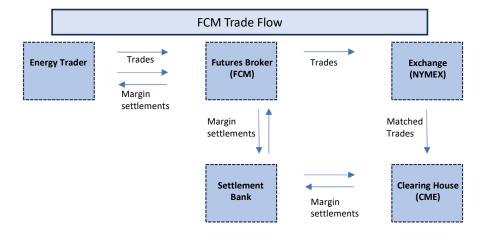
Self-Clearing Schematic



Self-Clearing Trade Flow Trades **Energy Trader Energy Trader** Trades Exchange LLC (self-(NYMEX) clearer) Margin settlements Matched Margin settlements Trades Settlement Clearing House **Bank** (CME) Margin settlements

Replicating and replacing the Futures Broker (FCM) relationship with a wholly owned self-clearing entity provides benefits including:

- Reduced counter-party risk
- Margin and collateral efficiencies
- Improved capital utilization
- Lower trading and clearing costs

The typical path to self-clearing presents as follows:

Clearing Member and Blue Flannel:

- Strategic Review and Project Plan
- Clearing member application

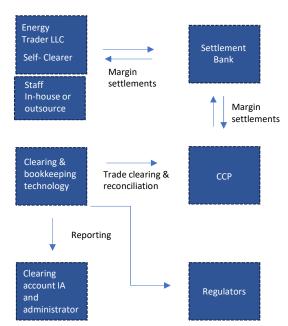
Clearing Member Provides the following:

- Capital
- Liquidity
- Legal entity

FIS and Blue Flannel support the following:

- Technology/back-office processing systems
- Staffing
- Margin management (settlement banking)
- Operational Readiness

Self-Clearing Operating Model



This report is presented for informational purposes only and is not intended to serve as financial, investment, or legal advice. The information contained herein is based on sources believed to be reliable, but no representation or warranty, express or implied, is made with respect to its accuracy, completeness, or reliability.

