



OPEX PARTICIPANT AGREEMENT

This agreement between _____ (“Participant”) and Optionable, Inc. (“Optionable”) dated as of _____. (the “Agreement”).

WHEREAS, Optionable owns and operates OPEX (“OPEX” or the “System”), an electronic system for the transaction of certain financial products, including, but not limited to options and swaps; and

WHEREAS, Optionable desires to provide Participant access to OPEX, and certain services related to OPEX as set forth herein on the terms and conditions set forth herein; and

WHEREAS, Participant desires to utilize OPEX pursuant to the terms and conditions set forth in the Agreement;

NOW, THEREFORE, for the consideration set forth herein, and other good and valuable consideration, Optionable and Participant agree as follows:

- 1) **SERVICES/PRODUCTS.** Subject to the terms and conditions set forth herein, Optionable shall provide Participant with the following services involving certain financial derivative products, including but not limited to, options and swaps : (a) the electronic execution of transactions (“Transactions”) between counterparties who submitted trade requests directly to OPEX; (b) the execution of Transactions between counterparties in which one or both submitted a trade request to an Optionable employee who then entered the trade request into OPEX on-behalf-of one or both counterparties (“OBO order”); (c) an OBO Order; provided, however, that either or both counterparties do not trade directly on OPEX; and (d) the electronic submission to the OPEX database of trade requests which are brokered and matched orally with clients via telephone and electronic messaging. Collectively, the items set forth in this paragraph 1 shall be deemed the "Products". For purposes of this Agreement, trade requests which Participant submits to OPEX may include either or both Transactions executed on the System (“System Transactions”) and Transactions executed on other systems, or matched by non-electronic means (“Non-System Transactions”).
- 2) **ACCESS TO SYSTEM/LICENSE** Optionable hereby grants Participant a non-exclusive, nontransferable, revocable license to access the System as it may exist from time to time and to utilize any hardware, software, systems and/or communications links furnished by Optionable to Participant from time to time in accordance with the Terms (as defined below), solely for the purpose of allowing Participant to electronically post bids, offers and requests for quotations (and responses to any such requests) for Transactions in the Products, to enter into Transactions with other participants, to match trades with other participants, and to use the other services on the System. The System shall at all times be revocable at Optionable’s sole discretion, without prior notice to Participant.
- 3) **TERMS OF ACCESS.** This Agreement, taken together with (i) the annexes to this Agreement and (ii) the OPEX User Guide and Rulebook, the current versions of which are posted on the Optionable website at www.optionable.com and/or www.opextrading.com (the “Websites”) are collectively referred to herein as the “Terms” and will govern Participant’s access to and use of the System and any and all Transactions and other services utilized by Participant. Optionable may amend the Terms at any time by posting amendments on the Websites, and any such amendments will be prospectively binding on Participant, provided that Optionable will provide prior notice to Participant of any such amendments on the

System and provided further that Optionable will provide at least two weeks' prior notice, through electronic or other direct communication with Participant, of any such amendments that are likely to materially and adversely affect Participant or its rights or obligations hereunder. Participant's use of the System after the effective date of any such amendment shall constitute its ratification of and agreement to any such amendment. If Optionable elects to require Participant to acknowledge and agree to an amendment, such amendment will not become effective until Participant has done so in the manner specified by Optionable.

4) PARTICIPANT'S REPRESENTATIONS, WARRANTIES AND COVENANTS.

Participant hereby represents, warrants and covenants as follows:

- a) Unless and until Participant notifies Optionable otherwise, Participant is and will continue to be: an "eligible commercial entity" as defined in Section 1a(12) of the U.S. Commodity Exchange Act (as amended) (together with relevant Commodity Futures Trading Commission Notices or Regulations (the "CEA"), to the extent that Participant engages in execution of Transactions.

PARTICIPANT EXPRESSLY ACKNOWLEDGES THAT IT CURRENTLY UNDERSTANDS AND ABIDES BY THE ABOVE CEA LAWS, RULES, REGULATIONS, OR ORDERS RELATING TO THIS AGREEMENT (THE "CEA LAWS"), AND THAT IT HAS HAD THE OPPORTUNITY TO SEEK LEGAL COUNSEL OR OTHER KNOWLEDGEABLE REPRESENTATIVE TO ASSIST IN SUCH UNDERSTANDING. ACCORDINGLY, OPTIONABLE HAS NO DUTY TO INFORM PARTICIPANT AS TO THE CEA LAWS. THE DUTY TO KEEP INFORMED AS TO CEA LAWS WITH RESPECT TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREUNDER SHALL AT ALL TIMES REMAIN THAT OF PARTICIPANT. SOLELY FOR PARTICIPANT'S INFORMATION, PARTICIPANT MAY LOCATE THE CEA LAWS AT: <http://www.cftc.gov>

- b) Participant will enter into Transactions solely as principal.
- c) Participant acknowledges that the System and all information and content (including price and trading data) displayed and distributed thereon or in any way related to Transactions, or other services (such information or content and information derived there from being referred to collectively herein as "System Data") are, except as set forth in the final sentence of this Section 3(c), the exclusive proprietary property of Optionable constituting trade secrets. Participant has been granted a limited license to use the System, and the System Data solely for the purposes set forth herein and Participant will have no other rights with respect to the System, or the System Data. Without limitation of the foregoing, Participant will access and utilize the System and the System Data solely for its own internal business activities in accordance with the Terms. Participant agrees that it will not copy, modify, reverse engineer, reverse assemble or reverse compile the System or any of the System Data displayed on or issued by OPEX, that it will not distribute, rent, sell, retransmit, redistribute, release or license the System, any System Data, or any part thereof to any third party (other than to its affiliates and agents subject to and in accordance with this Agreement). Participant further agrees that it will not, without limitation (other than for its own internal use in accordance with this Agreement), communicate, redistribute, or otherwise furnish, or permit to be communicated, redistributed or otherwise furnished, all or any portion of the System Data, in any format, to any third party or in constructing or calculating the value of any index or indexed products. Participant will use its best efforts to ensure that its partners, officers, directors, employees and agents maintain sole control and possession of, and sole access to, System Data obtained through Participant's access to the System. Notwithstanding the foregoing, it is understood and agreed that any and all data submitted to OPEX by Participant (including but not limited to bids and offers for Transactions, and data from

other services) and all information related to Transactions entered into by Participant through the System as well as all data submitted to the System by a broker on Participant's behalf shall be the non-exclusive property of Optionable and Participant, and that each party shall have the right to use, sell, retransmit or redistribute such information, subject to the provisions of Section 9 hereof.

- d) Participant will comply with the Terms and any and all laws, rules, regulations or orders applicable to Participant's access to and use of the System and the System Data. PARTICIPANT EXPRESSLY UNDERSTANDS THAT IT IS ITS DUTY TO KEEP APPRISED OF OTHER TERMS AND CONDITIONS OF ITS RELATIONSHIP WITH OPTIONABLE, AND MAY DO SO AT www.optionable.com and www.opextrading.com
- e) Participant acknowledges and accepts that it shall be solely responsible for any and all costs or expenses associated with its accessing and utilizing the System.
- f) Participant acknowledges that Optionable may, in its sole discretion, with or without cause or prior notice to Participant, temporarily or permanently cease to operate the System, temporarily or permanently cease to make certain Products or Transactions or other services or System Data available or suspend, terminate or restrict Participant's access to and utilization of the System. Participant acknowledges that its access to and utilization of the System may be monitored by Optionable for its own purposes (including, without limitation, for purposes of monitoring levels of activity in categories of Transactions, and other services and for purposes of maintaining the functional and operational integrity of the System and for purposes of complying with applicable laws and regulations) and not for the benefit of Participant.
- g) Participant has all necessary power and authority to execute and perform this Agreement, and this Agreement is its legal, valid and binding agreement, enforceable against Participant in accordance with its terms. Neither the execution of nor performance under this Agreement by Participant violates any law, rule, regulation or order, or any agreement, document or instrument, binding on or applicable to Participant.
- h) If, within the System, Participant has authorized any Optionable employee to submit Non-System Transactions, Participant represents and warrants that such employee is authorized to act on behalf of Participant in connection with the use of such Services and authorizes and instructs Optionable to comply with any instructions submitted by such broker on behalf of Participant.
- i) Participant agrees to provide Optionable with information related to Participant's use of the System that is reasonably requested by Optionable, if such information is reasonably necessary in order to enable Optionable to maintain the integrity of the System or to comply with applicable laws or regulations, and such information will be accurate and complete in all material respects and subject to the Confidentiality provisions of Section 9. Should Participant refuse to provide information, or if the information demonstrates a potential violation of the terms and conditions of this Agreement, then Optionable shall have the right, upon five (5) days notice, to conduct an on-site audit during regular business hours of Participant's compliance with this Agreement. Optionable may inspect, among other things, any use of the System and the System Data. Optionable's right of inspection shall extend only so far as may be necessary to ensure compliance by Participant with the provisions of this Agreement.
- j) Participant acknowledges that portions of the System and related technical information, documents and materials are subject to export controls under the U.S. Export Administration Regulations. Participant will (1) comply with all legal requirements established under these controls, (2) cooperate fully with Optionable in any official or unofficial audit or inspection that relates to these controls and (3) not export, re-export, divert or transfer, directly or indirectly, any such item or direct products thereof to Cuba,

Iran, Iraq, Libya, Sudan, Syria, the Taliban, Afghanistan, or any national thereof or to any country or national thereof that is embargoed by Executive Order. Participant represents and warrants that it will not use the System in any such country nor will it permit any national of any such country to use the System for any purpose at any time. Upon notice to Participant, Optionable may modify the list of such countries to conform to changes in the U.S. Export Administration Regulations.

- k) Participant acknowledges that in connection with Products as set forth in Paragraph 1(b) or (c) above, it understands that OPEX and its employees will not be matching orders, but merely acting as order takers performing ministerial functions, including, but not limited to, providing information, and entering in purely electronic, non voice-brokered, trade requests for the customer.
- 5) **USER IDs AND PASSWORDS.** Optionable shall issue to Participant, through its employees designated as its administrator(s) with respect to Participant's use of the System ("Participant User Administrator"), one or more user IDs and passwords (collectively, the "Passwords") for use exclusively by employees ("Authorized Employees") of Participant or a Participant affiliate that are properly authorized to access the System on behalf of Participant. The initial Participant User Administrator(s) for System Transactions, if applicable, are identified, respectively, on the signature page hereof and Participant will notify Optionable promptly of any change in its Participant User Administrator(s). Participant will be solely responsible for controlling and monitoring the use of the Passwords, will provide the Passwords only to its Authorized Employees, and will not provide the Passwords to any third party. Participant will immediately notify Optionable of any unauthorized disclosure or use of the Passwords or access to the System or of the need to deactivate any Passwords. Participant acknowledges and agrees that it will be bound by any actions taken through the use of its Passwords (except through the fault or negligence of Optionable), including the execution of Transactions, whether or not such actions were authorized. Participant will only use the Passwords to access and use the System from the jurisdictions specified by Participant and accepted by Optionable. The Participant User Administrator shall be responsible for all communications between Optionable and Participant and any notices or other communications sent to the Participant User Administrator by Optionable shall be binding on Participant.
- 6) **TERM.** This Agreement will commence as of the date hereof and will continue thereafter unless and until terminated by either party upon 30 days' written notice to the other, provided that this Agreement shall remain in effect with respect to all Transactions, effected prior to such termination. Termination of this Agreement shall terminate all services provided by Optionable to Participant. Each party's continuing obligations under this Agreement and the Terms, including, without limitation, those relating to "Indemnification" and "Confidentiality", will survive the termination of this Agreement.
- 7) **EXECUTION OF TRANSACTIONS.**
- a) Upon the execution of a binding Transaction in accordance with the Terms, Participant agrees that: (i) it will be obligated to pay to Optionable the commissions due on such Transaction, in accordance with the Schedules as then in effect, regardless of whether the Transaction is performed, settled or otherwise completed by Participant and its counterparty; and (ii) the resulting Transaction will constitute a legally binding obligation of Participant, with respect to its counterparty, to complete the Transaction in accordance with its terms and subject to the terms of any master or other applicable agreements between Participant and its counterparty, provided that Optionable shall have no involvement in and no responsibility or liability for any matters related to the Transaction or the completion or documentation of the Transaction subsequent to its execution through the System, including but not limited

to the creditworthiness of any participant, all of which shall be the sole responsibility of Participant and/or its counterparty, as applicable. Participant acknowledges and agrees that the counterparty to any Transaction may rely on Participant's agreements hereunder as to the binding nature of such Transaction and agrees that the counterparty may directly enforce Participant's obligations under such Transaction against Participant.

- b) Participant agrees that Transactions executed through the System shall be deemed to be "in writing" and to have been "signed" for all purposes and that any record of any such Transaction will be deemed to be in "writing". Participant will not contest the legally binding nature, validity or enforceability of any Transaction executed through the System based on the fact that it was entered and Executed electronically and expressly waives any and all rights it may have to assert any such claim.
- c) All commissions and other charges and fees incurred by Participant hereunder in any calendar month shall be invoiced by Optionable to Participant based on the Schedules, as amended from time to time and as set forth in the Terms. Optionable will provide Participant with an invoice which states the amount owed by Participant, including any commissions, other charges or related taxes, which will be due and payable in the currency, timeframe, and manner specified in the Schedules. Late payments will bear interest after the due date at a rate per annum of interest equal to the Prime Rate (as published in the Wall Street Journal) plus 1.5%, to the extent that such rate shall not exceed the maximum rate allowed by applicable law.
- d) Participant shall be liable for all taxes and duties (other than franchise and income taxes owed by Optionable) arising out of this Agreement or any System Transactions, or other services utilized by Participant through the System, including, without limitation, taxes and duties levied by non-U.S. jurisdictions.

8) LIMITATION OF LIABILITY; INDEMNITY.

- a) PARTICIPANT ACKNOWLEDGES, UNDERSTANDS AND ACCEPTS THAT OPTIONABLE MAKES NO WARRANTY WHATSOEVER TO PARTICIPANT AS TO THE SYSTEM, EXPRESS OR IMPLIED, AND THAT THE SYSTEM IS PROVIDED ON AN "AS IS" BASIS AT PARTICIPANT'S SOLE RISK. OPTIONABLE EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. NEITHER OPTIONABLE NOR ITS MANAGERS, OFFICERS, AFFILIATES, SUBSIDIARIES, SHAREHOLDERS, EMPLOYEES OR AGENTS MAKE ANY WARRANTY WITH RESPECT TO, AND NO SUCH PARTY SHALL HAVE ANY LIABILITY TO PARTICIPANT (i) FOR THE ACCURACY, TIMELINESS, COMPLETENESS, RELIABILITY, PERFORMANCE OR CONTINUED AVAILABILITY OF THE SYSTEM , (ii) FOR DELAYS, OMISSIONS OR INTERRUPTIONS THEREIN, (iii) FOR THE CREDITWORTHINESS OF ANY OTHER PARTICIPANT, OR (iv) FOR THE ACTS OR OMISSIONS OF ANY BROKER AUTHORIZED WITHIN THE SYSTEM BY PARTICIPANT TO UTILIZE THE SERVICES ON BEHALF OF PARTICIPANT. OPTIONABLE SHALL HAVE NO DUTY OR OBLIGATION TO VERIFY ANY INFORMATION DISPLAYED ON THE SYSTEM. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE SYSTEM DOES NOT AND SHALL NOT SERVE AS THE PRIMARY BASIS FOR ANY DECISIONS MADE BY PARTICIPANT AND THAT OPTIONABLE IS NOT AN ADVISOR OR FIDUCIARY OF PARTICIPANT.
- b) Subject to Section 8(c) of this Agreement, Participant shall indemnify, protect, and hold harmless Optionable, its directors, officers, affiliates, employees and agents from and against any and all losses, liabilities, judgments, suits, actions, proceedings, claims, damages, costs (including attorney's fees) resulting from or arising out of (i) any act or omission by any person obtaining access to the System through the

Passwords (other than through the fault or negligence of Optionable), whether or not Participant has authorized such access, and (ii) any act or omission of any Optionable employee acting under authorization and on behalf of Participant in connection with the use of the Services.

- c) IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- d) Notwithstanding the terms of Section 8(a), in the event that Optionable is determined to be liable to Participant for any cause, Participant expressly agrees that in entering into this Agreement, Optionable's aggregate liability, for all causes of action, will not exceed the total commissions, fees, and other amounts (excluding any applicable taxes or duties) paid to Optionable by Participant in the previous six months from the date of the occurrence of the liability.

9) CONFIDENTIALITY.

- a) Any and all non-public information in any form obtained by either party or its employees arising out of or related to the provision or use of the System , including but not limited to trade secrets, processes, computer software and other proprietary data, research, information or documentation related thereto and System Data, shall be deemed to be confidential and proprietary information. Each party agrees to hold such information in strict confidence and not to disclose such information to third parties (other than to its employees, its affiliates and their employees or its agents) or to use such information for any purpose whatsoever other than as contemplated by the Terms and to advise each of its employees, affiliates and agents who may be exposed to such proprietary and confidential information of their obligations to keep such information confidential in accordance with this Section 9.
- b) Confidential information shall not include information which is: (i) in or becomes part of the public domain other than by disclosure by such party in violation of this Agreement; (ii) known to or obtained by such party previously without an obligation of confidentiality; (iii) independently developed by such party outside of this Agreement; (iv) required to be disclosed by applicable law or regulation, or pursuant to a subpoena or order of a court or regulatory, self-regulatory or legislative body of competent jurisdiction, or in connection with any regulatory or self-regulatory request for information; (v) information submitted by Participant that is displayed by Optionable on the System or otherwise distributed or sold by Optionable, regarding bids, offers, System Transactions, or data from Data Submission in accordance with its standard policies and procedures, provided that such displays and distributed or resold information will not identify Participant or, if applicable, broker, by name, unless Optionable is explicitly directed to do so by Participant and only then for the express purposes set forth in and under conditions agreed to in the Terms;
- c) In the event that Optionable receives notice that it is or will be legally required to disclose confidential information or receives a request to disclose confidential information from a governmental, regulatory or self-regulatory authority or agency ("Requesting Party") as provided for in Section 9(b)(iv), Optionable will promptly notify Participant of such requirement or request to the extent it is legally permitted to do so. Optionable will make reasonable commercial efforts to cooperate with Participant to enable Participant to narrow the scope of the required or requested disclosures or to seek a protective order or other similar relief. If requested by Participant, Optionable will formally request that the Requesting Party treat the information provided as confidential, to the extent it is not already treated as such, pursuant to the U.S. Freedom of Information Act, or pursuant to equivalent or comparable law or regulation, if applicable.

- d) Any access to System Data provided by Optionable to a corporate affiliate, whether pursuant to a license or otherwise, shall be allowed solely for the purposes set forth in the Terms and only with the affiliate's agreement to and compliance with Optionable's obligations with respect to System Data under the Terms, except to the extent otherwise agreed directly between Participant and such affiliate.
- 10) **NOTICES.** All notices delivered with respect to this Agreement shall be in writing and either (i) hand delivered or forwarded by registered or certified mail; or (ii) sent via electronic mail, in either case to the relevant address provided by a party for such purpose.
- 11) **NO THIRD PARTY BENEFICIARY.** Nothing in this Agreement shall be considered or construed as conferring any right or benefit on a person not a party to this Agreement or imposing any obligations on Optionable or Participant to persons not a party to this Agreement, other than the right of a Participant to a Transaction under Section 7 of this Agreement, (ii) the right of a broker or other designated and authorized intermediary or agent to effect a Transaction on behalf of a Participant; or (iii) such other third parties as OPEX may designate in its sole discretion.
- 12) **FORCE MAJEURE.** Neither Optionable nor Participant shall be deemed to be in default of any provision hereof or be liable for any delay, failure in performance, or interruption of service resulting directly or indirectly from acts of God, civil or military authority, civil disturbance, war, strikes, fires, other catastrophes, power failure or any other cause beyond its reasonable control.
- 13) **WAIVER.** No waiver by either party of any default by the other in the performance of any provisions of this Agreement shall operate as a waiver of any continuing or future default, whether of a like or different character.
- 14) **ASSIGNMENT.** This Agreement may not be assigned by either party without the other party' express prior written consent; provided, however, that either party may assign this Agreement to any entity (i) controlling, controlled by, or under common control with such party, or (ii) which succeeds to all or substantially all of the assets and business of such party, provided that, in the case of any such assignment by Participant, the assignee agrees in writing to assume the assignor's obligations under, and to be bound by the provisions of, this Agreement (as it may be amended from time to time). This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and permitted assigns in accordance with its terms.
- 15) **GOVERNING LAW.** Unless otherwise specified in an annex, this Agreement is deemed entered into in New York, New York and shall be governed and construed in all respects by the laws of the State of New York, without giving effect to principles of conflict of law.
- 16) **DISPUTE RESOLUTION.** Unless otherwise specified in an annex, any dispute, claim or controversy between the parties relating to this Agreement shall be resolved through binding arbitration conducted in accordance with the Arbitration Rules of the American Arbitration Association. Any such arbitration shall be conducted in New York, New York or at such other location as may be agreed to by the parties and the arbitrators. For the avoidance of doubt, this arbitration clause only applies to Optionable and the Participant and does not apply to any disputes arising between participants on the System or any other disputes between parties other than Optionable and the Participant. Notwithstanding the foregoing, each party acknowledges that a breach of this Agreement may cause the other party irreparable injury and damage and therefore may be enjoined through injunctive proceedings in addition to any other rights and remedies which may be available to such other party at law or in equity, and each party hereby consents to the jurisdiction of any federal or state courts located in New York, New York with respect to any such action. The parties expressly waive their right to trial by jury in any such action.

- 17) **HEADINGS.** The headings in this Agreement are intended for convenience of reference and shall not affect its interpretation.
- 18) **SEVERABILITY.** If any provision of this Agreement (or any portion thereof) shall be invalid, illegal or unenforceable, the validity, legality or enforceability of the remainder of this Agreement shall not in any way be affected or impaired thereby.
- 19) **COUNTERPARTS.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one agreement binding on the parties hereto.

Date: _____

Optionable, Inc.

555 Pleasantville Road
 South Building, Suite 110
 Briarcliff Manor, NY 10463

Participant:

Address: _____

 Signature
 Name:
 Title:

 Signature
 Name:
 Title:

Eligibility (please initial)

_____ Participant is an Eligible Commercial Entity (ECE) as defined in by the CFTC

NOTE: IT IS PARTICIPANT'S RESPONSIBILITY TO UNDERSTAND AND KEEP CURRENT ON THE CEA LAWS AS THEY PERTAIN TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY. PARTICIPANTS OR PROSPECTIVE PARTICIPANTS SHOULD REVIEW THESE LAWS CAREFULLY AND CONSULT THEIR COUNSEL WITH RESPECT TO ANY QUESTIONS REGARDING THESE LAWS.

Participant User Administrator:

Name: _____
 Title: _____
 Address: _____

 Telephone: _____
 Fax: _____
 Email: _____

ANNEX A – RATE SCHEDULE

Set forth below is the Schedule referred to in the Participant Agreement. All charges incurred by Participant will be payable in accordance with the Participant Agreement.

Natural Gas Option Rate: _____ per MMBTU
Natural Gas Swap Rate: _____ per MMBTU

ANNEX B

OTC CLEARING PROTOCOL AND FURTHER REPRESENTATIONS AND WARRANTIES

The following protocol sets forth how OTC Cleared Products are effected on OPEX, as identified in the Product Description Section of OPEX (See: www.optionable.com or www.opextrading.com), and sets forth the parties' responsibilities thereto.

Optionable provides OTC clearing to its customers through the New York Mercantile Exchange ("NYMEX") and the Intercontinental Exchange ("ICE"), (collectively, the "Clearing Systems"). OTC cleared transactions effected on OPEX, or through Optionable are submitted to those Clearing Systems, post- execution, for clearing through their respective OTC clearing services. **OPTIONABLE IS NOT AN EXCHANGE, NOR DOES IT PERFORM CLEARING FUNCTIONS, BUT MERELY FACILITATES ORDERS THROUGH NYMEX AND ICE. ACCORDINGLY, ALL TRADES ON OPEX ARE SUBJECT TO ACCEPTANCE BY THE APPROPRIATE CLEARING ENTITY AND ANY FAILURE OF TRADES TO BE CLEARED WILL RESULT IN A TRADE NOT BEING EFFECTED.**

1. Optionable has existing agreements with ICE and NYMEX to submit transactions we facilitate on behalf of clients, into ICE or NYMEX.
2. Participant will set up an account that can be used for clearing OTC cleared trades at NYMEX or ICE as the case may be.
3. Participant permits Optionable to act as a facilitator to submit transactions entered into by parties on the System into the respective Clearing System.
4. Participant provides Optionable with clearing account information so that we can set them up properly with our interface to the Clearing Systems.
5. If Participant has access to OPEX, Participant is permitted to trade clearable products we submit to the Clearing System with which Participants is eligible to trade.
6. There are two ways a trade may be effected:
 - a. Electronically on OPEX: A trade is entered into by Participants in a clearable product on OPEX; the trade is subject to clearing. The trade is then submitted to the appropriate Clearing System and, if it is accepted by the Clearing System, it is considered as completed. If not, the Transaction will be null, void and of no legal effect, but the parties may agree to execute a similar transaction on a bilateral basis. Both parties must be accepted by the Clearing System in order for the trade to complete.
 - b. Voice Brokered: Where two customers exist desiring to do an OTC trade in a product clearable on a Clearing System, we match the trade, but subject to clearing. The trade is then submitted to the appropriate Clearing System and if it is accepted by the Clearing System, it is considered completed. If not, the Transaction will be null, void and of no legal effect, but the parties may agree to execute a similar transaction on a bilateral basis. Both parties must be accepted by the Clearing System in order for the trade to be completed.
7. Once the trade is accepted by the Clearing System, Optionable will keep a record of the transaction (via a Confirmation and/or on OPEX) but, as in a bilateral trade, Optionable will have no further responsibility for the trade.

Optionable acts as an agent for both parties to a cleared trade (each, a "Party" and, collectively, the "Parties") solely for the purpose of introducing the Parties with respect to the Transaction and attempting to facilitate the trade. Each Party acknowledges and agrees that (i) It is capable of understanding the Transaction, assessing the merits thereof and, in fact, understands and

accepts terms, conditions of the Transaction and also assumes the risks attendant thereto; (ii) It is responsible for evaluating the merits of the Transaction and the creditworthiness of the other Party thereto; (iii) Optionable is not responsible for either Party's performance of its respective obligations with respect to the Transaction nor does Optionable make any representation or assume any liability in respect of the creditworthiness, financial condition or legal capacity of a Party; and (iv) Optionable shall have no liability to either Party in the event a Party is prohibited or restricted from entering into the Transaction or if the Transaction is voided or rejected, without limitation by an Exchange or either Party's clearing facility.

Participants shall confirm their acknowledgement and agreement to the terms and conditions of the Transaction directly to their respective counterparty.

Participant and Optionable acknowledge and agree that by entering transactions through Optionable on the System, whether directly or OBO, or off the System by use of a voice broker, Participant is deemed to authorize Optionable to match those transactions and take the steps necessary to complete the execution and clearance of such transactions, and that, other than as provided in the Opex Participant Agreement and in the applicable clearing system rules, no further documentation or authority shall be required from Participant in order for Optionable to be able to match, execute and submit for clearance such transactions. Participant further represents that if it submits bids or offers on the System for matching and clearing purposes, it is deemed to represent that it has the necessary authority and capacity to have such transactions cleared by the relevant clearing system.