreement and performance of its obligations hereunder do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets, (f) it is in compliance with all regulations of the CFTC applicable to the clearing of Commodity Contracts, (g) the CFTC has approved or permitted to become effective all By-Laws and Rules of the Corporation relating to Commodity Contracts, (h) all governmental and other approvals and consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such approvals and consents have been complied with, and (i) it is prepared to provide clearing and settlement services for Commodity Contracts.

Section 3. Selection of Underlying Interests; Classes and Series of Commodity Contracts.

(a) General Criteria for Underlying Interests

(i) Underlying Interests for Currency Futures. The Market may select the underlying interests that are the subject of currency futures to be traded on the Market

and cleared by the Corporation, subject to the conditions that such currency futures shall be cash-settled in U.S. Dollars.

(ii) Underlying Interests for Other Commodity Options and Futures. The Market may select the underlying interests that are the subject of other commodity options and futures to be traded on the Market and cleared by the Corporation, subject to the following conditions: (A) delivery of the underlying interests shall not be required and (B) counsel to the Corporation is satisfied that the clearance and settlement by the Corporation of commodity options or futures on the underlying interest would not be (i) unlawful or (ii) likely to subject the Corporation to liability based upon claims that clearing and settling of commodity options or futures on such interest infringes the intellectual property rights of third parties or otherwise. The parties may agree on types of underlying interests (other than currencies) selected by the Market to be the subject of commodity options or futures to be traded on the Market and cleared by the Corporation by completing and executing a Schedule C in the form attached hereto. The Schedules C created pursuant to this Section 3(a)(ii) and pursuant to Section 3(a)(iii) shall be numbered in a single sequence as Schedule C-1, Schedule C-2, etc.

(iii) Underlying Interests for Futures Options. The Market may select the underlying futures contracts that are the subject of futures options to be traded on the Market and cleared by the Corporation, subject to the following conditions: (A) each underlying futures contract shall consist solely of a commodity futures contract (and not a security future); (B) (I) such commodity futures contract shall be traded on the Market and cleared by the Corporation or (II) the futures option shall be cash-settled in U.S. dollars; (B) each underlying futures contract shall be open for trading at the time of selection or no later than the date and time that the overlying futures option is opened for trading; and (C) counsel to the Corporation is satisfied that the clearance and settlement by the Corporation of futures options on the underlying futures contract would not be (I) unlawful or (II) likely to subject the Corporation to liability based upon claims that clearing and settling of futures options on such futures contract infringes the intellectual property rights of third parties or otherwise. The parties may agree on types of futures contracts selected by the Market to be the subject of futures options to be traded on the Market and cleared by the Corporation by completing and executing a Schedule C in the form attached hereto.

(b) Nomenclature. Cleared Contracts with respect to which the underlying interest is a broad-based security index are herein referred to as "broad-based index futures." Broad-based index futures and commodity futures are herein referred collectively as "futures." Cleared Contracts that are options on futures are herein referred to as "futures options." Cleared Contracts that are options other than futures options are referred to as "commodity options." The underlying interests in respect of futures (including broad-based security indexes) are herein referred to as "types" of underlying interests.

(c) Procedures for Selection of Underlying Interests.

(i) If the Market wishes to list and trade Commodity Contracts of a class not theretofore listed or traded on the Market, the Market shall notify the Corporation by submitting a certificate as described below (a "Certificate") (A) in the case of a class of broad-based index futures, other Schedule C futures for which the underlying interest is a commodity index, commodity options on an index, or futures options that have as their underlying an index future that is not traded on the Market, no later than ten days before the trading day on which the Market wishes to commence trading such futures, commodity options or futures options; (B) (I) in the case of a class of futures options that is not subject to clause (A) and that is not cash-settled, no earlier than the time at which a Certificate is submitted with respect to the underlying futures contract and no later than 11:00 a.m. (Chicago time) on the trading day before the trading day on which the Market wishes to commence trading and (II) in the case of a class of futures options that is not subject to clause (A) and that is cash settled, no later than 11:00 am (Chicago time) on the trading day before the trading day on which the Market wishes to commence trading, and (C) in the case of a class of other Commodity Contracts, as specified by the Corporation. (A "trading day" means a day on which U.S. securities markets are open for business.)

(ii) The Certificate shall set forth: (A) the type of contract (future, futures option or commodity option); (B) the complete name of the underlying interest; (C) in the case of an option, whether it is American or European style; (D) in the case of a futures option, whether it is cash-settled or physically-settled and whether the underlying futures contract is also listed on the Market; (E) the expiration or maturity cycle of the class; (F) the series marker, if any; (G) the manner in which the opening and closing settlement price is to be determined; and (H) the date on which the Market intends to commence listing and trading contracts in the class.

(iii) If the type of underlying interest for a futures contract is a security index or the type of underlying interest for a futures option is a future on a security index not traded on the Market, the Certificate shall also: (A) identify the index, state that it is a broad-based security index and explain the basis for such statement; (B) identify the securities composing the index by complete name, trading symbol and CUSIP number; (C) identify the reporting authority for the index; (D) set out in detail the method and frequency of calculation of the index; (E) identify the owner or owners of the index and, if other than the Market, explain the basis for the right of the Market to list and trade futures on the index; and (F) in the case of a futures option on a broad-based security index future, the series by contract price and maturity date.

(iv) If the type of underlying interest for a futures contract or a commodity option is an index other than a security index or the type of underlying interest for a futures option is a future on an index other than a security index not traded on the Market, the Certificate shall also (A) identify the index and state that it is not a group or index of securities (including any interest therein or based on the value thereof), (B) identify the constituents of the index, (C) identify the reporting authority for the index, (D) set out in detail the method and frequency of calculation of the index and

(E) identify the owner or owners of the index and, if other than the Market, explain the basis for the right of the market to list and trade options on the index.

(v) For each other type of underlying interest, the Certificate shall contain the information required for an underlying index to the extent applicable to the underlying interest and/or such other information as may be specified by the Corporation.

(vi) The Certificate shall also state that the Market certifies that the specified underlying interest meets the requirements of Section 3(a)(i), 3(a)(ii) or 3(a)(iii) of this Agreement, whichever is applicable, and the Market has approved the listing and trading of Commodity Contracts to be cleared by the Corporation on such underlying interest.

(vii) Subject to Section 3(e) below, the Market may begin listing and trading broad-based index futures and commodity options on an index and futures options on futures on a broad-based index if the underlying futures are not listed on the Market in the specified class on the tenth trading day after the relevant Certificate has been properly submitted to the Corporation. Trading in a class of other futures, a class of other futures options that is not cash settled and a class of other commodity options may begin on the first trading day after the Corporation has authorized the clearance and settlement of such futures, futures options or commodity options and so notified the Market. Trading in a class of other futures options that is cash settled may begin on the later of the date when trading in the underlying series of futures begins or the first trading day after the relevant Certificate has been submitted.

(d) Notice of Additional Maturity or Expiration Dates. The Market may introduce an additional maturity or expiration date for Commodity Contracts of any class previously certified pursuant to Section 3(c) above, as follows:

(i) For a maturity or expiration date in the cycle set forth in the Certificate, by providing notice to the Corporation by e-mail, or if e-mail is unavailable for any reason, by facsimile, specifying the underlying interest, the maturity or expiration date and the series marker (if any), and the exercise price in the case of a series of futures options or commodity options. Such notice shall be provided (A) where practicable, on or before the trading day immediately preceding the trading day on which trading in the new series is to commence, and (B) in any event, not later than ten minutes after commencing to trade the series.

(ii) For a maturity or expiration date not in the cycle set forth in the Certificate, by providing advance notice to the Corporation by e-mail, or if e-mail is unavailable for any reason, by facsimile, no later than 9:00 a.m. (Chicago time) on the trading day immediately preceding the trading day on which trading in the new series is to commence, specifying the underlying interest, the maturity or expiration date and the series marker (if any), and the exercise price in the case of a series of futures options or commodity options.

(e) Underlying Interest Ceases to Meet Requirements. In the event that the Corporation shall determine that an underlying interest has ceased to meet any of the requirements set forth in this Section 3 or that it has otherwise become unlawful or likely to subject the Corporation to liability for the Corporation to clear transactions in Commodity Contracts on such underlying interest, the Corporation may give notice to the Market that it is to cease all trading of Commodity Contracts cleared by the Corporation on such underlying interest or, in the alternative, to restrict transactions in such Commodity Contracts on the Market (i) to closing transactions or (ii) to closing transactions for all accounts other than the accounts of (A) market-makers and/or (B) members of the Market to the extent such members execute opening transactions to facilitate the closing transactions of public customers pursuant to the crossing rules of the Market. The Corporation shall not be required to accept for clearance any transaction effected in violation of such notice after the Market has had a reasonable time to halt trading. In the event that the Corporation gives any notice pursuant to this Section 3(e), the Market and the Corporation shall promptly consult with one another to determine an appropriate course of action to restore the underlying interest to compliance with the requirements of this Section 3 or to permit the orderly and lawful liquidation of open interest. Any action taken by the Corporation under the foregoing provisions shall be consistent with its By-Laws and Rules and will be substantially similar to action taken in respect of similar products traded on any other futures market or Options Exchange.

(f) Monitoring of Underlying Security Indexes. The Market shall monitor the status of each underlying security index that it has selected for futures contracts in order to confirm that the index remains a broad-based index, and shall promptly notify the Corporation if it determines that the index has ceased, or is likely to cease, to meet the definition of broad-based index. If the index ceases to meet the definition of broad-based index, and in the opinion of counsel to the Corporation there is a significant risk that the clearance of futures contracts on such index or futures options on index futures on such index by the Corporation would be unlawful or likely to subject the Corporation to liability, then the provisions of Section 3(e) above shall apply.

(g) Breach by Market of Section 3(c) or 3(d). If the Market, by reason of its actions or its failure to act, shall have breached in any material respect the provisions of Section 3(c) or 3(d) hereof, then the Corporation shall not be obligated to clear transactions in Commodity Contracts deriving from or related to the breach (the "Affected Transactions") unless and until the Market has corrected such breach or fulfilled such conditions as the Corporation may set. The Corporation shall, promptly upon determining not to clear Affected Transactions effected on the Market, notify the Market of such determination; provided, however, that the Corporation will continue to accept Affected Transactions for clearance until the Market has had a reasonable opportunity to halt trading, unless acceptance of such transactions for clearance would be unlawful or likely to subject the Corporation to liability. Such determination shall not affect the validity of any previously outstanding Cleared Contracts or any matched trade that the Corporation has previously accepted for clearance, nor relieve the Corporation of its obligations with respect thereto, nor shall such determination affect any other obligation of either party under this Agreement or any remedy which such party may have or any right or obligation of any third party under the By-Laws and Rules of the Corporation.

Section 4. Multiplier; Units of Trading.

Subject to any applicable limitations prescribed by the Market Rules or the By-Laws and Rules of the Corporation, the multiplier or unit of trading, as the case may be, of each series shall be designated by the Market prior to the time such series is first opened for trading on the Market. Unless the Market specifies otherwise, the unit of trading for futures options shall be one contract in the series of futures underlying such option.

Section 5. Comparison of Transactions in Cleared Contracts; Settlement Prices.

(a) Matched Trade Reports. The Market agrees that on each business day it will compile a matched trade report of all transactions in Cleared Contracts and all "exchange-for-physical" transactions effected by its members on that business day, and will furnish such report to the Corporation by such time or times, or on a real-time basis upon the implementation of a real-time reporting facility between the Market and the Corporation, as the Corporation may reasonably prescribe, taking into consideration the ability of the Market to provide such information within such time frames on a cost-effective basis. Unless the parties expressly agree to the contrary, in no event will the Market be required to furnish such reports to the Corporation earlier than the time by which Options Exchanges are required to furnish reports of security options transactions.

(b) Daily Settlement Prices. The Market shall each business day, at such time and in such manner as the parties may agree, notify the Corporation of the settlement price of each futures contract. The Corporation shall adopt such settlement price as the basis for determining the official settlement price for the business day, except in the case of manifest error or inconsistency with its By-Laws and Rules or in any other case in which the Corporation reasonably believes that such settlement price does not reasonably reflect the value or price of the contract, in which case the Corporation, using its best efforts to consult with the Market, shall determine the official settlement price for such day; provided, however, that in the case of fungible contracts traded on more than one exchange or market, the daily settlement price will be determined by a method mutually agreed among the Corporation and all such exchanges, and in the absence of such agreement, as specified by the Corporation. In any case in which the Corporation fixes a daily settlement price other than (i) a price supplied by the Market or (ii) a price determined by a method mutually agreed among the Corporation and all exchanges trading a fungible contract, the Corporation will promptly notify the Market. The Market shall indemnify the Corporation and each of its directors, officers, committee members, agents, and employees from and against any and all liabilities, judgments, claims, damages, expenses and amounts incurred and/or paid in settlement based on the Corporation's use of a settlement price supplied by the Market in determining the official settlement price; provided, however, that no such indemnification obligation shall exist if the Corporation has not used the settlement price supplied by the Market; and provided further that, where the settlement price is with respect to a fungible contract traded on more than one exchange or market, the Market indemnification shall extend only to the price supplied by it and only to the extent that such price is used to determine the daily settlement price in accordance with an agreed upon formula. The provisions of Section

16 hereof shall apply to such indemnity as if such indemnity were provided under Section 16(b)(ii) hereof.

(c) Final Settlement Price. The Corporation shall determine the final settlement price in respect of a series of futures in accordance with its By-Laws and Rules.

(i) With respect to a futures contract that has an underlying interest (A) traded on one or more organized markets or (B) that is an index derived from constituents traded on one or more organized markets, if the Corporation determines that the primary market(s) (as determined by the Corporation) for one or more constituents of (I) an underlying index in respect of a maturing broad-based index future or (II) the index that is the reference variable in respect of a maturing variance future, did not open or remain open for trading at or before the time when the settlement price for such futures would ordinarily be determined, or that the price or other value used as or to determine the final settlement price (a "required value") in respect of a series of futures is otherwise unreported, inaccurate, unreliable, unavailable, or inappropriate for such use, then the Corporation, using its best efforts to consult with the Market, shall determine the final settlement price in conformity with the By-Laws and Rules of the Corporation and shall promptly notify the Market of its action.

(ii) With respect to a futures contract that has an underlying interest that is not (A) traded on one or more organized markets or (B) an index derived from constituents traded on one or more organized markets, if the Corporation shall determine that a required value (as defined in Section 5(c)(i)) for an underlying interest or a constituent of an underlying index for a futures contract is unreported, inaccurate, unreliable, unavailable or inappropriate for such use, the Corporation, using its best efforts to consult with the Market, shall determine the final settlement price in conformity with the By-Laws and Rules of the Corporation and shall promptly notify the Market of its action.

Section 6. Clearance of Transactions in Cleared Contracts.

(a) Provision of Clearing Services. The Corporation will provide, pursuant to and in accordance with the By-Laws and Rules of the Corporation and applicable regulatory requirements, all services reasonably necessary to perform its obligations under this Agreement, including without limitation the clearing and settlement services identified in Schedule A attached hereto and incorporated herein. The Corporation will have no obligation to any purchaser or seller of a Cleared Contract arising out of any delay or error in the filing by the Market of any report of matched trades; provided, however, that nothing in this Section 6(a) will be construed to relieve the Corporation of its obligation to accept and clear such matched trades once received. The Market agrees to indemnify and hold harmless the Corporation and each of its directors, officers, committee members, agents, and employees for any loss or damage incurred resulting from any delay in the filing by the Market of any report of matched trades or from any error in the information so filed, other than an error in information submitted to the Market by a member of the Market or delays or errors in the filing of information caused by the

Corporation or systems under the control of the Corporation. The provisions of Section 16 hereof shall apply to such indemnity as if such indemnity were provided under Section 16(b)(ii) hereof.

(b) Clearing Members. For purposes of this Agreement "Clearing Member" means a Commodity Futures Clearing Member as defined in the By-Laws of the Corporation. Any Commodity Futures Clearing Member that is a member of the Market may clear transactions in Commodity Contracts listed on the Market through the Corporation. Notwithstanding the foregoing, any Commodity Futures Clearing Member (whether or not it is a member of the Market) may clear transactions in Commodity Contracts listed on the Market through the Corporation through the Corporation's "CMTA" and/or allocation procedures.

Section 7. Acceptance of Transactions in Cleared Contracts.

The Corporation agrees to accept, in accordance with and subject to its By-Laws and Rules, all matched trades in Cleared Contracts that are properly submitted to it by the Market in accordance with procedures and practices of which the Market is informed with reasonable advance notice. Upon submission of a matched trade to, and acceptance of such matched trade by, the Corporation, the Corporation shall be substituted through contractual novation, as provided in its By-Laws and Rules, as the counterparty to each of the Clearing Members that were parties to the matched trade. For purposes of the preceding sentence, a Clearing Member to which a trade is given up in accordance with the Corporation's "CMTA" and/or allocation procedures shall be deemed to have been a party to such trade, and the party giving up such trade shall be deemed not to have been a party to such trade.

Section 8. Non-Discrimination and Consultation.

(a) Certain Agreements. So long as all conditions on the obligations of the Corporation to clear Cleared Contracts for the Market, as set forth in Article XII of the Corporation's By-Laws, continue to be satisfied, the Corporation agrees not to amend its By-Laws or Rules in any manner so as to limit its obligations hereunder to clear and settle transactions in Cleared Contracts effected on the Market, and further agrees that it will not unfairly discriminate among markets for Cleared Contracts with regard to the nature or quality of the services that it provides or the priority that it assigns to providing such services. If the Corporation makes a change to its standard form agreement for clearing and settlement services for Commodity Contracts (the prototype of this Agreement), the Corporation shall offer to amend this Agreement to conform it to the revised standard form.

(b) Product Design Features. The Corporation agrees that it will consult with the Market and use reasonable efforts to incorporate in its By-Laws, Rules and procedures product design features specified by the Market for Cleared Contracts traded or proposed to be traded on the Market and cleared by the Corporation.

(c) Proposed Rule Changes. Each party shall furnish copies to the other party of all proposed rule changes that would have any material impact on the other party, its

Clearing Members or members, or the Cleared Contracts traded on the Market and cleared by the Corporation. Such copies shall be furnished to the other party no later than the time that they are filed with the Securities and Exchange Commission ("SEC") or the CFTC; and if no such filing is made, then no later than the time that the change is made available to members of the party or is otherwise made public or placed into effect. The party proposing changes to its rules shall use reasonable efforts to consult with the other party before filing the change or placing it into effect if the party proposing the change believes that the change is one with respect to which the other party would want to have advance notice and opportunity to comment. This Section 8(c) does not require disclosure to the other party of any information contained in a rule filing for which the filing party has sought confidential treatment from the agency with which it is filed or which is otherwise non-public information.

Section 9. Limitations of Authority and Responsibility.

The Corporation shall have no authority or responsibility to establish or enforce standards relating to the conduct of trading on the Market by its members or the supervision of any aspect of the conduct of such members with their customers, except as specifically provided in the By-Laws and Rules of the Corporation. The Corporation shall have no responsibility for making disclosure to customers of members of the Market or other customers regarding Cleared Contracts or trading therein on the Market except that the Corporation shall furnish to the Market such information regarding the Corporation and the clearance by it of Cleared Contracts as may reasonably be requested by the Market for purposes of disclosure to customers.

Section 10. Margin Requirements of Corporation

The Corporation shall establish in its By-Laws and Rules, and shall have the responsibility to enforce, requirements as to variation (mark-to-market) payments to be made between the Corporation and its Clearing Members, and the amount and form of margin assets to be deposited or maintained with the Corporation by its Clearing Members, in respect of positions in Cleared Contracts. In establishing such requirements, the Corporation shall not discriminate as to the amount of margin assets to be deposited or maintained (a) on the basis of the market on which transactions in Cleared Contracts are effected, (b) among markets listing Cleared Contracts on the same underlying interest, or (c) between Cleared Contracts and other products posing substantially equivalent risk to the Corporation that effectively may substitute for Cleared Contracts, but the Corporation may establish higher margin requirements in respect of (A) Cleared Contracts relating to specific underlying interests or types of underlying interests in cases where the distribution or market liquidity of, or other factors relating to, such Cleared Contracts or underlying interests would, in the judgment of the Corporation, increase the risk of the Corporation, its Clearing Members or the public, or (B) particular Clearing Members based on the positions or financial or operational condition of such Clearing Members or otherwise to protect the Corporation, Clearing Members or the public. With respect to higher margin requirements established pursuant to clause (A) above, the Corporation shall, where reasonably practicable, attempt to notify and consult with the Market in advance of the establishment of such margin requirements. Subject to any applicable regulatory constraints, the Corporation shall provide for appropriate reductions in margin obligations to reflect the reduced risk of offsetting or partially offsetting positions in Cleared Contracts traded on the Market and

contracts traded on Options Exchanges or other futures markets or security futures markets cleared by the Corporation that are carried by a Clearing Member in the same account at the Corporation. In the event that the Market at any time believes that margin levels established for Cleared Contracts by the Corporation are too high or otherwise inappropriate, the Market may so inform the Corporation, and representatives of the Corporation will promptly make themselves available to discuss the matter with representatives of the Market, and the Corporation shall give due consideration to any facts or analysis presented by the Market. Unless required by law, the Corporation shall not without the prior written approval of the Market make Cleared Contracts listed for trading by the Market fungible with Cleared Contracts listed for trading by any other market, exchange, electronic trading platform or other entity.

Section 11. Financial Requirements for Clearing Members.

The Corporation shall establish in its By-Laws and Rules financial responsibility standards with which its Clearing Members must comply. The Corporation shall conduct regular and continuous monitoring of the positions, transactions, capital and margin of Clearing Members, based upon the information reported to it in accordance with the By-Laws and Rules of the Corporation and other information made available to the Corporation.

Section 12. Rights and Obligations of Purchasers and Sellers.

The Market Rules shall specifically provide that the rights and obligations of purchasers and sellers of Cleared Contracts, including but not limited to rights and obligations in respect of clearing and settlement, variation payments and performance at maturity, and in the case of futures options and commodity options, upon exercise thereof, shall be as set forth in the By-Laws and Rules of the Corporation.

Section 13. Fees for Clearing Services.

The Corporation shall establish fee structures for the services it performs for Commodity Futures Clearing Members consistent with the provisions of the By-Laws of the Corporation. Such fee structures shall provide, *inter alia*, that fees for services charged to members of the Market shall not be greater than the fees charged by the Corporation in respect of substantially similar products offered by the Options Exchanges or other futures markets. Notwithstanding the foregoing, the Corporation may offer alternative fee structures to such exchanges or markets so long as it offers the same alternatives to the Market on substantially the same terms and so long as the alternative fee structure provides for the equitable allocation of reasonable dues, fees, and other charges among its Clearing Members, including Clearing Members that are members of the Market. Actual clearing fees paid (net of any rebates) may therefore differ among exchanges or markets that select different fee structures.

Section 14. Programs and Projects.

The Corporation agrees that any program or project designed to assist one or more futures markets which it develops at its own expense or which it originates will be made available promptly for the benefit of the Market. Without limiting the generality of the foregoing, the Corporation agrees that, if it proposes to clear any Commodity Contract for any Options

Exchange or other futures market, it will offer to clear such Commodity Contract for the Market on terms that are no less favorable in any material respect.

Section 15. Information Sharing.

The Corporation agrees that it will furnish to the Market all information within its possession relating to Clearing Members that are members of the Market or that clear trades made on the Market (whether or not members), and information regarding Cleared Contracts traded on the Market, to the extent reasonably necessary for the Market to perform its regulatory responsibilities under the CEA and CFTC regulations or to the extent that the Corporation believes that such information could have a material impact on the Market, including without limitation reporting requirements pursuant to CFTC Regulations 16.00 and 16.01. In addition, each of the Corporation and the Market agrees to provide the other with information as specified in Schedule B attached hereto and incorporated herein.

Section 16. Indemnification.

(a) By the Corporation.

(i) The Corporation agrees to indemnify and hold harmless the Market and each of its directors, officers, committee members, agents and employees (each a "Market Indemnified Party" and collectively referred to as the "Market Indemnified Parties") from and against any and all loss, damage and expense arising out of or based on any violation or alleged violation by the Corporation of any of the terms of this Agreement. This indemnity agreement shall be in addition to any liability which the Corporation may otherwise have.

(ii) The Corporation agrees to indemnify and hold harmless each Market Indemnified Party from and against any and all liabilities, judgments, claims, damages, expenses and amounts incurred and/or paid in settlement (collectively referred to as "Losses") in connection with any action, suit, litigation, claim or proceeding commenced by any person to which any such Market Indemnified Party is made a party defendant, or is threatened to be made such a party, arising out of or based upon any violation or alleged violation by the Corporation of any terms of this Agreement, any alleged default by the Corporation in performing its obligations in accordance with its By-Laws and Rules in respect of any transaction in Cleared Contracts it accepts for clearing, and any violation or alleged violation by the Corporation of any law or governmental regulation. This indemnity agreement shall be in addition to any liability to any Market Indemnified Party which the Corporation may otherwise have.

(b) By the Market.

(i) The Market agrees to indemnify and hold harmless the Corporation and each of its directors, officers, committee members, agents and employees (each a "Corporation Indemnified Party" and collectively referred to as the "Corporation Indemnified Parties") from and against any and all loss, damage and expense (whether or not such loss, damage or expense is reimbursable by *pro rata* charges to

the Clearing Fund contributions of Clearing Members) arising out of or based on any violation or alleged violation by the Market of any of the terms of this Agreement. This indemnity agreement shall be in addition to any liability which the Market may otherwise have.

(ii) The Market agrees to indemnify and hold harmless each Corporation Indemnified Party from and against any and all Losses (whether or not such Losses are reimbursable by *pro rata* charges to the Clearing Fund contributions of Clearing Members) in connection with any action, suit, litigation, claim or proceeding commenced by any person, to which any such Corporation Indemnified Party is made a party defendant or is threatened to be made such a party, arising out of or based on any violation or alleged violation by the Market of any of the terms of this Agreement or any violation or alleged violation by the Market of any law or governmental regulation. This indemnity agreement shall be in addition to any liability to any Corporation Indemnified Party which the Market may otherwise have.

(c) Indemnification in Respect of Intellectual Property. Without limiting the generality of subsections (a) and (b) above: (i) the Corporation specifically agrees to indemnify and hold harmless each Market Indemnified Party, and the Market specifically agrees to indemnify and hold harmless each Corporation Indemnified Party, from and against any and all Losses (whether or not in the case of the Corporation such Losses are reimbursable by *pro rata* charges to the Clearing Fund contributions of Clearing Members) in connection with any claim or cause of action for patent infringement or other intellectual property law violation, where such claim or cause of action relates to intellectual property that is developed or used by the indemnifying party in connection with the activities to be engaged in hereunder, provided that for purposes of this provision the Corporation shall not be deemed to have used any such intellectual property developed or used by the Market solely by virtue of clearing trades executed on the Market; and (ii) without limiting the generality of clause (i) above, the Market specifically agrees to indemnify and hold harmless each Corporation Indemnified Party from and against any and all Losses (whether or not such Losses are reimbursable by *pro rata* charges to the Clearing Fund contributions of Clearing Members) in connection with any action, suit, litigation, claim or proceeding commenced by any person, asserted against a Corporation Indemnified Party or to which a Corporation Indemnified Party is made a party defendant or is threatened to be made such a party, or is subjected to discovery or testimonial obligations, arising out of or based on (A) any allegation that the Market does not have the right for any reason to list and trade a Commodity Contract traded or proposed to be traded on the Market, or (B) any allegation that the listing and trading of a Commodity Contract by the Market, the issuance by the Corporation of the Commodity Contract so listed and traded, or the clearance and settlement of such trades by the Corporation constitutes unfair competition or unjust enrichment or infringes, interferes with or misappropriates the intellectual property, contract, common law or other rights of a third party, including without limitation the owner of any proprietary index or any licensee of such index or derivative products based thereon.

(d) Limitation on Rights Conferred. The provisions of this Section 16 are not intended to confer any rights upon any person other than Corporation Indemnified


Parties, the Market Indemnified Parties and each person, if any, who controls the Market within the meaning of Section 13(b) of the CEA.

(e) Rights and Duties When Action Commenced. Promptly after receipt by an indemnified party under Section 16(a)(ii), 16(b)(ii) or 16(c) hereof of notice of commencement of any action, suit, litigation, claim or proceeding in which such indemnified party is made a party defendant, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under such Section, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under such Section. In case any such action is brought against any indemnified party, and it promptly notifies an indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate in, and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume and control the defense thereof, with counsel chosen by it, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under such Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation, but the indemnified party may, at its own expense, participate in such defense by counsel chosen by it, without, however, impairing the indemnifying party's control of the defense. The indemnifying party may negotiate a compromise or settlement of any such action, provided that such compromise or settlement does not require a contribution by the indemnified party or have a material adverse impact on the business of the indemnified party. As used in this Section 16, the words "party defendant" shall include a counter-defendant, cross-defendant, respondent, and any other capacity in which a claim is asserted against an indemnified party.

Section 17. Notices.

All notices, requests, demands and other communications hereunder must be in writing and shall be deemed to have been duly given (a) when delivered by hand, (b) three business days after having been mailed by first class registered mail, return receipt requested, postage and registry fees prepaid to the address set forth below, (c) under Section 3(e), when sent by e-mail without notice to the sender from a server that delivery of the e-mail has been delayed or has failed, and if such notice is received, then notice shall not be deemed duly given until the e-mail is sent without such notice, or (d) when sent by facsimile transmission to the facsimile number set forth below, provided that the burden of proving receipt of a facsimile will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine.

(i) If to the Corporation:

The Options Clearing Corporation
One North Wacker Drive, Suite ~~600~~ 500 
Chicago, IL 60606
Attn: General Counsel

Facsimile Number: 312-322-2593
Telephone Number: 312-322-6200

e-mail address for purposes of notices required
to be sent by e-mail pursuant to Section 3(e): nog@theocc.com

(ii) If to the Market:

Philadelphia Board of Trade
c/o The Philadelphia Stock Exchange
1900 Market Street
Philadelphia Stock Exchange Building
Philadelphia, PA 19103
Attn: General Counsel

Facsimile Number: (215) 496-6729
Telephone Number: (215) 496-5406

Section 18. Miscellaneous.

This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Illinois. For avoidance of doubt, this Agreement amends and restates in its entirety the Original Agreement, which shall be deemed terminated on the Effective Date of this Agreement. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought. All of the terms of this Agreement, whether so expressed or not, shall be binding upon the respective successors and assigns of the parties hereto and shall inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns; provided, however, that this Agreement may not be assigned by either party hereto without the prior written consent of the other party, but a merger, consolidation, reorganization or reincorporation by, or sale of all or substantially all of the assets of, either party shall not require the consent of the other party so long as the successor entity or transferee is qualified to carry on the business contemplated herein. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The headings of this Agreement are for the purpose of reference only and shall not limit or otherwise affect the meaning hereof. This Agreement may be executed in counterparts, each of which shall be deemed an original, but both of which together constitute one and the same instrument. Terms used in this Agreement (whether or not initially capitalized) that are defined in the By-Laws and Rules of the Corporation have the meanings given to them in the By-Laws and Rules, unless expressly defined otherwise in this Agreement or unless the context requires a different meaning.

Section 19. Breach of Agreement – Termination.

(a) Breach by Corporation of Section 6 or Section 7. If the Corporation, by reason of its actions or its failure to act, shall have breached in any material respect the provisions of Section 6 or Section 7 hereof, and if as a result of such breach transactions in Cleared Contracts effected on the Market and submitted to the Corporation for clearing are not timely cleared, then the Market may terminate this Agreement upon written notice to the Corporation.

(b) Other Grounds for Termination. The Corporation shall cease clearing Cleared Contracts for the Market and this Agreement shall terminate forthwith if (i)(A) the Market ceases to meet any legal or regulatory requirement necessary to list and trade Commodity Contracts following the Effective Date, (B) the Market terminates the trading of all Cleared Contracts, or (C) the representations of the Market in clause (c), (d) or (e) of Section 1 hereof cease to be accurate, or (ii)(A) the Corporation ceases to be registered as a derivatives clearing organization, or (B) its By-Laws or Rules cease to be in full force and effect in a material respect. The Corporation may cease clearing Cleared Contracts for the Market and terminate this Agreement upon at least 30 days prior written notice if the Market is in violation of this Agreement in any material respect, the Corporation provides the Market with written notice of the violation, and the Market fails to cure the violation within 30 days of receipt of the written notice describing the violation. The Market may terminate this Agreement at any time by giving the Corporation at least 60 days prior written notice; provided, however, that the Market shall to the best of its ability ensure that a secondary market is maintained in each series of Cleared Contracts that it has previously opened for trading until the expiration date of each such series, so that it remains possible for Clearing Members to clear through the Corporation transactions closing out positions in each such series that were open at the time of termination hereof.

(c) Transfer of Open Positions to Successor Clearing Organization. If this Agreement is terminated and the Market makes alternative clearing arrangements for transactions in Cleared Contracts executed on the Market thereafter, the Corporation, at the request of any Clearing Member and upon payment of a clearing fee of 7 cents per contract, shall enter into an assignment and assumption agreement satisfactory in form and substance to the Corporation wherein (i) the Corporation assigns to the Market's successor clearing organization (the "Successor") all of the Corporation's right, title and interest in and to such of the Clearing Member's open positions in Cleared Contracts traded on the Market as the Clearing Member may specify, (ii) the Successor assumes all of the Corporation's obligations in respect of such open positions, and (iii) the Successor and such Clearing Member agree to indemnify the Corporation and hold the Corporation harmless against any liability or obligation in respect of such open positions arising from and after the effective time of such assignment and assumption.

Section 20. Survival of Obligations.

Notwithstanding the termination of this Agreement, (a) the Corporation shall continue to be obligated with respect to any matched trade that it shall have accepted for clearance as a result

of transactions effected on the Market before the date of termination, and (b) the obligation of the Market to indemnify the Corporation pursuant to Section 16(b) hereof and the obligation of the Corporation to indemnify the Market pursuant to Section 16(a) hereof shall survive such termination.

Section 21. Dispute Resolution.

If a dispute arises between employees of the Market and employees of the Corporation relating to the clearing services that are the subject of this Agreement, and the most senior employee actively involved in the dispute on behalf of a party (in either case, the "Senior Disputant") believes that the Corporation's timely and unimpeded conduct of clearing services for the Market is threatened by the unresolved dispute, the Senior Disputant may notify the other party that a dispute exists. Such notice having been given, the Senior Disputant of each party shall without delay notify the Chief Executive Officer of such party, or if the Chief Executive Officer is not immediately available, the most senior officer of such party that is immediately available (in either case, the "Responsible Officer"), that a dispute exists between the parties. The Responsible Officers of the two parties shall thereupon endeavor in good faith to resolve the dispute and to mitigate its deleterious effects and shall confer with each other to those ends. For the judicial resolution of disputes the parties consent to the exclusive jurisdiction of the United States District Court in Chicago, Illinois, if such court has subject matter jurisdiction over the dispute; otherwise, the courts of Illinois situated in Chicago shall have exclusive jurisdiction. Each party waives any objection which it may have at any time to the laying of venue of any proceedings brought in any such court, waives any claim that such proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such proceedings, that such court does not have any jurisdiction over such party.

Section 22. Notice of Regulatory Action.

The Corporation shall notify the Market of any action taken by a regulatory body or agency that, in the judgment of the Corporation, has or will have a material adverse effect on the Corporation's performance of its obligations under this Agreement.

Section 23. System Redundancy, Disaster Recovery.

The Corporation maintains, and will continue to maintain, appropriate facilities for system redundancy and disaster recovery, subject to the general oversight of the SEC.

Section 24. Quality Standards.

All services provided by the Corporation to the Market shall be performed substantially in accordance with the By-Laws and Rules of the Corporation and applicable legal and regulatory requirements, and with the same level of care and quality that the Corporation provides to the Options Exchanges, security futures markets, and futures markets that clear transactions through the Corporation. The Corporation shall use commercially reasonable efforts to maintain its counterparty credit rating of "AAA" by Standard & Poor's or a comparable rating by another nationally recognized statistical rating organization.

Section 25. Limitation of Liability.

(a) Neither party shall be liable under any circumstances for incidental, consequential or special damages sustained by the other party under this Agreement, whether or not such damages relate to services covered by this Agreement, even if the party against which an award of damages is sought has been advised of the possibility of such damages; provided, however, that this Section 25 is not intended to limit the indemnification provisions of Section 16 or any other indemnification provisions in this Agreement to the extent that such provisions would otherwise cover incidental, consequential or special damages asserted by third parties against an indemnified party.

(b) Neither party shall be liable for its inability to perform its obligations under this Agreement when such inability arises out of causes beyond its control, including, without limitation, any act of God, act of war or terrorism, accident, labor dispute, or the failure of any third party to provide any electronic, telecommunication or other service used in connection with the services covered by this Agreement. Each party agrees to notify the other promptly upon learning that any such event has occurred and shall cooperate with the other, upon request, in arranging alternative procedures and in otherwise taking reasonable steps to mitigate the effects of any inability to perform or any delay in performing.

Section 26. Effectiveness of Agreement.

On the Effective Date, and as conditions to the effectiveness of this Agreement, the CFTC and, with respect to the Corporation, the SEC shall have approved the rule change filed in respect of this Agreement or allowed such rule change to become effective; the Market shall deliver to the Corporation a certificate of a senior officer, in form and substance satisfactory to the Corporation, to the effect that the representations of the Market set forth in Section 1 hereof are true and accurate on such date, and the Corporation shall deliver to the Market a certificate of a senior officer, in form and substance satisfactory to the Market, to the effect that the representations of the Corporation set forth in Section 2 hereof are true and accurate on such date. The "Effective Date" of this Agreement shall be the date when the Market begins trading Commodity Contracts, but shall in no event be earlier than the first date on which all conditions exist such that the representations to be made under Sections 1 and 2 would be true.

Section 27. Nonexclusive Agreement.

This Agreement is nonexclusive and nothing in this Agreement shall prevent the Market from obtaining clearing arrangements from another party during the term of this Agreement or thereafter for Commodity Contracts (as defined in Section 1) traded on the Market.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

THE OPTIONS CLEARING CORPORATION

By: William H. Navin
Name: WILLIAM H. NAVIN
Title: EXECUTIVE V.P.

PHILADELPHIA BOARD OF TRADE, INC.

By: William N. Briggs
Name: William N. Briggs
Title: President

SCHEDULE A
DESCRIPTION OF CLEARING AND SETTLEMENT SERVICES

In accordance with the terms of this Agreement, the Corporation shall perform the following clearing functions:

(1) Trade Acceptance. The Corporation shall receive matched trade submissions from the Market in accordance with the By-Laws, Rules, and procedures of the Corporation as in effect from time to time.

(2) Transfers. The Corporation shall effect the transfer of positions between Clearing Members in accordance with the By-Laws, Rules and procedures of the Corporation as in effect from time to time.

(3) Position Maintenance and Settlement. On a daily basis the Corporation shall calculate and collect original margin and variation margin on Cleared Contract trades and positions, and margin on positions in futures options and commodity options, in the accounts of Clearing Members. The Corporation shall settle the gains and losses associated with Cleared Contract trades and positions in the accounts of members at least once each business day.

(4) Information for Clearing Members. The Corporation will make available to each Clearing Member on every business day with respect to Cleared Contracts in each account of such Clearing Member with the Corporation the following information, in machine readable format:

- a. transactions in Cleared Contracts accepted by the Corporation for each account of the Clearing Member;
- b. give-up trades, position transfers and other transactions that are effected in accordance with the Corporation's "CMTA" and/or allocation procedures;
- c. EFP transactions, which will be identified as such by the Corporation using an available "data field" when such transactions are identified as such to the Corporation by the Market;
- d. block trades, which will be identified as such by the Corporation using an available "data field" when such transactions are identified as such to the Corporation by the Market;
- e. the daily mark-to-market of each open position;
- f. amounts of money due to and from the Corporation from and to the Clearing Member; and
- g. futures options and commodity options that the Clearing Member has exercised or been assigned the exercise, with the settlement date and amount receivable or payable by the Clearing Member in respect of each.

(5) Pay/Collect. The Corporation will determine every Clearing Member's financial obligations to the Corporation each business day and require or make such payments as are necessary to discharge any balance owing in accordance with the Corporation's By-Laws and Rules.

(6) Large Trader Reports. The Corporation will make available to the Market and/or the Clearing Member concerned such information as the Corporation may have that is necessary for the generation of any required large trader reports with respect to Cleared Contracts. The Market shall otherwise have responsibility for generating and filing such reports.

(7) CMTA and/or Allocation Transactions. The Corporation will make the ENCORE system available to Clearing Members that are members of the Market for processing of CMTA and/or allocation transactions.

SCHEDULE B INFORMATION SHARING

I. Information Provided by the Corporation to the Market

A. Information provided each trading day

The following information in respect of Cleared Contracts will be provided by the Corporation to the Market each trading day for regulatory and financial surveillance purposes and for purposes of reporting under CFTC Regulations 16.00 and 16.01:

1. Cleared Contracts Compliance Data Service, which includes:
 - Matched Trades – reflects cleared matched trades including transfers and adjustments
 - Open Positions – reflects all open positions
2. Open Interest—contains all open interest information by position by Cleared Contract
3. Price Data Service—settlement price data
4. Contract Master —product information
5. Give-ups—contains all information regarding executing and carrying firms
6. Exchange-for-physicals, block trades and other non-competitive trades—contains all information relating to such transactions

B. Information provided on an occurrence basis

1. Watch level reports when generated (monthly) for Clearing Members that are members of the Market
2. Notice of any establishment of higher margin requirements under Section 10 of the Agreement for a Clearing Member that is a member of the Market
3. Notice of any material change in the financial condition of a Clearing Member that is a member of the Market if the Corporation becomes aware of such change and believes such change may have a material adverse effect on the ability of the Clearing Member to perform its obligations to the Corporation
4. Notice of (a) any Clearing Member default or (b) any suspension of, termination of, ceasing to act for, or liquidation of, any Clearing Member by the Corporation, if, in either case, the Clearing Member is a member of the Market
5. Notice of any disciplinary action taken by the Corporation against a Clearing Member that is a member of the Market involving material non-compliance with financial or financial reporting requirements or material violation of the rules of the Corporation

C. Information provided upon request

1. Results of margin stress-tests performed on Clearing Members who are members of the Market when requested by the Market on a Clearing Member-by-Clearing Member basis
2. The Corporation agrees that the Market shall have the right during normal business hours to examine the Corporation's books, accounts, data base, pay/collect and other records, and at the Market's own expense to copy or make extracts from such documents and records and to utilize such data base; provided, however, that the Market shall have no such right with regard to transactions on any other futures market, security futures market or Options Exchange or which is otherwise competitive information of another futures market, security futures market or Options Exchange except insofar as (a) such transactions are entered into by members of the Market and are relevant to the Market's assessment of the financial condition of such member or (b) is necessary to protect the integrity of the Market.

II. Information to be provided by the Market to the Corporation

The Market agrees that whenever, in the performance of its functions of monitoring compliance by its members with the financial responsibility standards established by the Market or the financial responsibility standards established by the SEC or the CFTC, it shall determine that (A) a Clearing Member is not in compliance with such standards, or (B) a Clearing Member is not in compliance with the financial responsibility standards established by the Corporation for its Clearing Members, or (C) the financial condition of a Clearing Member is such that special restrictions should be imposed on such Clearing Member, or (D) the financial condition of a Clearing Member should be reported to the Securities Investor Protection Corporation, the SEC, the CFTC or any other regulatory body, the Market shall notify the Corporation thereof by telephone immediately following the making of such determination and shall continue to keep the Corporation reasonably informed of the results of the Market's financial surveillance activities in respect of such Clearing Member so long as the Clearing Member is subject to any such special restrictions. The Market further agrees to furnish to the Corporation a copy of all written materials that are furnished to the financial surveillance committee of the Market (the "Committee") respecting a Clearing Member, provided that if the Market does not have a Committee, it hereby agrees to furnish the Corporation with a copy of all written materials respecting the financial condition of a Clearing Member relating to circumstances described in clauses (A) through (D) of the preceding sentence prepared for the management authority of the Market exercising financial surveillance or similar functions (the "management authority"). Such written materials shall be delivered to the Corporation as promptly as practicable, but in no event later than 2:00 p.m. Central Time on the business day next following the day on which such materials are furnished to the Committee or the management authority; provided that upon the oral or written request of the Corporation, the Market shall make such materials available for pickup by the Corporation at the same time as they are furnished to the Committee or management authority. If the Market has a Committee, it also agrees (i) to notify the Corporation by telephone of each special or emergency meeting of the Committee (or regular meeting of the Committee called on less than 48 hours notice) concerning a Clearing Member prior to the commencement of such meeting, (ii) to advise the Corporation at the time of such notification as to the reasons for and purposes of such meeting, and (iii) to report by telephone to

the Corporation immediately following the end of each meeting of the Committee (whether a regular or special or emergency meeting) as to the conclusions (if any) reached at such meeting concerning any Clearing Member and the reasons therefor. If the Market does not have a Committee, it also agrees to notify the Corporation of any action or proposed action concerning the financial condition of a Clearing Member to be taken by the management authority and the reasons therefor immediately upon making a determination concerning such Clearing Member.

Notwithstanding the provisions of Section 17 of this Agreement, any notice, written materials or telephone communication required to be furnished to the Corporation by this provision shall be delivered or made to any one of the Chairman, the Management Vice Chairman, or the President of the Corporation, or in case of the absence or unavailability of all of them, then to any Executive Vice President or Senior Vice President of the Corporation.

III. Information to be provided by either party to the other

If at any time either the Market or the Corporation becomes aware of the development of an excessive position or any other undesirable situation or practice that it believes is likely to have a material adverse impact upon trading in Commodity Contracts, it shall immediately notify the other party of such circumstances.

Schedule C-[]

INTRODUCTION OF UNDERLYING INTEREST: [identify underlying interest]

[Date]

1. This is one of the Schedules C referred to in Section 3(a)(ii) and (iii) of the Amended and Restated Agreement for Clearing and Settlement Services dated as of September 28, 2006 (the "Agreement") between the Philadelphia Board of Trade, Inc. (the "Market") and The Options Clearing Corporation (the "Corporation"). When completed and duly executed by the parties, this Schedule C shall be incorporated into the Agreement and become a part thereof. Terms used herein and defined in the Agreement shall have the meanings they are given in the Agreement.

2. [Insert paragraph in form of Section 3(a)(ii) or (iii) of the Agreement, as relevant.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Schedule as of the date first above written.

PHILADELPHIA BOARD OF TRADE, INC. THE OPTIONS CLEARING CORPORATION

By: _____
Name:
Title:

By: _____
Name:
Title: