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As filed with the Securities and Exchange Commission on July 14, 2006

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

NYMEX Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware	6200	13-4098266
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

One North End Avenue
World Financial Center
New York, New York 10282-1101
(212) 299-2000
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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Approximate date of commencement of proposed sale to the public: As promptly as practicable after this registration statement becomes effective and the satisfaction or waiver of certain other conditions described herein.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(3)
Common Stock, $.01 par value per share	$250,000,000	$26,750

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act.
(2) Includes shares of Common Stock that the underwriters have the option to purchase to cover over-allotments, if any.
(3) Calculated pursuant to Rule 457(o) under the Securities Act of 1933.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We and the selling stockholders may not sell the securities described in this document until the registration statement filed with the Securities and Exchange Commission is declared effective. This prospectus is not an offer to sell these securities and neither we nor the selling stockholders are soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated July 14, 2006

Prospectus

shares

Common stock

We are offering shares of our common stock and the selling stockholders are offering shares of our common stock held by them. This is our initial public offering and there is currently no established trading market for our shares. We currently estimate that the initial public offering price will be between $ and $ per share. We will not receive any of the proceeds from the shares of common stock sold by the selling stockholders.

We intend to apply to list our common stock on the New York Stock Exchange under the symbol “NMX”.

	Per share	Total
Price to public	$	$
Underwriting discounts and commissions	$	$
Proceeds to NYMEX Holdings, before expenses	$	$
Proceeds to selling stockholders, before expenses	$	$

NYMEX Holdings and certain of the selling stockholders have granted the underwriters an option to purchase an additional shares of our common stock to cover over-allotments.

Investing in our common stock involves risks. See “ Risk factors” beginning on page 12.

Neither the Securities and Exchange Commission nor any state securities regulators have approved or disapproved of these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of common stock to purchasers on or about , 2006.

Joint book-running managers

JPMorgan **Merrill Lynch & Co.**

Banc of America Securities LLC **Citigroup** **Lehman Brothers**

Sandler O’Neill + Partners, L.P.

, 2006

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About this prospectus

In this prospectus, NYMEX Holdings, Inc. is referred to as “NYMEX Holdings” and, together with its subsidiaries as “we,” “our, “ “us” and the “Company.” The two principal operating subsidiaries of NYMEX Holdings are New York Mercantile Exchange, Inc. (“NYMEX Exchange” or “NYMEX Division”) and Commodity Exchange, Inc. (“COMEX” or “COMEX Division”), which is a wholly-owned subsidiary of NYMEX Exchange. Where appropriate, each division is discussed separately, and together are discussed as the “Exchange.”

You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized anyone to provide you with information different from that contained in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We and the selling stockholders are offering to sell shares of common stock and seeking offers to buy shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of the common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

Registered trademarks

NYMEX®, COMEX®, NYMEX ACCESS® and NYMEX ClearPort® are our registered trademarks. NYMEX ClearPort® is our service mark. NYMEX-EUROPE™, NYMEX miNY™ and our logo are our trademarks. Clearing 21® is a registered trademark jointly owned by us and Chicago Mercantile Exchange, Inc. (“CME”). CME®, Globex® and CME Globex™ are trademarks of CME. Other trademarks and trade names used herein are the property of their respective owners.

Prospectus summary

In this summary, we highlight selected information described in greater detail elsewhere in this prospectus. This summary is not complete and may not contain all of the information that you should consider before investing in our common stock. Consequently, you should read the entire prospectus very carefully before investing in our common stock. Unless otherwise indicated, all information in this prospectus assumes the underwriters do not exercise their over-allotment option granted by us and certain of the selling stockholders.

Overview

We are the largest physical commodity-based futures exchange and clearinghouse in the world and the third-largest futures exchange in the United States measured by 2005 contract volume. In 2005, we were the world's largest exchange for the trading of energy futures and options contracts and approximately 63% of all globally listed energy futures and options contracts were traded on our Exchange. Approximately 77.2 million contracts of our light sweet crude oil futures and options products traded and cleared in 2005, making light sweet crude oil the largest and most liquid global benchmark for energy futures and options. In 2005, we were also the largest exchange in the world for the trading and clearing of precious metals based on product volume, as adjusted for contract size, with approximately 30.8 million contracts traded and cleared. Our gold futures contract is the most liquid precious metals futures contract in the world with approximately 19.6 million contracts traded and cleared in 2005.

We conduct business through our two principal operating subsidiaries, New York Mercantile Exchange, Inc. which we refer to as NYMEX Exchange or NYMEX Division, and Commodity Exchange, Inc., which we refer to as COMEX or COMEX Division. On NYMEX Exchange, our customers trade primarily energy futures and options contracts, including contracts for crude oil, unleaded gasoline, heating oil and natural gas. On COMEX, our customers trade metals futures and options contracts, including contracts for gold, silver, copper and aluminum.

We provide our customers with a variety of means to trade and clear energy and metals futures and options products. Our markets provide an effective and transparent forum for participants to hedge or trade based upon the value of energy and metals. This environment facilitates price discovery, which in turn enhances trading liquidity. Our customers are involved in the production, consumption or trading of energy and metals products and include corporations, financial institutions, hedge funds, institutional investors, governments and professional traders. Customers trade our products through our open-outcry auction market or via electronic trading. We do not own commodities, trade for our own account, or otherwise engage in market activities. Our wholly-owned clearinghouse clears all of our contracts, along with certain bilateral trades executed off-exchange, guaranteeing the financial performance of every contract transacted. We, as regulated by the Commodity Futures Trading Commission, or CFTC, maintain a rigorous compliance regime, which, in conjunction with our clearinghouse, helps to ensure the integrity of our markets.

In April 2006, we entered into a technology services agreement with Chicago Mercantile Exchange Inc., or CME, to trade our products on CME Globex® electronic trading platform. On June 11, 2006 for trade date June 12, 2006, our cash-settled energy futures contracts for all listed months became available for electronic trading during open-outcry hours, which is commonly referred to as side-by-side trading. NYMEX miNY™ futures contracts, which are smaller versions

of our normal NYMEX Division futures contracts, migrated to CME Globex electronic trading platform on that date as well. Beginning August 6, 2006 for trade date August 7, 2006 we will migrate our after-hours energy, platinum and palladium futures contracts that are currently traded electronically on NYMEX ACCESS® onto CME Globex electronic trading platform. We anticipate that no later than the fourth quarter of 2006 we will begin offering side-by-side electronic trading of our physically delivered energy futures contracts and migrating after-hours electronic trading of our metals futures and options contracts that are currently traded electronically on NYMEX ACCESS® onto CME Globex electronic trading platform. In addition, pursuant to the terms of our agreement with CME, if we acquire or merge with an entity, that at the time of such acquisition or merger, operates a trading execution system for futures or futures options products (or off-exchange look-alike versions of such products), electronic trading of such products shall be transitioned to CME Globex electronic trading platform within two years. We clear all trading of our contracts conducted via CME Globex electronic trading platform through our clearinghouse.

For the year ended December 31, 2005 and the three months ended March 31, 2006, our customers traded and cleared on-exchange 175.9 million and 51.9 million contracts, respectively. These volumes represent a 13.4% increase from the 155.2 million contracts traded in the year ended December 31, 2004 and a 28.3% increase from the 40.5 million contracts traded in the three months ended March 31, 2005, respectively. In 2005, 82.5% of our contract volume was traded on NYMEX Exchange and 17.5% was traded on COMEX. For the year ended December 31, 2005 and the three months ended March 31, 2006, we cleared through NYMEX ClearPort® Clearing, 39.3 million and 15.2 million of off-exchange contracts, respectively. These volumes represent a 175.0% increase from the 14.3 million contracts cleared for the year ended December 31, 2004 and a 117.1% increase from the 7.0 million contracts cleared in the three months ended March 31, 2005, respectively.

We generated net revenues of $346.6 million for the year ended December 31, 2005 and $114.2 million for the three months ended March 31, 2006, increases of 43.6% from the $241.3 million recorded for the year ended December 31, 2004 and 57.1% from the $72.7 million recorded for the three months ended March 31, 2005. Our revenues are primarily comprised of the fees we earn from executing and clearing transactions and from market data fees generated from the sale of the data we collect regarding trading activity on our Exchange. In 2005, clearing and transaction fees accounted for 80.1% of our net revenues and market data fees accounted for 12.8% of our net revenues. Our net income was $71.1 million for the year ended December 31, 2005 and $33.6 million for the three months ended March 31, 2006, increases of 159.9% from the $27.4 million recorded for the year ended December 31, 2004 and 170.8% from the $12.4 million recorded for the three months ended March 31, 2005.

Our industry

Based on data from the Futures Industry Association, the total number of futures and options contracts, excluding futures, options and options on futures of individual equities, traded worldwide on reporting derivatives exchanges grew from approximately 2.0 billion in 2000 to approximately 7.5 billion in 2005, representing a compound annual growth rate of 30.3%. In the United States, the total number of futures and options contracts, excluding futures, options and options on futures of individual equities, traded on reporting derivatives exchanges increased from approximately 648 million in 2000 to approximately 2.2 billion in 2005, representing a

compound annual growth rate of 28.0%. Energy futures and options contracts traded worldwide on reporting derivatives exchanges increased from approximately 155 million in 2000 to approximately 275 million in 2005, representing a compound annual growth rate of 12.2%.

We believe that the recent substantial growth in energy futures and options volume is attributable to a number of factors, including:

- increased market acceptance of the value of derivatives as risk management tools;
- greater access to futures and options markets through technological innovation;
- increased price fluctuation in crude oil, partially created by geopolitical conditions in oil producing countries and increased demand in emerging economies;
- increased price fluctuation in natural gas, partially created by weather conditions and increased demand in emerging economies;
- increased demand for commodities as a distinct asset class for portfolio diversification;
- increased participation in energy markets by financial institutions;
- increased awareness of the ability to obtain or hedge market exposure through the use of futures and options contracts; and
- changes in the regulatory environment of energy markets around the world, particularly electricity and natural gas.

Competitive strengths

We believe that we are the premier global exchange for the trading and clearing of energy and precious metals derivatives and that the following competitive strengths have been, and will continue to be, paramount to maintaining and building upon this position.

Leading market position with strong brand recognition. We are the largest physical commodities futures exchange and clearinghouse in the world and the third-largest futures exchange in the United States measured by 2005 contract volume. In 2005, we were the world's largest exchange for the trading of energy futures and options contracts and approximately 63% of all globally listed energy futures and options contracts were traded on our NYMEX Division. In 2005, we were also the largest exchange in the world for the trading and clearing of precious metals based on product volume, as adjusted for contract size. We believe the liquidity provided by our markets attracts customers to our Exchange, which in turn further increases liquidity. The "NYMEX" and "COMEX" brands are known globally in the energy and metals sectors, which reflect a reputation built over our long operating history.

Extensive and innovative product offerings. We offer a broad array of futures and options contracts focused on the energy and metals markets. The commodities underlying our energy products include crude oil, natural gas, heating oil, unleaded gasoline, propane, electricity, coal, emissions and freight. The commodities underlying our metals products include gold, silver, platinum, palladium, copper and aluminum. We believe we offer the broadest selection of futures and options for energy and precious metals in the world and work to provide our customers with products to meet their risk-management needs.

Robust clearing capabilities. We have our own clearinghouse which distinguishes us from most of our competitors and gives us greater flexibility to introduce new products and clearing services. We believe that the strength and reputation of our wholly-owned clearinghouse are essential to our success and that the counterparty-risk mitigation it affords is one of the primary reasons customers choose to use our markets. Our clearinghouse benefits from our AA+ long-term counterparty credit rating from Standard & Poor's Ratings Services. We have never experienced an incident of a clearing member default on NYMEX Exchange, nor has there been a default on COMEX since we acquired it in 1994.

Access to industry-leading technology. We believe that our focus on developing and investing in fast, redundant and fully integrated trading and clearing technologies has resulted in a highly efficient and reliable platform on which our customers have come to rely. Through CME Globex electronic trading platform, our products are accessible by more customers globally and are or will be distributed to our key constituents for virtually 24 hours per day electronic trading. CME Globex electronic trading platform provides us with what we believe to be industry-leading connectivity, speed, flexibility, functionality and performance. Clearing 21®, our back-office clearing system, was developed jointly with CME and, we believe, provides proven and solid industry-leading clearing capabilities.

Seasoned management team with industry expertise and sophisticated private equity investor. Members of our senior management team have an average of 19 years of experience in the financial services or energy industries. Our board of directors includes 8 members who have been NYMEX Division members an average of more than 20 years. Additionally, Dr. James Newsome, our current President and Chief Executive Officer, formerly served as the Chairman of the CFTC. Our senior management team and board have the support of our largest stockholder, General Atlantic, a global private equity firm that has made investments in over 150 companies over the past 26 years, including many in the financial services or energy industries.

Growth strategies

Increased market acceptance and awareness of derivatives, increased price volatility in key commodities, technology advances and reduced regulatory barriers offer significant opportunities for expanding derivative markets. We believe that we can take advantage of these trends and build upon our competitive strengths by implementing the following strategies:

Expand our distribution. We intend to continue to grow our core businesses of energy and metals futures and options by increasing the ease with which customers can access our markets. On June 11, 2006, for trade date June 12, 2006, we began side-by-side trading of our cash-settled energy products. Beginning August 6, 2006 for trade date August 7, 2006, we will migrate our after-hours energy, platinum and palladium futures contracts that are currently traded on NYMEX ACCESS® onto CME Globex electronic trading platform. We anticipate that no later than the fourth quarter of 2006 we will begin offering side-by-side electronic trading of our physically delivered energy futures contracts and migrating after-hours electronic trading of our metals futures and options contracts that are currently traded electronically on NYMEX ACCESS® onto CME Globex electronic trading platform. We believe that this will provide opportunities for increased trading by a broader array of customers. We have also increased and intend to continue to enhance our marketing efforts in order to broaden understanding of the benefits of our products to potential customers. Many of the changes we have instituted are intended to

help grow our customer base in Europe and Asia. For instance, CME Globex electronic trading platform is widely used in Asia. Additionally, our products continue to be distributed in a growing number of countries and we have received the approval of the Financial Services Authority, or FSA, and the Dubai Financial Services Authority, or DFSA, to permit traders within the United Kingdom and the Dubai International Financial Centre, respectively, to trade on NYMEX Exchange, thus extending our global reach in Europe and Asia.

Develop new products. We intend to continue to expand the range of products we offer, both by commodity type and structure. Over the past four years, we have increased the number of products we offer from 27 to 302. We have expanded our energy products to include commodities such as additional blends of crude oil and refined products, new delivery points in natural gas and electricity, sulfur dioxide and nitrous oxide emissions, coal, freight and storage of gas and oil. At the same time, the types of derivatives we offer have expanded to include basis swaps, swing swaps, daily contracts and strips of dailies and economic indices. We have also increased the number of products available for off-exchange clearing on the NYMEX ClearPort® Clearing, adding 95 new products in 2005 for a total of 258. Our research department plans to continue to work with existing and potential customers to develop new futures and options products that provide an array of relevant risk management tools for the energy and metals sectors.

Expand our service offerings, such as market data and off-exchange clearing. We believe there are significant opportunities to expand our service offerings and further diversify our revenues streams. We intend to focus on increasing the use of the market data we collect from the products traded on our Exchange. In addition to incorporating this data into the design of new products, we plan to provide enhanced services to our customers who utilize this data. We believe this business is highly scalable, with limited incremental costs. We will also continue to seek opportunities to leverage the strength and reputation of our NYMEX ClearPort® Clearing platform as well as the strength and reputation of our clearinghouse, by increasing its use for the clearing of off-exchange bilateral trades and for third-party clearing opportunities.

Enhance our technology platform. We intend to continue to invest in and improve the technology that supports clearing, market information, our trading floor and our business in general, in order to increase our operational flexibility and enable us to stay abreast of the needs of our customers.

Opportunistically pursue strategic alliances and acquisitions. We plan to opportunistically pursue acquisitions, strategic partnerships and joint ventures that will allow us to expand our range of products and services, expand the distribution of our products and enhance our operational capabilities. We have already developed alliances with other international exchanges, such as the Tokyo Commodity Exchange, Tatweer Dubai LLC, a member of Dubai Holding L.L.C., in order to establish the Dubai Mercantile Exchange, and the Multi Commodity Exchange of India Ltd., which enable those exchanges to offer our products to their respective customers.

Attract new market participants. In recent years, our participant base has expanded and diversified due to the emergence of new participants in the energy commodities markets. These new participants range from producers and consumers of commodities to financial services companies, such as investment banks, hedge funds, proprietary trading firms and asset managers

that are increasingly pursuing hedging, trading and risk management strategies within the energy sector. Many of these participants have been attracted to the energy markets in part due to the availability of electronic trading. We intend to continue to expand our participant base by targeting these and other new market participants and by offering electronic trade execution and processing capabilities that meet the risk management requirements of a broad range of market participants.

Risk factors

We face risks in operating our business, including risks that may prevent us from achieving the objectives of our growth strategies. You should carefully consider these risks before investing in our common stock. For a description of the risks affecting our business or an investment in our common stock, please see the section entitled “Risk factors.”

Corporate information

We were founded in 1872 and introduced the heating oil contract, which has been one of the world’s most successful energy futures contracts since its inception in 1978. Between 1981 and 1996, contracts followed for gasoline, crude oil, natural gas, propane and electricity. In 1994, we acquired COMEX, which was founded in 1933. On November 17, 2000, as a result of a merger and demutualization, the New York Mercantile Exchange converted from a New York not-for-profit membership association into a Delaware for-profit non-stock corporation and became a subsidiary of NYMEX Holdings, a Delaware for-profit stock corporation. As a result of the demutualization transaction, each NYMEX membership was converted into one Class A membership in NYMEX Exchange and one share of common stock of NYMEX Holdings, which were “stapled” to each other and therefore could only be transferred together. NYMEX Holdings holds the sole outstanding Class B membership in NYMEX Exchange. On March 14, 2006, we closed a transaction with General Atlantic, through which General Atlantic acquired 10% of our outstanding shares. At that time, among other things, Class A memberships and NYMEX Holdings’ common stock were “destapled” and became separately transferable to a limited number of eligible transferees.

We are incorporated in the State of Delaware and are primarily regulated by the Commodity Futures Trading Commission. Since demutualization, we have been a Securities Exchange Commission (“SEC”) registrant and thus subject to the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder. Our principal executive offices are located at One North End Avenue, World Financial Center, New York, New York 10282. Our telephone number is (212) 299-2000. Our web site is www.nymex.com. Information contained on our web site does not constitute a part of this prospectus.

The offering

Common stock offered by us	shares
Common stock offered by the selling stockholders	shares
Total	shares
Common stock to be outstanding immediately after this offering	shares
Over-allotment option	shares to be offered by us and the selling stockholders if the underwriters exercise their over-allotment option in full.
Use of proceeds	We intend to use the net proceeds from this offering for general corporate purposes, capital expenditures and working capital. We will pay $10 million of the net proceeds from this offering to the owners of COMEX Division memberships, as required by the COMEX 1994 merger agreement ("COMEX Merger Agreement"). We also may use a portion of the proceeds to acquire or invest in businesses, technologies, products or services, although no such investments or acquisitions are planned at this time. We will not receive any proceeds from the sale of shares of common stock by the selling stockholders in this offering. Please see the section entitled "Use of proceeds."
Dividend policy	Prior to November 7, 2002, we had never paid dividends to our stockholders. Since then, we have paid regular dividends at least twice per year and we have paid two special dividends. We will consider future dividends on a discretionary basis, based on continuing profitability and our strategic and operating needs. There can be no guarantee that future dividends will be paid. If this offering occurs in 2006 and values our equity at $2 billion or more, pursuant to the terms of our agreement with General Atlantic, General Atlantic will pay us an additional $10 million but will not receive additional shares of our stock. The $10 million, if earned, will be paid as a dividend to our stockholders of record as of March 13, 2006, which was the business day immediately preceding the closing of the transaction with General Atlantic. We also intend to declare a dividend of $60 million in the aggregate to holders of record of our common stock (including the Series A Preferred Stock on an as-converted basis) as of the day immediately preceding the pricing of this offering, payable on the closing of this offering. As a result, distributions of either dividend will not be made on shares sold in this offering.
Proposed New York Stock Exchange symbol	NMX

The number of shares of common stock to be outstanding immediately after this offering is based on the number of shares outstanding at , 2006, including the 8,160,000 shares to be issued upon conversion of the 8,160,000 shares of Series A preferred stock which automatically convert into shares of common stock at the consummation of this offering. If the underwriters exercise their over-allotment option in full, we and certain of the selling stockholders will issue and sell an additional shares and the number of shares of common stock to be outstanding immediately after this offering will be . Unless otherwise indicated, this prospectus reflects and assumes no exercise by the underwriters of their over-allotment option.

Our ability to complete this offering is subject to the satisfaction of several conditions, including receiving the approval of a majority of our stockholders, receiving approval from regulatory agencies and market conditions.

Common stock ownership and special rights of owners of Class A memberships in NYMEX Exchange

Most of our current stockholders also own Class A memberships in NYMEX Exchange. Owners of Class A memberships in NYMEX Exchange have special rights intended to protect open-outcry trading. In connection with providing these open-outcry trading protections to the owners of the Class A memberships, neither our board of directors nor our stockholders have any ability to change, or any responsibility or liability with respect to, the trading rights protections afforded to the owners of the Class A memberships (who are not required to be stockholders, but must be owners of at least one Class A membership in NYMEX Exchange). Following this offering, we estimate that our stockholders who also own Class A memberships in NYMEX Exchange will own, of record, more than % of our outstanding common stock. Stockholders who also own Class A memberships may have interests that are different from the interests of the holders of our common stock who do not own Class A memberships. For more information on the rights and interests of owners of Class A memberships in NYMEX Exchange, see the section of this prospectus entitled “Risk Factors—Our governing documents provide for the protection and support of open-outcry trading by granting certain voting and economic rights to the owners of the Class A memberships, who may have interests that differ from or may conflict with those of our stockholders” and “—Holders of common stock who also own Class A memberships in NYMEX Exchange may have interests that differ or may conflict with those of holders of common stock who are not also owners of Class A membership in NYMEX Exchange.”

Our current stockholders own shares of common stock which are subject to transfer restrictions which, generally, prohibit transfers on one-third of the shares for 180 days, one-third for 360 days and one-third for 540 days from the completion of this offering. Except with respect to the transfer restrictions, which are intended to serve as post-initial public offering “lock-up” agreements, shares of our common stock are identical with respect to voting, liquidation, dividend and dissolution rights. See “Shares eligible for future sale” for more information on these rights and transfer restrictions.

Summary consolidated financial information

The following tables set forth, for the periods and at the dates indicated, our summary consolidated financial data. The summary consolidated income statement data for the three years ended December 31, 2005 and the summary consolidated balance sheet data as of December 31, 2005 and 2004 have been derived from our audited consolidated financial statements included elsewhere in this prospectus, and the summary consolidated financial data as of and for the three months ended March 31, 2005 and 2006 are derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The summary consolidated balance sheet data as of December 31, 2003 has been derived from our audited consolidated financial statements not included in this prospectus. Historical results are not indicative of the results to be expected in the future and results of interim periods are not necessarily indicative of results for the entire year. You should read this data in conjunction with "Management's discussion and analysis of financial condition and results of operations," our consolidated financial statements and the related notes included elsewhere in this prospectus.

	Three months ended March 31,		Year ended December 31,		
	2006 (unaudited)	2005 (unaudited)	2005 (audited)	2004 (audited)	2003 (audited)
	(in thousands, except per share data)				
Income statement data					
Revenues					
Clearing and transaction fees, net(1)	$ 92,420	$ 58,415	$277,632	$193,295	$139,731
Market data fees	15,382	11,049	44,533	32,605	31,700
Other, net(2)	3,868	2,695	11,943	11,532	12,737
Investment income, net	1,460	89	8,895	3,893	3,929
Interest income from securities lending	27,242	6,944	68,782	—	—
Total revenues	140,372	79,192	411,785	241,325	188,097
Interest expense from securities lending	26,191	6,512	65,224	—	—
Net revenues	114,181	72,680	346,561	241,325	188,097
Total operating expenses	52,468	50,106	215,560	193,739	172,156
Income before provision for income taxes	61,713	22,574	131,001	47,586	15,941
Provision for income taxes	28,080	10,152	59,873	20,219	7,061
Net income	$ 33,633	$ 12,422	$ 71,128	$ 27,367	$ 8,880
Weighted average common shares outstanding, basic and diluted	16,321,000(3)	816	816	816	816
Basic and diluted earnings per share	$ 2.03	$ 15,223	$ 87,167	$ 33,538	$ 10,882
Other data (unaudited)					
Trading and clearing volume(4)					
NYMEX	42,069	33,128	145,169	124,763	112,461
COMEX	9,844	7,326	30,771	30,443	25,423
Off-exchange	15,173	6,988	39,270	14,280	6,018
Total volume(5)	67,086	47,442	215,210	169,486	143,902
Average revenue per contract(6)	$ 1.38	$ 1.23	$ 1.29	$ 1.14	$ 0.97

	As of March 31,			As of December 31,		
	Pro forma(7) (unaudited)	2006 (unaudited)	2005 (unaudited)	2005 (audited)	2004 (audited)	2003 (audited)
Balance sheet data						
Cash and cash equivalents	$ 17,754	$ 17,754	$ 4,824	$ 35,664	$ 3,084	$ 1,763
Marketable securities at market value	181,868	181,868	145,227	100,993	144,950	64,885
Collateral from securities lending program	2,286,456	2,286,456	1,454,918	2,314,618	—	—
Total current assets	2,577,786	2,577,786	1,959,639	2,589,122	232,682	239,421
Total assets	2,800,827	2,800,827	2,179,171	2,808,747	454,650	477,676
Total debt (including short-term portion)	85,915	85,915	88,732	85,915	88,732	91,549
Total liabilities	2,693,705	2,693,705	2,039,967	2,698,965	327,868	372,261
Cumulative redeemable convertible preferred stock, $0.01 par value; 8,160,000 shares authorized, issued and outstanding as of March 31, 2006	—	153,579	—	—	—	—
Total stockholders' equity (deficit)	107,122	(46,457)	139,204	109,782	126,782	105,415

(1) Clearing and transaction fees are presented net of payments to members under the Company's proprietary fee reduction program, which was $14,049 for the year ended December 31, 2003. This program was eliminated effective January 1, 2004 and, as a result, there were no fee reductions for the years ended December 31, 2005 and 2004.

(2) In 1998, NYMEX Division introduced various incentive programs. These programs reduced other revenue for the three months ended March 31, 2006 and the years ended December 31, 2005, 2004 and 2003 by $429, $1,851, $1,366 and $1,216, respectively.

(3) Weighted average common shares outstanding, basic and diluted, include common shares of 14,689,000 and participating securities—convertible preferred stock of 1,632,000 post-March 14, 2006, the date of the closing of the General Atlantic transaction. As adjusted to show the effect of the 90,000-for-1 recapitalization of our common stock on March 14, 2006.

(4) These volumes also include cash settlement transactions for contracts cleared on NYMEX ClearPort® Clearing for which transaction fees are assessed. Prior to the filing of our quarterly report on Form 10-Q for the period ended March 31, 2006, cash settlement transactions were included as part of the NYMEX Division volumes labeled as "other." Since the cash settlement transactions are for NYMEX ClearPort® Clearing contracts, the prior period volume information has been adjusted to include such transactions in NYMEX ClearPort® Clearing for comparative purposes.

(5) Total volume represents the total volume for trading and clearing, including off-exchange. Total traded volume on-exchange for the three months ended March 31, 2006 and 2005 and for the years ended December 31, 2005, 2004 and 2003 is 51,913, 40,454, 175,940, 155,206 and 137,884, respectively.

(6) Average revenue per contract represents clearing and transaction fees, net divided by total volume.

(7) The unaudited pro forma consolidated financial information as of March 31, 2006 gives effect to the conversion of all outstanding preferred stock immediately prior to this offering as if such transactions occurred on March 31, 2006.

Risk factors

You should consider the risks below, together with all of the other information included in this prospectus, very carefully before making an investment decision. The risks described below are not the only ones facing our company. Additional risks not presently known to us or that we currently deem immaterial may also impair our operations.

Our business, financial condition or results of operation could be materially adversely affected by any of these risks. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment. You should read the section entitled "Special note about forward-looking statements" immediately following these risk factors for a discussion of what types of statements are forward-looking statements as well as the significance of such statements in the context of this prospectus.

Risks relating to our business

Intense competition could have a material adverse effect on our market share and financial performance

The derivatives exchange industry is highly competitive. Many of our competitors and potential competitors have greater distribution and/or have greater financial resources than we do. Many of our competitors also have greater access to capital markets as well as more substantial marketing capabilities and technological and personnel resources.

Our competitors have increased their development of electronic trading, which could substantially increase competition for some or all of the products and services we currently provide. In addition, our competitors may:

- respond more quickly to competitive pressures;
- develop and expand their network infrastructures and service offerings more efficiently;
- adapt more swiftly to new or emerging technologies and changes in customer requirements;
- develop products similar to the products we offer that are preferred by our customers;
- develop new risk transfer products that compete with our products;
- price their products and services more competitively;
- utilize more advanced, more user-friendly and more reliable technology;
- take greater advantage of acquisitions, alliances and other opportunities;
- more effectively market, promote and sell their products and services; and
- exploit regulatory disparities between traditional, regulated exchanges and alternative or foreign markets that benefit from a reduced regulatory burden and a lower-cost business model.

Our current and prospective competitors are numerous and include futures and other derivatives exchanges, securities exchanges, electronic communications networks, crossing systems and similar entities, consortia of large customers and some of our clearing member firms and interdealer brokerage firms. We may also face competition in our market data services business

from market data and information vendors and other clearinghouses. For more information concerning the competitive nature of our industry and the challenges we face, please see "—Our trading volume, and consequently our revenues and profits, could be materially adversely affected if we are unable to retain our current customers or attract new customers or if derivatives trading volume in general decreases," "—The legal framework for our industry has been modified, resulting in lower barriers to entry and decreased regulatory costs for competitors," "—Our clearinghouse operations expose us to substantial credit risk of third parties, and our financial condition will be adversely affected in the event of a significant default," and the section entitled "Business—Competitive environment."

As a result of this competition, we may be limited in our ability to retain our current customers or attract new customers to our markets, products and services. In addition, we may lose customers because of more economical alternatives offered from competitors with comparable products, services or trade execution services. We expect that competition will intensify in the future. Such competition is likely to include price competition, which could have a material adverse effect on our business. Our business could be materially adversely affected if we fail to attract new customers, lose a substantial number of our current customers to competitors or experience significant decreases in our pricing.

In addition, clearinghouse brokers currently receive a fee for bringing us off-exchange trades to clear. Should a competitor clearinghouse offer higher fees, we could lose business or be forced to pay higher fees, which could have a material adverse effect on our business as a whole. For a more detailed discussion of our clearinghouse operations, see the section of this prospectus entitled "Business—Clearinghouse function."

Our trading volume, and consequently our revenues and profits, could be materially adversely affected if we are unable to retain our current customers or attract new customers or if derivatives trading volume in general decreases

The success of our business depends, in part, on our ability to maintain and increase our trading volume and the resulting exchange fees. To do so, we must maintain and expand our product offerings, our customer base and our trade execution alternatives. Our success also depends on our ability to offer competitive prices and services in an increasingly price-sensitive business. In addition, our success depends on our ability to attract and retain new customers who trade our products. We may be unable to continue to expand the number of products that we offer, to retain our existing customers or to attract new customers. Our management may make certain decisions that are designed to enhance stockholder value, which may lead to decisions or outcomes with which our customers disagree. These changes may make us less attractive to our customers and encourage them to conduct their business at, or seek membership in, another exchange or to trade in equivalent products among themselves on a private, bilateral basis. Although our members currently pay us prices that are lower than those paid to us by non-members, we cannot assure you that our members will continue to receive beneficial pricing. A material decrease in member trading activity would negatively impact trading volume and liquidity in our products and reduce our revenues. If we fail to expand our product offerings or execution facilities, or lose a substantial number of our current customers, or are unable to attract new customers, our business will be adversely affected. Furthermore, declines in our trading volume may negatively impact market liquidity on our Exchange, which would result in lower exchange fee revenues and could materially adversely affect our ability to retain our current customers or attract new customers.

We are competing aggressively for new participants, many of whom have only recently begun trading in our markets—most notably financial institutions. Competition for these new market entrants among exchanges and trading operations across a variety of markets is intense. If we are unable to attract new market participants, our business could be materially adversely effected.

Our decision to operate both electronic and open-outcry trading venues may cause us to lose trading volume and may materially adversely affect our operating costs, markets and profitability

In response to the increasing acceptance of electronic trading, and to maintain and enhance our competitive position in our futures business, we recently began offering electronic trading side-by-side with our open-outcry trading. We cannot assure you that the market will accept our side-by-side trading, or that we will be able to maintain our market share and liquidity in our products. Our decision to offer side-by-side trading could cause our customers, including those currently trading through our open-outcry trading floor, to alter their trading practices and could result in a loss of customers to competing exchanges. Declining trading volumes on our trading floor may make our futures markets less liquid. As a result, our total revenues may be lower than if we operated only electronic trading or only open-outcry trading platforms. Over time, this decision may prove to be ineffective and costly to us and could ultimately adversely affect our profitability and competitive position.

It is expensive in terms of costs and management and other resources to continue operating two trading venues for the same products. We may not have sufficient resources to adequately fund or manage both trading venues. This may result in resource allocation decisions that materially adversely impact one or both venues. Moreover, to the extent that we continue to operate two trading venues, our board of directors and management may make decisions which are designed to enhance the continued viability of two separate trading venues. These decisions may have a negative impact on the overall competitiveness of each trading venues. See "—Our governing documents provide for the protection and support of open-outcry trading by granting certain voting and economic rights to the owners of the Class A memberships, who may have interests that differ from or may conflict with those of our stockholders" and "—Holders of common stock who also own Class A memberships in NYMEX Exchange may have interests that differ from or may conflict with those of holders of common stock who are not also owners of Class A memberships in NYMEX Exchange" and "—The COMEX governing documents provide for the protection and support of the COMEX Division by granting certain voting and other rights to the owners of the COMEX memberships which may restrict our ability to conduct our business."

Reductions in the fees we charge resulting from competitive pressures could lower our revenues and profitability.

We expect to experience pressure on the fees we charge as a result of competition we face in our commodities futures and off-exchange clearing markets. Some of our competitors offer a broader range of products and services to a larger participant base, and enjoy higher trading volumes, than we do. Consequently, our competitors may be able and willing to offer competing products at lower fees than we currently offer or may be able to offer. As a result of this pricing competition, we could lose both market share and revenues. We believe that any downward pressure on the fees we charge would likely continue and intensify as we continue to develop our business and gain recognition in our markets. A decline in such rates could lower our revenues, which would adversely affect our profitability. In addition, our competitors may offer

other financial incentives such as rebates or payments in order to induce trading in their markets, rather than ours. In addition, we may not be able to change the fees of certain of our products due to the rights of owners of Class A memberships in NYMEX Exchange. See "—Our governing documents provide for the protection and support of open-outcry trading by granting certain voting and economic rights to the owners of the Class A memberships, who may have interests that differ from or may conflict with those of our stockholders."

We may not be successful in executing our electronic trading strategy

On April 6, 2006, we announced, pursuant to an agreement with CME, that CME will become the exclusive electronic trading services provider for our energy futures and options contracts. Access to electronic trading of our products is or will be available virtually 24 hours a day on CME Globex electronic trading platform. Initial trading of our energy products on CME Globex electronic trading platform began on June 11, 2006 for trade date June 12, 2006, with side–by–side and after-hours trading of our standard–sized and NYMEX miNY™ cash-settled energy futures contracts for crude oil, natural gas, heating oil and gasoline. Also under the terms of the agreement, CME Globex electronic trading platform will be the exclusive electronic trading platform for after-hours trading of metals products currently listed on NYMEX ACCESS®, with an anticipated launch no later than the fourth quarter of 2006. Beginning August 6, 2006 for trade date August 7, 2006, we will migrate our after hours energy, platinum and palladium futures contracts that are currently traded on NYMEX ACCESS® onto CME Globex electronic trading platform. All of our contracts traded on CME Globex electronic trading platform will be cleared by our clearinghouse. This effort is our response to the request from both market professionals and individual investors for greater choice and flexibility in buying and selling our products. In addition to our liquidity providers, a specified number of CME market makers will be designated by CME to build electronic liquidity at our member rates. While we believe these actions will benefit our electronic trading capabilities, these initiatives may not be successful. Furthermore, certain of our competitors have established electronic trading platforms through which our customers could otherwise trade electronically. Our failure to successfully execute our electronic trading strategy, including side-by-side trading, could have a material adverse impact on our operations. See "—Our decision to operate both electronic and open-outcry trading venues may cause us to lose trading volume and may materially adversely affect our operating costs, markets and profitability" and "—We depend primarily on the Chicago Mercantile Exchange for electronic trading."

We depend primarily on the Chicago Mercantile Exchange for electronic trading

On April 6, 2006 we announced, pursuant to an agreement with CME, that CME, effective June 11, 2006 for trade date June 12, 2006, is the primary electronic trading services provider for our energy futures and options contracts. Access to electronic trading of our products is or will be available virtually 24 hours a day on CME Globex electronic trading platform. We cannot assure you that CME will be able to provide these services in an efficient, cost-effective manner or that they will be able to adequately expand their services, if necessary, to meet our needs. An interruption in or the cessation of service by CME and our inability to make alternative arrangements in a timely manner, or at all, or significant changes in the fees payable to CME for use of CME Globex electronic trading platform, upon expiration of the current agreement, could have a material adverse effect on our business, financial condition and operating results.

Globalization, growth, consolidations and other strategic arrangements may impair our competitive position

The globalization of our business, including our new ventures in London and Dubai, presents a number of inherent risks, including the following:

- potential difficulty of enforcing agreements through certain foreign legal systems;

- the evolving global tax treatment of electronic commerce, and the possibility that foreign governments could adopt onerous or inconsistent tax policies with respect to taxation of products traded on our markets or of the services that we provide;
- tax rates in certain foreign countries may exceed those of the United States and foreign earnings may be subject to withholding requirements or the imposition of tariffs, exchange controls or other restrictions;
- listed derivatives markets are regulated in most nations, and it may be impractical for us to secure or maintain the regulatory approvals necessary for our markets to be accessible from one or more nations;
- our ability to attract and retain customers and other market participants;
- general economic and political conditions in the countries from which our markets are accessed may have an adverse effect on our trading from those countries; and
- it may be difficult or impossible to enforce our intellectual property rights in certain foreign countries.

The liberalization and globalization of the world markets have also resulted in greater mobility of capital, greater international participation in local markets and more competition among markets in different geographical areas. As a result, the competition among U.S.-based and non-U.S.-based markets and other execution venues has become more intense.

In addition, in the last several years, the structure of the securities industry has changed significantly through demutualizations and consolidations. In response to growing competition, many marketplaces in both Europe and the United States have demutualized to provide greater flexibility for future growth. In 2002, CME completed its initial public offering. The Board of Trade of the City of Chicago (“CBOT”) and IntercontinentalExchange, Inc. (“ICE”) followed with their initial public offerings in 2005. While we intend to opportunistically pursue strategic acquisitions and alliances to enhance our global competitive position, the market for acquisition targets and strategic alliances is highly competitive, particularly in light of increasing consolidation in the securities industry, which may adversely affect our ability to find acquisition targets or strategic partners that fit our strategy objectives.

Because of these market trends, we face intense competition. Our inability to anticipate and manage these and other risks effectively could have a material adverse effect on our business as a whole.

Our clearinghouse operations expose us to substantial credit risk of third parties, and our financial condition will be adversely affected in the event of a significant default

Our clearinghouse acts as the counterparty to all trades consummated on or through our Exchange and those consummated off-exchange and cleared through us. As a result, we are exposed to substantial credit risk of third parties, including our clearing firms. We are also exposed, indirectly, to the credit risk of the customers of our clearing firms. These parties may default on their obligations due to bankruptcy, lack of liquidity, operational failure or other reasons. Although we have policies and procedures to help assure that our clearing firms can satisfy their obligations, these policies and procedures may not succeed in detecting problems or preventing defaults. We also have in place measures intended to enable us to cover any default and maintain liquidity. However, these measures may not be sufficient to protect us from a

default and we may be materially and adversely affected in the event of a significant default. While not required, we may choose to put a substantial part of our working capital at risk if a clearing firm defaults on its obligations to our clearinghouse and its margin and security deposits are insufficient to meet its obligations.

Proposals of legislation or regulatory changes preventing clearing facilities from being owned or controlled by exchanges, even if unsuccessful, may limit or stop our ability to run a clearinghouse

Many clearing firms have increasingly stressed the importance to them of centralizing clearing of futures contracts and options on futures in order to maximize the efficient use of their capital, exercise greater control over their value at risk and extract greater operating leverage from clearing activities. Many have expressed the view that clearing firms should control the governance of clearinghouses or that clearinghouses should be operated as utilities rather than as for-profit enterprises. Some of these firms, along with the Futures Industry Association, are attempting to cause legislative or regulatory changes to be adopted that would facilitate mechanisms or policies that allow market participants to transfer positions from an exchange-owned clearinghouse to a clearinghouse owned and controlled by clearing firms. If these legislative or regulatory changes are adopted, our strategy and business plan may lead clearing firms to establish, or seek to use, alternative clearinghouses for clearing positions established on our Exchange. Even if they are not successful in their efforts, the factors described above may cause clearing firms to limit or stop the use of our clearinghouse. If any of these events occur, our revenues and profits would be materially and adversely affected.

Our revenues and profitability depend significantly upon trading volumes in the markets for light sweet crude oil futures and options contracts and Henry Hub natural gas futures and options contracts

Our revenues depend significantly on trading volumes in the markets for light sweet crude oil futures and options contracts and Henry Hub natural gas futures and options contracts. Trading in light sweet crude oil futures and options contracts accounted for 26.2%, 31.0%, 35.4% and 39.5% of our consolidated clearing and transaction fee revenues for the three months ended March 31, 2006, and for the years ended December 31, 2005, 2004 and 2003, respectively. Trading in Henry Hub natural gas futures and options contracts accounted for 13.8%, 16.9%, 17.1% and 25.9% of our consolidated revenues for the three months ended March 31, 2006, and for the years ended December 31, 2005, 2004 and 2003, respectively. A decline in trading volumes or in our market share in these markets, including a decline which results in such markets no longer being considered the benchmarks, lack of price volatility, increased competition, possible regulatory changes, such as the Energy Policy Act of 2005, which phases out the blending of MTBE into gasoline, or adverse publicity and government investigations related to events in the North American natural gas and power markets, could significantly reduce our revenues and jeopardize our ability to remain profitable and grow.

Our business depends in large part on fluctuations in commodities prices

Participants in the markets for energy and precious metals commodities trading pursue a range of trading strategies. While some participants trade in order to satisfy physical consumption needs, others seek to hedge contractual price risk or take arbitrage positions, seeking returns from price movements in different markets. Trading volume is driven largely by the degree of volatility—the magnitude and frequency of fluctuations—in prices of commodities. Higher

volatility increases the need to hedge contractual price risk and creates opportunities for arbitrage trading. Energy commodities markets historically, and precious metals commodities markets recently, have experienced significant price volatility. We cannot predict whether this pattern will continue, or for how long, or if this trend will reverse itself. Were there to be a sustained period of stability in the prices of energy or precious metals commodities, we could experience substantially lower trading volumes, and potentially declines in revenues as compared to recent periods.

In addition to price volatility, we believe that the increase in global energy prices, particularly for crude oil, during the past few years has led to increased trading volume of global energy commodities, including trading volume in our markets. As oil prices have risen to record levels, we believe that additional participants have entered the markets for energy commodities trading to address their growing risk-management needs or to take advantage of greater trading opportunities. If global crude oil prices return to their historically lower levels, it is possible that many market participants, particularly the newer entrants, could reduce their trading activity or leave the trading markets altogether. Global energy prices are determined by many factors, including those listed below, that are beyond our control and are unpredictable. Consequently, we cannot predict whether global energy prices will remain at their current levels, nor can we predict the impact that these prices will have on our future revenues or profitability.

Factors that are particularly likely to affect price volatility and price levels of energy commodities, and thus our trading volume, include:

- supply and demand of energy commodities;
- weather conditions affecting certain energy commodities;
- national and international economic and political conditions;
- perceived stability of commodities and financial markets;
- the level and volatility of interest rates and inflation;
- supply and demand of alternative fuel sources; and
- financial strength of market participants.

Any one or more of these factors may reduce price volatility or price levels in the markets for energy commodities trading, which in turn could reduce trading activity in those markets, including in our markets. Moreover, any reduction in trading activity could reduce liquidity which in turn could further discourage existing and potential market participants and thus accelerate any decline in the level of trading activity in these markets. In these circumstances, the markets with the highest trading volumes, and therefore the most liquidity, would likely have a growing competitive advantage over other markets.

We are unable to predict whether or when these unfavorable conditions may arise in the future or, if they occur, how long or severely they will affect our trading volumes. A significant decline in our trading volumes, due to reduced volatility, lower prices or any other factor, could have a material adverse effect on our revenues, since our transaction fees would decline, and in particular on our profitability, since our revenues would decline faster than our expenses, many of which are fixed. Moreover, if these unfavorable conditions were to persist over a lengthy period of time, and our trading volumes were to decline substantially and for a long enough period, the liquidity of our markets—and the critical mass of transaction volume necessary to support viable markets—could be jeopardized.

A decline in the availability of commodities traded in our markets could reduce our liquidity and may materially adversely affect our revenues and profitability

Our revenues depend significantly on the continued availability of the commodities underlying the products that we trade. We are thus highly dependent upon such continued availability of the commodities underlying the products traded in our markets. If reserves of the commodities underlying the products that we trade are depleted or additional reserves are not found, we could suffer a material adverse effect on our business, financial condition and operating results.

We depend on our executive officers and other key personnel

Our future success depends in large part upon the continued service of our executive officers, as well as various key management, technical and trading operations personnel. We believe that it is difficult to hire and retain executive management with the skills and abilities desirable for managing and operating a derivatives exchange. The loss of key management could have a material adverse effect on our business, financial condition and operating results. Any of our key personnel, including those with written employment contracts, may voluntarily terminate his or her employment with us. Our future success also depends, in significant part, upon our ability to recruit and retain highly skilled and often specialized individuals as employees. The level of competition in our industry for people with these skills is intense, and from time to time we have experienced losses of key employees. We have historically relied and continue to rely on knowledgeable members of our Exchange to serve on our board of directors. We benefit greatly from such members serving in this capacity. There is no guarantee that we will have the continued service of these members. Significant losses of such key personnel, particularly to competitors, could have a material adverse effect on our business, financial condition and operating results. In addition, the CFTC recently issued a proposed rule that may make the standards for independence of a director stricter than the current standards. There can be no assurance that the proposed rule will pass and, if so, in what form. However, the adoption of such a rule may result in the preclusion of many of our members, on whose service we have historically relied, from continued or future service on our board of directors.

We depend on third party suppliers for services that are important to our business

In addition to our reliance on CME, we depend on a number of suppliers, such as banks, telephone companies, online service providers, data processors and software and hardware vendors for elements of our trading, clearing and other systems, as well as communications and networking equipment, computer hardware and software and related support and maintenance. We cannot assure you that any of these providers will be able to continue to provide these services in an efficient, cost-effective manner or that they will be able to adequately expand their services to meet our needs. An interruption in or the cessation of service by any service provider and our inability to make alternative arrangements in a timely manner, or at all, could have a material adverse effect on our business, financial condition and operating results.

We may be unable to keep up with rapid technological changes

To remain competitive, we will be dependent on the continued enhancement and improvement of the responsiveness, functionality, accessibility and features of our software, network distribution systems and other technologies. In addition, we will be dependent on CME's ability to enhance and improve the responsiveness, functionality, accessibility and features of its software, network distribution systems and other technologies, including CME Globex electronic trading platform. The financial services industry is characterized by rapid technological

change, changes in use and customer requirements and preferences, frequent product and service introductions embodying new technologies and the emergence of new industry standards and practices that could render obsolete our existing proprietary technology and systems. Our success will depend, in part, on our, and with respect to CME Globex electronic trading platform, CME's, ability to:

- increase the number of devices, such as trading and order routing terminals, capable of sending orders to our floor and to our electronic trading platform;
- develop or license leading technologies useful in our business;
- enhance our existing services;
- develop new services and technology that address the increasingly sophisticated and varied needs of our existing and prospective clients; or
- respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis.

We, or CME, may be unable to successfully implement new technologies or adapt our proprietary technology and transaction-processing systems to customer requirements or emerging industry standards. We, or CME, may be unable to respond in a timely manner to changing market conditions or customer requirements, and a failure to so respond could have a material adverse effect on our business, financial condition and operating results.

The success of our markets will depend on the availability of electronic trading systems that have the functionality, performance, reliability, speed and liquidity required by our customers

The future success of our business depends in large part on our ability to provide access to interactive electronic marketplaces in a wide range of derivatives products that have the required functionality, performance, reliability, speed and liquidity to attract and retain customers. We expect that a significant portion of our overall volume will be generated through electronic trading on CME Globex electronic trading platform. However, historically a significant amount of the overall volume was generated through our open-outcry trading facilities. CME Globex electronic trading platform may not be capable of accommodating all of the complex trading strategies typically used for our options on futures contracts. CME may not complete the development of, or successfully implement, the required electronic functionality for our options on futures contracts. Moreover, our customers who trade options may not accept CME Globex electronic trading platform. In either event, our ability to increase trading volume of options on futures contracts on CME Globex electronic trading platform would be adversely affected. In addition, if CME is unable to develop its electronic trading systems to include other products and markets, or if their electronic trading systems do not have the required functionality, performance, reliability, speed and liquidity, we may not be able to compete successfully in an environment that is increasingly dominated by electronic trading.

Computer and communications systems failures and capacity constraints could harm our reputation and our business

Our failure to operate, monitor or maintain our computer systems and network services, including those systems and services related to our electronic trading platform, or, if necessary, to find replacements for our technology in a timely and cost-effective manner, could have a material adverse effect on our reputation, business, financial condition and operating results. We

rely and expect to continue to rely on third parties for various computer and communications systems, such as telephone companies, online service providers, data processors, clearance organizations and software and hardware vendors. Failure of our systems or those of our third party providers, such as CME Globex electronic trading platform, may result in one or more of the following effects:

- suspension of trading;
- unanticipated disruptions in service to customers;
- slower response times;
- delays in trade execution;
- decreased customer satisfaction;
- incomplete or inaccurate accounting, recording or processing of trades;
- financial losses;
- security breaches;
- litigation or other customer claims;
- regulatory sanctions; and
- inability to transmit market data.

Our status as a CFTC registrant requires that our trade execution and communications systems be able to handle anticipated present and future peak trading volume. Heavy use of our computer systems or of CME Globex electronic trading platform during peak trading times or at times of unusual market volatility could cause our systems or CME Globex electronic trading platform to operate slowly or even to fail for periods of time. We monitor system loads and performance and regularly implement system upgrades to handle estimated increases in trading volume. However, our estimates of future trading volume may not be accurate and our systems or CME Globex electronic trading platform may not always be able to accommodate actual trading volume without failure or degradation of performance. System failure or degradation could lead our customers to file formal complaints with industry regulatory organizations, file lawsuits against us or cease doing business with us or could lead the CFTC or other regulators to initiate inquiries or proceedings for failure to comply with applicable laws and regulations. We or CME may experience system failures, outages or interruptions on either CME Globex electronic trading platform or our open-outcry platform that will materially and adversely affect our business. For example, in April 2005, May 2003 and September 2002, CME experienced technical failures that resulted in a temporary suspension of trading on CME Globex electronic trading platform. However, we cannot assure you that if we and/or CME experience system errors or failures in the future that they will not be material.

Any such system failures, outages or interruptions could result from a number of factors, including power or telecommunications failure, acts of God, war or terrorism, human error, natural disasters, fire, sabotage, hardware or software malfunctions or defects, computer viruses, acts of vandalism or other events. Any failures that cause an interruption in service or decrease our responsiveness, including failures caused by customer error or misuse of our systems, could impair our reputation, damage our brand name and have a material adverse effect on our business, financial condition and operating results.

Acts beyond our control, including war, terrorism or natural disasters may result in the closing of our trading and clearing operations and render our back-up data and recovery center inoperable

The September 11, 2001 terrorist attack on the World Trade Center, which was located near the building that houses our headquarters and primary trading floors, resulted in the closing of our

trading and clearing operations for four business days, and rendered our back-up data and recovery center inoperable. In order to replace our back-up data and recovery site, we leased temporary space in New Jersey while we developed a plan for a permanent business recovery facility outside of New York City. In 2002, we leased space for a suitable permanent recovery site, where we invested in the development of a back-up trading floor and data center. The new recovery site became fully operational in the second quarter of 2003. However, future acts of war, terrorism, natural disasters, human error, power or telecommunications failure or other events may result in the closing of our trading and clearing operations, including any electronic trading effectuated on CME Globex electronic trading platform, and render our back-up data and recovery center inoperable. Any such shut down of our operations or CME Globex electronic trading platform may have a material adverse effect on our business, financial condition and operating results.

Having our headquarters, primary trading floors and most of our employees and market participants housed in one building in lower Manhattan, notwithstanding having a business recovery facility and plan in place, could allow a catastrophic event to result in a material adverse effect on our business, financial condition and operating results.

Our networks and those of our third party service providers may be vulnerable to security risks

We expect the secure transmission of confidential information over public networks to continue to be a critical element of our operations. Our networks and those of our third party service providers, our member firms and our customers may be vulnerable to unauthorized access, computer viruses and other security problems. Persons who circumvent security measures could wrongfully use our information or cause interruptions or malfunctions in our operations, any of which could have a material adverse effect on our business, financial condition and operating results. We may be required to expend significant resources to protect against the threat of security breaches or to alleviate problems, including reputational harm and litigation, caused by any breaches. Although we intend to continue to implement security measures, these measures may prove to be inadequate and result in system failures and delays that could lower trading volume and have a material adverse effect on our business, financial condition and operating results.

Declines in the global financial markets may materially and adversely affect our business

Adverse economic and political conditions may cause declines in global financial markets and may affect our operating results. The global financial services business is, by its nature, risky and volatile and is directly affected by many national and international factors that are beyond our control. Any one of these factors may cause a substantial decline in the global financial services markets, which could potentially result in reduced trading volume. These events could materially adversely affect our business. These factors include:

- economic and political conditions in the United States and elsewhere in the world;
- wavering institutional/consumer confidence levels;
- the availability of cash for investment by mutual funds and other institutional as well as retail investors; and
- legislative and regulatory changes.

Acquisitions and strategic partnerships, if any, may not produce the results we expect

We plan to opportunistically pursue acquisitions, strategic partnerships and joint ventures that will allow us to expand our range of products and services, expand the distribution of our products to more customers, and enhance our operational capabilities. However, we cannot assure you that we will be successful in either developing, or fulfilling the objectives of, any such alliance. Further, those activities may strain our resources and may limit our ability to pursue other strategic and business initiatives, including acquisitions, which could have a material adverse effect on our business, financial condition and operating results. Additionally, joint ventures and other partnerships may involve risks not otherwise present for investments made solely by us. For example, we may not control the joint ventures; joint venture partners may not agree to distributions that we believe are appropriate; joint venture partners may not observe their commitments; joint venture partners may have different interests than we have and may take action contrary to our interests; and it may be difficult for us to exit a joint venture after an impasse or if we desire to sell our interest. In addition, conflicts or disagreements between us and our strategic partners or joint venture partners may negatively impact our business.

Our market data fees may be reduced or eliminated by the growth of electronic trading and electronic order entry systems

We sell our market data to individuals and organizations that use our markets or monitor general economic conditions. Revenues from our market data totaled $44.5 million, representing 12.8% of our net revenues, and $32.6 million, or 13.5% of our net revenues, during the years ended December 31, 2005 and 2004, respectively. Electronic trading systems do not usually impose separate charges for supplying market data to trading terminals. If we do not separately charge for market data supplied to trading terminals, and trading terminals with access to our markets become widely available, we could lose market data fees from those who have access to trading terminals. We will experience a reduction in our revenues if we are unable to recover that fee revenue through terminal usage fees, transaction fees or other increases in revenues.

Our cost structure is largely fixed

Our cost structure, with the exception of stock-based compensation, which we intend to grant upon consummation and following this offering, is largely fixed. We base our overall cost structure on historical and expected levels of demand for our products and services. If demand for our products and services and our resulting revenues decline, we may not be able to adjust our cost structure on a timely basis. In addition, we may have certain continuing costs related to operations that have terminated, such as our recent closure of our open-outcry futures exchange in London, England. If we are unable to reduce our costs in the amount that our revenues decline, our profitability could be materially adversely affected.

Damage to our reputation could have a material adverse effect on our business

One of our competitive strengths is our reputation and brand name. Our reputation could be harmed in many different ways, including by our regulatory, governance or technology failures or by member or employee misconduct. Damage to our reputation could cause the trading volume on our Exchange to be reduced. We run the risk that our employees or persons who use our markets will engage in fraud or other misconduct, which could result in regulatory sanctions and serious reputational harm. It is not always possible to deter misconduct, and the precautions we take to prevent and detect this activity may not be effective in all cases. This, in turn, may have a material adverse effect on our business, financial condition and operating results.

Risks relating to our capital structure

Our governing documents provide for the protection and support of open-outcry trading by granting certain voting and economic rights to the owners of the Class A memberships, who may have interests that differ from or may conflict with those of our stockholders

In general, a corporation's board of directors is responsible for the business and affairs of the corporation. Delaware law, however, permits a certificate of incorporation to provide otherwise. As a result of the demutualization transaction in 2000, each NYMEX membership was converted into one Class A membership in NYMEX Exchange and one share of our common stock (which shares of common stock subsequently were recapitalized 90,000-for-1 upon the closing of the General Atlantic transaction). In connection with providing open-outcry trading protections to the owners of the Class A memberships, neither the board of directors nor our stockholders have any ability to change, or any responsibility or liability with respect to, the trading rights protections afforded to the owners of the Class A memberships (who are not required to be stockholders, but must be owners of Class A memberships in NYMEX Exchange) under the NYMEX Exchange Bylaws.

For as long as open-outcry trading exists at NYMEX Exchange (but in all events until March 14, 2011, unless the owners of Class A memberships agree otherwise), we are committed to (i) maintain our current facility, or a comparable facility, for the dissemination of price information and for open-outcry trading, clearing and delivery and (ii) provide reasonable financial support for technology, marketing and research for open-outcry markets. Additionally, for as long as open-outcry trading exists at NYMEX Exchange (but in all events until March 14, 2011, unless the owners of Class A memberships agree otherwise), none of the following actions may be taken without prior agreement of the owners of the Class A memberships:

- any new category of fees or category of charges of any kind generally applicable to Class A members and not specifically related to a product or type of product, and for core products only (which include our light sweet crude oil futures and options contracts and natural gas futures and options contracts), any change in fees of any kind;
- elimination of any product from a Class A member's trading rights and privileges or the imposition of any restrictions or limitations on such rights and privileges (including, without limitation, the right to lease a Class A member's trading rights);
- the elimination, suspension or restriction of open-outcry trading, unless a product is no longer "liquid" in which case open-outcry trading in that particular product may be eliminated, suspended or restricted by our board of directors. For these purposes, "liquid" means a futures or options contract listed for trading on NYMEX Exchange where the total trading volume executed by open-outcry in the applicable trading ring for that contract for the most recent three (3) month period is at least 20% or more of the total trading volume executed by open-outcry in the applicable trading ring for that contract for the three month period immediately preceding the most recent three (3) months;
- an increase or decrease in the number of Class A memberships, for which the prior agreement of the owners of Class A memberships will be required even if open-outcry trading no longer exists at NYMEX Exchange;
- issuance of trading permits for current open-outcry products;

- material changes related to the membership, eligibility or capital requirements to become a member, member firm or clearing member, to lease a membership or to exercise the associated trading or clearing rights or privileges;
- any change in regular trading hours;
- changes to current procedures for setting margin requirements;
- material changes to the eligibility criteria and composition of the committees of NYMEX Exchange;
- any transaction that causes the clearinghouse to no longer be wholly-owned by NYMEX Exchange; and
- any change in the economic rights described in the next three paragraphs.

In the event NYMEX Exchange permanently terminates all open-outcry trading of any NYMEX Division product and instead lists such product for trading only via electronic trading, or at least 90% of contract volume of such product is from electronic trading, owners of Class A memberships will receive 10% of the gross revenue attributable to all revenue from the electronic trading of such NYMEX Division product, but not including market data fees or revenues from bilateral transactions cleared through NYMEX ClearPort® Clearing (or its successor), or, if greater, 100% of the revenue from any additional special fee or surcharge applicable to the electronic trading of such NYMEX Division product. This payment will commence at the time of such permanent termination of open-outcry trading or such shift of at least 90% of contract volume to electronic trading for such NYMEX Division product.

In addition, owners of Class A memberships will receive the fees (net of applicable expenses directly related to the establishment and maintenance of the NYMEX miNY™ Designee Program for NYMEX miNY™s traded on the floor of NYMEX Exchange) charged by NYMEX Exchange to participants in such program, for as long as such program exists.

If a new product is introduced on NYMEX Exchange that is not traded by open-outcry, NYMEX Exchange will commence open-outcry trading if so requested by written petition by the owners of a majority of the Class A memberships then outstanding; provided that the board of directors may determine to end such open-outcry trading if, on any annual anniversary of the commencement of open-outcry trading in that product, open-outcry volume for that year is not at least 20% of the total volume for that product (open-outcry volume plus electronic volume) for that year.

In the event that we determine it is advisable to make certain of our cash-settled futures contracts available for physical delivery, we may be required to modify the fees that we charge on such contracts. Any change in fees for core products (including light sweet crude oil futures and options contracts and natural gas futures and options contracts) would require the consent of the owners of the Class A memberships. If the owners of the Class A memberships do not approve the fee modifications, we may be precluded from making certain of our cash-settled futures contracts available for physical delivery, which could have a material adverse effect on our business, financial condition and results of operations.

Accordingly, owners of Class A memberships may have interests that differ from or may conflict with those of holders of our common stock.

Holders of common stock who also own Class A memberships in NYMEX Exchange may have interests that differ from or may conflict with those of holders of common stock who are not also owners of Class A memberships in NYMEX Exchange

Immediately following this offering, we estimate that holders of our common stock who also own Class A memberships in NYMEX Exchange will together own shares representing in excess of % of our outstanding common stock. As a result, such stockholders will, if voting in the same manner on any matters, control the outcome of a vote on all such matters submitted to our stockholders for approval, including electing directors and approving changes of control. See "—Our governing documents provide for the protection and support of open-outcry trading by granting certain voting and economic rights to the owners of the Class A memberships, who may have interests that differ from or may conflict with those of our stockholders." In addition, 10 of the 15 members of the board of directors are members of NYMEX Exchange.

Additionally, we are dependent upon the revenues from the trading and clearing activities of the members of NYMEX Exchange. This dependence also gives NYMEX Exchange members substantial influence over how we operate our business.

Many of NYMEX Exchange's members derive a substantial portion of their income from their trading or clearing activities on or through NYMEX Exchange. In addition, trading privileges on NYMEX Exchange have substantial independent value. The amount of income that members of the Exchange derive from their trading or clearing activities and the value of their memberships in the Exchange are in part dependent on the fees which are charged to trade, clear and access our markets and the rules and structure of our markets. Exchange members, many of whom act as floor brokers and floor traders, benefit from trading rules, membership privileges and fee discounts that enhance their trading opportunities and profits.

In view of the foregoing, holders of common stock who also own a Class A membership in NYMEX Exchange may not have the same economic interests as holders of common stock who do not also own a Class A membership in NYMEX Exchange. In addition, the owners of Class A memberships may have differing interests among themselves depending on a variety of factors, including the role they serve in our markets, their method of trading and the products they trade. Consequently, the owners of Class A memberships may advocate that we enhance and protect their clearing and trading opportunities and the value of their trading privileges over their economic interest in us represented by our common stock they own.

The COMEX governing documents provide for the protection and support of the COMEX Division by granting certain voting and other rights to the owners of the COMEX memberships which may restrict our ability to conduct our business

Pursuant to the terms of the COMEX Merger Agreement, we agreed to certain special rights for the owners of COMEX Division memberships. Neither the board of directors nor our stockholders have any ability to change the protections afforded to the owners of the COMEX Division memberships (who, for the most part, are not stockholders of NYMEX Holdings, but rather are owners of the COMEX Division memberships) under the COMEX Division Bylaws without their consent. Further, under the COMEX Merger Agreement we agreed that the owners of the COMEX Division memberships are entitled to receive, in the aggregate, $10 million of the proceeds of this offering.

Owners of COMEX Division memberships have the right to trade (or lease their rights to trade) gold, silver, copper or Eurotop 100 contracts, and any other new metals contracts (other than platinum or palladium, which are considered NYMEX Division contracts) including aluminum. In addition, NYMEX Division members have proprietary trading rights to new metals contracts. The grant of any additional trading privileges regarding contracts for such underlying commodities requires the consent of the 772 owners of COMEX Division memberships. To the extent that we wish to expand electronic trading of the metals contracts to permit non-members to have direct access to trade, whether side-by-side or after-hours, we need the consent of the owners of the COMEX Division memberships. While we are negotiating with the COMEX members for their consent to permit after-hours trading by an unlimited number of participants via CME Globex electronic trading platform, there is no assurance that we will obtain such consent or that after-hours trading, as opposed to side-by-side trading, will be positively received by potential participants.

In addition, pursuant to the COMEX Merger Agreement, COMEX contracts may not be listed electronically during open-outcry hours. Accordingly, we cannot implement side-by-side trading of COMEX floor-traded contracts without the consent of the owners of the COMEX Division memberships. This may have a material adverse effect on our business, financial condition and results of operations and may limit our ability to compete with CBOT, which trades electronically during both open-outcry and overnight trading hours.

Similarly, any action to delist a gold, silver or copper contract, if such contract has traded an average of at least 10 contracts per day during the prior six months, requires the consent of the COMEX Division members. Pursuant to the COMEX Merger Agreement, our board of directors and officers have fiduciary duties with respect to the owners of COMEX Division memberships. In the case of a merger, reorganization, consolidation, recapitalization, restructuring, spin-off, financing or other extraordinary transaction involving either or both of COMEX Division, NYMEX Division or any successor of either of them, the board of directors and the officers of COMEX Division, NYMEX Division or any successor corporation, shall operate as fiduciaries with respect to owners of COMEX Division memberships. Additionally, there are restrictions on our ability to sell either the NYMEX Division or the COMEX Division individually, and if we do sell the COMEX Division, we must ensure the continuation of these protections.

Except in the case of (A) emergency actions taken pursuant to the COMEX bylaws, (B) amendments to COMEX's bylaws or rules to accommodate a change in trade date input, trade processing or clearing systems or (C) any other actions required by law, we are not permitted to cause any actions to be taken with respect to any of the following matters without certain approvals by COMEX's board of directors, the COMEX governors committee and/or the COMEX members:

- Changing the terms or conditions of any contract traded by COMEX members;
- Changing the COMEX member retention and retirement plan or life, disability or health insurance benefits;
- Amending certain sections of COMEX's bylaws that affect COMEX members;
- Discontinuing trading in any futures contracts or option traded on COMEX;
- Amending the rules which provide certain core rights for COMEX members (e.g., membership);
- Amending certain rules which affect the COMEX Division members differently from NYMEX Division members; and

- Subject to the foregoing, adopting any new bylaw or rule that applies to COMEX in a manner different from the by-law or rule governing the same matter that applies to NYMEX.

In view of the foregoing, our ability to conduct our business may be restricted by the owners of the COMEX Division memberships.

Delaware law and provisions of the governing documents of NYMEX Holdings could enable the board of directors to prevent or delay a change of control of NYMEX Holdings and adversely affect market value

The Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws of NYMEX Holdings contain provisions which may be viewed as anti-takeover provisions. These anti-takeover provisions are described under the subheading “Certain Anti-takeover Matters” under “Description of Capital Stock.” In addition, Section 203 of the Delaware General Corporation Law imposes restrictions on mergers and other business combinations between us and any holder of 15% or more of our common stock. Delaware law prohibits a publicly held corporation from engaging in a “business combination” with an “interested shareholder” for three years after the shareholder becomes an interested shareholder, unless the corporation’s board of directors and shareholders approve the business combination in a prescribed manner or the interested shareholder has acquired a designated percentage of our voting stock at the time it becomes an interested shareholder.

These anti-takeover provisions, along with provisions of Delaware law and the trading rights protections described in “—Our governing documents provide for the protection and support of open-outcry trading by granting certain voting and economic rights to the owners of the Class A memberships, who may have interests that differ from or may conflict with those of our stockholders,” and “—The COMEX governing documents provide for the protection and support of the COMEX Division by granting certain voting and other rights to the owners of the COMEX memberships which may restrict our ability to conduct our business” could, together or separately make more difficult or discourage potential acquisition proposals or delay or prevent a change in control, including transactions in which holders of our common stock might receive a premium for their shares over prevailing market prices; and which could affect the market price for the shares held by stockholders.

Certain underwriters for this offering or their affiliates may also be selling stockholders and, therefore, may have interests in this offering beyond customary underwriting discounts and commissions

Certain underwriters for this offering or their affiliates own our common stock and may elect to participate as selling stockholders in this offering. There may be a conflict of interest between their interests as selling stockholders and their interests as underwriters. Any underwriters participating in this offering as selling stockholders would be seeking to realize the value of their investment in us and would have interests beyond customary underwriting discounts and commissions.

Risks associated with purchasing common stock in this offering

There has been no prior established trading market for our common stock, and we cannot assure you that an active trading market in our stock will develop or be sustained

Prior to this offering, there has been no established trading market for our common stock. While average bid and ask prices have developed relating to shares of our common stock either alone or in combination with Class A memberships in NYMEX Exchange, the existence of limited or sporadic quotations prior to this offering should not be viewed as indicative of the price at which our common stock will trade after this offering. The price at which NYMEX common stock will ultimately be sold in this offering, and at which it will trade after the offering, will be based on market conditions at the time. Further, we cannot assure you that an active trading market in our common stock will develop or be sustained after this offering. Although we intend to apply to list our common stock on the New York Stock Exchange, we do not know whether third parties will find our common stock to be attractive or whether firms will be interested in making a market for our stock. Consequently, you may not be able to resell your shares above the initial public offering price and may suffer a loss on your investment.

The market price of our common stock may fluctuate significantly, and it may trade at prices below the initial public offering price

The market price of our common stock after this offering may fluctuate significantly from time to time as a result of many factors, including:

- investors' perceptions of our prospects;
- investors' perceptions of the prospects of the commodities markets and more broadly, the energy markets;
- differences between our actual financial and operating results and those expected by investors and analysts;
- changes in analysts' recommendations or projections;
- fluctuations in quarterly operating results;
- announcements by us or our competitors of significant acquisitions, strategic partnerships or divestitures;
- changes or trends in our industry, including price volatility, trading volumes, competitive or regulatory changes or changes in the commodities markets;
- changes in valuations for exchanges and other trading facilities in general;
- adverse resolution of new or pending litigation against us;
- additions or departures of key personnel;
- changes in general economic conditions; and
- broad market fluctuations.

In particular, announcements of potentially adverse developments, such as proposed regulatory changes, new government investigations or the commencement or threat of litigation against us or our major participants, as well as announced changes in our business plans or those of our

competitors, could adversely affect the trading price of our stock, regardless of the likely outcome of those developments. Broad market and industry factors may adversely affect the market price of our common stock, regardless of our actual operating performance. As a result, our common stock may trade at prices significantly below the initial public offering price.

You will incur immediate and substantial dilution in the net tangible book value of the common stock you purchase in this offering

Purchasers of common stock in this offering will suffer an immediate and substantial dilution in net tangible book value per share. Dilution is the amount by which the offering price paid by the purchasers of common stock will exceed the net tangible book value per share of common stock after the offering. Upon the sale by us of shares at an assumed initial public offering price of $ per share, the mid-point of the range shown on the cover of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses, our net tangible book value as of March 31, 2006 would have been $, or $ per share of common stock. This represents an immediate increase in net tangible book value to existing stockholders of $ per share and an immediate dilution to new investors of $ per share. For a more detailed description, please see the section entitled “Dilution.”

Future sales of our common stock may have an adverse impact on its market price or dilute existing stockholders

Sales of a substantial number of shares of our common stock in the public market following this offering, or the perception that large sales could occur, could cause the market price of the common stock to decline. Either of these circumstances could also limit our future ability to raise capital through an offering of equity securities. After completion of this offering, there will be shares of common stock issued and outstanding, or shares if the underwriters exercise their over-allotment option in full. All of the shares of common stock sold in this offering will be freely tradable without restriction or further registration under the Securities Act by persons other than our “affiliates” within the meaning of Rule 144 under the Securities Act. For a description of shares eligible for sale in the public market, please see the section entitled “Shares eligible for future sale.”

Our currently issued and outstanding shares of common stock, including such shares to be issued upon the conversion of all of our outstanding shares of Preferred Stock, immediately prior to this offering, are subject to significant transfer restrictions which prohibit sales or other dispositions of shares of our common stock, except in limited circumstances. The transfer restrictions will expire 180 days after this offering for shares of our common stock, 360 days after this offering for shares of our common stock, and 540 days after this offering for shares of our common stock. Upon expiration of these transfer restrictions, the common stock held by existing stockholders will be freely transferable unless held by our “affiliates” within the meaning of Rule 144 under the Securities Act. If stockholders of NYMEX Holdings sell a large number of shares of common stock upon the expiration of some or all of these restrictions, or if investors have the perception that such sales could occur, the market price for our common stock could decline significantly. For a more detailed description of the transfer restrictions imposed on our common stock, please see the section entitled “Description of capital stock.”

We may not continue to pay dividends on our common stock

Prior to November 7, 2002, we had never paid dividends to our stockholders. Since then, we have paid regular dividends at least twice per year and we have paid two special dividends. The board will consider future dividends on a discretionary basis, based on continuing profitability and our

strategic and operating needs. However, we cannot make any assurances that we will continue to pay dividends to our stockholders in the future, other than a dividend of $10 million in the aggregate to holders of record of our common stock as of March 13, 2006 if this offering occurs in 2006 and values our equity at greater than or equal to $2 billion. Additionally, we intend to declare a dividend of $60 million in the aggregate to holders of record of our common stock (including the Series A Preferred Stock on an as-converted basis) as of the day immediately preceding the pricing of this offering. Accordingly, investors in this offering will not be able to participate in either of the $10 million or $60 million dividends.

Risks relating to regulation and litigation

We are subject to the following risks in connection with the regulation of, and litigation relating to, our business.

The legal framework for our industry has been modified, resulting in lower barriers to entry and decreased regulatory costs for competitors

Our industry has been subject to several fundamental regulatory changes, including changes in the statute under which we have been regulated since 1974. In the past, the Commodity Exchange Act generally required all futures contracts to be executed on an exchange that had been approved by the CFTC. These regulatory restrictions on the over-the-counter market were repealed by the Commodity Futures Modernization Act of 2000 ("CFMA"). It is possible that the chief beneficiaries of the CFMA will be over-the-counter dealers and companies that operate or intend to open electronic trading facilities or to conduct their futures business directly among themselves on a bilateral basis. The customers who may access such electronic exchanges or engage in such bilateral private transactions are the same customers who conduct the vast majority of their financial business on regulated exchanges. In the future, our industry may become subject to new regulations or changes in the interpretation or enforcement of existing regulations. We cannot predict the extent to which any future regulatory changes may materially adversely affect our business. For more information about potential changes in our regulatory environment, please see "—Proposals of legislation or regulatory changes preventing clearing facilities from being owned or controlled by exchanges, even if unsuccessful, may limit or stop our ability to run a clearinghouse" and the section entitled "Business—Regulation."

The nature and role of our self-regulatory responsibilities may change

Some financial services regulators have publicly stated their interest in evaluating the ability of a financial exchange, organized as a for-profit corporation, to adequately discharge its self- regulatory responsibilities. Our regulatory programs and capabilities contribute significantly to our brand name and reputation. Although we believe that we will be permitted to maintain these responsibilities, we cannot assure you that we will not be required to modify or restructure our regulatory functions in order to address these or other concerns. Any such modifications or restructuring of our regulatory functions could entail material costs for which we have not currently planned. The CFTC has recently issued for public comment proposed changes to conflict of interest rules, including rules relating to the governance of self-regulatory organizations. Any such changes could impose significant costs and other burdens on us.

We are subject to significant risks of litigation

Many aspects of our business involve substantial risks of litigation. For example, dissatisfied customers frequently make claims regarding quality of trade execution, improperly settled trades, mismanagement or even fraud against their service providers. We may become subject to

these claims as the result of failures or malfunctions of services and systems provided by us. We could incur significant legal expenses defending claims, even those without merit. Although the Commodity Exchange Act and our CFTC-approved disclaimer and limitation of liability rules offer us some protections, an adverse resolution of any lawsuits or claims against us could have a material adverse effect on our reputation, business, financial condition and/or operating results.

We are currently subject to various routine litigation matters. As a result, we could incur significant legal expenses defending claims against us, even those without merit. The adverse resolution of any lawsuits or claims against us could result in our obligation to pay substantial damages, and cause us reputational harm. The initiation of lawsuits or other claims against us, with regard to trading activities, could adversely affect our business, financial condition and results of operations, whether or not these lawsuits or other claims are resolved in our favor. We cannot assure you that we will be successful in defending any of these matters, and resulting adverse judgments could have a material adverse effect on our financial condition. For more material information please see the section of this prospectus entitled “Business—Legal proceedings.”

Any infringement by us on intellectual property rights of others could result in litigation and could materially adversely affect our operations

Our competitors as well as other companies and individuals may obtain, and may be expected to obtain in the future, patents or other intellectual property protections that concern products or services related to the types of products and services we offer or plan to offer. We may not be aware of all such protections which could result in risk of infringement by our products, services or technologies. Claims of intellectual property infringement are not uncommon in our industry.

In general, if one or more of our products, services or technologies were to infringe upon the intellectual property rights held by others, we may be required to stop developing or marketing the products, services or technologies, or to obtain licenses to develop and market the services from the holders of such intellectual property rights or to redesign the products, services or technologies in such a way as to avoid infringing on the intellectual property claims. If we were unable to obtain these licenses and were required to redesign or stop developing or marketing our products, services or technologies to avoid infringement, we may not be able to redesign, and could be required to stop developing or marketing, our products, services or technologies, which could materially adversely affect our business, financial condition and operating results.

We may not be able to protect our intellectual property rights

We rely primarily on trade secret, copyright, service mark, trademark law and contractual protections to protect our proprietary technology and other proprietary rights. Notwithstanding that we take precautions to protect our intellectual property rights, it is possible that third parties may copy or otherwise obtain and use our intellectual property without authorization or otherwise infringe on our rights. Additionally, it may be difficult or impossible to enforce our intellectual property rights in certain foreign countries. The unauthorized use of our intellectual property, including in foreign countries, could have a material adverse effect on our business, financial condition, or results of operation. We also seek to protect our software and databases as trade secrets and under copyright law. We have copyright registrations for certain of our software, user manuals and databases. The copyright protection accorded to databases, however, is fairly limited. While the arrangement and selection of data generally are protectable, in many instances the actual data are not, and others may be free to create databases that would perform

the same function. In some cases, including a number of our most important products, there may be no effective legal recourse against duplication by competitors. In addition, in the future, we may have to rely on litigation to enforce our intellectual property rights, protect our trade secrets, determine the validity and scope of the proprietary rights of others or defend against claims of infringement or invalidity. Any such litigation, whether successful or unsuccessful, could result in substantial costs to us and diversions of our resources, either of which could materially adversely affect our business.

A negative outcome for us in New York Mercantile Exchange, Inc. v. IntercontinentalExchange, Inc. could adversely affect our financial condition and operating results

Since November 20, 2002, we have been a party to ongoing litigation regarding intellectual property infringement and contractual interference by ICE relating to ICE's use of and reference to our settlement prices in its cleared OTC swap contracts for Henry Hub natural gas and West Texas Intermediate crude oil. The federal district court granted ICE's motion for summary judgment in September 2005. We have appealed this decision before the Second Circuit Court of Appeals. A negative outcome for us in this case, which could result in the continued and expanded use by ICE and other competitors of our intellectual property without payment of a licensing fee, could have a material adverse effect on our business, financial condition, or results of operations. See the section entitled "Business—Legal proceedings."

Our compliance and risk management methods might not be effective and may result in outcomes that could adversely affect our financial condition and operating results

Our ability to comply with applicable laws and rules is largely dependent on our establishment and maintenance of compliance, audit and reporting systems, as well as our ability to attract and retain qualified compliance and other risk management personnel. Our policies and procedures to identify, monitor and manage our risks may not always succeed. Management of operational, legal and regulatory risk requires, among other things, policies and procedures to record properly and verify a large number of transactions and events. Our policies and procedures may not always be effective and we may not always be successful in monitoring or evaluating the risks to which we are or may be exposed. The failure to assess and mitigate the risks to which we are exposed could have a material adverse effect on our business, financial condition, or results of operation.

Our need to comply with extensive and complex regulation could have a material adverse effect on our business.

The commodity futures trading industry is subject to extensive regulation by the CFTC. Many of the regulations we are governed by are intended to protect the integrity of the markets and the public, and not necessarily our shareholders. Regulations affect trading practices and many other aspects of our business. These requirements may constrain our rate of growth and changes in regulations could adversely affect us. The burden imposed by these regulations may place U.S. exchanges in general, and us specifically, at a competitive disadvantage compared to less regulated competitors. For example, certain of our competitors are regulated by the United Kingdom's Financial Services Authority, which does not impose the position limits and ceiling on the number of contracts that may be traded at one time that are imposed by the CFTC. The success of our business depends, in part, on our ability to maintain and increase our trading volume, and if we lose customers to low-cost competitors with fewer regulatory restrictions, our business will be adversely affected. Furthermore, declines in the overall volume of trading

derivatives may negatively impact market liquidity on our Exchange, which would result in lower exchange fee revenues and could materially adversely affect our ability to retain our current customers or attract new customers. In addition, the cost of compliance with regulatory requirements could adversely affect our ability to reduce losses or operate profitably.

The CFTC's authorization expired in 2005; however, reauthorization was not concluded in 2005 and will continue through the 2006 legislative session. As part of that 2005 process, various concepts were mentioned as possible areas in which legislation would be appropriate, including, among other things, restrictive limits and severe restrictions on daily price fluctuation for certain energy futures contracts. While we are unaware of any legislative proposal at the present time arising from the reauthorization that would materially affect us, any such proposal may be introduced during this process. Additionally, as part of the Bush administration's proposed 2007 budget, a proposal was introduced to impose a transaction tax on futures traded domestically. While many participants in the futures industry, including us, are vigorously opposing this proposal, we cannot guarantee that such proposal will not be enacted, which may adversely impact our ability to compete and may reduce our trading volume.

Special note about forward-looking statements

Some of the statements included at “Prospectus summary,” “Risk factors,” “Management’s discussion and analysis of financial condition and results of operations,” “Business” and elsewhere in this prospectus constitute forward-looking statements. These statements involve known and unknown risks, assumptions, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance, strategy, anticipated, estimated or projected results or achievements expressed or implied by these forward-looking statements. These factors include, among other things, the success and timing of new futures contracts and products; changes in political, economic or industry conditions; the unfavorable resolution of material legal proceedings; the impact and timing of technological changes and the adequacy of intellectual property protection; the impact of legislative and regulatory actions, including, without limitation, actions by the Commodity Futures Trading Commission; and terrorist activities, international hostilities or natural disasters, which may affect the general economy as well as oil and other commodity markets; as well as those described in “Risk factors” and elsewhere in this prospectus.

In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “could,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of such terms or other comparable terminology.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We are under no duty to update any of the forward-looking statements after the date of this prospectus.

Use of proceeds

Our net proceeds from the sale of common stock in this offering will be approximately $, assuming an initial public offering price of $, the mid-point of the range shown on the cover of this prospectus. If the underwriters fully exercise their over-allotment option, our net proceeds from the offering will be approximately $. Net proceeds are what we expect to receive after paying the underwriters' discounts and commissions and other expenses of the offering. We will not receive any proceeds from the sale of shares of common stock by the selling stockholders in this offering. A $1.00 increase (decrease) in the assumed initial public offering price of $ per share (the mid-point of the range on the cover page of this prospectus) would increase (decrease) the net proceeds to us from this offering by $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and estimated offering expenses payable by us.

The principal purposes of this offering are to obtain additional capital, create a public market for our common stock, facilitate our future access to public equity markets and provide increased visibility in a marketplace in which a number of our current and potential competitors are or will be publicly held companies. While, at this time, we have no specific allocations for the use of proceeds from this offering, other than a payment of $10 million in the aggregate to the owners of COMEX Division memberships under the terms of the COMEX Merger Agreement, we intend to use the net proceeds primarily for general corporate purposes, capital expenditures and working capital. We also may use a portion of the proceeds to acquire or invest in businesses, technologies, products or services, although no specific acquisitions are planned and no portion of the net proceeds has been allocated for any acquisition. Our management will have broad discretion over how we use the net proceeds from this offering. Pending such uses, we intend to invest the net proceeds from this offering in short-term, interest-bearing investment grade securities.

Market for registrant's common equity and related stockholder matters

At present, there is no established trading market for our common stock. None of our common stock is listed on any exchange or automated quotation system. Prior to March 14, 2006, the closing date of the General Atlantic transaction, our common stock was transferable only with a Class A membership in NYMEX Division. Prior to this initial public offering, our common stock and Class A memberships were traded through a bid-ask system maintained by NYMEX Holdings' membership department.

Due to the absence of an established public trading market and the limited number and disparity of bids made for shares, the sale price of a share is not indicative of the price at which our common stock will trade after this offering.

The following sale prices (as gathered internally) reflect the bundled price of our common stock and Class A membership through year-end 2005, without giving effect to the ability to transfer our common stock and Class A memberships independently to a limited number of eligible transferees or the 90,000-for-1 recapitalization of our common stock upon the closing of the General Atlantic transaction:

	High	Low
2005		
Fourth Quarter	$ 3,775,000	$ 3,000,000
Third Quarter	2,850,000	2,600,000
Second Quarter	2,500,000	2,475,000
First Quarter	1,900,000	1,760,000
2004		
Fourth Quarter	$ 2,000,000	$ 1,745,000
Third Quarter	1,650,000	1,650,000
Second Quarter	1,650,000	1,650,000
First Quarter	1,550,000	1,550,000

Since March 14, 2006, the closing date of the General Atlantic transaction, our common stock and the Class A memberships are independently transferable to a limited number of eligible transferees. Additionally, on March 14, 2006, our common stock was recapitalized 90,000-for-1 upon the closing of the General Atlantic transaction. Accordingly, the following prices reflect the sale prices of our common stock on and after March 14, 2006, giving effect to the ability to transfer our common stock and Class A memberships independently to a limited number of eligible transferees and the 90,000-for-1 recapitalization of our common stock upon the closing of the General Atlantic transaction:

	High	Low
2006		
Third Quarter (through July 13, 2006)	$ 39	$ 38
Second Quarter	65	37
First Quarter	60	40

The price at which NYMEX common stock will ultimately be sold in this offering will be based, among other things, on market conditions at the time. In addition, the trading prices of our common stock prior to this offering may be significantly different from the initial public offering price or trading prices after this offering.

Dividend policy

Subject to the limitations under Delaware corporation law, holders of common stock are entitled to receive their pro rata share of such dividends or other distributions as may be declared by our board of directors out of funds legally available therefor.

Prior to the November 7, 2002 declaration, we had never paid dividends to our stockholders. Since then, we have paid regular dividends at least twice per year and we have paid two special dividends. The board of directors will consider future dividends on a discretionary basis, based on continuing profitability and the Company's strategic and operating needs. There can be no guarantees that future dividends will be paid.

Historically, we declared dividends as follows:

Declaration date	Dividend per share(1)	Record date(2)
November 7, 2002	$ 0.07	January 2, 2003
July 9, 2003	$ 0.03	July 15, 2003
December 3, 2003	$ 0.03	December 31, 2003
July 7, 2004	$ 0.03	July 15, 2004
December 15, 2004	$ 0.05	December 31, 2004
June 8, 2005	$ 0.05	June 15, 2005
July 6, 2005	$ 1.11	July 15, 2005
December 19, 2005	$ 0.05	December 30, 2005
January 11, 2006	$ 0.41	January 21, 2006
March 6, 2006	$ 2.18	March 13, 2006
July 5, 2006	$ 0.07	July 20, 2006

(1) Adjusted to show the effect of the 90,000-for-1 recapitalization of our common stock on March 14, 2006.

(2) We intend to declare a dividend of $60 million in the aggregate to holders of record of our common stock (including the Series A Preferred Stock on an as-converted basis) as of the day immediately preceding the pricing of this offering, payable on the closing of this offering. Accordingly, distributions of this dividend will not be made on shares sold in this offering.

If our initial public offering is consummated by December 31, 2006 at a price which values the Company at $2 billion or more, General Atlantic will be required to pay an additional $10 million to us but will not receive additional shares of our stock. This additional $10 million will be distributed as a special dividend to our stockholders of record on March 13, 2006, the business day immediately preceding the closing of the transaction with General Atlantic. Accordingly, distributions of this dividend will not be made on shares sold in this offering.

Capitalization

The following table sets forth the capitalization of NYMEX Holdings as of March 31, 2006:

- on an actual basis;
- on a pro forma basis to give effect to the conversion on a 1:1 basis of all of our issued and outstanding Series A preferred stock immediately prior to this offering; and
- as adjusted to give effect to the issuance and sale by us of shares of common stock in this offering at an assumed initial public offering price of $ per share, the mid-point of the range shown on the cover of this prospectus and the receipt by us of the estimated net proceeds of approximately $, after deducting: (i) the payment of $10 million in the aggregate to the owners of COMEX Division memberships; (ii) the payment by General Atlantic to us of $10 million in the aggregate and the subsequent payment by us of the $10 million as a special dividend to our stockholders of record on March 13, 2006, the business day immediately preceding the closing of the transaction with General Atlantic; (iii) the payment of $60 million in the aggregate as a special dividend to our holders of common stock (including the Series A Preferred Stock on an as-converted basis) on the day immediately preceding the pricing of this offering; (iv) underwriters discounts and commission; and (v) the estimated offering expenses of .

The information set forth below should be read in conjunction with the sections entitled “Selected consolidated financial and other data” and “Management’s discussion and analysis of financial condition and results of operation” and the financial statements and related notes included elsewhere in this prospectus.

	As of March 31, 2006 (unaudited)		
(in thousands, except share amounts)	**Actual**	**Pro forma**	**As Adjusted**
Cash and cash equivalents	$ 17,754	$ 17,754	$
Marketable securities	181,868	181,868	
Total cash and marketable securities	$ 199,622	$ 199,622	$
Long-term debt (including current portion)	85,915	85,915	
Cumulative redeemable convertible preferred stock, $0.01 par value; 8,160,000 shares authorized, issued and outstanding as of March 31, 2006	153,579	—	—
Stockholders’ (deficit) equity:			
Common stock, $0.01 par value; 81,600,000 shares authorized on March 31, 2006; 73,440,000 shares issued and outstanding as of March 31, 2006; 81,600,000 shares authorized, issued and outstanding pro forma and 96,600,000 shares authorized and outstanding as adjusted on March 31, 2006	734	816	
Additional paid-in capital	—	153,016	
Retained (deficit) earnings	(48,472)	(47,991)	
Accumulated other comprehensive income, net of tax	1,281	1,281	
Total stockholders’ (deficit) equity	(46,457)	107,122	
Total capitalization(1)	$ 193,037	$ 193,037	$

(1) A $1.00 increase (decrease) in the assumed initial public offering price of $ per share (the mid-point of the range on the cover page of this prospectus) would increase (decrease) each of additional paid-in capital, total stockholders’ (deficit) equity and total capitalization by $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and estimated offering expenses payable by us.

Dilution

Purchasers of common stock in this offering will suffer immediate and substantial dilution in net tangible book value per share. Dilution is the amount by which the offering price paid by the purchasers of common stock will exceed the pro forma net tangible book value per share of common stock after the offering. Pro forma consolidated net tangible book value per share represents consolidated tangible net assets less consolidated liabilities divided by the number of shares of common stock outstanding on a pro forma basis after giving effect to the conversion of all outstanding shares of Series A preferred stock into shares of common stock at the consummation of this offering. As of March 31, 2006, we had a pro forma net tangible book value of $, or $ per share of common stock. Upon the sale by us of shares of common stock at an assumed initial public offering price of $ per share, the mid-point of the range shown on the cover of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses, our pro forma net tangible book value as of March 31, 2006, would have been $, or $ per share of common stock. This represents an immediate increase in pro forma net tangible book value to existing stockholders of $ per share and immediate dilution to new investors of $ per share. The following table illustrates this per share dilution:

Assumed initial public offering price per share		$
Pro forma net tangible book value per share before this offering	$	
Increase in pro forma net tangible book value per share attributable to new investors		
Pro forma net tangible book value per share after this offering		
Dilution per share to new investors		$

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share (the mid-point of the range on the cover page of this prospectus), assuming we choose not to alter the number of shares offered, would increase (decrease) the pro forma net tangible book value after this offering by $ million and the dilution per share to new investors by $, in each case assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and estimated offering expenses payable by us.

Selected consolidated financial and other information

The following table sets forth selected consolidated financial and other information of NYMEX Holdings. The selected balance sheet data as of December 31, 2004 and 2005 and selected operating data for each of the years in the two-year period ended December 31, 2005 have been derived from the audited consolidated financial statements and notes thereto included elsewhere in this prospectus. The balance sheet data as of December 31, 2001, 2002 and 2003 and operating data for each of the years in the three-year period ended December 31, 2003 have been derived from the audited financial statements and related notes not included in this prospectus. The unaudited pro forma consolidated financial information as of March 31, 2006 gives effect to the conversion of all outstanding preferred stock immediately prior to this offering as if such transactions occurred on March 31, 2006. The information set forth below should be read in conjunction with "Management's discussion and analysis of financial condition and results of operations" in this document, the consolidated financial statements and the notes thereto, and other financial information, included in this prospectus. Certain reclassifications have been made to prior periods to conform to the current presentation and per share amounts have been adjusted to give retroactive effect to our 90,000-for-1 recapitalization.

	Three months ended March 31,		Year ended December 31,				
(In thousands, except per share data and ratios)	**2006 (unaudited)**	**2005 (unaudited)**	**2005 (audited)**	**2004 (audited)**	**2003 (audited)**	**2002 (audited)**	**2001 (audited)**
Income statement data							
Revenues							
Clearing and transaction fees, net(1)	$ 92,420	58,415	$277,632	$193,295	$139,731	$140,763	$104,302
Market data fees	15,382	11,049	44,533	32,605	31,700	33,459	34,313
Other, net(2)	3,868	2,695	11,943	11,532	12,737	14,982	5,666
Investment income, net	1,460	89	8,895	3,893	3,929	4,467	4,135
Interest income from securities lending	27,242	6,944	68,782	—	—	—	—
Total revenues	140,372	79,192	411,785	241,325	188,097	193,671	148,416
Interest expense from securities lending	26,191	6,512	65,224	—	—	—	—
Net revenues	114,181	72,680	346,561	241,325	188,097	193,671	148,416
Expenses							
Salaries and employee benefits	18,314	15,103	62,419	57,357	54,401	49,121	50,443
Occupancy and equipment	8,245	6,974	28,482	26,383	26,664	24,364	20,663
Depreciation and amortization, net(3)	3,334	4,146	15,221	21,795	24,679	20,926	16,024
General and administrative	12,446	9,083	52,565	32,372	23,314	17,737	12,848
Professional services	3,326	8,384	27,379	26,544	17,427	17,954	12,753
Telecommunications	1,678	1,736	6,929	6,056	5,934	7,639	10,878
Marketing	913	751	5,207	2,490	2,080	2,633	1,721
Other expenses	2,344	2,196	9,909	8,352	8,080	8,198	6,695
Interest expense	1,668	1,725	6,852	7,039	7,237	7,455	7,662
Amortization of goodwill(4)	—	—	—	—	—	—	2,153
Asset impairment and disposition losses	200	8	597	5,351	2,340	12,583	5,114
Total operating expenses	52,468	50,106	215,560	193,739	172,156	168,610	146,954
Income before provision for income taxes	61,713	22,574	131,001	47,586	15,941	25,061	1,462
Provision for income taxes	28,080	10,152	59,873	20,219	7,061	12,762	782
Net income	$ 33,633	$ 12,422	$ 71,128	$ 27,367	$ 8,880	$ 12,299	$ 680
Weighted average common shares outstanding, basic and diluted	16,321,000(5)	816	816	816	816	816	816
Basic and diluted earnings per share	$ 2.03(6)	$ 15,223	$ 87,167	$ 33,538	$ 10,882	$ 15,072	$ 833

(In thousands, except per share data and ratios)	Three months ended March 31, 2006	Three months ended March 31, 2005	Year ended December 31, 2005	2004	2003	2002	2001
Other data (unaudited)							
Cash dividends paid per common share(7)	$ 2.64	$ 4,500	$ 108,900	$ 6,300	$ 9,000	$ —	$ —
Pre-tax margin	54.0%	31.1%	37.8%	19.7%	8.5%	12.9%	1.0%
Working capital	$ 106,414	$ 147,017	$ 112,898	$ 134,382	$ 99,628	$ 93,011	$ 79,974
Capital expenditures	$ 4,392	$ 2,328	$ 12,403	$ 6,639	$ 13,446	$ 31,049	$ 27,221
Cash provided by operations	$ 106,655	$ 17,877	$ 82,093	$ 68,775	$ 29,908	$ 65,109	$ 8,749
Trading and clearing volumes(8)							
NYMEX	42,069	33,128	145,169	124,763	112,461	119,647	88,257
COMEX	9,844	7,326	30,771	30,443	25,423	18,337	14,768
Off-Exchange	15,173	6,988	39,270	14,280	6,018	546	—
Total volume(9)	67,086	47,442	215,210	169,486	143,902	138,530	103,025
Average revenue per contract(10)	$ 1.38	$ 1.23	$ 1.29	$ 1.14	$ 0.97	$ 1.02	$ 1.01

(In thousands, except per share data and ratios)	As of March 31, Pro forma(11) 2006 (unaudited)	As of March 31, 2006 (unaudited)	As of March 31, 2005 (unaudited)	As of December 31, 2005 (audited)	2004 (audited)	2003 (audited)	2002 (audited)	2001 (audited)
Balance sheet data								
Cash and cash equivalents	$ 17,754	$ 17,754	$ 4,824	$ 35,664	$ 3,084	$ 1,763	$ 1,014	$ 5,680
Marketable securities at market value	181,868	181,868	145,227	100,993	144,950	64,885	66,976	65,421
Collateral from securities lending program	2,286,456	2,286,456	1,454,918	2,314,618	—	—	—	—
Total current assets	2,577,786	2,577,786	1,959,639	2,589,122	232,682	239,421	212,709	161,394
Total assets	2,800,827	2,800,827	2,179,171	2,808,747	454,650	477,676	462,755	415,951
Total tangible assets (excluding goodwill and other intangible assets)	2,784,498	2,784,498	2,161,966	2,792,199	437,226	459,475	446,387	399,262
Long-term borrowings	83,098	83,098	85,915	83,098	85,915	88,732	91,551	94,368
Total debt (including short-term portion)	85,915	85,915	88,732	85,915	88,732	91,549	94,366	97,183
Total liabilities	2,693,705	2,693,705	2,039,967	2,698,965	327,868	372,261	361,220	321,715
Cumulative redeemable convertible preferred stock, $0.01 par value; 8,160,000 shares authorized, issued and outstanding as of March 31, 2006	—	153,579	—	—	—	—	—	—
Total stockholders' equity (deficit)	$ 107,122	$ (46,457)	$ 139,204	$ 109,782	$ 126,782	$ 105,415	$ 101,535	$ 94,236

(1) Clearing and transaction fees are presented net of payments to members under the Company's proprietary fee reduction program, which were $14,049, $5,245 and $6,693 for the years ended December 31, 2003, 2002 and 2001, respectively. This program was eliminated effective January 1, 2004 and, as a result, there were no fee reductions for the years ended December 31, 2005 and 2004.

(2) In 1998, NYMEX Division introduced various incentive programs. These programs reduced other revenue for the three months ended March 31, 2006 and for the years ended December 31, 2005, 2004, 2003, 2002 and 2001 by $429, $1,851, $1,366, $1,216, $2,263 and $2,389, respectively.

(3) Depreciation and amortization expense is net of amortization of a deferred credit for building construction of $2,145, annually and was $536 for the three months ended March 31, 2006.

(4) Effective January 1, 2002, the Company is no longer required to amortize goodwill pursuant to SFAS No. 142. Instead, the carrying value of goodwill is annually measured for impairment. Such a test was performed in the first quarter of 2006 and in the fourth quarters of 2005, 2004, 2003 and 2002, and no impairment was required.

(5) Weighted average common shares outstanding, basic and diluted includes common shares of 14,689,000 and participating securities—convertible preferred stock of 1,632,000 post-March 14, 2006, the date of the closing of the General Atlantic Transaction.

(6) Adjusted to show the effect of the 90,000-for-1 recapitalization of our common stock on March 14, 2006.

(7) Total cash dividends paid to stockholders divided by the number of shares outstanding.

(8) These volumes also include cash settlement transactions for contracts cleared on NYMEX ClearPort® Clearing for which transaction fees are assessed. Prior to the filing of our quarterly report on Form 10-Q for the period ended March 31, 2006, cash settlement transactions were listed as part of the NYMEX Division volumes labeled as “other.” Since the cash settlement transactions are for NYMEX ClearPort® Clearing contracts, the prior period volume information has been adjusted to include such transactions in NYMEX ClearPort® Clearing for comparative purposes.

(9) Total volume represents the total volume for trading and clearing, including off-exchange. Total traded volume on-exchange for the three months ended March 31, 2006 and 2005 and for the years ended December 31, 2005, 2004, 2003, 2002 and 2001 is 51,913, 40,454, 175,940, 155,206, 137,884, 137,984 and 103,025, respectively.

(10) Average revenue per contract represents clearing and transaction fees, net divided by total volume.

(11) The unaudited pro forma consolidated financial information as of March 31, 2006 gives effect to the conversion of all outstanding preferred stock immediately prior to this offering as if such transactions occurred on March 31, 2006.

Management's discussion and analysis of financial condition and results of operations

This document contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of several factors, including the risks and uncertainties faced by us as described below and elsewhere in this prospectus, including in the sections entitled "Special note about forward-looking statements" and "Risk factors" above.

Introduction

This discussion summarizes the significant factors affecting our results of operations and financial condition for the three months ended March 31, 2006 and 2005 and for the years ended December 31, 2005, 2004 and 2003. This discussion is provided to increase the understanding of, and should be read in conjunction with the financial statements, accompanying notes and tables included in this prospectus.

Business overview

We facilitate the buying and selling of energy and metal commodities for future delivery under rules intended to protect the interests of market participants. We provide liquid marketplaces where physical commodity market participants can manage future price risk and, through our clearing operations, mitigate counter-party credit risk. Through real-time and delayed dissemination of our transaction prices, we provide price discovery and transparency to market participants. In order to enhance our markets and provide market participants additional mechanisms to manage risk, we seek to continuously offer new products, distribution services and clearing services. We do not own commodities, trade for our own account, or otherwise engage in market activities.

The NYMEX Division provides a marketplace for trading primarily energy futures and options. The COMEX Division provides a marketplace for trading precious and base metals futures and options. NYMEX Division's principal markets include crude oil, natural gas, heating oil and unleaded gasoline. COMEX Division's principal markets include gold, silver and high grade copper. We provide the physical facilities for open-outcry auction markets. The open-outcry markets operate during regular business hours, and trading activities in these markets are, for purposes of this management discussion, referred to as floor trading. In April 2006, we entered into a technology services agreement with CME to trade our products on CME Globex electronic trading platform. On June 11, 2006, our cash-settled energy futures contracts for all listed months became available for electronic trading during open-outcry hours, which is commonly referred to as side-by-side trading for trade date June 12, 2006. NYMEX miNY™ futures contracts, which are smaller versions of our normal NYMEX Division futures contracts, migrated to CME Globex electronic trading platform on that date as well. Beginning August 6, 2006 for trade date August 7, 2006, we will migrate our after-hours energy, platinum and palladium futures contracts that are currently traded electronically on NYMEX ACCESS onto CME Globex electronic trading platform. We anticipate that no later than the fourth quarter of 2006 we will begin offering side-by-side electronic trading of our physically delivered energy futures contracts and migrating after-hours electronic trading of our metals futures and options contracts that are currently traded electronically on NYMEX ACCESS® onto CME Globex electronic trading platform. In addition, pursuant to the terms of our agreement with CME, if we acquire or merge with an

entity, that at the time of such acquisition or merger, operates a trading execution system for futures or futures options products (or off-exchange look-alike versions of such products), electronic trading of such products shall be transitioned to CME Globex electronic trading platform within two years. We clear and settle all trading of our contracts conducted via CME Globex electronic trading platform through our clearinghouse.

We provide trade-clearing services for transactions executed through our floor trading operations, transactions executed through CME Globex electronic trading platform and our current NYMEX ACCESS® and NYMEX ClearPort® Trading electronic trading platforms. In addition, NYMEX ClearPort® Clearing is our off-exchange clearing initiative, which is intended, among other things, to alleviate some of the credit risk issues in the marketplace by using our clearing operations to offer market participants the advantages of reducing risks by permitting futures and off-exchange positions to be offset. This initiative permits market participants to negotiate bilateral trades in the off-exchange market, which are then transferred to our division as futures contracts for clearing. See “Business—Recent developments” for a discussion of our technology services offered which facilitate virtually 24 hours per day side-by-side trading.

In order to conduct floor-trading activities, market participants must own or lease a membership on the NYMEX Division or COMEX Division. Non-members may execute floor trades on our divisions, but must do so through a member. In addition, non-members may obtain NYMEX Division electronic trading privileges for a fee.

For products traded electronically, including NYMEX miNY™, for each Class A membership owned or leased by an individual Class A member, a member (in addition to the right to trade on the trading floor) is authorized by NYMEX Exchange to utilize up to four simultaneous electronic trading privileges for an owner (one for the owner plus three others) or up to two simultaneous electronic trading privileges for a lessee (one for the lessee plus one other) for the exercise of member trading rights with the related member rates. In all cases, such privileges can only be utilized for the account of the individual Class A member, either an owner or lessee, who granted such privileges. These electronic trading privileges can only be leased together with the related Class A membership and only to an individual. For products traded electronically, member firms and member clearing firms are initially authorized by NYMEX Exchange to utilize without charge a number of simultaneous electronic trading privileges consistent with the number of Class A memberships owned by such firm for the exercise of member trading rights with the related member rates. Member firms and member clearing firms may request from NYMEX Exchange additional electronic trading privileges for the exercise of member trading rights with the related member rates, for which NYMEX Exchange charges a standard fee.

Certain NYMEX Division members and COMEX Division members are clearing members. Clearing members provide capital to support our clearing activities. All market participants trading through our floor trading and electronic trading venues must have a clearing relationship with a clearing member who will clear their trades through our clearinghouse. Market participants must have similar clearing member relationships to use NYMEX ClearPort® Clearing.

Our principal sources of revenues are clearing and transaction fees derived from trades executed on our divisions, and/or cleared through our clearinghouse, and fees charged for our proprietary futures and options contract price information.

Clearing and transaction fees are dependent primarily upon the volume of trading activity conducted on our divisions and cleared by our clearinghouse. These volumes are impacted by several factors, including:

- National and international economic and political conditions;
- Volatility in price levels of the underlying commodities;
- Market perception of stability in commodities and financial markets;
- The level and volatility of interest rates and inflation;
- Supply and demand of alternative fuel sources;
- Credit quality of market participants; and
- Weather conditions affecting certain energy commodities.

The relative proportions of member and non-member trading activities, and the trading venues on which market participants trade also impact the levels of clearing and transaction fees. NYMEX Division members and COMEX Division members are afforded more favorable transaction pricing than non-members, and are eligible to participate in certain transaction fee and cost reduction programs, which impact the level of clearing and transaction fees and other revenues.

Market data relating to proprietary prices of contracts executed on our divisions are sold to vendors who redistribute this information to market participants and others. The level of market data fees is dependent upon the number of vendors and the number of end users receiving data through the vendor redistribution process.

Our expenses consist primarily of employee compensation and benefits and the cost of facilities, equipment, software and communications to support our trading and clearing operations. We also incur marketing costs associated with the development and launch of new products and services. We invest in technology and infrastructure to support market expansion, enhance our trading and clearing technology, and develop new products and services.

Market conditions

For the three months ended March 31, 2006, our total volume of futures and options contracts traded and cleared was 67.1 million contracts, an increase of 19.7 million contracts or 41.4% from 47.4 million contracts for the same period last year.

In 2005, the volume of total futures and options contracts traded and cleared was 215.2 million contracts, an increase of 45.7 million contracts or 27.0%, compared to 169.5 million contracts in 2004.

In 2004, the volume of total futures and options contracts traded and cleared was 169.5 million contracts, an increase of 25.6 million contracts or 17.8%, compared to 143.9 million contracts in 2003.

Provided below is a discussion of our three significant components of trading and clearing operations: (i) NYMEX Division; (ii) COMEX Division; and (iii) NYMEX ClearPort® Clearing. NYMEX Division and COMEX Division information presented in the following discussion excludes contracts cleared through NYMEX ClearPort® Clearing. Included in the NYMEX Division volumes are futures contracts of NYMEX Europe Limited (“NYMEX EUROPE”), our European subsidiary, that are traded on the subsidiary’s trading floor in London, England, which opened during the third quarter of 2005. On June 9, 2006, we closed the open-outcry futures exchange in London,

England and are migrating its futures contracts to CME Globex electronic trading platform. Trading and clearing volumes discussed in this management's discussion and analysis are expressed as "round-turns," which are matched buys and sells of the underlying contracts. These volumes include futures settlement and options exercise transactions for which transaction fees are assessed. Prior to the filing of the second quarter 2004 Form 10-Q, we did not include settlement and exercise volumes in our volume disclosures. Accordingly, prior period volume information has been adjusted to include such transactions for comparative purposes. Open interest represents the average daily number of contracts for which clearing members and their customers are obligated to our clearinghouse and are required to make or take future delivery of the physical commodity (or in certain cases be settled by cash), or close out the position with an offsetting sale or purchase prior to contract expiration. Options open interest represents unexpired, unexercised option contracts.

NYMEX Division

For the three months ended March 31, 2006, the volume of futures and options contracts traded and cleared on the NYMEX Division was 42.1 million contracts, an increase of 9.0 million contracts or 27.0% from 33.1 million contracts for the same period last year.

In 2005, the volume of futures and options contracts traded and cleared on the NYMEX Division was 145.2 million contracts, an increase of 20.4 million contracts or 16.4%, compared to 124.8 million contracts in 2004.

In 2004, the volume of futures and options contracts traded and cleared on the NYMEX Division was 124.8 million contracts, an increase of 12.3 million contracts or 10.9%, compared to 112.5 million contracts in 2003.

The following tables set forth trading and clearing volumes and open interest for our major energy futures and options products.

NYMEX division futures and options contracts traded and cleared

	Three months ended March 31,		Year Ended December 31,		
(in thousands)	**2006**	**2005**	**2005**	**2004**	**2003**
Light sweet crude oil	22,525	17,965	77,224	66,615	57,368
Henry Hub natural gas	8,022	6,954	30,092	26,674	29,490
N.Y. heating oil	3,623	3,688	14,455	13,914	12,466
N.Y. harbor unleaded gasoline	3,786	3,491	14,425	13,892	11,972
Other	4,113	1,030	8,973	3,668	1,165
Total	42,069	33,128	145,169	124,763	112,461

NYMEX division futures and options contracts open interest

	At March 31,		At December 31,		
(in thousands)	**2006**	**2005**	**2005**	**2004**	**2003**
Light sweet crude oil	3,174	2,335	2,717	1,955	1,333
Henry Hub natural gas	1,746	1,302	1,705	1,334	1,058
N.Y. heating oil	216	254	264	266	194
N.Y. harbor unleaded gasoline	198	284	183	216	129
Other	341	101	701	82	54
Total	5,675	4,276	5,570	3,853	2,768

Light sweet crude oil

For the three months ended March 31, 2006, total futures and options contract volume was 22.5 million contracts, an increase of 4.5 million contracts or 25.4% from 18.0 million contracts for the same period last year.

We believe that the increase in total futures and options contract volume for the three months ended March 31, 2006 was due, in part, to the continued uncertainty of global oil supplies. Political events in major oil producing countries in the Middle East and Africa continue to heighten concerns over the reliability of oil exports from such countries. As a result, increased volatility and price levels, which were significantly higher than the first quarter of 2005, have continued to push both futures and options volumes higher.

In 2005, total futures and options contract volume increased by 10.6 million contracts or 15.9%, compared to 2004. We believe that increases in futures and options contract volume were due, in part, to the price volatility of crude oil. The price volatility was caused by historically high price levels, continued strong global demand for crude oil and continued supply concerns. Seasonal factors also contributed to the price volatility, with the cold weather in the Northern Hemisphere affecting the first quarter of 2005, and the severe hurricane season in the Gulf of Mexico disrupting oil refineries during the latter half of 2005. In addition, regional conflicts in the Middle East and Africa contributed to concerns about the security of oil supplies.

In 2004, total futures and options contract volume increased by 9.3 million contracts or 16.1%, compared to 2003. We believe that the increases in futures and options contract volume were due, in part, to the continuing strong global demand for crude oil, particularly in China and the United States. In addition, the price volatility of crude oil increased due to terrorism concerns in the Middle East throughout the year, as well as supply concerns due to the hurricanes that affected the oil refineries located near the Gulf of Mexico in the third quarter of 2004. Finally, continued high price differentials between crude oil and gasoline have resulted in increased trading activity.

Henry Hub natural gas

For the three months ended March 31, 2006, total futures and options contracts volume was 8.0 million contracts, an increase of 1.0 million contracts or 15.4% from 7.0 million contracts for the same period last year.

We believe that the increase in total futures and options contract volume for the three months ended March 31, 2006 was due, in part, to a significant decline in the price of natural gas during

the current quarter. The price decline can be directly related to the unusually warm winter weather, as January 2006 was the warmest January on record for the United States according to the National Weather Service. The significant decline in price resulted in increased trading activity in the natural gas market.

In 2005, total futures and options contract volume increased by 3.4 million contracts or 12.8%, compared to 2004. We believe that increases in futures and options contract volume were due, in part, to significant fluctuations in the price of natural gas during 2005. During 2005, there was a significant increase in price due to record warm weather in the Northeast. This resulted in increased usage to generate electricity for the summer's high air conditioning demand. In addition, there were continued concerns about the North American natural gas supply, which resulted in higher trading activity. The hurricanes in the Gulf of Mexico caused structural damage to production and processing facilities, which reduced delivery of natural gas and further increased supply concerns. Additionally, colder than normal temperatures in the Eastern U.S. during December contributed to higher trading activity at year end.

In 2004, total futures and options contract volume decreased by 2.8 million contracts or 9.0%, compared to 2003. We believe that the decreases in futures and options contract volume were due, in part, to diminished concern, with the exception of the third quarter of 2004, when hurricanes in the Gulf of Mexico increased concern, regarding the supply of natural gas. Moderately higher storage levels may have reduced concerns about the availability of natural gas for the 2004 winter heating season. In addition, the 2004 summer season was cooler compared to 2003 in several regions of the United States, which may have also reduced supply concerns as less natural gas was needed to power electricity generation plants that produce electricity to meet the summer's air conditioning demand.

New York heating oil

For the three months ended March 31, 2006, total futures and options contracts volume was 3.6 million contracts, a decrease of 0.1 million contracts or 1.8% from 3.7 million contracts for the same period last year.

We believe that the decrease in total futures and options contract volume for the three months ended March 31, 2006 was due, in part, to a decrease in options trading volume resulting from a contraction in the price differential between crude oil and heating oil. This was offset, in part, by a slight increase in futures trading volume as strong global demand and continued concerns surrounding limited refining capacity maintained higher volatility levels in the heating oil market, resulting in increased futures trading activity.

In 2005, total futures and options contract volume increased by 0.5 million contracts or 3.9%, compared to 2004. We believe that increases in futures and options contract volume were due, in part, to the continuing strong global demand for distillate fuels, which include heating oil, diesel fuel, and jet fuel. In addition, concerns surrounding limited refining capacity continued to cause higher volatility in the heating oil market, resulting in increased trading activity. Refining capacity concerns were strengthened during the latter half of 2005, as severe hurricanes in the Gulf of Mexico caused disruptions to oil refineries in the region. Finally, high price differentials between heating oil and crude oil have also resulted in increased trading activity.

In 2004, total futures and options contract volume increased by 1.4 million contracts or 11.6%, compared to 2003. We believe that the increases in futures and options contract volume were

due, in part, to the continuing strong global demand for petroleum products, including heating oil. In addition, price volatility in the heating oil market increased, as supply concerns arose throughout 2004 due to terrorism in the Middle East, as well as the hurricanes that affected the oil refineries located near the Gulf of Mexico during the third quarter of 2004. Finally, high price differentials between crude oil and heating oil have resulted in increased trading activity.

New York harbor unleaded gasoline

For the three months ended March 31, 2006, total futures and options contracts volume was 3.8 million contracts, an increase of 0.3 million contracts or 8.5% from 3.5 million contracts for the same period last year.

We believe that the increase in total futures and options contract volume for the three months ended March 31, 2006 was due, in part, to volatility caused by the price of gasoline. Gasoline prices continued to rise during the current quarter driven by strong consumer demand and refinery capacity limitations.

In 2005, total futures and options contract volume increased by 0.5 million contracts or 3.8%, compared to 2004. We believe that increases in futures and options contract volume were due, in part, to volatility caused by strong global demand for gasoline. In addition, gasoline prices rose to historically high levels during the third quarter of 2005. This was possibly a result of disruptions to oil refineries due to the hurricanes in the Gulf of Mexico. Finally, high price differentials between gasoline and crude oil have also resulted in increased trading activity.

In 2004, total futures and options contract volume increased by 1.9 million contracts or 16.0%, compared to 2003. We believe that the increases in futures and options contract volume were due, in part, to the continuing strong consumer demand for gasoline. The increased demand was coupled with a decrease in gasoline supply during the third quarter of 2004, as hurricanes in the Gulf of Mexico caused nearby refineries to shut down at times throughout the quarter. These factors attributed to the increased price differential between gasoline and crude oil, resulting in higher trading activity.

COMEX Division

For the three months ended March 31, 2006, the volume of futures and options contracts traded and cleared for the COMEX Division was 9.8 million contracts, an increase of 2.5 million contracts or 34.4% from 7.3 million contracts for the same period last year.

In 2005, the volume of futures and options contracts traded and/or cleared on the COMEX Division was 30.8 million contracts, an increase of 0.4 million contracts or 1.1%, compared to 30.4 million contracts in 2004. Futures contract volume was 26.5 million contracts, an increase of 1.6 million contracts or 6.4%, compared to 24.9 million contracts in 2004. Options contract volume was 4.3 million contracts, a decrease of 1.2 million contracts or 23.0%, compared to 5.5 million contracts in 2004.

In 2004, the volume of futures and options contracts traded and/or cleared on the COMEX Division was 30.4 million contracts, an increase of 5.0 million contracts or 20%, compared to 25.4 million contracts in 2003. Futures contract volume was 24.9 million contracts, an increase of 4.5 million contracts or 22.1%, compared to 20.4 million contracts in 2003. Options contract volume was 5.5 million contracts, an increase of 0.5 million contracts or 10.0%, compared to 5.0 million contracts in 2003.

The following tables set forth trading and clearing volumes and open interest for our major metals futures and options products.

COMEX Division futures and options contracts traded and cleared

	Three months ended March 31,		Year ended December 31,		
(in thousands)	**2006**	**2005**	**2005**	**2004**	**2003**
Gold	6,519	4,896	19,581	20,417	17,133
Silver	2,342	1,464	6,913	6,302	4,838
High grade copper	977	953	4,238	3,640	3,281
Aluminum	6	13	39	84	171
Total	9,844	7,326	30,771	30,443	25,423

COMEX Division futures and options contracts open interest

	At March 31,		At December 31,		
(in thousands)	**2006**	**2005**	**2005**	**2004**	**2003**
Gold	608	623	563	847	900
Silver	245	178	237	165	163
High grade copper	96	133	110	106	99
Aluminum	1	7	1	8	9
Total	950	941	911	1,126	1,171

Gold

For the three months ended March 31, 2006, total futures and options contract volume was 6.5 million contracts, an increase of 1.6 million contracts or 33.1% from 4.9 million contracts for the same period last year.

We believe that the increase in total futures contract volume for the three months ended March 31, 2006 was due, in part, to the fear of increased inflation as a result of continued escalating energy prices, global geopolitical events and a weakened U.S. currency compared to other international currencies. In addition, an increase in gold storage as collateral for exchange traded gold funds has reduced the quantity available for commercial and financial use which, in turn, has led to increased trading activity.

In 2005, total futures and options contract volume decreased by 0.8 million contracts or 4.1%, compared to 2004. We believe that the increase in futures contract volume was due, in part, to the fear of increased inflation as a result of escalating energy prices, global geopolitical events, a weakened U.S. currency and an increased demand for gold as investors sought an alternative to other investments. The decline in options contracts volume can be attributed to a period of reduced market volatility.

In 2004, total futures and options contract volume increased by 3.3 million contracts or 19.2%, compared to 2003.

Silver

For the three months ended March 31, 2006, total futures and options contract volume was 2.3 million contracts, an increase of 0.8 million contracts or 60.0% from 1.5 million contracts for the same period last year.

In 2005, total futures and options contract volume increased by 0.6 million contracts or 9.7%, compared to 2004. We believe that the increases in futures and options contract volume for both the three months ended March 31, 2006 and during 2005 was due, in part, to the increase of silver as an alternative investment, which resulted in an increase in demand and, in turn, a decline in inventories. These factors resulted in increased hedging and speculative demand for silver futures and options.

In 2004, total futures and options contract volume increased by 1.5 million contracts or 30.3%, compared to 2003.

High grade copper

For the three months ended March 31, 2006, total futures and options contract volume was 1.0 million contracts, essentially flat compared to the same period last year.

In 2005, total futures and options contract volume increased by 0.6 million contracts or 16.4%, compared to 2004. We believe that the slight increase in futures contract volume for the three months ended March 31, 2006 and the increase during 2005 were due, in part, to declining global warehouse stocks as a result of increased international demand, strong housing starts and supply disruptions in various parts of the world, which contributed to increased hedging and speculative demand for copper futures.

In 2004, total futures and options contract volume increased by 0.4 million contracts or 10.9%, compared to 2003.

NYMEX ClearPort® Clearing

For the three months ended March 31, 2006, total futures and options contract clearing volume was 15.2 million contracts, an increase of 8.2 million contracts or over 117% from 7.0 million contracts for the same period last year.

For the three months ended March 31, 2006, there was significant growth in natural gas clearing volume through NYMEX ClearPort® Clearing.

In 2005, futures and options contract clearing volume was 39.3 million contracts, an increase of 25.0 million contracts or 175.0%, compared to 14.3 million contracts in 2004.

In 2004, futures and options contract clearing volume was 14.3 million contracts, an increase of 8.3 million contracts or 137.3%, compared to 6.0 million contracts in 2003.

We believe the continued growth of NYMEX ClearPort® Clearing in the three months ended March 31, 2006 and in 2005 and 2004 was due, in part, to traditional over-the-counter market participants seeking credit risk mitigation provided by our clearinghouse for off-exchange trade execution activities. In addition, significant growth in the number of different natural gas products offered and the launch of new products for petroleum, electricity and coal on NYMEX ClearPort® Clearing contributed to our year over year increase in volume. NYMEX ClearPort® Clearing was launched during the second quarter of 2002.

The following tables set forth clearing volumes for products cleared through NYMEX ClearPort® Clearing.

NYMEX ClearPort® Clearing contracts

	Three months ended March 31,		Year ended December 31,		
(in thousands)	**2006**	**2005**	**2005**	**2004**	**2003**
Natural gas	14,500	6,536	36,856	13,273	5,642
Electricity	411	276	1,849	542	267
Petroleum products	250	173	534	458	106
Coal	11	3	29	7	3
Other	1	—	2	—	—
Total	15,173	6,988	39,270	14,280	6,018

NYMEX ClearPort® Clearing open interest

	At March 31,		At December 31,		
(in thousands)	**2006**	**2005**	**2005**	**2004**	**2003**
Natural gas	6,695	3,414	5,571	2,783	956
Electricity	307	122	282	79	41
Petroleum products	204	105	80	108	30
Coal	4	1	3	1	1
Total	7,210	3,642	5,936	2,971	1,028

Critical accounting policies

Clearing and transaction fee revenues

The largest sources of our operating revenues are clearing and transaction fees. These fees are recognized as revenue in the same period that trades are executed and/or cleared on our divisions.

Clearing and transaction fees receivable are monies due from clearing member firms. Exposure to losses on receivables is principally dependent on each clearing member firm's financial condition. Clearing members' seats and, since March 14, 2006, shares of our common stock, collateralize fees owed to us. At December 31, 2005, no clearing and transaction fees receivable balance was greater than the related clearing member's collateral value. Management does not believe that a concentration of credit risk exists from these receivables. We have the right to liquidate a member's collateral in order to satisfy our receivable.

Clearing and transaction fees receivable are carried net of allowances for member credits, which are based upon expected billing adjustments. Allowances for member credits were $473,000, $385,000 and $256,000 at March 31, 2006, December 31, 2005 and 2004, respectively. We believe the allowances are adequate to cover member credits. We also believe the likelihood of incurring material losses due to non-collectibility is remote and, therefore, no allowance for doubtful accounts is necessary.

Market data revenue

We provide proprietary real-time and delayed market data information to subscribers relating to prices of futures and options contracts traded and cleared on the Exchange. As is the common business practice in the industry, fees are remitted to us by market data vendors on behalf of subscribers. Revenues are accrued for the current month based on the most recent month reported by the vendors. We conduct periodic audits of the information provided. Revenues derived from audit recoveries are recognized when cash is received from the market data vendor. Allowances for uncollectible receivables of $59,000, $78,000 and $121,000 were applied as a reduction to the March 31, 2006, December 31, 2005 and 2004 market data fees receivable balances, respectively. These allowances are intended to cover potential non-collectible vendor receivables as well as future adjustments by the market data vendor customers. At March 31, 2006, the combined amounts due from customers with the ten highest receivable balances represented 91% of the total accounts receivable balance.

Accounting for the impairment or disposal of long-lived assets

Asset impairment and disposition losses for the years ended December 31, 2005, 2004 and 2003 were approximately $0.6 million, $5.4 million and $2.3 million, respectively. We review long-lived assets for impairment in accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* ("SFAS No. 144"). If facts and circumstances indicate that our long-lived assets might be impaired, the estimated future undiscounted cash flows associated with the long-lived assets would be compared to our carrying value to determine if a write-down to fair value is necessary. If a write-down is required, the amount is determined by comparing fair market values to carrying values in accordance with SFAS No. 144.

Internally developed software

Statement of Position ("SOP") 98-1, *Accounting for the Costs of Computer Software Developed or Obtained for Internal Use,* provides guidance on the accounting treatment of costs related to software obtained or developed for internal use. We capitalize certain costs for the development of internal-use software, consisting primarily of software tools and systems. Because most of our capital expenditures are not exclusively used for developing internally used software, we allocate these costs on a project-by-project basis. We capitalize these costs related to software developed for internal use based on the results of this allocation. Capitalized costs are included in property and equipment, net, in our consolidated balance sheets. We amortize these capitalized costs to expense over an estimate of the useful life of the internal-use software, which is generally three to five years. During 2005 and 2004, we determined, based on our SOP 98-1 review, that there were no costs that should be capitalized as internal-use software costs, compared to 2003 when we capitalized approximately $2.0 million in costs.

Results of operations

Net income for the three months ended March 31, 2006 was $33.6 million, an increase of $21.2 million from $12.4 million for the same period last year. This increase was the result of net revenues increasing by $41.5 million, which was partially offset by increases in operating expenses and income taxes of $2.4 million and $17.9 million, respectively.

The increase in net revenues for the three months ended March 31, 2006 was due to an increase in clearing and transaction fees from higher trading and clearing volumes, market data fees from

the implementation of a new price structure which went into effect on January 1, 2006, as well as increased investment income. The increase in operating expenses was due primarily to increases in salaries, occupancy and equipment, and general and administrative expenses offset by a decrease in professional services.

Net income for the year ended December 31, 2005 was $71.1 million, an increase of $43.7 million or 159.9% compared to 2004. This increase was the result of revenues increasing by $105.2 million, which was partially offset by increases in operating expenses and income taxes of $21.8 million and $39.7 million, respectively. The increase in revenues was primarily due to an increase in gross clearing and transaction fees from higher trading and clearing volumes. The increase in operating expenses was due primarily to increases in general and administrative expenses, salaries and employee benefits, marketing costs and occupancy and equipment charges.

Net income for the year ended December 31, 2004 was $27.4 million, an increase of $18.5 million or 208.2% compared to 2003. This increase was the result of revenues increasing by $53.2 million, which was partially offset by increases in operating expenses and income taxes of $21.6 million and $13.1 million, respectively. The increase in revenues was primarily due to an increase in gross clearing and transaction fees from higher trading and clearing volumes, as well as the elimination of our proprietary fee reduction program that was in effect during 2003. The increase in operating expenses was due primarily to increases in general and administrative expenses, professional fees, salaries and employee benefits, and asset impairment and disposition losses.

Revenues

Clearing and transaction fees, net

For the three months ended March 31, 2006, clearing and transaction fees were $92.4 million, an increase of $34.0 million or 58.2% from $58.4 million for the same period last year. This increase was due to higher floor trading and NYMEX ACCESS® volumes on both the NYMEX Division and COMEX Division, higher NYMEX ClearPort® Clearing volumes and higher NYMEX miNY™ volumes.

For the three months ended March 31, 2006, average revenue per contract was $1.38, an increase of $0.15 per contract compared to the same period last year. This increase was due to higher average rates per contract on the NYMEX Division and COMEX Division floor trading resulting from a shift in the customer trading mix, as certain customers are charged higher rates per trade than others. In addition, an increase in volume on NYMEX ACCESS® , NYMEX ClearPort® Clearing and NYMEX miNY™ contributed to the overall rate increase as these venues charge higher rates per trade.

Clearing and transaction fees for the year ended December 31, 2005 were $277.6 million, an increase of $84.3 million or 43.6%, compared to 2004. This increase was due to higher NYMEX Division floor trading volumes, higher NYMEX ACCESS® volumes for both the NYMEX Division and COMEX Division, though we intend to discontinue the use of NYMEX ACCESS® upon the successful transition to CME Globex electronic trading platform higher NYMEX ClearPort® Clearing volumes and higher NYMEX miNY™ volumes. In addition, 2005 yielded a higher aggregate average revenue per contract compared to 2004.

Clearing and transaction fees for the year ended December 31, 2004 were $193.3 million, an increase of $53.6 million or 38.3%, compared to 2003. This increase was due to higher floor

trading and NYMEX ACCESS® volumes for both the NYMEX Division and COMEX Division, higher NYMEX ClearPort® Clearing volumes and a higher aggregate average revenue per contract. In addition, the elimination of the proprietary fee reduction program, which was in effect during 2003, also contributed to the increase in revenue.

Gross revenue per contract for the year ended December 31, 2005 increased $0.15 per contract compared to 2004. This increase was due to a shift in the customer trading mix, as certain customers are charged higher rates per trade than others. In addition, an increase in the trading of certain products on NYMEX ClearPort® Clearing as well as higher e-miNY℠ contracts volume, contributed to the overall rate increase as these venues charge higher rates per trade.

Gross revenue per contract for the year ended December 31, 2004 increased $0.07 per contract compared to 2003. This increase was due to the customer trading mix and an increase in the trading of certain products on NYMEX ClearPort® Clearing and NYMEX ACCESS®, which charge higher rates per trade.

Market data

For the three months ended March 31, 2006, market data fees were $15.4 million, an increase of $4.4 million or 39.2% from $11.0 million for the same period last year. This increase was due primarily to the implementation of a new price structure that went into effect on January 1, 2006. Increases in the number of market data devices being utilized, for which we charge fees, also contributed to the increase.

Market data fees for the year ended December 31, 2005 were $44.5 million, an increase of $11.9 million or 36.6%, compared to 2004. This increase was due primarily to the implementation of a new price structure that went into effect on January 1, 2005. An increase in the number of market data devices being utilized, for which we charged fees, also contributed to the increase in fees. In addition, we began to charge separate vendor administrative fees for the NYMEX Division and COMEX Division in May 2004. Prior to this, vendors were being charged only one administrative fee for access to market data of both divisions. We rely on our market data vendors to supply accurate information regarding the number of subscribers that are accessing our market data. Effective January 1, 2006, we implemented a revised price structure that we anticipate will generate an increase in market data fees compared to the structure in place during 2005.

Market data fees for the year ended December 31, 2004 were $32.6 million, an increase of $0.9 million or 2.9%, compared to 2003. This increase was due primarily to the implementation of separate vendor administrative fees for the NYMEX Division and COMEX Division in May 2004. Prior to this, vendors were being charged only one administrative fee for access to market data for both divisions.

Other revenues

For the three months ended March 31, 2006, other revenues were $3.9 million, an increase of $1.2 million or 43.5% from $2.7 million for the same period last year. This increase was due primarily to floor fines we levied and royalty fees, as we have certain license agreements for which it is paid for the use of certain settlement prices.

Other revenues for the year ended December 31, 2005 were $11.9 million, an increase of $0.4 million or 3.6%, compared to 2004. This increase was due primarily to an increase in royalty fees, as we have entered into license agreements for which we paid for the use of certain settlement

prices. Increases in rental income from tenants occupying space in our headquarters building were offset by additional rental income recorded in 2004 from the Board of Trade of the City of New York, Inc. ("NYBOT").

Other revenues for the year ended December 31, 2004 were $11.5 million, a decrease of $1.2 million or 9.1%, compared to 2003. This decrease was due primarily to lower revenue from compliance fines, as the third quarter of 2003 included a large compliance fine levied on one of our clearing members offset, in part, by additional rental income recorded in 2004 from NYBOT.

Investment income

For the three months ended March 31, 2006, investment income was $1.5 million, an increase of $1.4 million from $0.1 million for the same period last year. This increase was due primarily to income from municipal and government obligations, a result of a larger amount of investment assets in the current year period coupled with higher interest rates. This increase was also attributable to a significant amount of unrealized losses in the prior year period when compared to the current year period.

Investment income for the year ended December 31, 2005 was $8.9 million, an increase of $5.0 million or 128.5%, compared to 2004. This increase was due primarily to an increase in the amount of investment assets as well as higher interest rates when compared to 2004.

Investment income for the year ended December 31, 2004 was $3.9 million, essentially flat compared to 2003.

Interest income from securities lending

In December 2004, we entered into an agreement with JPMorgan Chase Bank, N.A. ("JPMorgan") to participate in a securities lending program, which was implemented in January 2005. For the year ended December 31, 2005, interest income from securities lending was $68.9 million. For the three months ended March 31, 2006, interest income from securities lending was $27.2 million, an increase of $20.3 million from $6.9 million for the same period last year. This increase was the result of increased lending which, in turn, resulted in higher collateral for us to invest. Interest expense from securities lending increased proportionately as a result of the increase in the corresponding liability on the collateral.

Operating expenses

Salaries and employee benefits

For the three months ended March 31, 2006, salaries and employee benefits were $18.3 million, an increase of $3.2 million or 21.3% from $15.1 million for the same period last year. This increase was due primarily to higher employee costs attributable to an increase in the number of employees, as well as higher overall compensation levels, compared to the same period last year.

Salaries and employee benefits for the year ended December 31, 2005 were $62.4 million, an increase of $5.1 million or 8.8%, compared to 2004. This increase was due primarily to an increase in the number of employees, as well as higher overall compensation levels, when compared to 2004. In addition, we incurred additional temporary staffing during 2005 to assist in the start-up of our trading floors in Dublin, Ireland and London, England. These increases were offset, in part, by a decline in 2005 severance costs, as we incurred additional severance costs in 2004 with respect to one of our senior executives.

Salaries and employee benefits for the year ended December 31, 2004 were $57.4 million, an increase of $3.0 million or 5.4%, compared to 2003. This increase was due primarily to an increase in severance costs we incurred in the second quarter of 2004 with respect to one of our senior executives, as well as lower levels of capitalized compensation related to internally developed software activities. This increase was partially offset by a decline in the average number of employees as compared to 2003.

Occupancy and equipment

For the three months ended March 31, 2006, occupancy and equipment expenses were $8.2 million, an increase of $1.2 million or 18.2% from $7.0 million for the same period last year. This increase was due primarily to lease termination costs we incurred in regards to one of the properties we lease. This increase was offset, in part, by reduced repair and maintenance charges on our headquarters facility during the current year period.

Occupancy and equipment expenses for the year ended December 31, 2005 were $28.5 million, an increase of $2.1 million or 7.9%, compared to 2004. This increase was due primarily to rent and associated expenses incurred by us on our trading floors and office space in Dublin, Ireland and London, England. The London trading floor was not in existence during the prior year and the Dublin trading floor was not opened until the fourth quarter of 2004. On June 9, 2006, we closed the open-outcry futures exchange in London, England. Despite its closure, we continue to incur expenses including our on-going lease of the trading floor property. We hope to terminate this lease in the near future. We also incurred additional costs in 2005 related to security enhancements at our corporate headquarters located in downtown New York City.

Occupancy and equipment expenses for the year ended December 31, 2004 were $26.4 million, a decrease of $0.3 million or 1.0%, compared to 2003. This decrease was due primarily to additional rent and associated expenses that we incurred in the first half of 2003 to maintain a temporary disaster recovery site, and was partially offset by additional rent and associated expenses that we incurred during the fourth quarter of 2004 for the rent of our temporary trading floor in Dublin, Ireland.

Depreciation and amortization

For the three months ended March 31, 2006, depreciation and amortization expenses were $3.3 million, a decrease of $0.8 million or 19.6% from $4.1 million for the same period last year. The prior year period includes depreciation on assets that were purchased in 2001 and 2002. Capital expenditures for these years were significantly higher compared to more recent years. A majority of these assets were depreciated over an estimated useful life of two to five years and were fully depreciated in 2005 and, therefore, not depreciated during the current year period.

Depreciation and amortization expense for the year ended December 31, 2005 was $15.2 million, a decrease of $6.6 million or 30.2%, compared to 2004. This decrease was due primarily to the write-off of fixed assets during the quarter ended September 30, 2004, which was a result of our identifying, through an internal review, a material weakness in our internal controls relating to the acquisition, tracking and disposition of property and equipment. This resulted in a lower fixed asset base during 2005 which, in turn, yielded lower depreciation compared to 2004. We have remediated this weakness and have instituted new asset-tagging procedures, new controls over the disposition of assets, and a monthly review process that verifies the valuation, categorization and estimated useful life of all fixed asset additions. In addition, we have begun implementing new automated processes to replace certain manual processes.

Depreciation and amortization expense for the year ended December 31, 2004 was $21.8 million, a decrease of $2.9 million or 11.7%, compared to 2003. This decrease was due primarily to a $5.3 million charge, in the fourth quarter of 2003, which resulted from our shortening the estimated useful lives of a significant component of our existing technology infrastructure. This decrease was partially offset by the additional depreciation that resulted in 2004 from these shortened estimated useful lives. In addition, as noted above, during the third quarter of 2004 we, identified through an internal review, a material weakness in our internal controls relating to the acquisition, tracking and disposition of property and equipment. As a result, certain fixed assets were adjusted to properly reflect their estimated remaining useful lives. Depreciation expense attributable to the change in estimated remaining useful lives of these assets was $1.0 million, and was recognized in the third quarter of 2004. This adjustment did not have an impact on our cash flows for 2004.

General and administrative

For the three months ended March 31, 2006, general and administrative expenses were $12.4 million, an increase of $3.3 million or 37.0% from $9.1 million for the same period last year. This increase was due primarily to transaction incentives we incurred during the current year period, which we believe are necessary in promoting business with us.

General and administrative expenses for the year ended December 31, 2005 were $52.6 million, an increase of $20.2 million or 62.4%, compared to 2004. On September 12, 2005, we launched an open-outcry futures exchange in London, England, which resulted in additional costs not present in 2004. Upon opening the London trading floor, we ceased our operations in Dublin, Ireland, which opened during the fourth quarter of 2004. The increase in general and administrative expenses was due primarily to transaction incentives that we incurred during 2005, which we believed were necessary to promote trading in London and, previously, in Dublin. Travel-related costs associated with the establishment and operation of our aforementioned trading floors also contributed to the increase. On June 9, 2006, we closed the open-outcry futures exchange in London, England but we continue to incur general and administrative expenses.

General and administrative expenses for the year ended December 31, 2004 were $32.4 million, an increase of $9.1 million or 38.9%, compared to 2003. This increase was due primarily to the implementation of, in the second quarter of 2003, certain programs designed to provide incentives to third parties to establish business with us. In addition, during the fourth quarter of 2004, additional travel-related expenses were incurred as we established our new trading floor in Dublin, Ireland. These increases were partially offset by a decrease in litigation settlements during 2004.

Professional services

For the three months ended March 31, 2006, professional services expenses were $3.3 million, a decrease of $5.1 million or 60.3% from $8.4 million for the same period last year. This decrease was due primarily to lower consulting and legal fees, as the prior year period reported a significant amount of costs relating to our international business expansion initiatives.

Professional services expenses for the year ended December 31, 2005 were $27.4 million, an increase of $0.8 million or 3.1%, compared to 2004. This increase was due primarily to higher tax consultation fees which we incurred to support its business expansion initiatives.

Professional services expenses for the year ended December 31, 2004 were $26.5 million, an increase of $9.1 million or 52.3%, compared to 2003. This increase was due primarily to higher consulting fees related to our strategic business initiatives, as well as fees for compliance with the Sarbanes-Oxley Act of 2002 and other consulting expenses. In addition, legal fees during 2004 increased due to ongoing involvement in certain litigation.

Telecommunications

For the three months ended March 31, 2006, telecommunications expenses were $1.7 million, essentially flat compared to the same period last year. Slight increases in data communication expenses needed to support the growth in market data fees were offset by decreases in telephone related costs during the current year period.

Telecommunications expenses for the year ended December 31, 2005 were $6.9 million, an increase of $0.9 million or 14.4%, compared to 2004. This increase was due primarily to higher data communication expenses needed to support the growth in our market data business, as well as costs associated with the London and Dublin trading floors.

Telecommunications expenses for the year ended December 31, 2004 were $6.1 million, an increase of $0.2 million or 2.1%, compared to 2003. This increase was due primarily to an increase in voice communication expenses which we incurred in 2004 to support our international expansion initiatives.

Marketing

For the three months ended March 31, 2006, marketing expenses were $0.9 million, an increase of $0.1 million or 21.6% from $0.8 million for the same period last year. This increase was due primarily to higher advertising and other marketing expenses attributable to our expansion initiatives.

Marketing expenses for the year ended December 31, 2005 were $5.2 million, an increase of $2.7 million or 109.1%, compared to 2004. This increase was due primarily to higher advertising and other marketing expenses attributable to our international expansion initiatives.

Marketing expenses for the year ended December 31, 2004 were $2.5 million, an increase of $0.4 million or 19.7%, compared to 2003. This increase was due primarily to advertising costs associated with our opening of a trading floor in Dublin, Ireland.

Other

For the three months ended March 31, 2006, other expenses were $2.3 million, an increase of $0.1 million or 6.7% from $2.2 million for the same period last year. This increase was due primarily to the loss we incurred in connection with our joint venture agreement with Tatweer Dubai LLC to form DME Holdings.

Other expenses for the year ended December 31, 2005 were $9.9 million, an increase of $1.6 million or 18.6%, compared to 2004. This increase was due primarily to higher charitable contributions, as we gave a sizeable donation to benefit the victims of hurricane Katrina. In addition, the loss incurred on our joint venture agreement, which we entered into during 2005, is recorded in other expenses.

Other expenses for the year ended December 31, 2004 were $8.4 million, an increase of $0.3 million or 3.4%, compared to 2003. This increase was due primarily to higher charitable contributions in 2004.

Interest expense

For the three months ended March 31, 2006, interest expense was $1.7 million, down slightly from the same period last year. The slight decrease was due to a lower principal balance on our long-term debt during the current year period.

Interest expense for the year ended December 31, 2005 was $6.9 million, a decrease of $0.2 million or 2.7%, compared to 2004. Interest expense for the year ended December 31, 2004 was $7.0 million, a decrease of $0.2 million or 2.7%, compared to 2003. The decrease for both years was due to the annual principal payments we made on our long-term debt.

Asset impairment and disposition losses

The loss on impairment and disposition of property and equipment for the three months ended March 31, 2006 was $0.2 million. We, in the normal course of business, record charges for the impairment and disposal of assets which we determine to be obsolete.

Asset impairment and disposition losses for the year ended December 31, 2005 were $0.6 million, a decrease of $4.8 million or 88.8%, compared to 2004. We, in the normal course of business, record charges for the impairment and disposal of assets which we determine to be obsolete. During the third quarter of 2004, we identified a material weakness in our internal controls relating to the acquisition, tracking and disposition of property and equipment. We have remediated this weakness and have instituted new asset-tagging procedures, new controls over the disposition of assets, and a monthly review process that verifies the valuation, categorization and estimated useful life of all fixed asset additions. In addition, we have begun implementing new automated processes to replace certain manual processes.

Asset impairment and disposition losses for the year ended December 31, 2004 were $5.4 million, an increase of $3.0 million or 128.7%, compared to 2003. During the third quarter of 2004, as noted above, we identified a material weakness in our internal controls relating to the acquisition, tracking and disposition of property and equipment. As a result, we recorded a charge of $3.4 million in the third quarter of 2004 consisting of $1.6 million for certain fixed assets that had been disposed of during prior periods and $1.8 million related to a reduction of fixed asset net book values resulting from a physical inventory of certain fixed asset categories. These adjustments did not have an impact on our cash flows for 2004 or prior years. Charges related to assets disposed of in the normal course of business for 2004 were $2.0 million.

Provision for income taxes

Our effective tax rate was 45.5% for the three months ended March 31, 2006, compared to 45.0% for the same period last year. The difference between the effective tax rates was due primarily to a lower proportion of tax-exempt income as a result of higher pre-tax income in the current year. In addition, the non-deductibility of certain losses and/or expenses that we incurred in relation to our international joint venture agreement contributed to the increase in the effective tax rate.

Our effective tax rate was 45.7% in 2005, 42.5% in 2004 and 44.3% in 2003. The increase in 2005 was due primarily to a lower proportion of tax-exempt income as a result of higher pre-tax income in 2005 compared to 2004. In addition, the non-deductibility of certain losses and/or expenses we have incurred in relation to an international joint venture agreement contributed to the increase in the effective tax rate. The effective tax rate declined in 2004 due primarily to a release of the valuation allowance during the year relating to charitable contribution carryovers.

Financial condition and cash flows

Liquidity and capital resources

At March 31, 2006, we had $203.3 million in cash and cash equivalents, securities purchased under agreements to resell and marketable securities. Working capital at March 31, 2006 was $106.4 million.

At December 31, 2005 and 2004, we had $143.6 million and $167.4 million, respectively, in cash and cash equivalents, securities purchased under agreements to resell and marketable securities. Working capital at December 31, 2005 and 2004 was $112.9 million and $134.4 million, respectively. We have long-term AA+ and short-term A-1+ counter-party credit ratings from Standard & Poor's Rating Services. These ratings were initially obtained in April 2003 and were sustained through a ratings review in December 2005.

Cash flows

Our principal sources of cash are fees collected from clearing members for trading and/or clearing futures and options transactions, fees collected from market data vendors for distribution of our proprietary contract price information, and rent collected from tenants leasing space in our headquarters building. Principal uses of cash include operating expenses, income taxes, capital expenditures, debt service, dividends and payments made to members and third parties under certain incentive programs.

The following table provides a summary of significant cash flow categories for the three months ended March 31, 2006 and 2005 and for the years ended December 31, 2005, 2004 and 2003:

	Three months ended March 31,		Years ended December 31		
(in thousands)	**2006**	**2005**	**2005**	**2004**	**2003**
Net cash flow provided by (used in):					
Operating activities	$106,655	$ 17,877	$ 82,093	$ 68,775	$ 29,908
Investing activities	(55,901)	(1,467,555)	(2,272,614)	(59,637)	(18,840)
Financing activities	(68,664)	1,451,418	2,223,101	(7,817)	(10,319)
Net increase (decrease) in cash and cash equivalents	$ (17,910)	$ 1,740	$ 32,580	$ 1,321	$ 749

Net cash provided by operating activities includes cash inflows related to operating revenues, net of cash outflows related to operating expenses, income taxes and payments to members and third parties under certain incentive programs.

Net cash provided by operating activities for the three months ended March 31, 2006 was $106.7 million, an increase of $88.8 million compared to the same period last year. This increase was due primarily to an increase in net revenues, increases in various payable accounts and a decrease in income tax payments during the current year period. Partially offsetting this was a decrease in cash due to an increase in payments made under our incentive programs during the current year period.

Net cash provided by operating activities for the year ended December 31, 2005 was $82.1 million, an increase of $13.3 million compared to 2004. This increase was due primarily to an increase in operating revenues. This increase was offset, in part, by an increase in payments made in 2005 for programs designed to provide incentives to third parties to establish business with us, as well as an increase in income tax payments.

Net cash provided by operating activities for the year ended December 31, 2004 was $68.8 million, an increase of $38.9 million compared to 2003. This increase was due primarily to an increase in operating revenues and the elimination of our proprietary fee reduction program in 2004. This increase was offset, in part, by an increase in payments made in 2004 for programs designed to provide incentives to third parties to establish business with us, as well as an increase in income tax payments.

Under our securities lending program with JPMorgan, we lend out securities in exchange for cash collateral which, in turn, is invested on an overnight basis. The cash collateral received is recorded as a liability and presented in financing activities on our consolidated statements of cash flows. The corresponding investment is recorded as an asset and presented in investing activities on our consolidated statements of cash flows.

Net cash used in investing activities for the three months ended March 31, 2006, exclusive of securities purchased under the securities lending program, was $84.1 million, an increase of $71.5 million compared to the same period last year. This increase was due primarily to the investment of higher operating cash flow into marketable securities.

Net cash used in financing activities for the three months ended March 31, 2006, exclusive of cash received under the securities lending program, was $40.5 million, an increase of $37.0 million compared to the same period last year. This increase was due primarily to cash dividends paid to our common stockholders totaling $193.6 million offset, in part, by $160.0 million we received, net of costs, in connection with the closing of the General Atlantic investment in 10% of our equity. We paid cash dividends to our common stockholders totaling $3.5 million in the prior year period. We reserve the right to pay discretionary future dividends out of funds legally available therefor.

Net cash provided by investing activities for the year ended December 31, 2005, exclusive of securities purchased under the securities lending program, was $42.0 million, an increase of $101.6 million compared to 2004. This increase was due primarily to a transfer of marketable securities into operating cash to fund the payment of an $81.6 million dividend to our common stockholders during 2005. This increase was offset, in part, by higher capital expenditures in 2005, as we incurred leasehold improvement and technology costs for the build-out of our trading floor in London.

Net cash used in investing activities for the year ended December 31, 2004 was $59.6 million, an increase of $40.8 million compared to 2003. This increase was due primarily to the investment of higher operating cash flow into marketable securities. Capital expenditures for 2004 were $6.6 million and consisted primarily of infrastructure for the trading floor telephone system, computer equipment and software to support our technology initiatives.

Financing activities consist of dividends paid to the stockholders of ours and principal payments under its long-term debt agreements. Net cash used in financing activities for the year ended December 31, 2005, exclusive of cash received under the securities lending program was $91.5 million, an increase of $83.7 million compared to 2004. Dividends paid in 2005 were $88.7 million or $108,701 per share, excluding the effects of the 90,000-for-1 recapitalization on March 14, 2006. Excluding the effects of the 90,000-for-1 recapitalization of our common stock on March 14, 2006, our board of directors declared dividends of $3.5 million or $4,289 per share in December 2004, $3.6 million or $4,412 per share in June 2005 and $81.6 million or $100,000 per share in July 2005 that were paid in January 2005, July 2005 and August 2005, respectively. In

December 2005, a dividend of $3.6 million or $4,412 per share was declared and subsequently paid in January 2006. We reserve the right to pay discretionary future dividends out of funds legally available therefor. See section entitled “Dividend policy.”

Excluding the effects of the 90,000-for-1 recapitalization of our common stock on March 14, 2006, dividends paid in 2004 were $5.0 million or $6,127 per share. Our board of directors declared dividends of $2.5 million or $3,064 per share, excluding the effects of the 90,000-for-1 recapitalization, in December 2003 and July 2004 that were paid in January 2004 and July 2004, respectively. In December 2004, a dividend of $3.5 million or $4,289 per share, excluding the effects of the 90,000-for-1 recapitalization, was declared and subsequently paid in January 2005. See section entitled “Dividend policy.”

We believe that our cash flows from operations and existing working capital will be sufficient to meet our needs for the foreseeable future, including capital expenditures, debt service and dividends. Subject to certain limitations under existing long-term note agreements, we have the ability, and may seek to raise capital through the issuance of debt or equity in the private and public capital markets.

Investment policy

We maintain cash and short-term investments in an amount sufficient to meet our working capital requirements. Our investment policies are designed to maintain a high degree of liquidity, emphasizing safety of principal and total after tax return. Excess cash on hand is generally invested overnight in securities purchased under agreements to resell and short-term marketable securities. Cash that is not required to meet daily working capital requirements is invested primarily in high-grade tax-exempt municipal bonds, and obligations of the U.S. government and its agencies. We also invest in equity securities. At March 31, 2006 and 2005 and December 31, 2005 and 2004, cash and investments were as follows:

	March 31,		December 31,	
(in thousands)	**2006**	**2005**	**2005**	**2004**
Cash and cash equivalents	$ 17,754	$ 4,824	$ 35,664	$ 3,084
Securities purchased under agreements to resell	3,720	29,430	6,900	19,324
Marketable securities	181,868	145,227	100,993	144,950
Total	$ 203,342	$ 179,481	$ 143,557	$ 167,358

Included in marketable securities at December 31, 2005 are investments totaling $11.8 million relating to the COMEX Division Members’ Recognition and Retention Plan. This plan provides benefits to certain members of the COMEX Division based on long-term membership, and participation is limited to individuals who were owners of COMEX Division memberships prior to our acquisition of COMEX in 1994.

Also included in marketable securities are investments that are pledged as collateral with one of our investment managers relating to a membership seat financing program. Under this program, the investment manager extends credit to individuals purchasing NYMEX Division memberships.

We are required, under the Commodity Exchange Act, to maintain separate accounts for cash and securities that are deposited by clearing members, at banks approved by us, as margin for house and customer accounts. These margin deposits are used by members to meet their obligations to us for margin requirements on open futures and options positions, as well as

delivery obligations. In addition, each clearing member is required to maintain a security deposit, in the form of cash or U.S. treasury securities with a maturity of ten years or less or money market mutual funds, of a minimum of $2.0 million in a guaranty fund (the “Guaranty Fund”). The Guaranty Fund contained approximately $200.0 million in cash, U.S. treasury securities and money market mutual funds as of June 30, 2006. The Guaranty Fund is controlled by us and may be used to cover the financial defaults of a clearing member on either or both divisions. These amounts on deposit in the Guaranty Fund, however, are not our property and are not available to pay debt service. Interest earned on security deposits, in the form of U.S. treasury securities and money market mutual funds, is the property of the clearing member firm that deposited such security while interest earned on security deposits in the form of cash is our property. Such balances are included in our consolidated balance sheets, and are generally invested overnight in securities purchased under agreements to resell.

In accordance with our securities lending program, JPMorgan, as agent, will lend on an overnight basis, a portion of the clearing members’ securities on deposit in our margin deposits and Guaranty Fund to third parties in return for cash collateral. JPMorgan, in turn, invests the cash collateral overnight in various investments on behalf of us in accordance with our internal investment guidelines.

Clearinghouse

We operate a clearinghouse, standing as a financial intermediary on every open futures and options transaction cleared. Through our clearinghouse, we maintain a system of guarantees for performance of obligations owed to buyers and sellers. This system of guarantees is supported by several mechanisms, including margin deposits, guaranty funds posted by clearing members with our clearinghouse default insurance. The amount of margin deposits on hand will fluctuate over time as a result of, among other things, the extent of open positions held at any point in time by market participants in NYMEX Division and COMEX Division contracts and the margin rates then in effect for such contracts.

We are required, under the Commodity Exchange Act, to maintain separate accounts for cash and securities that are deposited by clearing members at banks, approved by us, as margin for house and customer accounts. These clearing deposits are used by members to meet their obligations to us for margin requirements on open futures end options positions, as well as delivery obligations.

As a safeguard to ensure proper settlement of contracts, each clearing member is required to maintain a security deposit, in the form of cash or U.S. treasury securities with a maturity of ten years or less or money market mutual funds, of a minimum of $2.0 million in the Guaranty Fund. The Guaranty Fund contained approximately $200.0 million in cash, U.S. treasury securities and money market mutual funds as of June 30, 2006. The Guaranty Fund is controlled by us and may be used to cover the financial defaults of a clearing member on either or both divisions. These amounts on deposit in the Guaranty Fund, however, are not our property and are not available to pay debt service. Interest earned on security deposits, in the form of U.S. treasury securities and money market mutual funds, is the property of the clearing member firm that deposited such security while interest earned on security deposits in the form of cash is our property. We also maintain a $115 million default insurance policy to protect us and clearing members in the event that a default in excess of $200.0 million occurs. We pay the insurance premiums on the default insurance policy. Additionally, we intend to enter into a revolving credit agreement. This agreement will provide a line of credit which could be drawn upon in the event of a clearing

member default. Such an arrangement will provide us with same-day funds to settle such clearing member default, while providing enough time for an efficient distribution from the Guaranty Fund. Proceeds from the sale of Guaranty Fund securities would be used to repay borrowings under the line of credit.

During the first quarter of 2004, we established additional retail customer protections supported by a commitment of at least $10 million available at all times to promptly reimburse retail customers in the event of a clearing member default as a result of a default by another customer where margin funds from the retail customer's account are used to address the default. Retail customers are defined as those that do not otherwise qualify as "eligible contract participants" under the requirements of the Commodity Exchange Act, and are not floor traders or floor brokers on the Exchange or family members of an Exchange floor trader or floor broker who maintains an account at the same clearing firm.

The Exchange, as a self-regulatory organization, has instituted detailed risk-management policies and procedures to guard against default risk with respect to contracts traded and cleared on the Exchange. In order to manage the risk of financial non-performance, the Exchange (i) has established that clearing members maintain at least $5 million in minimum working capital; (ii) limits the number of net open contracts that can be held by any clearing member, based upon that clearing member's capital; (iii) requires clearing members to post original margin collateral for all open positions, and to collect original margin from their customers; (iv) pays and collects variation margin on a marked-to-market basis at least twice daily; (v) requires clearing members to collect variation margin from their customers; (vi) requires deposits to the Guaranty Fund from clearing members which would be available to cover financial non-performance; and (vii) has broad assessment authority to recoup financial losses. The Exchange also has extensive surveillance and compliance operations and procedures to monitor and enforce compliance with rules pertaining to the trading, position sizes, delivery obligations and financial condition of members. In addition, the NYMEX Division clearing member, as all NYMEX Division member firms, must pledge two Class A memberships, or "seats," at NYMEX Exchange and 180,000 shares of our common stock. The COMEX Division clearing member firm, as all COMEX Division member firms, must pledge two COMEX Division memberships.

As part of the Exchange's powers and procedures designed to backstop contract obligations in the event of a default, the Exchange may levy assessments on any of its clearing members if there are insufficient funds available to cover a deficit. The maximum assessment on each clearing member firm is the lesser of $30 million or 40% of such clearing member firm's working capital.

We are entitled to earn interest on cash balances posted as margin deposits and in the Guaranty Fund. Such balances are included in our consolidated balance sheets, and are generally invested overnight in securities purchased under agreements to resell.

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The following table sets forth margin deposits and Guaranty Fund balances held by us on behalf of clearing members at March 31, 2006 and 2005 and December 31, 2005 and 2004:

	March 31, 2006			March 31, 2005		
	Margin deposits	Guaranty funds	Total funds	Margin deposits	Guaranty funds	Total funds
	(in thousands)					
Cash and securities earning interest for NYMEX Holdings						
Cash	$ 8,043	$ —	$ 8,043	$ 4,901	$ 5	$ 4,906
Securities held for resale	$ 33,059	$ 2,260	$ 35,319	$ 278,400	$ 6,975	$ 285,375
Total cash and securities	$ 41,102	$ 2,260	$ 43,362	$ 283,301	$ 6,980	$ 290,281
Cash and securities earning interest for members						
Money market funds	5,032,700	—	5,032,700	2,409,075	—	2,409,075
U.S. treasuries	10,029,874	150,061	10,179,935	8,551,810	143,920	8,695,730
Letters of credit	2,189,902	—	2,189,902	583,002	—	583,002
Total cash and securities	$ 17,252,476	$ 150,061	$ 17,402,537	$ 11,543,887	$ 143,920	$ 11,687,807
Total funds	$ 17,293,578	$ 152,321	$ 17,445,899	$ 11,827,188	$ 150,900	$ 11,978,088

	December 31, 2005			December 31, 2004		
	Margin deposits	Guaranty funds	Total funds	Margin deposits	Guaranty funds	Total funds
	(in thousands)					
Cash and securities earning interest for NYMEX Holdings						
Cash	$ 14	$ —	$ 14	$ 521	$ 54	$ 575
Securities held for resale	$ 88,031	$ 4,510	$ 92,541	$ 31,950	$ 2,300	$ 34,250
Total cash and securities	$ 88,045	$ 4,510	$ 92,555	$ 32,471	$ 2,354	$ 34,825
Cash and securities earning interest for members						
Money market funds	4,535,750	—	4,535,750	2,914,820	—	2,914,820
U.S. treasuries	11,513,902	142,866	11,656,768	7,322,495	148,026	7,470,521
Letters of credit	2,091,909	—	2,091,909	511,002	—	511,002
Total cash and securities	$ 18,141,561	$ 142,866	$ 18,284,427	$ 10,748,317	$ 148,026	$ 10,896,343
Total funds	$ 18,229,606	$ 147,376	$ 18,376,982	$ 10,780,788	$ 150,380	$ 10,931,168

Future cash requirements

We have three series of unsecured long-term debt, which mature in 2011, 2021 and 2026, respectively. For the three months ended March 31, 2006 and 2005 and the years ended December 31, 2005 and 2004, notes payable consisted of the following:

	March 31,		December 31,	
	2006	2005	2005	2004
	(in thousands)		(in thousands)	
Private placement notes				
7.48%, Senior Notes, Series A, due 2011	$16,915	$19,732	$16,915	$19,732
7.75%, Senior Notes, Series B, due 2021	54,000	54,000	54,000	54,000
7.84%, Senior Notes, Series C, due 2026	15,000	15,000	15,000	15,000
Total private placement notes	85,915	88,732	85,915	88,732
Less current maturities	(2,817)	(2,817)	(2,817)	(2,817)
Total long-term debt	$83,098	$85,915	$83,098	$85,915

Notes payable that become due during the next five years are as follows (in thousands):	
2006	$ 2,817
2007	$ 2,817
2008	$ 2,817
2009	$ 2,817
2010	$ 2,817

The senior notes are subject to a prepayment penalty in the event they are paid off prior to their scheduled maturities. We believe that any economic benefits derived from early redemption of these notes would be offset by the redemption penalty. These notes place certain limitations on our ability to incur additional indebtedness.

In connection with our operating activities, we enter into certain contractual obligations. Our material contractual cash obligations include long-term debt, operating leases and other contracts.

A summary of our future cash payments associated with our contractual cash obligations outstanding as of March 31, 2006 as well as an estimate of the timing in which these commitments are expected to expire are set forth in the following table:

	Payments due by period						
(in thousands)	2006	2007	2008	2009	2010	Thereafter	Total
Contractual Obligations							
Long-term debt principal	$ 2,817	$ 2,817	$ 2,817	$ 2,817	$ 2,817	$ 71,830	$ 85,915
Long-term debt interest	6,626	6,416	6,205	5,994	5,783	41,786	72,810
Operating leases—facilities	2,712	3,455	3,431	3,458	3,737	7,734	24,527
Operating leases—equipment	1,334	1,232	732	33	—	—	3,331
Capital lease	205	—	—	—	—	—	205
Other long-term obligations	800	800	800	800	800	7,003	11,003
Total contractual obligations	$14,494	$14,720	$13,985	$13,102	$13,137	$ 128,353	$197,791

In December 2003, we settled the legal action brought by eSpeed, Inc., and Electronic Trading Systems Corporation alleging that we infringed, through use of our electronic trading system,

upon eSpeed, Inc.'s rights as the owner of United States Patent No. 4,903,201. Under the settlement agreement, we made a payment of $2.0 million in December 2003, 2004 and 2005, and are required to make a final payment of $2.0 million in December 2006. We have fully reserved for this settlement and, therefore, the 2006 payment will not affect our future consolidated results of operations.

Other matters

In February 2004, the CFTC issued an order requiring, among other things, that we establish and maintain a permanent retail customer protection mechanism supported by a commitment of not less than $10 million, which must be available at all times to reimburse retail customers trading on our divisions whose original margin might be lost in the default of another customer of their clearing member. We have established the retail customer protection mechanism. Based on historical patterns, we believe that the likelihood of a default that would require reimbursement under this mechanism is remote. Therefore, we have not established, and do not expect in the future to establish, a liability related to this commitment.

In 2002, we received a $5 million cash grant as a result of a government program to aid those affected by the September 11, 2001 terrorist attacks. This grant is subject to certain recapture provisions over a ten-year period, and is being recognized ratably over the recapture period as a reduction of occupancy and equipment expense. Based on our expectations as of the date of this prospectus, we expect to meet all requirements of the grant and retain the entire amount.

Recent accounting pronouncements and changes

In May 2005, the Financial Accounting Standards Board ("FASB") issued SFAS No. 154, *Accounting Changes and Error Corrections* ("SFAS No. 154"). This statement replaces Accounting Principles Board No. 20, *Accounting Changes* ("APB 20") and SFAS No. 3, *Reporting Accounting Changes in Interim financial Statements—An Amendment of APB Opinion No. 28.* SFAS No. 154 requires retrospective application to prior periods' financial statements of a voluntary change in accounting principle unless it is not practicable to do so. APB 20 previously required that most voluntary changes in accounting principle be recognized with a cumulative effective adjustment in net income of the period in which the change occurred. SFAS No. 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. We will evaluate the application of SFAS No. 154; since its adoption on January 1, 2006, there has not been a material impact on our results of operations and financial position.

In November 2005, the FASB issued FASB Staff Position ("FSP") Nos. FAS 115-1 and FAS 124-1, *The Meaning of Other-Than-Temporary Impairment and its Application to Certain Investments.* FSP Nos. FAS 115-1 and FAS 124-1 amend SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities,* SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations,* as well as APB Opinion No. 18, *The Equity Method of Accounting for Investments in Common Stock.* This guidance nullifies certain requirements of EITF 03-1, *The Meaning of Other-Than-Temporary Impairment and its Application to Certain Investments.* FSP Nos. FAS 115-1 and FAS 124-1 include guidance for evaluating and recording impairment losses on debt and equity investments, as well as new disclosure requirements for investments that are deemed to not be other-than-temporarily impaired. FSP Nos. FAS 115-1 and FAS 124-1 also require other-than-temporary impaired debt securities to be written down to their impaired value, which becomes the new cost basis. FSP Nos. FAS 115-1 and FAS 124-1 are effective for fiscal periods

beginning after December 15, 2005. We will evaluate the application of FSP Nos. FAS 115-1 and FAS 124-1; since its adoption on January 1, 2006, there has not been a material impact on our results of operations and financial position.

The adoption of the following recent accounting pronouncements issued by the FASB did not have a material impact on our consolidated results of operations and financial condition:

- SFAS No. 151, Inventory Costs–An Amendment of ARB No. 43, Chapter 4:
- SFAS No. 152, Accounting for Real Estate Time-Sharing Transactions—An Amendment of FASB No. 66 and 67;
- SFAS No. 153. Exchanges of Nonmonetary Assets—An Amendment of APB Opinion No. 29, Accounting for Nonmonetary Transactions;
- SFAS No. 123(R), Share-Based Payment; and
- SFAS No. 155, Accounting for Certain Hybrid Financial Instruments—An Amendment of FASB No. 133 and 140.

Quantitative and qualitative disclosures about market risk

The table below provides information about our marketable securities (excluding equity and short-term debt securities) and long-term debt including expected principal cash flows for the years 2006 through 2010 and thereafter. The marketable securities are classified as trading.

Principal amounts by expected maturity at March 31, 2006

(in thousands)				
Year	**Principal**	**Interest**	**Total**	**Weighted average interest rate**
Assets				
Debt securities				
2006	$ 314	$ 1,904	$ 2,218	4.76%
2007	157	2,728	2,885	4.77%
2008	380	2,750	3,130	4.77%
2009	4,979	2,609	7,588	4.76%
2010	6,112	2,312	8,424	5.00%
Thereafter	45,563	12,002	57,565	4.97%
Total	**$ 57,505**	**$24,305**	**$ 81,810**	
Fair Value	**$ 61,647**			
Liabilities				
Corporate debt				
2006	$ 2,817	$ 6,626	$ 9,443	7.71%
2007	2,817	6,416	9,233	7.72%
2008	2,817	6,205	9,022	7.73%
2009	2,817	5,994	8,811	7.74%
2010	2,817	5,783	8,600	7.75%
Thereafter	71,830	41,786	113,616	7.78%
Total	**$ 85,915**	**$72,810**	**$158,725**	
Fair Value	**$105,941**			

Interest rate risk

Current assets

Our investment income consists primarily of interest income and realized and unrealized gains and losses on the market values of our investments. Given the composition of our investment portfolio, our investment income is highly sensitive to fluctuation in interest rates. Investment income was $8.9 million in 2005 and $3.9 million in both 2004 and 2003. The fair values of our marketable securities, including equity and short-term debt securities, were $101.0 million and $145.0 million at December 31, 2005 and 2004, respectively. Based on portfolio compositions at December 31, 2005 and 2004, and assuming a 10% decline in market values, we would have recognized losses of $10.1 million and $14.5 million, respectively. Investment income for the three months ended March 31, 2006 was $1.5 million compared to $0.1 million for the same period in 2005. The fair value of our marketable securities, including equity and short-term debt securities was $181.9 million at March 31, 2006. We believe that a hypothetical change in the interest rate of 100 basis points would not have a material impact on our consolidated results of operations, financial condition or cash flows.

Debt

The weighted average interest rate on our long-term debt is 7.76%. The debt contains a redemption premium, the amount of which varies with changes in interest rates. Therefore, the fair market value of our long-term debt is highly sensitive to changes in interest rates. Although the market value of the debt will fluctuate with interest rates, our interest expense will not vary with changes in market interest rates if the debt is paid off in accordance with stated principal repayment schedules. As of the date of this prospectus, we do not expect to pay down any series of its long-term debt prior to stated maturities. However, we may pursue future financing strategies that involve early repayment of its current debt, or issuance of new debt, potentially increasing our sensitivity to changes in interest rates.

Credit risk

NYMEX Division bylaws authorize its board of directors to fix the annual dues of the owners of the Class A memberships and to levy assessments as it determines to be necessary. Such dues and assessments are payable at such time as NYMEX Division's board of directors may determine. NYMEX Division's board of directors may waive the payment of dues by all NYMEX Division members or by individual members as it determines. COMEX Division Bylaws provide its board of directors with similar powers relating to dues, assessments and fees with respect to owners of COMEX Division memberships, provided that such dues and assessments (or fee surcharges in lieu thereof) may not be imposed (other than in connection with certain merger-related events) without the consent of the COMEX Governors Committee and that the ability of COMEX Division's board of directors to impose such fees are subject to the limitations.

The Exchange, as a self-regulatory organization, has instituted detailed risk-management policies and procedures to guard against default risk with respect to contracts traded on the Exchange. The Exchange also has extensive surveillance and compliance operations and procedures to monitor and to enforce compliance with rules pertaining to the trading, position sizes and financial condition of members. As described herein, the Exchange has powers and procedures designed to backstop contract obligations in the event that a contract default occurs on the

Exchange including authority to levy assessments on any of its clearing members if, after a default by another clearing member, there are insufficient funds available to cover a deficit. The maximum assessment on each clearing member firm is the lesser of $30 million or 40% of such clearing member firm's working capital.

Despite our authority to levy assessments or impose fees, there can be no assurance that the relevant members will have the financial resources available to pay, or will not choose to be expelled from membership rather than pay, any dues, fees or assessments. We believe that assessment liabilities of a member arising prior to expulsion are contractual in nature and, accordingly, survive expulsion. In addition, the Exchange would have recourse to such member and the proceeds from our sale of such member's collateral would apply towards any outstanding obligations to the Exchange of such member. Recourse to a member's collateral, however, may not be of material value in the case of large defaults that result in assessments greater in value than the collateral, particularly when the collateral's value declines markedly in price as a consequence of the default.

Moreover, despite the risk mitigation techniques adopted by, and the other powers and procedures implemented by us, which are designed to, among other things, minimize the potential risks associated with the occurrence of contract defaults on us, there can be no assurance that these powers and procedures will prevent contract defaults or will otherwise function to preserve our liquidity.

Industry overview

Overview

Futures and options contracts are derivative products that provide means for hedging and asset allocation and are prevalent in nearly all sectors of the global economy. Futures contracts are firm commitments to make or accept delivery of a specified quantity and quality of a commodity during a specific month in the future at a price agreed upon at the time the commitment is made. The buyer, known as the long, agrees to take delivery of the underlying commodity. The seller, known as the short, agrees to make delivery. However, futures markets are rarely used to actually buy or sell the physical commodity or financial instrument being traded and only a small number of contracts traded each year result in delivery of the underlying commodity. Instead, traders generally offset (a buyer will liquidate by selling the contract, the seller will liquidate by buying back the contract) their futures positions before their contracts mature. Options on futures contracts are contracts that provide the buyer the right and the seller the obligation to buy or sell, respectively, a futures contract at a certain price for a limited period of time.

Futures contracts trade in standardized units in a highly visible, extremely competitive, continuous open floor-based auction or electronic matching process. In this way, futures lend themselves to diverse participation and efficient price discovery, which should give an accurate picture of the market. To do this effectively, we believe the underlying market must meet three broad criteria:

- there must be a large number of diverse buyers and sellers;
- the underlying physical products must be fungible, that is, products are interchangeable for purposes of shipment or storage; and
- the prices of the underlying commodities must fluctuate over time.

Typical customers are involved in the production, consumption or trading of energy and metals products and include corporations, financial institutions, hedge funds, institutional investors, governments and professional traders. The environment created by these customer variants provides a liquid and highly competitive market. The top 15 futures exchanges in order of volume of futures and options on futures contracts traded for the year ended December 31, 2005 based on publicly reported data are: CME, Eurex, CBOT, Euronext.liffe, Bolsa de Mercadorias & Futuros, NYMEX, National Stock Exchange of India, Mexican Derivatives Exchange, Dalian Commodity Exchange, London Metal Exchange, TOCOM, Sydney Futures Exchange, Korea Stock Exchange, ICE Futures and JSE Securities Exchange, South Africa (“SAFEX”). Based on this data, in the United States, the top three futures exchanges are CME, CBOT, and NYMEX.

Energy futures

The markets for energy commodities trading include trading in both physical commodities contracts and derivative instruments across a wide variety of commodities, including crude oil, natural gas, electricity or power, coal, chemicals, weather and emissions. Over the past several years, the markets for energy commodities trading have been characterized by rapid growth and high liquidity, which we believe is due to several factors, including:

- increased market acceptance of the value of derivatives as risk management tools;

- greater access to futures and options markets through technological innovation;
- increased price fluctuation in crude oil, partially created by geopolitical conditions in oil producing countries and increased demand in emerging economies;
- increased price fluctuation in natural gas, partially created by weather conditions and increased demand in emerging economies;
- increased demand for commodities as a distinct asset class for portfolio diversification;
- increased participation in energy markets by financial institutions, such as banks and hedge funds;
- increased awareness of the ability to obtain or hedge market exposure through the use of futures and options contracts; and
- changes in the regulatory environment of energy markets around the world, specifically electricity and natural gas.

The following are a few examples of some of our most actively traded energy futures.

- *Crude oil futures*: Light, sweet crude oil futures contract is the world's most actively traded futures contract on a physical commodity. Light, sweet crude is preferred by refiners because of its low sulfur content and relatively high yields of gasoline, diesel fuel, heating oil, and jet fuel. The NYMEX crude oil futures contract trades in units of 1,000 barrels and the NYMEX miNY™ crude oil futures contract trades in units of 500 barrels, 50% of the size of our standard futures contract.
- *Unleaded gasoline futures*: Gasoline is the largest single volume refined product sold in the United States and accounts for almost half of national oil consumption. It is a highly diverse market, with hundreds of wholesale distributors and thousands of retail outlets, often making it subject to intense competition and price volatility. The NYMEX gasoline futures contract trades in units of 1,000 barrels and the NYMEX miNY™ gasoline futures contract trades in units of 500 barrels, 50% of the size of our standard futures contract. It is based on delivery at petroleum products terminals in the New York harbor, the major East Coast trading center for imports and domestic shipments from refineries. The futures contract specifications currently conform to those for reformulated gasoline for blending with MTBE. This futures contract is being phased out in accordance with the Energy Policy Act of 2005, and replaced with a reformulated blendstock for oxygen blending (RBOB) futures contract which conforms to industry standards for reformulated regular gasoline blendstock for blending with 10% denatured fuel ethanol (92% purity).
- *Heating oil futures*: Heating oil, also known as No. 2 fuel oil, accounts for about 25% of the yield of a barrel of crude, the second largest "cut" after gasoline. The heating oil futures contract at the NYMEX Exchange trades in units of 42,000 gallons (1,000 barrels) and is based on delivery in New York harbor. The NYMEX miNY™ heating oil futures contract trades in units of 21,000 gallons (500 barrels), 50% of the size of our standard futures contract.
- *Natural gas futures*: Natural gas accounts for almost a quarter of United States energy consumption, and the NYMEX Exchange's natural gas futures contract is widely used as a national benchmark price. The NYMEX futures contract trades in units of 10,000 million British thermal units (mmBtu). The price is based on delivery at the Henry Hub in Louisiana, the nexus of 16 interstate natural gas pipeline systems that draw supplies from the region's prolific gas deposits. The pipelines serve markets throughout the U.S. East Coast, the Gulf Coast, the Midwest, and up to the Canadian border. The NYMEX miNY™ natural gas futures contract, trades in units of 2,500 mmBtu of natural gas, 25% of the size of our standard futures contract.

Metals futures

The markets for metal commodities trading includes a wide variety of physical commodities, which are typically separated into precious and non-precious metals. Precious metals include gold, silver and platinum. Non-precious metals include lead, aluminum, copper and zinc. Trading in gold futures and options provides individual investors with an easy and convenient alternative to traditional means of investing in gold, such as bullion, coins, and mining stocks. In addition, a broad cross-section of companies in the gold industry, from mining companies to fabricators of finished products, can use gold futures and options contracts to hedge their price risk.

The following are a few examples of some of our most actively traded metals futures.

- *Gold futures*: Nations have embraced gold as a store of wealth and a medium of international exchange, and individuals buy gold as insurance against the day-to-day uncertainties of paper money. Gold is also a vital industrial metal, used in electronics and other high-tech applications
- *Silver futures*: Silver is sought as a valuable and practical industrial commodity, and as an appealing investment. The largest industrial users of silver are in the photographic, jewelry, and electronic industries.
- *Copper futures*: Copper is the world's third most widely used metal, after iron and aluminum, and is primarily used in highly cyclical, manufacturing industries. Trading in copper futures and options provides individual investors with an easy and convenient way to profit from changes in copper prices. In addition, a broad cross-section of companies from copper mining operations to end users can use copper futures and options contracts to protect themselves against adverse price changes.
- *Platinum futures*: Our NYMEX Division platinum contract is the world's longest continuously traded precious metals futures contract. It is considered one of the world's most valuable industrial metals.

Methods of trading

Trading of futures products at futures exchanges traditionally occurred primarily on physical trading floors in arenas called "pits" through an auction process known as open-outcry. Open-outcry trading is face-to-face trading, with each trader serving as his or her own auctioneer. As the name implies, traders "cry out" their bids and offers, in combination with hand signals, with the objective of finding a counterparty with whom to trade. Only members owning or leasing a seat on the exchange may trade in the pit, and orders from individual and institutional traders are sent to these members on the trading floor, usually through a broker. The rules of many exchanges also permit block trading, which involves the private negotiation of large purchases and sales away from the trading floor, but which are settled and cleared through the exchange's clearing facilities.

Futures exchanges additionally offer specialized trades such as an Exchange of Futures for Physical ("EFP") or an Exchange of Futures for OTC Swap ("EFS"). Each of the aforementioned consists of a simultaneous trade of a futures position for a corresponding physical or OTC swap position, outside of the competitively executed (floor or electronic) market.

In order to expand access to their markets, most futures exchanges, either exclusively or in combination with open-outcry trading facilities, provide electronic trading platforms that allow

subscribing customers to obtain real-time information about bid and ask prices and trading volume and enter orders directly into the platform's centralized order book, subject to the agreement of a clearing firm to accept responsibility for clearing resulting transactions on behalf of the customer. The emergence of electronic trading has been enabled by the ongoing development of sophisticated electronic order routing and matching systems, as well as advances in communications networks and protocols. Examples of electronic trading platforms include the CME Globex electronic trading platform, LIFFE CONNECT® and platforms offered by Eurex and eSpeed. Electronic trading aids broader global participation in markets thereby providing further liquidity. For more information regarding technological advances, please see the section entitled "—Technological Advances."

Liquidity of markets

Liquidity of markets is a key component to retaining current customers and attracting new customers and ensuring the success of a market. Liquidity is important because it means contracts are easy to buy or sell quickly with minimal price disturbance. This is especially important in those contracts with physical delivery mechanisms. Liquidity is a function of the number of participants making a market or otherwise trading in a contract, the size, or notional value of the positions participants are willing to accommodate and the prevailing spread between the levels at which bids and offers are quoted for the relevant contract. As a result, the volume of contracts or transactions executed on an exchange is a widely recognized indicator of liquidity on the exchange. Volume is stated in round turn trades, which represent matched buy and sell orders. In addition, the daily total of positions outstanding on an exchange, or open interest, and notional values of contracts traded are widely recognized indicators of the level of customer interest in a specific contract.

A neutral, transparent and relatively anonymous trading environment, as well as a reputation for market integrity, are critical to the establishment and maintenance of a liquid market. In addition, a successful exchange must provide cost-effective execution and have access to an advanced technology infrastructure that enables reliable and efficient trade execution as well as dependable clearing and settlement capabilities.

Clearing and settlement

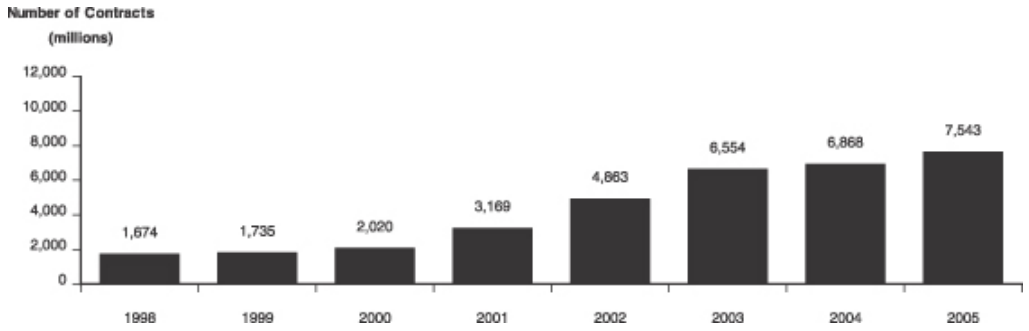
Transactions executed on futures exchanges are settled through an entity called a clearinghouse that acts as a central counterparty to the clearing firm on each side of the transaction. When a futures transaction has been executed in the pit or on an electronic platform and matched, the clearing house facilitates the consummation of the transaction by substituting itself as the counterparty to both the clearing firm that is or represents the buyer and the clearing firm that is or represents the seller in the transaction. By interposing itself between two transacting parties, a clearinghouse guarantees the contractual obligations of the transaction. A clearinghouse also can provide clearing services for transactions that occur outside the pit or electronic platform.

The measures used to evaluate the strength and efficiency of a clearinghouse include the number of transactions that are processed per day, the amount of settlement payments that are handled per day and the amount of collateral deposits managed by the clearinghouse. Examples of clearinghouses for futures products include our wholly-owned clearinghouse, the CME Clearing House, The Clearing Corporation, LCH.Clearnet, Eurex Clearing AG and Singapore Exchange Derivatives Clearing Limited.

Industry size and growth

Based on data from the Futures Industry Association, the total number of futures and options contracts, excluding futures, options and options on futures of individual equities, traded worldwide on reporting derivatives exchanges grew from approximately 2.0 billion in 2000 to approximately 7.5 billion in 2005, representing a compound annual growth rate of 30.3%. In the United States, the total number of futures and options contracts, excluding futures, options and options on futures of individual equities, traded on reporting derivatives exchanges increased from approximately 648 million in 2000 to approximately 2.2 billion in 2005, representing a compound annual growth rate of 28.0%. Energy futures and options contracts traded worldwide on reporting derivatives exchanges increased from approximately 155 million in 2000 to approximately 275 million in 2005, representing a compound annual growth rate of 12.2%.

Annual volume of exchange-traded futures and options (1):



(1) Excludes futures, options and options on futures of individual equities.
Source: Futures Industry Association.

Annual growth in global futures and options volume:

	Interest rate	Non-interest rate financial(1)	Energy	Metals	Agricultural and other(2)	Financial F&O	Non-financial F&O	Total F&O
2000	6.6%	28.4%	32.2%	(10.7)%	34.9%	15.6%	19.1%	16.4%
2001	44.0%	110.5%	7.8%	(2.3)%	(15.9)%	74.7%	(4.4)%	56.9%
2002	21.6%	87.7%	25.5%	16.1%	24.7%	58.3%	22.8%	53.4%
2003	27.2%	41.6%	3.9%	43.2%	19.8%	36.7%	19.1%	34.8%
2004	20.7%	(3.8)%	11.9%	(8.7)%	28.8%	4.0%	12.3%	4.8%
2005	11.7%	9.3%	12.9%	(7.5)%	9.8%	10.2%	6.8%	9.8%

(1) Includes futures, options and options on futures for foreign currency and equity indices, excludes individual equities
(2) Other includes chemicals and other
Source: Futures Industry Association.

Over the past decade, futures trading volume has grown substantially. We expect this trend of growth to continue due to globalization, increasingly sophisticated market participants, deregulation, recent advances in technology and consolidation. These factors are changing the way both the futures and broader commodities and derivatives exchange markets operate. We describe each of these trends below.

Globalization

In recent years, the world's financial markets, as well as the derivatives exchanges that serve them, have experienced an accelerating pace of globalization. We believe that robust growth and an increasing standard of living in emerging economies such as China and India are causing imbalances in supply and demand of both industrial and agricultural commodities. The emphasis on greater geographic diversification of investments, investment opportunities in emerging markets such as these and expanded cross-border commercial activities are leading to increasing levels of cross-border trading and capital movements. In response to these trends, derivatives exchanges within particular geographic regions are both expanding access to their markets across borders and consolidating.

Increasingly sophisticated market participants

Wealth creation associated with the aging of the global baby boom generation together with a shift from passive to active investment strategies and an increasingly sophisticated investment community is also creating pressure on the financial services industry to utilize more sophisticated risk management techniques, including derivatives. In particular, financial institutions, hedge funds and proprietary trading firms have committed, and are expected to continue to commit, increasing amounts of capital to trading in futures and options on futures contracts. Approximately 400 firms in the hedge fund sector have been identified by a variety of sources as either focused on, or substantially focused on, the energy industry. Of these firms, roughly half have been identified as trading a combination of equities and commodities, as opposed to equities only.

In addition, increasing pressure from a variety of market participants to improve transparency and more effectively manage counter-party risks is causing a shift from over-the-counter to exchange traded derivatives.

Deregulation

Deregulation and the opening of markets within the financial services industry in the United States, Europe and Asia has increased customer access to products and markets, reduced regulatory barriers to product innovation and encouraged consolidation. In particular, in the United States, many regulatory barriers to product development were largely repealed by the enactment of the CFMA. The adoption of the CFMA created a more flexible regulatory framework for exchanges, clearinghouses and other financial institutions. Among other developments, the CFMA authorized the trading of new products, such as futures contracts on individual stocks and narrow-based stock indexes, which were prohibited under prior law as well as permitted clearing of non-exchange traded derivatives. The CFMA also enabled regulated exchanges to self-certify new contracts and rules, without the delays occasioned by regulatory review and approval, permitting quicker product launch and modification. The financial services industry in Europe and Asia has experienced similar changes in their regulatory regime.

Technological advances

Technological advances have led both to the decentralization of exchanges and the introduction of side-by-side trading.

- *Decentralization*. Exchanges are no longer required to operate in specific geographic locations, and customers no longer need to act through local financial services intermediaries in some markets. Market participants around the world are now able to trade certain products 24 hours a day through electronic platforms.
- *Electronic trading*. The introduction of electronic platforms for the trading of commodities futures and options 24 hours a day has led several traditional open-outcry commodities futures and options exchanges, including ourselves, CME and CBOT, to initiate electronic trading during open-outcry hours, which is commonly referred to as side-by-side trading.

Consolidation

We believe that deregulation and competition will continue to pressure exchanges to consolidate across borders to gain operating efficiencies necessary to compete for customers and intermediaries. In addition, in the last several years, the structure of the securities industry has changed significantly through demutualizations and consolidations. In response to growing competition, many marketplaces in both Europe and the United States have demutualized to provide greater flexibility for future growth. We also believe that there will be continued efforts to consolidate cash markets (or markets that directly trade financial instruments, such as securities, or commodities on a current or forward basis) and derivatives markets on single exchange platforms. While we intend to opportunistically pursue strategic acquisitions and alliances to enhance our global competitive position, the market for acquisition targets and strategic alliances is highly competitive, particularly in light of increasing consolidation in the securities industry, which may adversely affect our ability to find acquisition targets or strategic partners that fit our strategy objectives.

Business

Overview

Since our founding 134 years ago, we have evolved into a major provider of financial services to the energy and metals industries. A core component of the business is the revenue derived from our trading facilities and from providing clearing and settlement services through our clearinghouse to a wide range of participants in these industries. A significant amount of revenue is also derived from the sale of market data. In 2005, approximately 63% of all globally listed energy futures and options contracts were traded on our Exchange. Approximately 77.2 million contracts of our light sweet crude oil futures and options products traded and cleared in 2005, making light sweet crude oil the largest and most liquid global benchmark for energy futures and options. In 2005, we were also the largest exchange in the world for the trading and clearing of precious metals based on product volume, as adjusted for contract size, with approximately 30.8 million contracts traded and cleared. Our gold futures contract is the most liquid precious metal futures contract in the world with approximately 19.6 million contracts traded and cleared in 2005 based on product volume, as adjusted for contract size. Measured by 2005 contract volume, we are the largest physical commodities futures and options exchange in the world and the third-largest futures exchange in the United States. On NYMEX Exchange, our customers trade energy futures and options contracts, including contracts for crude oil, unleaded gasoline, heating oil and natural gas. In 2005, we were also the largest exchange in North America for the trading of platinum group metals contracts. In 2005, COMEX was the largest marketplace for gold and silver futures and options contracts, and the largest exchange in North America for futures and options contracts for copper and aluminum. Participants in our markets include a wide variety of customers involved in the production, consumption and trading of energy and metals products. On COMEX, our customers trade metals futures and options contracts, including contracts for gold, silver, copper and aluminum. Our markets provide an effective and transparent forum for participants to hedge or trade based upon the value of energy and metals.

We provide facilities to buy, sell and clear energy and precious and base metals commodities for future delivery under rules intended to protect the interests of market participants. We do not own commodities, trade for our own account, or otherwise engage in market activities. We provide the physical facilities necessary to conduct an open-outcry auction market, electronic trading systems, systems for the matching and clearing of trades executed on our Exchange, and systems for the clearing of certain bilateral trades executed off-exchange. These services facilitate price discovery, hedging and liquidity in the energy and metals markets. We believe that market participants choose to trade on centralized markets such as our Exchange because of the liquidity those markets help to provide and because those markets perform an important price discovery function. Our customers are involved in the production, consumption or trading of energy and metals products and include corporations, financial institutions, hedge funds, institutional investors, governments and professional traders. The liquidity that our Exchange and other centralized markets offer is achieved in large part because the traded contracts have standardized terms and our wholly-owned clearinghouse mitigates counterparty performance risk. Transactions executed on our Exchange mitigate the risk of counter-party default because our wholly-owned clearinghouse acts as the counter-party to every trade, along with certain bilateral trades executed off-exchange, guaranteeing the financial performance of every contract transacted. To manage the risk of financial nonperformance, we require members to post

margin. Trading on our Exchange is regulated by the CFTC. Trading on NYMEX Europe is regulated by the UK's Financial Services Authority.

In April 2006, we entered into a technology services agreement with Chicago Mercantile Exchange Inc., or CME, to trade our products on CME Globex electronic trading platform. On June 11, 2006 for trade date June 12, 2006, our cash-settled energy futures contracts for all listed months became available for electronic trading during open-outcry hours, which is commonly referred to as side-by-side trading. NYMEX miNY™ futures contracts, which are smaller versions of our normal NYMEX Division futures contracts, migrated to CME Globex electronic trading platform on that date as well. Beginning August 6, 2006 for trade date August 7, 2006, we will migrate our after-hours energy, platinum and palladium futures contracts that are currently traded electronically on NYMEX ACCESS® onto CME Globex electronic trading platform. We anticipate that no later than the fourth quarter of 2006 we will begin offering side-by-side electronic trading of our physically delivered energy futures contracts and migrating after-hours electronic trading of our metals futures and options contracts that are currently traded electronically on NYMEX ACCESS® onto CME Globex electronic trading platform. In addition, pursuant to the terms of our agreement with CME, if we acquire or merge with an entity, that at the time of such acquisition or merger, operates a trading execution system for futures or futures options products (or off-exchange look-alike versions of such products), electronic trading of such products shall be transitioned to the Globex® electronic trading platform within two years. We clear all trading of our contracts conducted via CME Globex electronic trading platform through our clearinghouse.

For the year ended December 31, 2005 and the three months ended March 31, 2006, our customers traded and cleared on-exchange 175.9 million and 51.9 million contracts, respectively. These volumes represent a 13.4% increase from the 155.2 million contracts traded in the year ended December 31, 2004 and a 28.3% increase from the 40.5 million contracts traded in the three months ended March 31, 2005, respectively. In 2005, 82.5% of our contract volume was traded on NYMEX Exchange and 17.5% was traded on COMEX. For the year ended December 31, 2005 and the three months ended March 31, 2006, we cleared through NYMEX ClearPort® Clearing, 39.3 million and 15.2 million of off-exchange contracts, respectively. These volumes represent a 175.0% increase from the 14.3 million contracts cleared for the year ended December 31, 2004 and a 117.1% increase from the 7.0 million contracts cleared in the three months ended March 31, 2005, respectively.

We generated net revenues of $346.6 million for the year ended December 31, 2005 and $114.2 million for the three months ended March 31, 2006, increases of 43.6% from the $241.3 million recorded for the year ended December 31, 2004 and 57.1% from the $72.7 million recorded for the three months ended March 31, 2005. Our revenues are primarily comprised of the fees we earn from executing and clearing transactions and from market data fees generated from the sale of the data we collect regarding trading activity on our Exchange. In 2005, clearing and transaction fees accounted for 80.1% of our net revenues and market data fees accounted for 12.8% of our net revenues. Our net income was $71.1 million for the year ended December 31, 2005 and $33.6 million for the three months ended March 31, 2006, increases of 159.9% from the $27.4 million recorded for the year ended December 31, 2004 and 170.8% from the $12.4 million recorded for the three months ended March 31, 2005.

Competitive strengths

We believe that we are the premier global exchange for the trading and clearing of energy and precious metals derivatives and that the following competitive strengths have been, and will continue to be, paramount to maintaining and building upon this position.

Leading market position with strong brand recognition. We are the largest physical commodities futures exchange and clearinghouse in the world and the third-largest futures exchange in the United States measured by 2005 contract volume. In 2005, we were the world's largest exchange for the trading of energy futures and options contracts and approximately 63% of all globally listed energy futures and options contracts were traded on our NYMEX Division. The price quotations of our light sweet crude oil futures contracts and our natural gas futures contracts are used as benchmarks by buyers and sellers in the energy markets worldwide. In 2005, we were also the largest exchange in the world for the trading and clearing of precious metals based on product volume as adjusted for contract size. The price quotations of our gold and silver futures contracts are used as benchmarks by buyers and sellers in the precious metals markets worldwide. We believe the liquidity provided by our markets attracts customers to our Exchange and NYMEX ClearPort® Clearing, which in turn further increases liquidity. Liquidity in the futures markets and on exchanges specifically is a key factor in attracting new market participants and in maintaining market share. It is also critical to promoting transparent and efficient markets. The "NYMEX" and "COMEX" brands are known globally in the energy and metals sectors, which reflect a reputation built over our long operating history. We believe that NYMEX ClearPort® Clearing has developed global brand recognition as an innovator for off-exchange cleared trades to mitigate counterparty risk.

Extensive and innovative product offerings. We offer a broad array of futures and options contracts focused on the energy and metals markets. The commodities underlying our energy products include crude oil, natural gas, heating oil, unleaded gasoline, propane, electricity, coal, emissions and freight. The commodities underlying our metals products include gold, silver, platinum, palladium, copper and aluminum. We believe we offer the broadest selection of futures and options for energy and precious metals in the world and work to provide our customers with products to meet their risk-management needs.

Robust clearing capabilities. We have our own clearinghouse which distinguishes us from most of our competitors and gives us greater flexibility to introduce new products and clearing services. We believe that the strength and reputation of our wholly-owned clearinghouse are essential to the Exchange's success and that the counterparty-risk mitigation it affords is one of the primary reasons customers choose to use our markets. Our clearinghouse benefits from our AA+ long-term counterparty credit rating from Standard & Poor's Ratings Services. We have never experienced an incident of a clearing member default on NYMEX Exchange, nor has there been a default on COMEX since we acquired it in 1994. We have taken numerous steps to strengthen our clearing platform including increasing the value of the Guaranty Fund in 2006 which is applicable across all NYMEX and COMEX Division contracts. Additionally, we have increased the coverage of our default insurance policy in 2006 and are also entering into a revolving line of credit which provides liquidity in the event of a member default. Our systems are scalable and give us the ability to substantially increase our capacity with little lead time. We offer off-exchange clearing services through the NYMEX ClearPort® Clearing platform. This allows us to provide credit risk alleviation to those customers trading in the over-the-counter market. For the year ended December 31, 2005 and the three months ended March 31, 2006, we cleared through NYMEX ClearPort® Clearing, 39.3 million and 15.2 million of off-exchange contracts, respectively.

Access to industry-leading technology. We believe that our focus on developing and investing in fast, redundant and fully integrated trading and clearing technologies has resulted in a highly efficient and reliable platform on which our customers have come to rely. Through CME Globex electronic trading platform, our products are accessible by more customers globally and

are or will be distributed to our key constituents for virtually 24 hours per day electronic trading. CME Globex electronic trading platform provides us with what we believe to be industry-leading connectivity, speed, flexibility, functionality and performance. Clearing 21®, our back-office clearing system, was developed jointly with CME and, we believe, provides proven and solid industry-leading clearing capabilities.

Seasoned management team with industry expertise and sophisticated private equity investor. Members of our senior management team have an average of 19 years of experience in the financial services or energy industries. Our board of directors includes 8 members who have been NYMEX Division members an average of more than 20 years. Additionally, Dr. James Newsome, our current President and Chief Executive Officer, formerly served as the Chairman of the CFTC. Under their guidance, our business has grown to the record levels set in 2005 and we have continued to form key strategic alliances, which we believe help position us for continued growth and prosperity. Our senior management team and board have the support of our largest stockholder, General Atlantic, a global private equity firm that has made investments in over 150 companies over the past 26 years, including many in the financial services or energy industries.

Growth strategies

Increased market acceptance and awareness of derivatives, increased price volatility in key commodities, technology advances and reduced regulatory barriers offer significant opportunities for expanding derivative markets. We believe that we can take advantage of these trends and build upon our competitive strengths by implementing the following strategies:

Expand our distribution. We intend to continue to grow our core businesses of energy and metals futures and options by increasing the ease with which customers can access our markets. On June 11, 2006 for trade date June 12, 2006, we began side-by-side trading of our cash-settled energy products. Beginning August 6, 2006 for trade date August 7, we will migrate our after-hours energy, platinum and palladium futures contracts that are currently traded on NYMEX ACCESS® onto CME Globex electronic trading platform. We anticipate that no later than the fourth quarter of 2006 we will begin offering side-by-side electronic trading of our physically delivered energy futures contracts and migrating after-hours electronic trading of our metals futures and options contracts that are currently traded electronically on NYMEX ACCESS® onto CME Globex electronic trading platform. We believe that this will provide opportunities for increased trading by a broader array of customers. We have also increased and intend to continue to enhance our marketing efforts in order to broaden understanding of the benefits of our products to potential customers. Many of the changes we have instituted are intended to help grow our customer base in Europe and Asia. For instance, CME Globex electronic trading platform is widely used in Asia. Additionally, our products continue to be distributed in a growing number of countries; we have received from foreign regulators in over 20 countries permission to establish direct connections to our markets though NYMEX ACCESS® and NYMEX ClearPort® Trading. We are continuing to pursue this strategy with respect to the transition of our products to CME Globex electronic trading platform as well.

Develop new products. We intend to continue to expand the range of products we offer, both by commodity type and structure. Over the past four years, we have increased the number of products we offer from 27 to 302. We have expanded our energy products to include commodities such as additional blends of crude oil and refined products, new delivery points in natural gas and electricity, sulfur dioxide and nitrous oxide emissions, coal, freight and storage of gas and oil. At the same time, the types of derivatives we offer has expanded to include basis swaps, swing swaps, daily contracts and strips of dailies and economic indices. We have also

increased the number of products available for off-exchange clearing on the NYMEX ClearPort® Clearing system, adding 95 new products in 2005 for a total of 258. Our research department plans to continue to work with existing and potential customers to develop new futures and options products that provide an array of relevant risk management tools for the energy and metals sectors.

Expand our service offerings, such as market data and off-exchange clearing. We believe there are significant opportunities to expand our service offerings and further diversify our revenues streams. We intend to focus on increasing the use of the market data we collect from the products traded on our Exchange. In addition to incorporating this data into the design of new products, we plan to provide enhanced services to our customers who utilize this data. We believe this business is highly scalable, with limited incremental costs.

An important revenue source for us is our market data products and information offerings. We intend to further develop our market data offerings by integrating proprietary information generated by our Exchange into new market data products designed to meet the needs of a greater number of customers. Sophisticated quantitative approaches to risk management as well as customer time sensitivity has created new needs, uses and demands for trading related data and analytics. We intend to create new value-added services to complement our market data products, including databases, analytical tools and other services to assist end-users. We also intend to expand our market data distribution by expanding into alternative markets offered by other exchanges.

We will also continue to seek opportunities to leverage the strength and reputation of our clearinghouse, by increasing its use for the clearing of off-exchange bilateral trades and for third-party clearing opportunities.

Enhance our technology platform. We intend to continue to invest in and improve the technology that supports clearing, market information, our trading floor and our business in general, in order to increase our operational flexibility and enable us to stay abreast of the needs of our customers. We will work with CME to ensure that CME Globex electronic trading platform continues to serve the electronic trading requirements of our customers.

Opportunistically pursue strategic alliances and acquisitions. We plan to opportunistically pursue acquisitions, partnerships and joint ventures that will allow us to expand our range of products and services, enter new markets, expand the access to our markets distribution of our products, enhance our operational capabilities and expand our brand and use of our prices. We have formed joint ventures for the express purpose of establishing products in the energy sector which may serve as additional benchmarks for energy products used on an international scale. In June 2005, we entered into an agreement with Tatweer Dubai LLC, a subsidiary of Dubai Holding L.L.C., to develop the Dubai Mercantile Exchange Limited (“DME”), one of the first exchanges in the Middle East which will, when opened, trade energy futures. One of the first products to be listed will be the Oman Sour Crude Oil futures contract. In addition, we have entered into a joint venture with Expertica Limited for the purpose of creating a contract based on Russian Urals based crude oil products. In addition, we have an arrangement with the Tokyo Commodity Exchange (“TOCOM”) which is formed for the purpose of attracting TOCOM members and other customers in Japan to our markets. Moreover, we have arrangements with the MultiCommodity Exchange of India and the Mexican Derivative Exchange to license certain of our benchmark prices for use in local-currency based products which we believe will create further opportunities to expand the NYMEX brand and increase global awareness of our products. In addition, we have

established relationships with a number of different exchanges and entities which may create opportunities for market and product development in the future, such as our letters of intent with Interconnexion Electrica, S.A. of Colombia, the Budapest Commodity Exchange, the Shanghai Futures Exchange, the Taiwan Futures Exchange and the Central Japan Commodity Exchange.

Attract new market participants. In recent years, our participant base has expanded and diversified due to the emergence of new participants in the energy commodities markets. These new participants range from producers and consumers of commodities to financial services companies, such as investment banks, hedge funds, proprietary trading firms and asset managers that are increasingly pursuing hedging, trading and risk management strategies within the energy sector. Many of these participants have been attracted to the energy markets in part due to the availability of electronic trading. We intend to continue to expand our participant base by targeting these and other new market participants and by offering electronic trade execution and processing capabilities that meet the risk management requirements of a broad range of market participants.

Principal products

NYMEX Division

NYMEX Exchange is a leading commodity exchange for trading energy futures and options contracts, including contracts for crude oil, heating oil, unleaded gasoline, propane, electricity and natural gas and is a leading exchange for trading platinum group metals contracts, including platinum futures and options contracts and palladium futures contracts.

COMEX Division

The COMEX Division is a leading commodity exchange for futures and options trading of precious metals including gold and silver, as well as base metals including copper and aluminum contracts.

NYMEX ClearPort® Clearing

NYMEX ClearPort® Clearing, which launched in 2002, provides for the clearing, through our clearinghouse, of off-exchange futures trades executed off-exchange.

We are constantly seeking ways to provide additional products and innovative risk management tools to the marketplace and to expand our franchise in the energy and metals marketplace.

Product distribution

We provide the physical facilities necessary to conduct an open-outcry auction market, electronic trading systems and systems for the matching and clearing of all trades executed on the Exchange.

Open-outcry trading

Open-outcry trading takes place at our facility located at One North End Avenue, New York, New York. Trading is conducted on trading floors, one for each division of the Exchange. In September 2005, the Exchange launched a trading facility located in London, England for the trading of Brent Crude Oil futures contracts. On June 9, 2006, we closed the open-outcry futures exchange in London, England. On June 11, 2006, we migrated the trading of our European products to CME Globex electronic trading platform for trade date June 12, 2006. Open-outcry trading represented approximately 82% of total futures and options contract volume executed and/or cleared on the Exchange in 2005.

Electronic trading and clearing

We provide innovative, advanced trading systems and facilities to serve our customers efficiently. In order to support our expanding international business and product base, we have entered into a technology services agreement with CME to trade our products on CME Globex electronic trading platform.

In January 2003, we launched an electronic trading system, NYMEX ClearPort® Trading. NYMEX ClearPort® Trading provides a trade execution system for certain energy futures products which are based on commonly-traded over-the-counter instruments. Following the migration of our products to CME Globex electronic trading platform, NYMEX ClearPort® Trading will continue to be utilized for certain other of our energy futures products until their migration to CME Globex electronic trading platform upon the achievement of certain trading volumes.

In 2002, we developed a trade clearing service, NYMEX ClearPort® Clearing, based upon submission to the Exchange's website of transactions executed off-exchange for clearing on the exchange. Specifically, NYMEX ClearPort® Clearing is the mechanism by which individually negotiated off-exchange trades are submitted to the Exchange clearinghouse for clearing. This includes clearing for the products that are part of the clearing of off-exchange trades initiative launched in May 2002 as well as the interface used to submit EFP and EFS transactions for energy futures traded as part of NYMEX ClearPort® Trading. NYMEX ClearPort® Clearing achieved a record clearing volume level during 2005 of approximately 39.3 million contracts, increasing from 14.3 million contracts cleared in 2004, and from 6.0 million contracts cleared in 2003.

Alliances

Tatweer Dubai LLC: In June 2005, we and Tatweer Dubai LLC, a subsidiary of Dubai Holding L.L.C., entered into a joint venture to develop the Middle East's first energy futures exchange. As part of this venture, DME Holdings Limited ("DME Holdings"), which is jointly owned by us and Tatweer Dubai LLC, was incorporated as a limited company under the laws of Bermuda. DME Holdings is the sole owner of DME, a limited liability company formed under the laws of the Dubai International Financial Centre ("DIFC"), a financial free zone designed to promote financial services within the United Arab Emirates. It is expected that the DME will initially offer sour crude and fuel oil products for trading. The DME will be regulated by the Dubai Financial Services Authority, a regulatory body modeled after the UK FSA and established within the DIFC. We anticipate that the DME will commence trading in the fourth quarter of 2006.

Tokyo Commodity Exchange: In 2004, we and TOCOM executed a cooperation agreement through which, among other things, TOCOM assists us in the offering of our products in Japan. Energy and metals futures contracts currently being traded in Japan via our electronic trading platform, NYMEX ACCESS®, will be transitioned onto CME Globex electronic trading platform.

Singapore Exchange Derivatives Trading Limited: In 1999, we entered into an agreement with the Singapore Exchange Derivatives Trading Limited for the placement of NYMEX ACCESS® terminals in Singapore, one of Asia's primary oil trading centers. This linkage received regulatory approval in 2000.

During 2005, we entered into various memoranda of understanding for the purposes of developing various areas of cooperation, including business opportunities, with, among others, Interconnexion Electrica, S.A. of Colombia, the Budapest Commodity Exchange and the Mexican

Derivatives Exchange. We had previously entered into memoranda of understanding with the Shanghai Futures Exchange, the Taiwan Futures Exchange and the Central Japan Commodity Exchange. In addition, we also entered into a licensing agreement with Multi Commodity Exchange of India Ltd.

In April 2006, we entered into a technology services agreement with Chicago Mercantile Exchange Inc., or CME, to trade our products on CME Globex electronic trading platform. On June 11, 2006 for trade date June 12, 2006, our cash-settled energy futures contracts for all listed months became available for electronic trading during open-outcry hours, which is commonly referred to as side-by-side trading. NYMEX miNY™ futures contracts, which are smaller versions of our normal NYMEX Division futures contracts, migrated to CME Globex electronic trading platform on that date as well. Beginning August 6, 2006 for trade date August 7, 2006, we will migrate our after-hours energy, platinum and palladium futures contracts that are currently traded electronically on NYMEX ACCESS® onto CME Globex electronic trading platform. We anticipate that no later than the fourth quarter of 2006 we will begin offering side-by-side electronic trading of our physically delivered energy futures contracts and migrating after-hours electronic trading of our metals futures and options contracts that are currently traded electronically on NYMEX ACCESS® onto CME Globex electronic trading platform. In addition, pursuant to the terms of our agreement with CME, if we acquire or merge with an entity, that at the time of such acquisition or merger, operates a trading execution system for futures or futures options products (or off-exchange look-alike versions of such products), electronic trading of such products shall be transitioned to CME Globex electronic trading platform within two years. We clear and settle all trading of our contracts conducted via CME Globex electronic trading platform through our clearinghouse.

In addition, during 2006, we entered into a joint venture with Expertica Limited for the purpose of creating a contract based on Russian Urals based crude oil products.

Clearinghouse function

The Exchange serves a clearinghouse function, standing as a financial intermediary on every futures and options transaction cleared. Specifically, through our clearinghouse, we maintain a system of guarantees for performance of obligations owed to buyers and sellers. This system of guarantees is supported by several mechanisms, including margin deposits and guaranty funds posted by clearing members with our clearinghouse. The amount of margin deposits on hand will fluctuate over time as a result of, among other things, the extent of open positions held at any point in time by market participants in NYMEX Division and COMEX Division contracts and the margin rates then in effect for such contracts.

As such, our clearinghouse provides the operational infrastructure to allow position matching, reporting and margining for each of NYMEX Division's and COMEX Division's contracts. This structure permits parties to trade with one another without individual credit determinations or counterparty credit risk. Further, it allows for the daily flow of marked-to-market variation margin payments and allows us to look to the financial strength of its clearing members. Specifically, the clearinghouse ensures that trading is conducted in an orderly manner by matching and recording trades, collecting and maintaining margins, allocating margins according to the positions of the clearing members, matching open short with open long positions for delivery, allocating delivery notices, and generating trading and delivery statistics. The clearinghouse acts as a fiscal transfer agent, transferring money at a minimum of two times per day from the margin funds of traders who have incurred a loss in the market to the margin funds of traders who have generated a gain—all via our clearing members.

As a safeguard to ensure proper settlement of contracts, each clearing member is required to maintain a security deposit, in the form of cash or U.S. treasury securities with a maturity of ten years or less or money market mutual funds, of a minimum of $2.0 million in the Guaranty Fund. The Guaranty Fund contained approximately $200.0 million in cash, U.S. treasury securities and money market mutual funds as of June 30, 2006. The Guaranty Fund is controlled by us and may be used to cover the financial defaults of a clearing member on either or both divisions. These amounts on deposit in the Guaranty Fund, however, are not our property and are not available to pay debt service. Interest earned on security deposits, in the form of U.S. treasury securities and money market mutual funds, is the property of the clearing member firm that deposited such security while interest earned on security deposits in the form of cash is our property. We also maintain a $115.0 million default insurance policy to protect us and clearing members in the event that a default in excess of $200.0 million occurs. We pay the insurance premiums on the default insurance policy. Additionally, we intend to enter into a revolving credit agreement. This agreement will provide a line of credit which could be drawn upon in the event of a clearing member default. Such an arrangement will provide us with same-day funds to settle such clearing member default, while providing enough time for an efficient distribution from the Guaranty Fund. Proceeds from the sale of Guaranty Fund securities would be used to repay borrowings under the line of credit.

During the first quarter of 2004, we established additional retail customer protection supported by a commitment of at least $10 million available at all times to promptly reimburse retail customers in the event that our clearing member defaults as a result of a default by another customer where margin funds from the retail customer's account are used to address the default. Retail customers are defined as those that do not otherwise qualify as "eligible contract participants" under the requirements of the Commodity Exchange Act, and are not floor traders or floor brokers on the Exchange or family members of an Exchange floor trader or floor broker who maintains an account at the same clearing firm.

The Exchange, as a self-regulatory organization, has instituted detailed risk-management policies and procedures to guard against default risk with respect to contracts traded and cleared on the Exchange. In order to manage the risk of financial non-performance, we (i) have established that clearing members maintain at least $5 million in minimum working capital; (ii) limit the number of net open contracts that can be held by any clearing member, based upon that clearing member's capital; (iii) require clearing members to post original margin collateral for all open positions, and to collect original margin from their customers; (iv) pay and collect variation margin on a marked-to-market basis at least twice daily; (v) require clearing members to collect variation margin from their customers; (vi) require deposits to the Guaranty Fund from clearing members which would be available to cover financial non-performance; and (vii) have broad assessment authority to recoup financial losses. We also maintain extensive surveillance and compliance operations and procedures to monitor and enforce compliance with rules pertaining to the trading, position sizes, delivery obligations and financial condition of members. In addition, the NYMEX Division clearing member, as all NYMEX Division member firms, pledge two Class A memberships, or "seats," at the Exchange and 180,000 shares of our common stock. The COMEX Division clearing member firm, as all COMEX Division member firms, must pledge two COMEX Division memberships.

As part of our powers and procedures designed to backstop contract obligations in the event of a default, we may levy assessments on any of its clearing members if there are insufficient funds available to cover a deficit. The maximum assessment on each clearing member firm is the lesser

of $30 million or 40% of such clearing member firm's modified regulatory capital as reported monthly to the Exchange.

Despite our authority to levy assessments or impose fees, there can be no assurance that the relevant members will have the financial resources available to pay, or will not choose to be expelled from membership rather than pay, any dues, fees or assessments. We believe that assessment liabilities of a member arising prior to expulsion are contractual in nature and, accordingly, survive expulsion. In addition, we would have recourse to such member and the proceeds from our sale of such member's collateral would apply towards any outstanding obligations to the Exchange of such member.

Moreover, despite the risk mitigation techniques adopted by, and the other powers and procedures implemented by us, which are designed to, among other things, minimize the potential risks associated with the occurrence of contract defaults on the Exchange, there can be no assurance that these powers and procedures will prevent contract defaults or will otherwise function to preserve the liquidity of the Exchange.

We conduct clearing through our Clearing 21® system. This system, a highly flexible clearing system, developed jointly with the CME, was rolled out in 1999. The Clearing 21® system was upgraded in the fall of 2001 to permit clearing member access via the internet, as well as to accommodate an enhanced product base, including the clearing of off-exchange contracts. The system enables us to perform functions relating to banking, settlement, asset management, delivery management, position management and margins.

We have an excellent risk management track record. NYMEX Division has never experienced an incident of a clearing member default, nor has there been a default on COMEX Division since we acquired it in 1994. Our clearing function enables us to guarantee the financial performance of all contracts traded and/or cleared on NYMEX Division or COMEX Division.

Market data

We provide proprietary real-time and delayed market data information to subscribers relating to prices of futures and options contracts traded and cleared on the Exchange. Market data provides information about bids, offers, trades and trade size to companies and organizations that use our markets. This information plays a vital role in the trading activity of our products as well as the trading activity in related cash and derivatives markets. Market data is distributed through dedicated networks to approximately 130 global market data vendors. These vendors consolidate our market data with that from other exchanges, other third-party data providers and news services, and then re-sell the consolidated data. During 2005, we launched new products that provide real-time market data, news and advanced analytics to desktops and mobile devices. We intend to grow this segment of our market data business by enhancing our current market data and information product offerings, developing new products and services, and marketing programs to increase the use of our market data.

As of December 31, 2005, our market data was displayed on approximately 119,000 devices. Revenues from market data comprised 13.5%, 12.9%, 13.5%, and 16.9% of our consolidated net revenues for the three months ended March 31, 2006 and the years ended December 31, 2005, 2004 and 2003, respectively. On January 1, 2006, we implemented a new fee structure that we anticipate will generate an increase in market data revenue.

Competitive environment

We encounter competition in all aspects of our business and compete directly with other exchanges, both domestic and foreign, and OTC entities, some having substantially greater capital and resources and offering a wider range of products and services than we do and with certain foreign or OTC entities operating under a different and possibly less stringent regulatory regime. We believe that the principal strengths include the integrity of our marketplace, the relative prices of services and products we offer, our substantial liquidity base, our worldwide brand recognition and the quality of our clearing and execution technology and services.

We face the threat of competition from the activities of domestic, foreign and emerging exchanges or unregulated exchange-equivalents in the United States. Exchanges designated as “contract markets” or “derivatives transaction execution facilities” pursuant to the CFMA can compete with us in offering market trading of futures and options contracts in both of these formats. For instance, in 2004, CBOT listed for trading an additional futures contract (to its metals product slate) in gold futures designed to compete with the Exchange’s gold futures contract. The trading of this product does represent a source of competition, and CBOT has commented recently that it has some interest in entering the energy sector as well. Moreover, the CFMA has created additional opportunities for new competitors to provide trading facilities resulting in an expansion in the number of designated contract markets since the implementation of the CFMA. According to the CFTC, eight new contract market designations have been approved since the implementation of the CFMA although three of these designations subsequently were deemed to be dormant by the CFTC. While no new designated contract markets directly compete with us, these exchanges, as well as any other new entrant, could potentially compete with our markets.

Moreover, the CFMA increased the ability of competitors to offer largely unregulated competing products that are financially-equivalent to futures contracts. For instance, ICE, an electronic trading system for various OTC energy products, was created by several large merchant energy and energy companies and currently operates as an “exempt commercial market” under the CFMA. ICE is engaged in the trading of several energy instruments which are financially equivalent to those traded on the Exchange. More generally, OTC trading of contracts similar to those traded or cleared on the Exchange, such as swaps, forward contracts and Exchange “look-alike” contracts, in which parties directly negotiate the terms of their contracts, represents a significant source of potential competition for the Exchange. OTC trading of such products could be a significant factor affecting our trading volumes and operating revenues if market participants perceive OTC products and exchange-traded futures and options as competing alternatives rather than as complementary risk management tools. In addition to ICE, ten other entities have notified the CFTC that they will be operating pursuant to the exemption applicable to exempt commercial markets.

The CFMA also expanded the ability of companies to engage in the business of clearing OTC instruments, which previously was not expressly permitted by statute. One of the advantages of a regulated cleared OTC instrument versus an uncleared OTC instrument, we believe, is that the existence of a clearinghouse mitigates potential counterparty credit risk in the OTC markets. As such, to the extent that companies are able to enter the business of the clearing of OTC instruments, this may represent a source of potential competition to the Exchange and could be a significant factor affecting the Exchange’s trading volumes and operating revenues. The NYMEX ClearPort® Clearing initiative represents the Exchange’s effort to enter into this type of business. There are other companies, such as the Guaranty Clearing Corporation, a subsidiary of the Clearing Corporation (formerly the Board of Trade Clearing Corporation), and EnergyClear, which have also commenced operations for the clearing of OTC energy derivatives. The London Clearing House

(now known as LCH.Clearnet Limited) has also been registered as a Derivatives Clearing Organization with the CFTC and has established a clearing arrangement in both the U.S. and the U.K. with ICE. More recently, CME has also commenced preparations to provide OTC clearing services, although at present their focus appears to be on the clearing of OTC financial instruments.

The CFTC's authorization expired in 2005; however, reauthorization was not concluded in 2005 and will continue through the 2006 legislative session. As part of that 2005 process, various concepts were mentioned as possible areas in which legislation would be appropriate, including, among other things, restrictive limits and severe restrictions on daily price fluctuation limits for certain energy futures contracts. While we are unaware of any legislative proposal at the present time arising from the reauthorization that would materially affect us, any such proposal may be introduced during this process. Additionally, as part of the Bush administration's proposed 2007 budget, a proposal was introduced to impose a transaction tax on futures traded domestically. While many participants in the futures industry, including us, are vigorously opposing this proposal, we cannot guarantee that such proposal will not be enacted, which may adversely impact our ability to compete on an international level.

Volume on foreign futures and options exchanges is growing as the benefits of risk management through futures and options trading become more appreciated throughout the world and risk management techniques are adopted to meet the needs of local economies. This growing global awareness has not only aided the growth of foreign exchanges but has, to a certain extent, also benefited the Exchange as non-U.S. enterprises become Exchange members and customers of other Exchange members.

Under present competitive conditions, we believe that increasingly liquid foreign markets generally have not taken material volume away from the Exchange since volumes on the Exchange continue to grow. However, in 2006, ICE Futures, the U.K.-based subsidiary of ICE, listed for trading three futures contracts based on our light sweet crude oil, heating oil and gasoline futures contracts. We have objected to the CFTC in that ICE Futures is operating pursuant to CFTC staff no-action relief which is intended to permit foreign futures and options to be made electronically available for trading by foreign exchanges in the U.S. without requiring such foreign exchanges to register with the CFTC as a contract market. We have raised concerns with the CFTC regarding the appropriateness of this relief for domestic-based futures contracts.

The CFTC announced that it intends to reexamine its use of the no-action letter process and held a public hearing on June 27, 2006 to consider what constitutes a foreign board of trade that is not subject to CFTC jurisdiction and regulation. ICE Futures' ability to offer new futures products under its existing no-action relief could be impacted by the pendency of the CFTC's policy review and any actions taken by the CFTC as a result of its policy review. If ICE Futures is unable to offer additional products, or if its offerings of products are subject to additional regulatory constraints, its business could be adversely affected. Alternatively, in the event ICE Futures is allowed to continue to list these products in the U.S., pursuant to no-action relief and outside of the CFTC's authority, this may present a source of competition to several of our benchmark contracts and may have an adverse impact on our business.

In the past few years, there has been significant consolidation in the provision of clearing services. In 2003, the CME and the CBOT announced a common clearing link whereby the CME would provide clearing and settlement services for all CBOT products. This linkage became fully operational in January 2004. In December 2003, the London Clearing House and Clearnet, two

significant European clearinghouses, completed a merger to form the LCH.Clearnet Group. To the extent that other entities are able to provide clearing on products which compete with our products and are able to provide benefits to market users from such consolidations, this may represent a source of competition to the Exchange and could be a significant factor affecting trading volumes and operating revenues.

The Exchange, like other commodity and financial exchanges, is directly affected by such factors as national and international economic and political conditions, broad trends in business and finance, legislation and regulations affecting the national and international financial and business communities (including taxes), currency values, the level and volatility of interest rates, fluctuation in the volume, volatility and price levels in the commodities markets and the perception of stability in the commodities and financial markets. These and other factors can affect the Exchange's volume of trading and the stability and liquidity of the commodities markets. A reduced volume of commodity transactions and reduced market liquidity would result in lower revenues for us derived from transaction and clearing fees. In periods of reduced transactions, our profitability would also likely be adversely affected because certain of our expenses are relatively fixed.

The top 15 futures exchanges in order of volume of futures and options on futures contracts traded for the year ended December 31, 2005 based on publicly reported data are: CME, Eurex, CBOT, Euronext.liffe, Bolsa de Mercadorias & Futuros, NYMEX, National Stock Exchange of India, Mexican Derivatives Exchange, Dalian Commodity Exchange, London Metal Exchange, Tokyo Commodity Exchange, Sydney Futures Exchange, Korea Stock and Exchange, ICE and SAFEX. Based on this data, in the United States, the top three futures exchanges are CME, CBOT, NYMEX.

Intellectual property

We review on an ongoing basis the proprietary elements of our business to determine what intellectual property protections are available for these elements. We seek to protect proprietary elements by relying upon the protections afforded by trademark, service mark, copyright, patent and other legal rights and remedies on both a domestic and an international scale. We license prices for, among other things, incorporation into certain products including ETFs, structured notes and other futures contracts. In addition, some of our products are dependent upon licensing of these rights from third parties. For instance, with respect to certain of the products traded and/or cleared on the NYMEX ClearPort® Clearing and NYMEX ClearPort® Trading systems, the Company has entered into license agreements with, among others, Platts and Intelligence Press.

Business continuity planning

As with all other financial institutions, we continue to strengthen and upgrade our disaster recovery facilities and capabilities. We have undertaken several measures, as described below, to ensure effective and efficient business continuity planning.

Regulatory

There currently is limited specific regulatory guidance or regulations imposed upon exchanges with respect to business continuity planning or disaster recovery in the futures industry, although such planning is implicated under several of the CFMA core principals applicable to contract markets and to derivative clearing organizations as well as by the IOSCO principles on screen-

based trading that have been adopted by the CFTC as part of its regulatory policies. However, we have sought direction and best practice trends from other regulatory bodies in the equities and bond markets, and have also evaluated the various proposals submitted by industry and government agencies.

We continually seek to improve our continuity planning by, among other things, incorporating our strategic business partners into our business continuity planning and ongoing testing and training efforts. This will enable us to maximize our ability for continued operations in the face of adverse conditions.

Systems and facilities

We have consolidated our off-site business continuity and disaster recovery facilities into one facility for potential use during an emergency. Our disaster recovery site, located on Long Island, New York, encompasses a back-up trading facility that operates on a separate power, water, and telecommunications grid than our headquarters facility. This alternative facility is fully equipped for trading, with a full size back-up trading floor, and has an emergency operations center. The back-up trading floor and data center are located outside of our headquarters transportation infrastructure. Our main and back-up data centers are linked through high capacity fiber connectivity which allows for fully-synchronous communications between the main and back-up systems. We have instituted, on an annual basis, a full scale mock disaster drill in order to test the efficiency of our business continuity planning with our member firms along with several smaller scale drills occurring at other times during the year. In October 2005, we, along with other U.S. futures exchanges and the industry's largest market participants, successfully completed the second annual industry-wide disaster recovery test. It is anticipated that this industry-wide testing will continue to be an annual event.

Planning

Our current plan provides for enterprise-wide business continuity planning that includes all of our critical business units, our staff and its membership. We have invested in a complex planning and incident management system and retained a business continuity professional to manage the program. The business continuity planning program provides, among other things, a continuous conduct of full risk analysis and business impact analysis in order to identify (i) new areas for preventative measures and (ii) significant business functions, and prioritize such functions accordingly. Moreover, in order to ensure proper coordination during a potential crisis, we have established relationships with the local business community, law enforcement, and local and regional governmental emergency agencies, in addition to the industry-wide efforts previously noted.

Recent developments

General Atlantic transaction

On March 13, 2006, a special meeting of our stockholders was held. At that time, our stockholders approved and adopted an amended and restated certificate of incorporation, amended and restated bylaws and a merger with NYMEX Merger Sub, Inc., a newly-formed Delaware corporation and a wholly-owned subsidiary of NYMEX Holdings ("Merger Sub"). These actions, along with the adoption of an amended and restated certificate of incorporation and amended and restated bylaws of NYMEX Exchange, revised our capital structure in order to sell equity to General Atlantic Partners 82, L.P., GapStar, LLC, GAP Coinvestments III, LLC, GAP

Coinvestments IV, LLC, GAP Coinvestments CDA, L.P. and GAPCO GmbH & Co. KG (collectively "General Atlantic") pursuant to a stock purchase agreement (as amended, the "GA Agreement"). The GA Agreement valued our equity at $1.6 billion, without giving effect to the value of the separate NYMEX Exchange trading rights. General Atlantic did not acquire any trading rights, all of which remained with the Class A members of NYMEX Exchange.

On March 14, 2006, pursuant to the terms and conditions of the GA Agreement, we issued and sold an aggregate of 8,160,000 shares of our newly-created Series A Cumulative Redeemable Convertible Preferred Stock, par value $0.01 per share (the "Preferred Stock"), in a transaction exempt from registration, to General Atlantic for an aggregate purchase price of $160 million in cash and an additional $10 million which will be paid on the closing date of this offering if it occurs in 2006 and values our equity at $2 billion or greater. The Preferred Stock represented 10% of our outstanding capital stock immediately following its issuance. Upon the closing of this offering, the Preferred Stock will automatically convert into 8,160,000 shares of our common stock and the common stock will be subject to transfer restrictions. Upon conversion, the Preferred Stock will no longer be outstanding or available for issuance. See the section entitled "Certain relationships and related party transactions—Registration rights agreement."

To facilitate the GA Agreement, Merger Sub merged with and into NYMEX Holdings which was the surviving corporation. Merger Sub was formed solely for the purpose of effecting the merger and had no operating history and nominal assets, liabilities and capitalization.

NYMEX Holdings is the parent company of, and holds the sole outstanding Class B membership in, NYMEX Exchange. The Class B membership in NYMEX Exchange holds all voting and economic rights in NYMEX Exchange, except for the open outcry trading protections and certain royalties granted to the owners of Class A memberships in NYMEX Exchange. Class A memberships in NYMEX Exchange are trading rights but are not entitled to any voting or economic rights in NYMEX Exchange, except for the open outcry trading protections and certain royalties granted to the owners of Class A memberships in NYMEX Exchange. See section entitled "Risk Factors—Our governing documents provide for the protection and support of open-outcry trading by granting certain voting and economic rights to the owners of the Class A memberships, who may have interests that differ from or may conflict with those of our stockholders." Previously, the common stock of NYMEX Holdings and the corresponding Class A membership interest in NYMEX Exchange were only permitted to be transferred jointly. Upon consummation of the GA Agreement, the common stock of NYMEX Holdings and the Class A membership interests in NYMEX Exchange became separately transferable to a limited number of eligible transferees.

Each of the original 816 shares of NYMEX Holdings common stock issued and outstanding immediately prior to General Atlantic's investment were automatically converted into 90,000 shares of the common stock of NYMEX Holdings. The 90,000 shares were comprised of 30,000 shares of Series A-1 Common Stock; 30,000 shares of Series A-2 Common Stock; and 30,000 shares of Series A-3 Common Stock. In addition, the sole share of common stock of Merger Sub held by NYMEX Holdings was cancelled.

The gross proceeds from the GA Agreement were distributed to NYMEX Holdings' stockholders in the form of an extraordinary cash distribution (the "Special Dividend"). Accordingly, each stockholder received approximately $196,078 per share on a pre-merger basis or approximately $2.18 per share on a post-merger basis. In the event that the additional $10 million is paid by General Atlantic upon the closing date of this offering, the $10 million will also be distributed in the form of an extraordinary cash distribution to NYMEX Holdings' stockholders of record as of

March 13, 2006, the day immediately prior to the closing of the GA Agreement (the “Additional Dividend”). Each such stockholder would receive approximately $12,255 per share on a pre-merger basis or approximately $0.14 per share on a post-merger basis. General Atlantic did not participate in the Special Dividend and will not participate in the Additional Dividend, if any. Investors in this offering will not participate in the Additional Dividend, if any.

CME Globex

In April 2006, we entered into a technology services agreement with CME to trade our products on CME Globex electronic trading platform. On June 11, 2006 for trade date June 12, 2006, our cash-settled energy futures contracts for all listed months became available for electronic trading during open-outcry hours, which is commonly referred to as side-by-side trading. NYMEX miNY™ futures contracts, which are smaller versions of our normal NYMEX Division futures contracts, migrated to CME Globex electronic trading platform on that date as well. Beginning August 6, 2006 for trade date August 7, 2006, we will migrate our after-hours energy, platinum and palladium futures contracts that are currently traded electronically on NYMEX ACCESS® onto CME Globex electronic trading platform. We anticipate that no later than the fourth quarter of 2006 we will begin offering side-by-side electronic trading of our physically delivered energy futures contracts and migrating after-hours electronic trading of our metals futures and options contracts that are currently traded electronically on NYMEX ACCESS®, onto CME Globex electronic trading platform. In addition, pursuant to the terms of our agreement with CME, if we acquire or merge with an entity, that at the time of such acquisition or merger, operates a trading execution system for futures or futures options products (or off-exchange look-alike versions of such products), electronic trading of such products shall be transitioned to CME Globex electronic trading platform within two years. We clear and settle all trading of our contracts conducted via CME Globex electronic trading platform through our clearinghouse.

In addition to our liquidity providers, a specified number of CME market makers will be designated by CME to build electronic liquidity at our member rates. This program will last until July 1, 2010.

The agreement has a ten-year term from the first launch date with automatic three-year extensions unless either party elects not to renew the agreement upon written notice prior to the beginning of the applicable renewal term. Pursuant to the agreement, we will pay to CME a minimum annual payment or per trade fees based on average daily volume, whichever is greater.

The agreement also includes the following significant provisions:

- During the term of the agreement, CME is prohibited from listing products that are competitive contracts to our products that are listed on CME Globex electronic trading platform provided minimum trading volumes are met.
- We will be responsible for clearing our contracts listed on CME Globex electronic trading platform and will perform all related regulatory oversight functions.
- The parties have agreed to launch the NYMEX contracts and certain specialized trading functionality over three launch periods. If a launch date is delayed beyond a specified time period primarily due to the fault or failure of one party, the party at fault shall be liable to the other party for liquidated damages.
- The agreement may be terminated: (i) for an uncured material default; (ii) in the event of bankruptcy, (iii) for legal impairment, (iv) for failure to meet specified launch dates, (v) by either party between the fifth and sixth year anniversary of the first launch date upon written

notice and payment of a termination fee, (vi) for force majeure, (vii) by us in the event of an acquisition of a competitor or the listing of competitive products by CME or (viii) by CME in the event that NYMEX Europe, a wholly-owned subsidiary of ours, obtains appropriate regulatory approval to list products for trading on CME Globex electronic trading platform but fails to list such products for trading by December 31, 2006.

Seasonal and other conditions

We believe that our business, in the aggregate, is not seasonal. Certain contracts listed on the NYMEX Division, however, trade more heavily in some seasons rather than others. For example, heating oil futures and options trade more heavily in the late fall and winter months, while higher trading in unleaded gasoline futures and options usually occurs in the late spring and summer months. Where possible, we manage our trading floor personnel and expenses appropriately to address the seasonal variations in demand for these contracts.

Working capital requirements

We believe our working capital of $106.4 million at March 31, 2006 is adequate to meet our current obligations. Although no assurances can be made, we believe we have adequate cash flows from operations to fund future operations and capital expenditure requirements for the next twelve months. In addition, following this offering we have the ability, and may seek, to raise capital through the issuances of stock in the private and public capital markets. For additional information on working capital, see “Management’s discussion and analysis of financial condition and results of operations—Liquidity and capital resources.”

Research and development

We expend significant amounts each year on research for the development of new, and improvement of existing, commodity contracts. During the years ended December 31, 2005, 2004 and 2003, we expended, directly or indirectly, $2.2 million, $1.9 million, and $1.7 million, respectively, on research and development activities relating to the design, development, improvement and modification of new and existing contracts. We anticipate that we will continue to have research and development costs to maintain our competitive position in the future.

Regulation

Regulation of the U.S. futures exchange industry

Our operations are subject to extensive regulation by the CFTC under the Commodity Exchange Act. The Commodity Exchange Act generally requires that futures trading in commodities be conducted on a commodity exchange designated either as a contract market or as a derivatives transaction execution facility by the CFTC. That act establishes non-financial criteria for an exchange to be designated to list futures and options contracts. Designation as a contract market for the trading of a specified futures contract is non-exclusive. This means that the CFTC may designate additional exchanges as contract markets for trading the same or similar contracts.

Changes in existing laws and rules

Additional legislation or regulation, or changes in existing laws and rules or their interpretation, may directly affect our mode of operation and our profitability. In 2000, Congress adopted amendments to the Commodity Exchange Act which reduced the cost and burdens of listing new

contracts for trading. The CFTC has adopted rules to implement those changes. Other amendments to the Commodity Exchange Act have been adopted by Congress that might be less favorable to our business. The regulations under which we have operated since 1974 have been changed in a manner that will permit unregulated competitors and competitors in other regulated industries to attempt to trade our products in their own trading facilities without the same regulatory costs we bear.

The CFMA provides a series of exclusions and exemptions from the Commodity Exchange Act that would generally allow our competitors to trade contracts identical or substantially similar to the ones that we offer without any form of regulation or oversight by the CFTC under certain circumstances. Generally those exclusions are available to markets limited to financial products traded among institutions, whether traded electronically or not, while the exemptions pertain to non-financial products such as energy or metals contracts. We, too, could comply with those exemptions and operate OTC energy and metals markets that are generally outside direct CFTC jurisdiction of the applicable market. If we choose to remain subject to CFTC jurisdiction, the CFMA has replaced the former rigid and rigorous statutory requirements exchanges faced with flexible core principles that exchanges—called contract markets or derivatives transaction execution facilities—would need to satisfy to comply with CFTC oversight. In addition, if we elect to trade our non-agricultural contracts on the derivatives transaction execution facility platform, banks and broker-dealers would become qualified to act as a sales force for our contracts, thus expanding our sales force substantially. Finally, the CFMA lifted the ban on trading in single-stock futures subject to the coordinated oversight of the CFTC and SEC, providing U.S. derivatives exchanges with the opportunity to compete for this new market.

The CFTC is subject to periodic reauthorization by Congress every five years. Congress is currently undertaking this process of reviewing the laws and regulations embodied in the CFMA to ensure that those affecting the futures industry are working adequately as market conditions evolve. Changes made to the CFMA's regulatory framework for exchanges during reauthorization could make it easier for others to compete with us at lower regulatory cost. Thus, the regulatory framework may provide greater regulatory advantages for some of our competitors than it does for us. See section entitled "Risk factors—Proposals of legislation or regulatory changes preventing clearing facilities from being owned or controlled by exchanges, even if unsuccessful, may limit or stop our ability to run a clearinghouse. "

Legal proceedings

Set forth below is a description of material litigation to which we are a party, as of June 30, 2006. Although there can be no assurance as to the ultimate outcome, we believe we have a meritorious legal position in the matter described below. The final outcome of any litigation, however, cannot be predicted with certainty, and an adverse resolution of this matter could have a material adverse effect on our consolidated results of operations, financial position or cash flows.

We are a party to the following legal action:

New York Mercantile Exchange, Inc. v. Intercontinental Exchange, Inc. On November 20, 2002, NYMEX Exchange commenced an action in United States District Court for the Southern District of New York against ICE. The amended complaint alleges claims for: (a) copyright infringement by ICE arising out of ICE's uses of certain NYMEX Exchange settlement prices; (b) service mark infringement by reason of use by ICE of the service marks NYMEX and NEW YORK MERCANTILE

EXCHANGE; (c) violation of trademark anti-dilution statutes; and (d) interference with contractual relationships. On January 6, 2003, ICE served an Answer and Counterclaims, in which ICE alleges five counterclaims against NYMEX Exchange as follows: (1) a claim for purported violation of Section 2 of the Sherman Act, 15 U.S.C. § 2, for NYMEX Exchange's allegedly trying to maintain a monopoly in the execution of the North America energy futures and expand the alleged monopoly into the execution and clearing of North American OTC energy contracts by attempting to deny ICE access to NYMEX Exchange settlement prices; (2) a claim for purported violation of Section 1 of the Sherman Act by conspiring with certain of its members to restrain trade by attempting to deny ICE access to NYMEX Exchange settlement prices; (3) a claim for alleged violation of Section 2 of the Sherman Act by NYMEX Exchange purportedly denying ICE access to NYMEX Exchange's settlement prices which are allegedly an "essential facility"; (4) a claim for purported violation of Section 1 of the Sherman Act and Section 3 of the Clayton Act by NYMEX Exchange allegedly tying execution services for North American energy futures and options to clearing services; and (5) a claim for purported violation of the Lanham Act through false advertising with respect to certain services offered by NYMEX Exchange and services offered by ICE. The counterclaims request damages and trebled damages in amounts not specified yet by ICE in addition to injunctive and declaratory relief.

On August 11, 2003, the Court issued an opinion dismissing certain counterclaims and one affirmative defense, with leave to replead. On or about August 28, 2003, NYMEX Exchange was served with ICE's First Amended Counterclaims in which ICE made four counterclaims against NYMEX Exchange principally alleging violations of U.S. antitrust laws, including claims regarding monopoly leveraging.

By Order and Opinion dated June 30, 2004, the Court granted NYMEX Exchange's motion and dismissed all of the antitrust counterclaims asserted against NYMEX Exchange. ICE did not appeal this decision.

By Order and Opinion dated September 29, 2005, the Court (1) granted ICE's motion for summary judgment to the extent of dismissing NYMEX Exchange's federal claims for copyright and trademark infringement and dismissing without prejudice (by declining to exercise supplemental jurisdiction), NYMEX Exchange's state law claims for violation of trademark anti-dilution statutes and interference with contractual relationships, and (2) denied NYMEX Exchange's cross-motion for partial summary judgment on copyright infringement and tortuous interference with contract. On October 13, 2005, NYMEX Exchange filed a notice of appeal with the United States Court of Appeals for the Second Circuit. NYMEX Exchange filed its appeal brief on January 24, 2006. The appeal has been fully briefed. Oral argument has yet to be scheduled. This case is ongoing.

Number of employees

As of July 12, 2006, we had 548 full-time employees. No employees are covered by labor unions.

Properties

Our primary trading facilities and corporate headquarters are located in a 16-story building in downtown New York, New York. This building, which is on land leased from the Battery Park City Authority for a term expiring on June 17, 2069, is one of five office buildings in a complex known as the World Financial Center. The construction of the 502,000 square foot building was

completed in 1997. As of March 31, 2006, we lease approximately 158,000 square feet at this facility to 38 tenants who are member firms and non-member retail and other tenants. We are liable for liquidated damages on a declining scale, with an initial maximum of up to $75.0 million, if we violate terms of the occupancy agreement at any time prior to the 15 years from the date of occupancy, July 7, 1997. See the section entitled "Notes to the consolidated financial statements—Note 19. Commitments and contingencies."

Our largest tenant is NYBOT, which entered into a lease agreement with us in 2002. Under the lease agreement, which expires in 2013, NYBOT leases approximately 13,000 square feet of the trading floor that is also occupied by COMEX Division, and approximately 45,000 square feet of office space. Rent commenced on various occupancy dates during 2003.

As described in "—Business continuity planning—Systems and facilities," our permanent disaster recovery site, located on Long Island, New York, encompasses a back-up trading facility that operates on a separate power, water, and telecommunications grid than our headquarters facility. This alternative facility is fully equipped for trading, with a back-up trading floor, and has an emergency operations center. The back-up trading floor and data center are located outside of our headquarters' transportation infrastructure. Our main and back-up data centers are linked through high capacity fiber connectivity which allows for fully-synchronous communications between the main and back-up systems. We lease the space for this site. The lease, which is for approximately 46,000 square feet of space, began in the fourth quarter 2002 and expires in 2013. Prior to occupying this site, our back-up data center was located at a temporary recovery site in New Jersey, which was occupied under a short-term lease that expired when the Company completed the transition to its permanent recovery site in April 2003.

We terminated our lease of 17,000 square feet of space at 22 Cortlandt Street in New York, New York.

We lease 8,000 square feet of space in London, England for operation of NYMEX Europe.

We lease office space in Houston, Texas, Washington, D.C., London, England and Tokyo, Japan, where we conduct marketing activities.

Our management believes our properties are adequate and suitable for our business as presently conducted and are adequately maintained for the immediate future. Our facilities are effectively utilized for current operations of all segments and suitable additional space is available to accommodate expansion needs.

Management

Directors and executive officers

Set forth below are: (1) the names and ages of all of our directors and executive officers (including those who are also directors) at June 30, 2006; (2) all positions which are presently held by each such person; and (3) the positions held by, and principal areas of responsibility of, each such person during the last five years. Our Amended and Restated Certificate of Incorporation provides that, following this offering, the number of directors constituting our board of directors shall be 15 and the directors shall be divided into two classes, composed of seven and eight directors, respectively, each elected to two-year terms. We intend to implement this provision and classify our board of directors in May 2007.

Name	Age	Position
Richard Schaeffer	54	Director and Chairman
Robert Halper	47	Director and Vice Chairman
James E. Newsome	46	Director, President and Chief Executive Officer
Stephen Ardizzone	45	Director
Neil Citrone	42	Director
Melvyn Falis	66	Director
William E. Ford	45	Director
Anthony George Gero	70	Director
Thomas Gordon	45	Director
Harvey Gralla	62	Director
David Greenberg	42	Director
Daniel Rappaport	52	Director
Frank Siciliano	58	Director and Treasurer
Robert Steele	67	Director
Dennis Suskind	63	Director
Jerome Bailey	53	Chief Operating Officer and Chief Financial Officer
Christopher K. Bowen, Esq.	45	General Counsel, Chief Administrative Officer and Secretary
Madeline J. Boyd	53	Senior Vice President—External Affairs
Samuel H. Gaer	39	Chief Information Officer
Sean Keating	41	Senior Vice President—Clearing Services
Richard D. Kerschner, Esq.	39	Senior Vice President—Corporate Governance and Strategic Initiatives
Thomas F. LaSala	44	Senior Vice President—Compliance and Risk Management
Robert Levin	51	Senior Vice President—Research
Joseph Raia	48	Senior Vice President—Marketing
Kenneth D. Shifrin	49	Senior Vice President—Finance

Richard Schaeffer — Director and Chairman
Class A Member since 1981

Mr. Schaeffer was the Vice Chairman from 2004 until his election as Chairman in 2006. Mr. Schaeffer was the Treasurer from 1993 to 2004 and has served on the Executive Committee since 1992. Mr. Schaeffer has been a Director since 1990 and an owner of a Class A membership in NYMEX Exchange since 1981. From 1997 to 2006, Mr. Schaeffer was an Executive Director of Global Energy Futures for ABN AMRO, Inc. From 1992 to 1997, Mr. Schaeffer had been a Senior Vice President/Director of the Chicago Corp., which was a clearing member of both the NYMEX Division and the COMEX Division, until its buyout by ABN AMRO, Inc. Mr. Schaeffer is a director of NYMEX Europe Exchange Holdings Limited and NYMEX Europe. Mr. Schaeffer is the Chairman of the NYMEX Charitable Foundation. Mr. Schaeffer also serves as a member of the board of directors of the Juvenile Diabetes Foundation.

James Newsome — Director and President and Chief Executive Officer

Dr. Newsome has been the President since August 2004 and has been Chief Executive Officer since March 14, 2006. Prior to joining us, Dr. Newsome was appointed by President George W. Bush and served as Chairman of the CFTC upon U.S. Senate confirmation in December 2001. Dr. Newsome had been a Commissioner of the CFTC since August 1998. During his CFTC tenure, Dr. Newsome served as a member of the President's Working Group on Financial Markets, and the President's Corporate Fraud Task Force. Dr. Newsome serves on the Executive Committee of the Company and is the Co-Chairman of the Political Action Committee. Dr. Newsome serves on the boards of DME Holdings Limited and Dubai Mercantile Exchange Limited. Dr. Newsome is a director of NYMEX Europe Exchange Holdings Limited and NYMEX Europe.

Jerome Bailey — Chief Operating Officer and Chief Financial Officer

Mr. Bailey was appointed Chief Operating Officer and Chief Financial Officer in March 2006. Mr. Bailey, who has more than 25 years of experience in financial services, joined us from Marsh, Inc., where he served as Chief Financial Officer from 2002 to 2006. Previously, Mr. Bailey served as Executive Vice President and Chief Financial Officer of Dow Jones from 1998 to 2001; Chief Financial Officer of Salomon, Inc., and Salomon Brothers; Controller and Managing Director of Morgan Stanley; and Partner at PriceWaterhouse.

Christopher Bowen — General Counsel and Chief Administrative Officer and Secretary

Mr. Bowen was appointed as General Counsel and Chief Administrative Officer in 2002 and Corporate Secretary in 2006. Mr. Bowen has served as Senior Vice President and General Counsel since 1997. Mr. Bowen also serves as the Corporate Secretary of NYMEX Europe Exchange Holdings Limited and NYMEX Europe. Mr. Bowen held the positions of Associate General Counsel and Senior Associate General Counsel. Mr. Bowen had also served as Counsel/Manager of Futures Compliance at Morgan Stanley & Co., Inc. and as an attorney at the CFTC.

Madeline Boyd — Senior Vice President—External Affairs
Class A Member from 1984 until 2003

Ms. Boyd was appointed, in 2004, as Senior Vice President of External Affairs, which combines the responsibilities of community and government affairs. Ms. Boyd had been a Class A member of the NYMEX Exchange since 1984, and a director of NYMEX Holdings from 1998 to 2004. Ms. Boyd

was a gasoline trader on the NYMEX Exchange from 1987 to 2003. Ms. Boyd has been the President of the NYMEX Charitable Foundation and the NYMEX PAC since January 2004 and continues to serve as Chairman of the New York Mercantile Exchange Charitable Assistance Fund.

Samuel Gaer Chief Information Officer

Mr. Gaer was appointed as Chief Information Officer in 2003. Mr. Gaer has been involved with the commodities industry since he was fifteen years old, working as a clerk on the COMEX trading floor. Mr. Gaer became a member of the COMEX Division in 1988. In 1991, Mr. Gaer formed Uptick Trading, which merged into Millenium Copper Group, Inc. in 1993. Mr. Gaer left the trading floor in 1998 in order to devote more time to trading software development and architecture, and subsequently founded TradingGear.com, a trading software development company. Mr. Gaer served as the interim Chief Executive Officer of NYMEX Europe Exchange Holdings Limited and NYMEX Europe Limited from inception until February 2006.

Sean Keating Senior Vice President—Clearing Services
Class A Member from 2003 until 2004

Mr. Keating was appointed as Senior Vice President of Clearing Services in 2004. Mr. Keating joined us from Pioneer Futures, Inc., a former Exchange clearing member, where he had been employed for over 16 years and served as its President since 1998. Mr. Keating had also served as President of Pioneer Capital Corp., a self-clearing National Association of Securities Dealers and New York Stock Exchange broker dealer. Mr. Keating originally worked in our Compliance department in 1987 as a trade practice analyst, where he was responsible for investigating violations of trade practices.

Richard Kerschner Senior Vice President—Corporate Governance and Strategic Initiatives

Mr. Kerschner was appointed as Senior Vice President of Corporate Governance and Strategic Initiatives in October 2005. Mr. Kerschner joined us in July 2004 as Associate General Counsel and Director—Office of Corporate Governance. He was promoted to Associate General Counsel and Vice President of Corporate Governance in December 2004. Prior to joining us, Mr. Kerschner served, on a consulting basis, as a Senior Advisor and Special Counsel to the legal department of T-Mobile USA. From April 2000 to February 2004, Mr. Kerschner was employed by SmartServ Online, Inc., a Nasdaq-listed mobile data company, most recently as the Senior Vice President, General Counsel and Secretary. From November 1997 to April 2000, Mr. Kerschner was employed by Omnipoint Communications, a Nasdaq-listed wireless telecommunications carrier currently part of T-Mobile USA, most recently as the Managing Counsel. Prior to joining Omnipoint, Mr. Kerschner practiced law in a New Jersey law firm.

Thomas LaSala Senior Vice President—Compliance and Risk Management

Mr. LaSala was appointed as Senior Vice President of Compliance and Risk Management in 2002. Mr. LaSala joined NYMEX Holdings in 1984 and worked in market surveillance as an analyst and director before being promoted to Vice President of Compliance in December 1993. Mr. LaSala oversees all aspects of regulatory compliance including trade practice, risk management, and market and financial surveillance. Mr. LaSala is also a director of the Futures Industry Association Futures Services Division and serves on the Joint Compliance Committee of all of the U.S. futures exchanges. Mr. LaSala received a Bachelor of Science degree in Business Administration with a concentration in Finance/Economics from Marist College in 1983.

Robert Levin Senior Vice President—Research

Mr. Levin serves as Senior Vice President of Research and has been a Senior Vice President since 1993. Mr. Levin is responsible for the development and maintenance of our research efforts. Mr. Levin has been active in the development, maintenance, and refurbishing of all of the Exchange's energy contracts. Mr. Levin has been among the major participants in restructuring proceedings governing the electric utility industry both at the state and federal levels. He represents NYMEX Holdings on advisory panels for the National Petroleum Council that study key industry issues. Mr. Levin is the Chief Executive Officer of Russian Energy Futures Limited, a NYMEX Holdings joint venture. Mr. Levin was our Vice President of Product Development from 1991 until 1993. Mr. Levin has been with us since 1987.

Joseph Raia Senior Vice President—Marketing

Mr. Raia was appointed as Senior Vice President of Marketing in 2004. Mr. Raia had served as the Vice President of Marketing in 2004 and Director of Marketing from 2001 to 2004. Mr. Raia has over 22 years of professional experience in the energy and transportation sectors. From 2000 to 2001, Mr. Raia was the Senior Vice President, Senior Oil and Gas On-Air Analyst and Anchor at JAG Media Holdings, where he reported on energy equities and commodities.

Kenneth Shifrin Senior Vice President—Finance

Mr. Shifrin was appointed Senior Vice President of Finance in January 2006. Mr. Shifrin served as acting Chief Financial Officer from June 2005 to March 2006. Mr. Shifrin joined us in January 2004 as Vice President & Controller. Prior to joining us, Mr. Shifrin served as Global Controller of Electronic Broking Systems. Prior to that, Mr. Shifrin held several senior financial roles, including Chief Financial Officer of Gateway Logistics, Corp., and Chief Financial Officer and Vice President of Finance for Hirsch International, Corp.

Robert Halper Vice Chairman
Class A Member since 1983

Mr. Halper previously served on the board of directors from 2000 until 2001. He began his career in commodities as a floor clerk. Mr. Halper purchased a NYMEX Division membership in 1983 and began trading as a local in Heating Oil. Mr. Halper is the President and sole proprietor of HPR Commodities, a NYMEX Division member firm. He currently is an active NYMEX Division OTC trader and NYMEX Division floor trader and a lead market maker for our e-miNY™ Heating Oil and Unleaded Gasoline. Mr. Halper serves on the Executive Committee of the Company. He is the Chairman of the Electronic Trading Advisory, Energy Advisory Committees. Mr. Halper is a director of NYMEX Europe Exchange Holdings Limited.

Stephen Ardizzone Director since 2003
Class A Member since 1986

Mr. Ardizzone began his career as a COMEX Division clerk from 1981 to 1983. He subsequently moved to crude oil where he worked for three years as a clerk for Rafferty Associates and Smith Barney before forming his own brokerage operation, Zone Energy. In 2002, Mr. Ardizzone and his brother founded Bluefin Energy Trading, currently a member firm. Mr. Ardizzone has been active on various committees of our board of directors for the last 20 years. Specifically, Mr. Ardizzone is the Chairman of the Business Conduct, Control, Facilities Committees, Co-Chairman of the Floor Broker/Local Advisory-Marketing, Membership Committees and Co-Vice Chairman of Compliance Review Committee. Mr. Ardizzone serves on the boards of DME Holdings Limited and Dubai Mercantile Exchange Limited.

Neil Citrone Director since 2006
Class A Member since 1995

Mr. Citrone is currently the Managing Director of Pioneer Futures, Inc. and manages the Pioneer Division of Man Financial. He has been employed by Pioneer Futures, Inc. since 1990 where his responsibilities have included managing the clearing functions, overseeing customer activity and providing leadership toward the growth of the firm. Mr. Citrone has been an active member of the FCM and trading community of NYMEX Exchange since 1987. Mr. Citrone serves on the Executive Committee of the Company. Mr. Citrone is the Chairman of the Appeals, Clearing House, FCM Advisory Committees. Mr. Citrone served on our board of directors from 1997 through 2001. In 2000, he also served on the Executive Committee and was the Corporate Secretary.

Melvyn Falis Director since 2001

Mr. Falis is the Chairman of the Corporate Governance Committee, and serves on the Audit Committee and Compensation Committee. Mr. Falis has been a partner in Gusrae, Kaplan, Bruno & Nusbaum, PLLC, since 1987. He was a public member of the board of directors of the New York Futures Exchange and, since 1999, has served as a public member of the board of directors of the Commodity Floor Brokers and Traders Association. He has served as Co-Chairman of the International Advisory Committee and Co-Vice Chairman of the Institutional Money Management Advisory Committee. Mr. Falis served as our General Counsel from 1977 to 1983 and was a principal author of the heating oil contract. Prior to serving as our General Counsel, he was a commodities and securities counsel for Bache Halsey Stuart, a predecessor firm to Prudential Securities.

William E. Ford Director since 2006

Mr. Ford is President and a Managing Director of General Atlantic LLC, a leading global private equity firm that provides capital for innovative companies where information technology or intellectual property is a key driver of growth. He has been with General Atlantic (or its predecessor) since 1991. Mr. Ford was appointed to the board of directors on March 14, 2006 in accordance with the terms of the GA Agreement according to which, following this offering, General Atlantic will be entitled to designate one nominee, and NYMEX Holdings' board of directors will nominate and unanimously recommend that our stockholders elect that individual to our board of directors. Such individual must be a managing director of General Atlantic LLC. In addition, so long as General Atlantic owns at least 80% of the number of shares of Preferred Stock initially acquired by it (including for purposes of this calculation the shares of NYMEX Holdings common stock issued or issuable upon conversion of the Preferred Stock, which will automatically occur upon the closing of this offering), General Atlantic will be entitled to designate one non-voting observer to the boards of directors who must be reasonably acceptable to NYMEX Holdings. For additional information, see "Certain relationships and related party transactions" below. Mr. Ford serves on the Executive Committee. Mr. Ford is the Co-Chairman of the Political Action Committee and Vice Chairman of the NYMEX Charitable Foundation and Co-Vice Chairman of the Finance Committee. He also serves on the Compensation Committee. Mr. Ford is a director of Computershare Limited and NYSE Group, Inc.

A. George Gero Director since 1999
Class A Member since 1966

Mr. Gero is currently a Senior Vice President of RBC Dain Rauscher and a Vice President of Global Futures at RBC Capital Markets. Mr. Gero was a Senior Vice President of Legg Mason Wood

Walker, Inc. until December 2, 2005. Mr. Gero held various positions with the Futures Division of Prudential Securities, Inc., from 1981 to 2003, most recently as a Senior Vice President-Investment and as a First Vice President. Mr. Gero first served as a board member of the Exchange in 1976 and has been a member of the COMEX Division since 1976, the American Stock Exchange since 1995, NYBOT since 1984, the Philadelphia Stock Exchange since 2003 and NYMEX Exchange since 1966. Mr. Gero is the Chairman of the Adjudication, Metals Advisory Committees, Co-Chairman of Arbitration Committee, Vice Chairman of Membership, Options Advisory Committees, and Co-Vice Chairman of Clearing House, Compliance Review, FCM Advisory, Marketing and Political Action Committees. Mr. Gero also serves on the COMEX Governors Committee. Mr. Gero is the Chairman of the Commodity Floor Brokers and Traders Association. Mr. Gero is currently a board member of the New York Futures Exchange, International Precious Metals Institute and FINEX, and was previously a director of the Commodity Clearing Corporation. In addition, Mr. Gero is currently a board member of the PBOT division of the Philadelphia Stock Exchange, a member of the Financial Planning Association of New York, a member of the Managed Funds Association and a Senior Conferring Member on NYMEX Exchange.

Thomas Gordon — Director since 2006
Class A Member since 1983

Mr. Gordon began his career at NYMEX Exchange in 1980. Mr. Gordon worked for several brokerage firms in the capacity of runner, phone clerk, associated person, discretionary trader, floor broker, supervisor and analyst. In 1984, Mr. Gordon joined Bay Area Petroleum and subsequently became Vice President and Partner. Mr. Gordon left Bay Area Petroleum in 1990 and became a local trader. Mr. Gordon has been a local trader for the past fifteen years. Mr. Gordon serves on the Executive Committee of the Company. Mr. Gordon is the Chairman of the Compliance Review, Floor/Settlement Price Committees, Co-Chairman of the Floor Broker/Local Advisory and Co-Vice Chairman of Business Conduct, Electronic Trading Advisory, Energy Advisory, Finance and Political Action Committees. Mr. Gordon has also served as Ring Chairman in Crude Oil for the past five years.

Harvey Gralla — Director since 2005
Class A Member since 1980

Mr. Gralla began his career in the life insurance field and received a Chartered Life Underwriter degree. In 1980, Mr. Gralla changed careers and became a member of NYMEX Exchange, where he traded for 17 years. In addition to being a NYMEX Exchange equity holder, Mr. Gralla is an active off-the-floor trader in NYMEX Exchange energy products. Mr. Gralla serves on the Executive Committee of the Company. Mr. Gralla is the Chairman of the Equity Holders' Advisory Committee. Mr. Gralla is also a member of NYBOT.

David Greenberg — Director since 2000
Class A Member since 1990

Mr. Greenberg has been the President of Sterling Commodities Corp. since 1996. Mr. Greenberg has been a member of NYMEX Exchange since 1990 and of the COMEX Division since 1988. Mr. Greenberg serves on the Executive Committee of the Company. Mr. Greenberg is the Co-Chairman of the Marketing Committee, Vice Chairman of the Facilities committee and Co-Vice Chairman of the Electronic Trading Advisory Committee. He also serves as a member of NYBOT and as a director of the Commodity Floor Brokers and Traders Association and the Futures and Options for Kids charity.

Daniel Rappaport Director since 2006
Class A Member since 1981

Mr. Rappaport served as our Chairman of the Board/CEO from 1993 through March 2001 during which time he led NYMEX Exchange through the merger with COMEX, relocated NYMEX Exchange to its new headquarters facility and led NYMEX from a New York not-for-profit company to a demutualized for-profit Delaware corporation. Mr. Rappaport was first elected to our Board in 1986. Mr. Rappaport currently serves as the Managing Partner of a fund of funds. Mr. Rappaport was appointed by the U.S. Secretary of Energy to serve as a member of the National Petroleum Council, he was also appointed to serve as a member of the U.S. Commodity Futures Trading Commission Global Markets Advisory Committee, he served as a Board member of the Futures Industry Institute and as a Trustee on the Board of Trustees of New York Law School. Mr. Rappaport is the Vice Chairman of the Equity Holders' Advisory Committee and Co-Vice Chairman of the Marketing Committee.

Frank Siciliano Director since 2006
Class A Member since 1985

Mr. Siciliano serves as the Treasurer of the Company. Mr. Siciliano is the Chairman of the Bylaws, Finance Committees, Co-Chairman of the Arbitration, Floor Broker/Local Advisory, Marketing Committees. Mr. Siciliano has been involved in the commodity business for over thirty years. He began his career at COMEX in 1974 as Assistant to the President. Over the next six years, he rose to Senior Vice President and Chief Operating Officer of COMEX. Between 1974 and July 1976, he coordinated the development and construction of the Four World Trade Center complex, which consolidated four commodity exchanges onto one trading floor. Upon his resignation from COMEX in 1981, Mr. Siciliano began his trading career on the floor of COMEX, as a silver local. In 1985, he purchased a Class A membership in the NYMEX Division, where he began trading crude oil as a local. In 1997, he moved to trade natural gas as a local. In 2006, he started a brokerage company, GASO Brokerage, Inc.
Mr. Siciliano is a member of the Finance and Locals' Advisory Committees. Mr. Siciliano is a director of Russian Energy Futures Limited. He also served as Vice Chairman of Futures and Options for Kids. Prior to his employment with COMEX in 1974, Mr. Siciliano was a professor of Economics at Pace University.

Robert Steele Director since 1999

Mr. Steele is Chairman of the Compensation Committee, and serves on the Audit Committee and Corporate Governance Committee. Mr. Steele was a Public director from 1988 to 1994 and was re-appointed to the Board in 1999. A former banker, Mr. Steele has been Vice Chairman of the John Ryan Company since 1996 and was a director of the Merlin Retail Financial Center from 1994 to 2005. He is a Public director of the American Stock Exchange, and a director of NLC Mutual Insurance Company, and was Chairman of publicly listed Moore Medical Corporation prior to its recent sale. Mr. Steele was a U.S. Congressman (Second District, CT 1970-1974), serving on the House Foreign Affairs Committee and chairing or co-chairing Congressional Task Forces on International Drug Trafficking and Problems of the Aging. Following Congress, he was appointed Chairman of the Social Security Committee of the White House Conference on Aging. Mr. Steele served as a Soviet Affairs specialist in the Central Intelligence Agency, and was a visiting lecturer in government at the United States Coast Guard Academy. He is the recipient of an honorary Doctor of Laws degree from Sacred Heart University in Connecticut.

Dennis Suskind Director since 2006
Class A Member from 1969 until 1991

Mr. Suskind is Chairman of the Audit Committee, and serves on the Compensation and Corporate Governance Committee. Mr. Suskind also serves as Co-Vice Chairman of the Metals Advisory Committee. Mr. Suskind entered J. Aron & Company in 1961 where he served as Executive Vice President with responsibility for the worldwide precious metal trading operations. In 1980, Mr. Suskind became a General Partner of Goldman Sachs upon its acquisition of J. Aron & Company where he led the Metals operations for the next ten years until his retirement in 1990. During his tenure in trading metals, Mr. Suskind served as Vice Chairman of NYMEX Exchange, Vice Chairman of COMEX, a member of the board of directors of Futures Industry Association, a member of the board of directors of International Precious Metals Institute, Chairperson of the Financial Times International Gold Conferences and a member of the Boards of the Gold and Silver Institutes in Washington. In 2005, Mr. Suskind was elected to the Futures Industry Association's Hall of Fame. Mr. Suskind has previously served as an elected official of the town of Southampton. He currently serves as President of the board of directors of the Arthur Ashe Institute for Urban Health, President of the Hampton Classic Horse Show, a board member of Bridgehampton National Bank and the United Equity Fund. He is also President of the Board of the Stein Ericksen Lodge in Deer Valley, Utah. He has served as a Member of the President's Council of the Peconic Land Trust, President of Brown University's Parent's Council, Founding Member of Mt. Sinai's Hospital Associates, board of directors of the Nature Conservancy, and as a board member of the Collegiate School and Marymount Schools in NY among others.

Board of directors

Our board of directors has 15 members. There currently are no vacant director positions on the Board. None of the directors, except for the Chairman and the President, is currently an employee of ours. Pursuant to our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, the directors who serve as Chairman, Vice Chairman and Treasurer are also officers of the Company. There were no compensation committee interlocks or other relationships during 2005 requiring disclosure under item 402(j) of Regulation S-K of the SEC. So long as General Atlantic owns at least 80% of the number of shares of Preferred Stock initially acquired by it (including for purposes of this calculation the shares of NYMEX Holdings common stock issued or issuable upon conversion of the Preferred Stock, which will automatically occur upon closing of this offering), General Atlantic will be entitled to designate one nominee, and NYMEX Holdings' board of directors will nominate and unanimously recommend that our stockholders elect that individual to our board of directors. Such individual must be a managing director of General Atlantic LLC. In addition, so long as General Atlantic owns at least 80% of the number of shares of Preferred Stock initially acquired by it (including for purposes of this calculation the shares of NYMEX Holdings common stock issued or issuable upon conversion of the Preferred Stock, which will automatically occur upon the closing of this offering), General Atlantic will be entitled to designate one non-voting observer to the boards of directors who must be reasonably acceptable to NYMEX Holdings.

Our board of directors held a total of 29 meetings, including one (1) Annual Meeting of Stockholders during 2005. None of the directors attended less than 75% of the meetings.

The CFTC recently published a proposed rule that may make the standards for independence of a director stricter than the current standards. There can be no assurance that the proposed rule will pass and, if so, in what form.

Committees of the board of directors

The Board has established Executive, Audit, Compensation, Corporate Governance and Nominating and certain other committees. The Board established a Compensation Committee in 2002 and a Corporate Governance Committee in 2003. Our Audit and Compensation Committees consist solely of Public Directors, all of whom satisfy the independence requirements set forth in the New York Stock Exchange listing standards.

Executive committee

The Executive Committee consists of Richard Schaeffer, Robert Halper, James Newsome, Neil Citrone, William Ford, Thomas Gordon, Harvey Gralla and David Greenberg. This Committee met 48 times in the year 2005. The Executive Committee may exercise the authority of the Board. The Executive Committee shall perform other duties as are specified by the Board or as are provided in the Company's bylaws and rules.

Audit committee

As of July 2006, the Audit Committee consisted of: Dennis Suskind (Chairman), Robert Steele and Melvyn Falis. This Committee met 33 times in 2005. The Audit Committee has direct oversight of the Company's internal audit department and makes decisions concerning the engagement of public accountants, reviews with the public accountants the scope and results of the audit engagement, approves professional services provided by the public accountants, reviews the independence of the public accountants, considers the range of audit and non-audit fees and reviews the adequacy of the Company's internal accounting controls.

Compensation committee

The board of directors established a Compensation Committee in 2002. As of May 2006, the Committee consisted of: Robert Steele (Chairman), Dennis Suskind, William Ford and Melvyn Falis. The Compensation Committee met 12 times in the year 2005. In 2003, the Company adopted a Compensation Committee Charter. The Compensation Committee reviews issues related to executive compensation, such as salary and bonus ranges and incentive compensation plans. The Compensation Committee also determines the salary and bonus amounts for the Chairman and President, and determines annual bonus amounts for the Executive Committee of the board of directors. In addition, the Compensation Committee determines salary and bonus amounts for senior vice presidents and reviews and approves salary and bonus amounts for vice presidents.

Corporate governance and nominating committee

As of July 2006, the Committee consisted of: Melvyn Falis (Chairman), Robert Steele, and Dennis Suskind. The Corporate Governance and Nominating Committee met 5 times in the year 2005. The purpose of the Corporate Governance Committee is to develop and recommend to the board of directors corporate governance principles applicable to the Company and oversee the Company's policies, practices and procedures in the area of corporate governance. It also serves to identify and nominate individuals to the Board to serve as directors and to serve on committees of the Board.

Code of ethics

We have adopted a code of ethics for our principal executive officer and senior financial officers.

Benefit plans

Our board of directors approved the NYMEX Holdings, Inc. 2006 Omnibus Long-Term Incentive Plan (the "2006 Plan") on July 13, 2006, subject to stockholder approval. These approvals provided, however, that grants under the 2006 Plan may not be made prior to the closing of this offering which is also subject to stockholder approval. Please see "—New plan benefits" for grants to be made upon the close of this offering. The following is a summary of the 2006 Plan.

Purpose of plan. The purpose of the 2006 Plan is to enhance our ability to attract and retain highly qualified officers, directors and key employees, and to motivate such persons to serve our company and to expend maximum effort to improve the business results and earnings of our company, by providing to such persons an opportunity to acquire or increase a direct proprietary interest in the operations and future success of our company.

Administration of the plan. Our board of directors has such powers and authorities related to the administration of the 2006 Plan as are consistent with our corporate governance documents and applicable law. The board of directors may (and in some cases under applicable law, our governance documents or regulatory requirements must) delegate to a committee (the "committee") administration of all or some parts of the 2006 Plan. Generally, any committee to whom administrative responsibility has been delegated may be comprised of directors who (i) qualify as "outside directors" within the meaning of Section 162(m) of the Code, (ii) meet such other requirements as may be established from time to time by the SEC for plans intended to qualify for exemption under Rule 16b-3 (or its successor) under the Exchange Act, and (iii) comply with the independence requirements of the stock exchange on which our common stock is listed.

Number of authorized shares. 4,300,000 shares of common stock have been reserved for issuance under the 2006 Plan. Subject to the terms of the 2006 Plan, any of the reserved shares may be issued pursuant to incentive stock options ("ISOs"). Under no circumstances may more than 1,433,333 shares be issued under the Plan as restricted stock or restricted stock units. Any shares covered by an award that are not purchased or are forfeited, settled in cash or otherwise terminated shall be available for future grants under the 2006 Plan. The number and class of shares available under the 2006 Plan and/or subject to outstanding awards may be equitably adjusted by our board in the event of various changes in the capitalization of our company.

Type of awards. The following types of awards are available for grant under the 2006 Plan: ISOs, non-qualified stock options ("NSOs"), stock appreciation rights ("SARs"), restricted stock, restricted stock units, and performance and annual incentive awards.

Deferral arrangements. Our board may permit or require the deferral of any award payment into a deferred compensation arrangement.

Eligibility and participation. Eligibility to participate in the 2006 Plan is limited to such employees, officers and directors of our company, or of any affiliate, as our board shall determine and designate from time to time.

Grant of Options and SARs. Our board may award ISOs, NSOs (together, "Options"), and SARs to eligible participants. Our board is authorized to grant SARs in tandem with or as a component of other awards or not in conjunction with other awards.

Exercise price of Options and SARs. The exercise price per share of an Option will in no event be less than 100% of the fair market value per share of our stock underlying the award on the grant date. In no case shall the exercise price of any Option be less than the par value of a share

of our stock. A SAR shall confer on the grantee a right to receive, upon exercise, a payment of the excess of (A) the fair market value of one share of our stock on the date of exercise over (B) the grant price of the SAR as determined by our board. The grant price shall be fixed at the fair market value of a share of stock on the date of grant. SARs granted in tandem with an outstanding Option following the grant date of such Option may have a grant price that is equal to the Option's exercise price; provided, however, that the SAR's grant price may not be less than the fair market value of a share of stock on the grant date of the SAR. The exercise price of Options granted during our initial public offering will be the price per share of common stock of our company for the offering, as established by the Board.

Vesting of Options and SARs. Our board will determine when an Option or SAR shall become exercisable and the effect of termination of service on such award, and include such information in the award agreement.

Special limitations on ISOs. In the case of a grant of an Option intended to qualify as an ISO to a grantee that owns more than ten percent of the total combined voting power of all classes of our outstanding stock, its parent or any of its subsidiaries, (a "Ten Percent Stockholder") the exercise price of the Option shall not be less than 110 percent of the fair market value of a share of our stock on the grant date. Additionally, an Option shall constitute an ISO only (i) if the grantee is an employee of our company or a subsidiary of our company, (ii) to the extent specifically provided in the related award agreement, and (iii) to the extent that the aggregate fair market value (determined at the time the option is granted) of the shares of stock with respect to which all ISOs held by such grantee become exercisable for the first time during any calendar year (under the 2006 Plan and all other plans of the grantee's employer and its affiliates) does not exceed $100,000.

Exercise of Options and SARs. An Option may be exercised by the delivery to us of written notice of exercise and payment in full of the exercise price (plus the amount of any taxes which we may be required to withhold). The minimum number of shares with respect to which an Option may be exercised, in whole or in part, at any time shall be the lesser of (i) the number set forth in the applicable award agreement and (ii) the maximum number of shares available for purchase under the Option at the time of exercise. Our board has the discretion to determine the method or methods by which an SAR may be exercised.

Expiration of Options and SARs. Options and SARs will expire at such time as our board determines; provided, however that no Option may be exercised more than eight years from the date of grant, or in the case of an ISO held by a Ten Percent Stockholder, not more than five years from the date of grant.

Restricted stock and restricted stock units. At the time a grant of restricted stock or restricted stock units is made, our board may, in its sole discretion, establish the applicable "restricted period" and prescribe restrictions in addition to or other than the expiration of the restricted period, including the satisfaction of corporate or individual performance objectives. At the time such restrictions lapse, unless our board otherwise provides in an award agreement, holders of restricted stock shall have the right to vote such stock and the right to receive any dividends declared or paid with respect to such stock. Our board may provide that any such dividends paid must be reinvested in shares of stock, which may or may not be subject to the same vesting conditions and restrictions applicable to such restricted stock. All distributions, if any, received by a grantee with respect to restricted stock as a result of any stock split, stock dividend,

combination of shares, or other similar transaction shall be subject to the restrictions applicable to the original grant. Holders of restricted stock units shall have no rights as stockholders of our company. Our board may provide that the holder of restricted stock units shall be entitled to receive dividend equivalent rights, which may be deemed reinvested in additional restricted stock units.

Unless our board otherwise provides, upon the termination of a grantee's service, any restricted stock or restricted stock units held by such grantee that have not vested, or with respect to which all applicable restrictions and conditions have not lapsed, shall immediately be deemed forfeited.

The grantee shall be required, to the extent required by applicable law, to purchase the restricted stock at a price equal to the greater of (i) the aggregate par value of the shares of stock represented by such restricted stock or (ii) the price, if any, specified in the award agreement relating to such restricted stock. If specified in the award agreement, the price may be deemed paid by services already rendered.

Performance and annual incentive awards. The right of a grantee to exercise or receive a grant or settlement of any award, and the timing thereof, may be subject to such performance conditions as may be specified by our board. Our board may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance conditions, and may, subject to certain limitations in the case of a performance award or annual incentive award intended to qualify under Section 162(m) of the Code ("Section 162(m)"), exercise its discretion to reduce the amounts payable under any award subject to performance conditions. If and to the extent required under Section 162(m), any power or authority relating to a performance award or annual incentive award intended to qualify under Section 162(m), shall be exercised by the committee and not our board.

We intend that performance awards and annual incentive awards granted to persons who are designated by the committee as likely to be "Covered Employees" within the meaning of Section 162(m) and regulations thereunder shall, if so designated by the committee, constitute "qualified performance-based compensation" within the meaning of Section 162(m) and regulations thereunder. The grant, exercise and/or settlement of such performance or annual incentive award shall be contingent upon achievement of pre-established performance goals which shall consist of one or more business criteria and a targeted level or levels of performance with respect to each of such criteria. Performance goals shall be objective and shall otherwise meet the requirements of Section 162(m) and regulations thereunder.

One or more of the following business criteria for our company shall be used exclusively by the committee in establishing performance goals for such awards: (1) total stockholder return; (2) such total stockholder return as compared to total return (on a comparable basis) of a publicly available index such as, but not limited to, the Standard & Poor's 500 Stock Index; (3) net income; (4) pretax earnings; (5) earnings before interest expense, taxes, depreciation and amortization; (6) pretax operating earnings after interest expense and before bonuses, service fees, and extraordinary or special items; (7) operating margin; (8) earnings per share; (9) return on equity; (10) return on capital; (11) return on investment; (12) operating earnings; (13) working capital; (14) ratio of debt to stockholders' equity and (15) revenue.

Change in control. Our board may provide in the award agreement or any time thereafter (with grantee consent) the actions that will be taken upon a change in control of us, including but not limited to, alternative vesting, termination or assumption of awards.

Nontransferability of Awards. Generally, during the lifetime of a grantee, only the grantee may exercise an Option and no Option shall be assignable or transferable other than by will or laws of descent and distribution. If authorized in the award agreement, a grantee may transfer, not for value, all or part of an NSO to certain family members. Neither restricted stock nor restricted stock units may be sold, transferred, assigned, pledged or otherwise encumbered or disposed of during the restricted period or prior to the satisfaction of any other restrictions prescribed by our board.

Tax withholding and tax offset payments. We shall have the right to deduct from payments of any kind otherwise due to a grantee any federal, state, or local taxes of any kind required by law to be withheld with respect to the vesting of or other lapse of restrictions applicable to an award or upon the issuance of any shares of stock upon the exercise of an Option or pursuant to an award.

Term of plan. Unless earlier terminated by our board, the authority to make grants under the 2006 Plan shall terminate on the date that is ten years after it is adopted by our board.

Amendment and termination. Our board may, at any time and from time to time, amend, suspend, or terminate the 2006 Plan as to any shares of stock as to which awards have not been made. An amendment shall be contingent on approval of our stockholders to the extent stated by our board, required by applicable law or required by applicable stock exchange listing requirements. No Awards shall be made after termination of the 2006 Plan. No amendment, suspension, or termination of the 2006 Plan shall, without the consent of the grantee, impair rights or obligations under any award theretofore awarded under the 2006 Plan.

New plan benefits. All grants of awards under the 2006 Plan will be discretionary. Therefore, in general, the benefits and amounts that will be received under the 2006 Plan are not determinable. However, at the time of our initial public offering all of our employees will be granted 100 shares of restricted stock that will be subject to a four year annual vesting schedule. Non-employee directors will be granted annual deferred stock units (restricted stock units deferred under a deferral arrangement) equal to $40,000. Initial grants to non-employee directors will be subject to a one year vesting schedule; subsequent annual grants will vest ratably over the four quarters following the grant date. In lieu of the deferred stock unit grant described above, our vice-chairman will receive an annual grant of deferred stock units valued at $80,000, subject to the same vesting schedule described above.

The first grant will be made to our non-employee directors on our initial public offering, which will be prorated from the date of the initial public offering until the shareholder's meeting held in 2007. For vesting purposes, service credit as of May 6, 2006 will be recognized.

Federal income tax consequences. The following is a summary of the general federal income tax consequences to our company and to U.S. taxpayers of awards granted under the Plan. Tax consequences for any particular individual or under state or non-U.S. tax laws may be different.

NSOs and SARs. No taxable income is reportable when a NSO or SAR is granted. Upon exercise, generally, the recipient will have ordinary income equal to the fair market value of the underlying shares of stock on the exercise date minus the exercise price. Any gain or loss upon the disposition of the stock received upon exercise will be capital gain or loss to the recipient if the appropriate holding period under federal tax law is met for such treatment.

ISOs. No taxable income is reportable when an ISO is granted or exercised (except for recipients who are subject to the alternative minimum tax, who may be required to recognize income in the year in which the ISO is exercised). If the recipient exercises the ISO and then sells the underlying shares of stock more than two years after the grant date and more than one year after the exercise date, the excess of the sale price over the exercise price will be taxed as capital gain or loss. If the recipient exercises the ISO and sells the shares before the end of the two- or one-year holding periods, he or she generally will have ordinary income at the time of the sale equal to the fair market value of the shares on the exercise date (or the sale price, if less) minus the exercise price of the ISO.

Restricted stock and restricted stock units. A recipient of restricted stock or restricted stock units will not have taxable income upon the grant unless, in the case of restricted stock, he or she elects to be taxed at that time. Instead, he or she will have ordinary income at the time of vesting equal to the fair market value on the vesting date of the shares (or cash) received minus any amount paid for the shares.

Tax effect for our company. We generally will receive a tax deduction for any ordinary income recognized by a participant in respect of an award under the 2006 Plan (for example, upon the exercise of a NSO). In the case of ISOs that meet the holding period requirements described above, the grantee will not recognize ordinary income; therefore, we will not receive a deduction. Special rules limit the deductibility of compensation paid to our CEO and to each of our four most highly compensated executive officers. Under Section 162(m), the annual compensation paid to each of these executives may not be deductible to the extent that it exceeds $1 million. However, we intend to rely on Treas. Reg. Section 1.162-27(f) which provides that the deduction limit of Section 162(m) does not apply to any remuneration paid pursuant to a compensation plan or agreement that existed during the period in which the company was not publicly held. Subject to certain requirements, we may rely on this “grandfather” provision for up to a maximum of three years after we become publicly held. Additionally, after the expiration of the grandfather period, we can preserve the deductibility of compensation over $1 million if certain conditions of Section 162(m) are met. These conditions include shareholder approval of the 2006 Plan, setting limits on the number of awards that any individual may receive and, for awards other than Options and SARs, establishing performance criteria that must be met before the award will actually be granted, be settled, vest or be paid. The 2006 Plan has been designed to permit the committee to grant awards that qualify as performance-based for purposes of satisfying the conditions of Section 162(m). Our deduction may also be limited by Section 280G of the Code.

Options

Following the completion of this offering we intend to file a registration statement on Form S-8 under the Securities Act to register approximately shares of common stock reserved for issuance under our stock incentive plans. The registration statement on Form S-8 will become effective automatically upon filing.

Cash bonuses

The board of directors adopted an Incentive Compensation Plan (the “Incentive Plan”) and the stockholders approved the Incentive Plan at their Annual Meeting in 2002, with the intent of avoiding the possibility that the deductibility for Federal income tax purposes of bonus

compensation with regard to the year ending December 31, 2002 or future years will be limited by Section 162(m) of the Internal Revenue Code (which under certain circumstances causes compensation to an employee in a year in excess of $1 million not to be deductible to the employer). Nothing precludes the Compensation Committee (the "Committee") from making any awards that are outside the scope of the Incentive Plan. Moreover, to maintain flexibility, the Committee has not adopted a policy that all compensation must be deductible.

Under the Incentive Plan, the Committee may award cash bonuses to executive officers of NYMEX. Awards of incentive compensation are based upon a percentage of NYMEX's consolidated earnings before interest, taxes, depreciation and amortization, before giving effect to losses from discontinued operations, extraordinary gains or losses, the cumulative effect of accounting changes, liquidity incentive programs or other forms of trading rebates and any unusual nonrecurring gain or loss ("EBITDA"). None of the Chairman, the Vice Chairman or the President may receive a bonus award under the Incentive Plan for any fiscal year that exceeds 3.0% of NYMEX's consolidated EBITDA for that fiscal year. In addition, no other executive officer may be awarded a bonus under the Incentive Plan for any fiscal year that exceeds 1.5% of NYMEX's consolidated EBITDA for that fiscal year. Bonuses may be payable in single lump sums, or may be payable over periods of years, and may (but will not be required to) be made forfeitable to the extent recipients do not continue to be employed by NYMEX or its subsidiaries throughout the period during which they are payable.

Compensation of directors

Current compensation of directors

Chairman: The Chairman receives an annual base salary of $600,000. In 2005, then Chairman Mitchell Steinhause received a year-end bonus of $925,000. Richard Schaeffer was elected Chairman on May 1, 2006.

Vice Chairman: The Vice Chairman receives an annual stipend of $100,000 as well as a fee of $1,000 for each monthly board meeting attended. In 2005, then Vice Chairman Richard Schaeffer received a year-end bonus in an amount of $650,000. Robert Halper was elected Vice Chairman on May 1, 2006.

Director: Directors other than the Chairman and Vice Chairman currently receive a monthly stipend of $2,500, or $30,000 a year. All directors receive an additional fee of $1,000 for each regular monthly board meeting attended. Public Directors also currently receive $1,000 for each committee meeting attended. In addition, directors other than the Chairman and Vice Chairman serving on the Executive Committee received a $20,000 annual retainer. Directors serving on the Executive Committee were also eligible to receive a year-end bonus in an amount to be determined and approved by the board of directors. In 2005, the members of the Executive Committee received a $100,000 year-end bonus. Since May 2006, Executive Committee members no longer receive an additional annual retainer and are no longer eligible to receive an annual bonus for their service on the Executive Committee. In 2005, Kevin McDonnell, who served as a director and Treasurer, received a bonus of $300,000 in recognition of his extraordinary efforts on NYMEX's behalf. In addition, director Stephen Ardizzone received a bonus $150,000 in recognition of his extraordinary efforts on NYMEX's behalf.

Compensation of directors following an initial public offering

Employee Directors: The Chairman and the President and Chief Executive Officer are each employee directors of NYMEX. Directors who are employees do not receive any fees or additional compensation for services as members of the board of directors or any committee.

Non-Employee Directors: On July 6, 2006, the board of directors approved a plan for annual compensation for NYMEX's non-employee directors ("Non-Employee Director Compensation Plan"), effective as of the date of an initial public offering. Under the Non-Employee Director Compensation Plan, NYMEX's non-employee directors will receive the following compensation for their services:

Cash fees: Each non-employee director of NYMEX other than the Vice Chairman will receive an annual cash retainer of $50,000 for services as a director of NYMEX. The Vice Chairman of the board of directors will receive an annual retainer of $100,000. In addition, each non-employee director that serves as a member of the Audit, Compensation or Corporate Governance and Nominating Committees will receive an annual cash retainer of $10,000 for each committee, and the Chair of each of the Audit, Compensation and Corporate Governance and Nominating Committees will receive an additional annual cash retainer of $15,000, $10,000 and $10,000, respectively.

Equity compensation: Each non-employee director of NYMEX other than the Vice Chairman will receive an annual award of deferred stock units ("DSUs") valued at $40,000 as of the date of grant. The Vice Chairman of the board of directors will receive an annual DSU grant valued at $80,000 as of the date of grant, following each annual meeting of stockholders, which shall vest as to 25% of the grant at the end of each quarter following the date of grant. Each DSU

represents NYMEX's obligation to issue shares of its common stock in accordance with the terms of the Non-Employee Director Compensation Plan, with the shares to be delivered 6 months following the termination of the director's board service. All annual DSU grants will vest as to 25% of the grant at the end of each quarter immediately following the date of grant until fully vested; provided, however, the initial grants will vest after one year of Board service (counted from May 1, 2006). DSUs will be allocated to a non-qualified deferred compensation arrangement under the Non-Employee Director Compensation Plan, with fully vested shares of NYMEX common stock equal to the value of the DSU account delivered to the respective non-employee director 6 months following the termination of board service.

2006 payments and grants: Cash fees and equity grants for the year ending with the 2007 annual meeting of stockholders shall be prorated for the period beginning on the date of the initial public offering and ending with the 2007 annual meeting. For vesting purposes on this initial equity grant, service will be counted as of May 1, 2006.

Executive compensation

The Summary Compensation Table below sets forth information in respect of the compensation of the Chairman of us and the other four (4) most highly-compensated executive officers of ours and our subsidiaries during 2005 and the amount of each of their annual compensation for 2003, 2004 and 2005.

Summary compensation table

Name and principal position	Year	Annual compensation Salary	Bonus	All other compensation(1)
Richard Schaeffer	2005	—	650,000	111,000(2)
Chairman since May 1, 2006 and previously Vice Chairman	2004	—	375,000	100,500(2)
	2003	—	110,000	61,000(2)
James Newsome	2005	700,000	700,000	13,200(3)
President and, since March 14, 2006, Chief Executive Officer	2004	296,154	600,000(4)	—
	2003	—	—	—
Christopher Bowen, Esq.,	2005	314,083	400,000	—
General Counsel, Chief Administrative Officer and Secretary	2004	314,083	310,000	—
	2003	288,640	275,000	—
Samuel Gaer	2005	360,000	600,000(5)	18,000(6)
Chief Information Officer	2004	360,000	225,000	3,826(7)
	2003	276,923	200,000	8,537(6)
Mitchell Steinhause	2005	600,000	925,000	—
Former Chairman and Chief Executive Officer	2004	480,000	900,000	28,000(2)
	2003	—	450,000	112,000(2)

(1) As provided by SEC Regulation S-K, Item 402, perquisites and other personal benefits aggregating the lower of $50,000 or 10% of the sum of salary and bonus are not reported.

(2) Consists of pro rata stipends for serving as Vice Chairman, Executive Committee member, or Board member, as the case may be, and Board meeting attendance fees (see “Compensation of Directors” above for description of fees).

(3) Consists of life insurance premiums paid on behalf of Dr. Newsome.

(4) Consists of $400,000 sign-on bonus and $200,000 year-end bonus.

(5) Includes $250,000 one-time bonus payment for serving as Acting CEO–NYMEX Europe.

(6) Consists of reimbursement payments, plus tax gross up, to Mr. Gaer, for life and disability insurance premiums.

(7) Consists of reimbursement payments, plus tax gross up, to Mr. Gaer, for life insurance premiums.

Employee benefit plans

Our directors and executive officers will be eligible, upon consummation of this offering, to receive additional compensation in the form of cash, incentive stock options (“ISOs”), non-qualified stock options (“NSOs”), stock appreciation rights (“SARs”), restricted stock, restricted stock units, unrestricted stock grants and performance and annual incentive awards. See the sections entitled “Management—Benefit plans” and “Management—Cash bonuses.”

Employment and other agreements

James Newsome

We have an employment agreement with James Newsome, our President and Chief Executive Officer, effective as of August 2, 2004 and expiring on August 1, 2007. This agreement provides for Dr. Newsome to earn a salary of $700,000 per year for the first two years of the agreement and $900,000 for the third year of the agreement. Dr. Newsome also received a signing bonus payment of $400,000. In addition to his annual salary, Dr. Newsome is entitled to be considered for an annual bonus. Such bonus is in the sole discretion of the Company. In the event that we award stock options in connection with an initial public offering or private placement of our equity securities, Dr. Newsome will be entitled to receive a stock option grant that is comparable to the stock option grants provided to the other of our senior officers and executives.

If Dr. Newsome is terminated without Cause or if he resigns for Good Reason, he will be entitled to a payment of $900,000. If Dr. Newsome is terminated for Cause, our obligations shall cease, except his annual salary and other benefits accrued at the time and as required by applicable law. In either event, Dr. Newsome will be required to repay all or a portion of the signing bonus pursuant to a formula set forth in his agreement. The term “Cause” includes Dr. Newsome’s violation, involving dishonesty, breach of trust or bad faith, of any statute, regulation or rule in the areas of commodities or securities regulation that results in sanctions against him or us; any intentional act of fraud, embezzlement, theft or misappropriation of our funds; failure to devote substantially all of his business time and efforts to us or the uncured material breach of the terms of his agreement. The term “Good Reason” includes relocation by us of the principal place of employment by more than 50 miles from New York City; a material breach by us of the terms of Dr. Newsome’s agreement; or a demotion or significant diminution in his responsibilities.

If the Company elects not to renew the agreement at the end of the term, Dr. Newsome is entitled to a payment of $900,000 unless such non-renewal is for Cause. For a period of one year after employment has terminated, Dr. Newsome shall be precluded from engaging in any activities relative to the operation of a commodities exchange for trading and/or clearing in the energy and metals sector. In addition, Dr. Newsome is subject to customary confidentiality and non-solicitation provisions.

Jerome Bailey

Pursuant to an employment offer letter, in March 2006, we appointed Jerome Bailey as the Company’s Chief Operating Officer and Chief Financial Officer. Mr. Bailey is paid a base salary of $500,000 per year and a minimum annual bonus of $500,000 including calendar year 2006. In addition, in the event that we do not complete a private placement or an initial public offering of equity securities within one year of the commencement of his employment, Mr. Bailey will be entitled to terminate his employment with us and receive a one-time payment of $500,000. In the event that we award stock options in connection with an initial public offering or private placement of our equity securities, Mr. Bailey will be entitled to receive a stock option grant, which shall be comparable to the provisions of options granted to our other officers and executives of comparable position.

Christopher Bowen

We entered into an employment agreement in March 2006 with Christopher Bowen, our General Counsel and Chief Administrative Officer.

This agreement is effective as of March 1, 2006, and provides for Mr. Bowen to earn a salary at a minimum rate of $500,000 per year through February 28, 2009, subject to automatic one year renewal periods unless either party notifies the other party of non-renewal thirty days prior to expiration of the term. In addition to his annual salary, Mr. Bowen shall be paid an annual bonus in an amount to be determined by the board of directors, but in no event less than $250,000 per year (including calendar year 2006). In the event that we award stock options in connection with an initial public offering or private placement of our equity securities, Mr. Bowen will be entitled to receive a stock option grant that is not materially different in amount than the stock option grants provided to our Chief Information Officer and to our Chief Operating Officer. On July , 2006, we entered into an amendment to Mr. Bowen's employment and compensation agreement eliminating the immediate vesting of all stock options that he holds, if any, if Mr. Bowen is terminated without Cause or if he resigns for Good Reason.

If Mr. Bowen is terminated without Cause or if he resigns for Good Reason, he will be entitled to: (A) his annual salary and other benefits accrued at the time, (B) a cash termination payment equal to 150% of the sum of his (x) annual salary and (y) the minimum annual bonus, all payable in prescribed installments over a one-year period, (C) health insurance benefits for up to 12 months after termination of employment and (D) vesting of all stock options, if any, held by him upon termination of his employment. We have initiated discussions with Mr. Bowen to amend these vesting provisions.

If Mr. Bowen is terminated for Cause, we shall have no obligations beyond those accrued prior to termination, and as required by applicable law. The term "Cause" includes Mr. Bowen's conviction of a felony, or conviction of any other crime involving dishonesty or breach of trust; a violation involving dishonesty, breach of trust or bad faith of any statute, regulation or rule in the areas of commodities or securities regulation that results in sanctions against Mr. Bowen or us; deliberate misconduct, willful dereliction of duty, fraud, misappropriation or embezzlement; failure to devote substantially all of his business time and efforts to us; or the uncured material breach of the terms of his agreement. The term "Good Reason" is defined as relocation by more than 50 miles of Mr. Bowen's principal place of employment or a material uncured breach by us. In addition, Mr. Bowen is subject to a non-compete restriction for a period of either six months (in the event of a for Cause termination) or one year (in the event of a voluntary, not for Cause or Good Reason termination) after employment has terminated, as the case may be, and to customary confidentiality and non-solicitation provisions.

Madeline Boyd

We have an employment agreement with Madeline Boyd, Senior Vice President-External Affairs. This agreement is effective as of January 8, 2004, and provides for Ms. Boyd to earn a salary of $225,000 per year through January 8, 2007. In addition to her annual salary, Ms. Boyd shall be eligible to receive an annual bonus in our sole discretion. If Ms. Boyd is terminated without Cause or if she resigns for Good Reason, she will be entitled to a payment of her salary, bonus and certain benefits (including continuation of health coverage) that would have been paid had a termination of her agreement not occurred, subject to a minimum of 100% of her annual salary

plus any unpaid annual bonus granted prior to termination as well as certain other benefits pursuant to our employee benefits programs. If Ms. Boyd is terminated for Cause, we shall have no obligations beyond those accrued prior to termination, and as required by applicable law. The term “Cause” includes Ms. Boyd’s commission of a felony, or any other crime involving dishonesty, breach of trust or moral turpitude; a violation involving dishonesty, breach of trust or bad faith of any statute, regulation or rule in the areas of commodities or securities regulation; deliberate misconduct, willful dereliction of duty, fraud, misappropriation or embezzlement; failure to devote substantially all of her business time and efforts to us; or the uncured material breach of the terms of her agreement. The term “Good Reason” includes our relocation of our principal executive offices outside of the New York City metropolitan area; a material uncured breach by us of the terms of Ms. Boyd’s agreement, or a significant diminution in her responsibilities or other material adverse change in her position, duties or responsibilities.

If we elect not to renew the agreement at the end of the term, Ms. Boyd shall be entitled to a severance payment of 29 weeks’ salary plus certain health and retirement benefits, as well as certain other benefits pursuant to our employee benefits programs, unless such non-renewal is for Cause. In addition, Ms. Boyd is subject to a non-compete restriction for a period of either six months (in the event of a for Cause termination) or one year (in the event of a voluntary, not for Cause or Good Reason termination) after employment has terminated, as the case may be, and to customary confidentiality and non-solicitation provisions.

Samuel Gaer

We have an employment and compensation agreement with Samuel Gaer, our Chief Information Officer. This agreement is effective as of March 31, 2003 and was amended on March 31, 2006, and pursuant to which Mr. Gaer earns a salary of $500,000 per year through March 30, 2009, subject to automatic one year renewal periods unless either party notifies the other party of non-renewal thirty days prior to the expiration of the term. In addition to his annual salary, Mr. Gaer shall have the opportunity to receive an annual bonus in an amount to be determined by the board of directors, but in no event less than $250,000 per year. In the event that we award stock options in connection with an initial public offering or private placement of our equity securities, Mr. Gaer will be entitled to receive a stock option grant that is not materially different from the stock option grants provided to our Chief Operating Officer and Chief Administrative Officer.

If Mr. Gaer is terminated without Cause or if he resigns for Good Reason, he will be entitled to: (A) his annual salary and other benefits accrued at the time, (B) a cash termination payment equal to 150% of the sum of his (x) annual salary and (y) the minimum annual bonus, payable in prescribed installments over a one-year period, (C) health insurance benefits for up to 12 months after termination of employment and (D) vesting of all stock options, if any, held by him upon termination of his employment. We have initiated discussions with Mr. Gaer to amend these vesting provisions. If Mr. Gaer is terminated for Cause, we shall have no obligations beyond those accrued prior to termination, and as required by applicable law. The term “Cause” includes Mr. Gaer’s conviction of a felony, or conviction of any other crime involving dishonesty or breach of trust; a violation involving dishonesty, breach of trust or bad faith of any statute, regulation or rule in the areas of commodities or securities regulation that results in sanctions against Mr. Gaer or us; deliberate misconduct, willful dereliction of duty, fraud, misappropriation or embezzlement; failure to devote substantially all of his business time and efforts to us; or the

uncured material breach of the terms of his agreement. The term “Good Reason” is defined as relocation by more than 50 miles of Mr. Gaer’s principal place of employment or a material uncured breach of the agreement by us. In addition, Mr. Gaer is subject to a non-compete restriction for a period of eighteen months after employment has terminated, as the case may be, and to customary confidentiality and non-solicitation provisions.

Sean Keating

We have an employment agreement with Sean Keating, one of our executive officers. This agreement is effective as of May 3, 2004, and provides for Mr. Keating to earn a salary of $225,000 per year through May 3, 2007. In addition to his annual salary, Mr. Keating shall be eligible to receive an annual bonus in our sole discretion. If Mr. Keating is terminated without Cause or if he resigns for Good Reason, he will be entitled to a payment of his salary, bonus and certain benefits (including continuation of health coverage) that would have been paid had a termination of his agreement not occurred, up to a maximum of 100% of his annual salary plus any unpaid annual bonus granted prior to termination. If Mr. Keating is terminated for Cause, we shall have no obligations beyond those accrued prior to termination, and as required by applicable law. The term “Cause” includes Mr. Keating’s commission of a felony, or any other crime involving dishonesty, breach of trust or moral turpitude; a violation involving dishonesty, breach of trust or bad faith of any statute, regulation or rule in the areas of commodities or securities regulation; deliberate misconduct, willful dereliction of duty, fraud, misappropriation or embezzlement; failure to devote substantially all of his business time and efforts to us; or the uncured material breach of the terms of his agreement. The term “Good Reason” includes our relocation of our principal executive offices outside of the New York City metropolitan area or a material breach of the terms of Mr. Keating’s agreement by us.

If we elect not to renew the agreement at the end of the term, Mr. Keating shall be entitled to a severance payment equal to 50% of his annual salary, unless such non-renewal is for Cause. In addition, Mr. Keating is subject to a non-compete restriction for a period of either six months (in the event of a for Cause termination) or one year (in the event of a voluntary, not for Cause, or Good Reason termination) after employment has terminated, as the case may be, and to customary confidentiality and non-solicitation provisions.

Principal and selling stockholders

The following table sets forth information regarding beneficial ownership of common stock of NYMEX Holdings as of June 30, 2006 by:

- each of our directors;
- each of our named executive officers;
- all directors and executive officers as a group;
- each selling stockholder; and
- all selling stockholders as a group.

Beneficial ownership is determined according to the rules of the SEC, and generally means that person has beneficial ownership of a security if he or she possesses sole or shared voting or investment power of that security, and includes options that are currently exercisable or exercisable within 60 days. Each director, officer or 5% or more stockholder, as the case may be, has furnished us with information with respect to beneficial ownership. Except as otherwise indicated, we believe that the beneficial owners of common stock listed below, based on the information each of them has given to us, have sole investment and voting power with respect to their shares, except where community property laws may apply.

This table lists applicable percentage ownership based on 81,600,000 shares of common stock outstanding as of June 30, 2006 and also lists applicable percentage ownership based on shares of common stock outstanding after completion of this offering.(1)

The following table illustrates that (A) as of June 30, 2006, no director, other than William E. Ford, or executive officer of the Company, beneficially owned more than 1% of all the outstanding shares of common stock of the Company and (B) no persons other than certain investment entities affiliated with General Atlantic LLC and William E. Ford are the beneficial owners of 5% or more of the shares of common stock of the Company. The table sets forth information in respect of directors, executive officers named in the compensation table in the section entitled “Management—Executive compensation,” directors and executive officers as a group and certain beneficial stockholders. A person has beneficial ownership over shares if the person has voting or investment power over the shares.

Name of beneficial owner	Series	Shares of common stock beneficially owned	Percent of common stock of series beneficially owned	Number of shares to be sold in the offering	Shares beneficially owned after offering assuming no exercise of the over-allotment option		Shares beneficially owned after offering assuming full exercise of the over-allotment option	
					Number	Percent	Number	Percent
Directors								
Richard Schaeffer(2)	A-1	30,000	*					
	A-2	30,000						
	A-3	30,000						
	All	90,000						
Robert Halper(3)	A-1	90,000	*					
	A-2	90,000						
	A-3	90,000						
	All	270,000						

Name of beneficial owner	Series	Shares of common stock beneficially owned	Percent of common stock of series beneficially owned	Number of shares to be sold in the offering	Shares beneficially owned after offering assuming no exercise of the over-allotment option		Shares beneficially owned after offering assuming full exercise of the over-allotment option	
					Number	Percent	Number	Percent
James Newsome(4)	A-1	0	*					
	A-2	0						
	A-3	0						
	All	0						
Stephen Ardizzone	A-1	62,000	*					
	A-2	60,000						
	A-3	60,000						
	All	182,000						
Neil Citrone	A-1	30,000	*					
	A-2	30,000						
	A-3	30,000						
	All	90,000						
Melvyn Falis	A-1	0	*					
	A-2	0						
	A-3	0						
	All	0						
William E. Ford(6)	(7)	8,160,000	10%					
A. George Gero	A-1	60,000	*					
	A-2	60,000						
	A-3	60,000						
	All	180,000						
Thomas Gordon	A-1	30,000	*					
	A-2	30,000						
	A-3	30,000						
	All	90,000						
Harvey Gralla	A-1	30,000						
	A-2	30,000						
	A-3	30,000						
	All	90,000						
David Greenberg	A-1	30,000	*					
	A-2	30,000						
	A-3	30,000						
	All	90,000						
Daniel Rappaport	A-1	60,000	*					
	A-2	60,000						
	A-3	60,000						
	All	180,000						
Frank Siciliano(5)	A-1	31,000	*					
	A-2	31,000						
	A-3	31,000						
	All	93,000						
Robert Steele	A-1	0	*					
	A-2	0						
	A-3	0						
	All	0						
Dennis Suskind	A-1	0	*					
	A-2	0						
	A-3	0						
	All	0						

Name of beneficial owner	Series	Shares of common stock beneficially owned	Percent of common stock of series beneficially owned	Number of shares to be sold in the offering	Shares beneficially owned after offering assuming no exercise of the over-allotment option		Shares beneficially owned after offering assuming full exercise of the over-allotment option	
					Number	Percent	Number	Percent
Executive Officers (who are not directors)								
Jerry Bailey	A-1	0	*					
	A-2	0						
	A-3	0						
	All	0						
Christopher Bowen, Esq.	A-1	0	*					
	A-2	0						
	A-3	0						
	All	0						
Samuel Gaer	A-1	0	*					
	A-2	0						
	A-3	0						
	All	0						
All directors and executive officers as a group (25 in total)	A-1	3,772,000						
	A-2	3,770,000						
	A-3	3,770,000						
	All	11,312,000	13.86%					
5% Stockholders								
Investment entities affiliated with General Atlantic LLC(6)	(7)	8,160,000	10%					
c/o General Atlantic Service Company, LLC 3 Pickwick Plaza Greenwich, CT 06830								

* less than one percent.

(1) Although our currently issued and outstanding shares of common stock are registered under the Securities Act, these shares are subject to significant transfer restrictions under the certificate of incorporation. The transfer restriction periods will expire, subject to certain conditions:

- 180 days after the close of this offering in the case of Series A-1 Common Stock;
- 360 days after the close of this offering in the case of Series A-2 Common Stock; and
- 540 days after the close of this offering in the case of Series A-3 Common Stock.

(2) Mr. Schaeffer is also Chairman.

(3) Mr. Halper is also Vice Chairman.

(4) Mr. Newsome is also President and Chief Executive Officer.

(5) Mr. Siciliano is also Treasurer.

(6) Represents (i) 7,470,523 shares of Series A Preferred Stock owned by General Atlantic Partners 82, L.P. (“GAP 82”), (ii) 122,400 shares of Series A Preferred Stock owned by GapStar, LLC (“GapStar”), (iii) 438,762 shares of Series A Preferred Stock shares owned by GAP Coinvestments III, LLC (“GAPCO III”), (iv) 107,262 shares of Series A Preferred Stock shares owned by GAP Coinvestments IV, LLC (“GAPCO IV”), (v) 16,973 shares of Series A Preferred Stock owned by GAPCO GmbH & Co. KG (“KG”) and (vi) 4,080 shares of Series A Preferred Stock owned by GAP Coinvestments CDA, L.P. (“CDA”). General Atlantic LLC (“GA”) is the general partner of each of GAP 82 and CDA. GA is also the sole member of GapStar. The managing members of GAPCO III and GAPCO IV are Managing Directors of GA. GAPCO Management GmbH (“GmbH Management”) is the general partner of KG. The Managing Directors of GA are authorized and empowered to vote and dispose of the securities held by KG and GmbH Management. There are seventeen Managing Directors of GA. GA, GAP 82, CDA, GAPCO III, GAPCO IV, GapStar, KG and GmbH Management are a “group” within the meaning of Rule 13d-5 promulgated under the Securities Exchange Act of 1934, as amended, and may be deemed to own beneficially an aggregate of 8,160,000 shares of Series A Preferred Stock, which represents 100% of the outstanding shares of Series A Preferred Stock and 10.0% of the Company’s issued and outstanding shares of common stock on an as converted basis (calculated on the basis of the number of shares of common stock which may be acquired by each such person within 60 days). Mr. Ford is President and a Managing Director of GA, and disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. Mr. Ford has no pecuniary interest in the shares of the Company owned by KG and CDA. The Series A Preferred Stock is convertible, at any time, into an equal number of shares of common stock and will automatically convert into such shares upon consummation of this offering. The mailing address for GA and the General Atlantic Parties (other than KG and GmbH Management) is set forth in the table. The mailing address of KG and GmbH Management is c/o General Atlantic GmbH, Koenigsallee 63, 40212 Düsseldorf, Germany.

(7) Upon conversion, the 8,160,000 shares of Series A Preferred Stock will convert into 2,720,000 shares of Series A-1 Common Stock, 2,720,000 shares of Series A-2 Common Stock and 2,720,000 shares of Series A-3 Common Stock, subject, in each case, to the applicable transfer restrictions.

Certain relationships and related party transactions

The nature of our business gives rise to frequent related party transactions. The majority of our shareholders, including several members of our board of directors, frequently do business with us. Our board of directors establishes fees and usage charges and also determines the level of payments under any proprietary fee reduction or other cost reduction programs. Members of the Exchange, many of whom act as floor brokers and floor traders, benefit from trading rules, membership privileges, such as payment of insurance benefits and fee discounts that enhance their trading opportunities and profits. Members of the Exchange pay fees, which may be substantial, either directly or indirectly, to the Exchange in connection with the services we provide. We believe the payments made by our directors, 10 of whom own Class A memberships in NYMEX Exchange, are on terms no more favorable than terms given to unaffiliated persons.

Certain members of our board of directors may serve as officers or directors of clearing member firms. These clearing member firms pay substantial fees to our clearinghouse in connection with services we provide. We believe that fees paid by, and the services provided to, these clearing firms are on terms no more favorable to those firms than terms given to other clearing member firms and individual members.

The following are descriptions of material transactions involving us and members of our board of directors and officers:

ABN AMRO, Inc. (“ABN AMRO”), by which Richard Schaeffer, the Chairman of the Company, was formerly employed as Executive Director of Global Energy Futures, currently leases space from the Company at our corporate headquarters facility. The aggregate amount of rent collected from ABN AMRO during 2005 was approximately $307,000.

Sterling Commodities Corp. (“Sterling”), of which David Greenberg, a director of the Company, is the President, currently leases space from us at our corporate headquarters facility. The aggregate amount of rent collected from Sterling during 2005 was $257,000. Clearing and transaction fees earned from Sterling in 2005 were approximately $2.8 million.

Zone Energy Group, Inc. (“Zone Energy”), of which Mr. Ardizzone, a director of the Company, is an executive officer and principal owner, was selected by us to be a market maker for NYMEX Brent Crude contract at our Dublin branch during 2005. Zone Energy was compensated an aggregate amount of approximately $698,000 for its services. In addition, Zone Energy currently leases space from us at its corporate headquarters facility. The aggregate amount of rent collected from Zone Energy during 2005 was approximately $65,000. In addition, Mr. Ardizzone received a bonus of $150,000 in recognition of his extraordinary efforts on our behalf in 2005.

We had invested assets segregated for the benefit of the COMEX Members’ Recognition and Retention Plan (the “COMEX MRRP”) of $12.8 million at December 31, 2005, in a portfolio of fixed income securities managed by Legg Mason Wood Walker, Inc., a securities firm of which Mr. Gero, a director of the Company, was a senior investment officer until December 2, 2005. Mr. Gero is currently a Senior Vice President of RBC Dain Rauscher and a Vice President of Global Futures at RBC Capital Markets Global Futures. On March 1, 2006, our board of directors authorized the transfer of the COMEX MRRP funds into a portfolio of fixed income securities to be managed by RBC Dain Rauscher.

See “Business—General Atlantic transaction”.

Investor rights agreement

At the closing of the sale of the Preferred Stock, NYMEX Holdings and General Atlantic entered into an investor rights agreement (the "Investor Rights Agreement"). Pursuant to the terms and conditions of the Investor Rights Agreement:

- so long as General Atlantic owns at least 80% of the number of shares of Preferred Stock initially acquired by it (including for purposes of this calculation the shares of NYMEX Holdings common stock issued or issuable upon conversion of the Preferred Stock, which will automatically occur upon closing of this offering), General Atlantic will be entitled to designate one nominee, and NYMEX Holdings' board of directors will nominate and unanimously recommend that our stockholders elect that individual to our board of directors. Such individual must be a managing director of General Atlantic LLC. In addition, so long as General Atlantic owns at least 80% of the number of shares of Preferred Stock initially acquired by it (including for purposes of this calculation the shares of NYMEX Holdings common stock issued or issuable upon conversion of the Preferred Stock, which will automatically occur upon the closing of this offering), General Atlantic will be entitled to designate one non-voting observer to the boards of directors who must be reasonably acceptable to NYMEX Holdings;
- General Atlantic is not allowed to transfer its shares to a competitor of NYMEX Holdings at any time, after consummation of this offering, and it is also not allowed to transfer its shares in a private sale to a stockholder that owns 10% or more of NYMEX Holdings common stock; and
- General Atlantic is prohibited from engaging in certain restricted activities, including the following:

    1. acquiring any shares of our capital stock, if after such acquisition General Atlantic would own more than a maximum of 20% of our voting power;
    2. until March 14, 2011, proposing any change of control transaction involving us; and
    3. until March 14, 2011, soliciting stockholders to nominate any person for election as a director or seek the removal or resignation of any director, except for the one (1) General Atlantic representative, or otherwise seek to control the board of directors or management.

Registration rights agreement

At the closing of the sale of the Preferred Stock, NYMEX Holdings and General Atlantic entered into a registration rights agreement (the "Registration Rights Agreement"). Pursuant to the terms and conditions of the Registration Rights Agreement:

- at any time following 180 days after this offering, General Atlantic is entitled to two "demand" registration rights;
- at any time following 180 days after this offering, General Atlantic is entitled to "piggyback" registration rights;
- at any time following 180 days after this offering (if NYMEX Holdings is eligible to use Form S-3 under the Securities Act of 1933, as amended (the "Securities Act")), General Atlantic is entitled to Form S-3 registration rights;

- General Atlantic is also subject to the same “lock-up” provisions as NYMEX Holdings other stockholders who hold Series A-1, A-2 and A-3 Common Stock. One-third of General Atlantic’s shares are subject to such transfer restrictions for 180 days after this offering, one-third will be subject to such transfer restrictions for 360 days thereafter and one-third are subject to such transfer restrictions for 540 days thereafter; and
- We are required to pay for all expenses in connection with such registrations, except for underwriting discounts and commissions.

Other than the “lock-up” provisions, which will be imposed on any transferee of General Atlantic’s shares, these registration rights are particular to General Atlantic and not transferable to any non-affiliated person who purchases shares from General Atlantic (which may only occur subject to the various transfer restrictions). See the sections entitled “Shares eligible for future sale—Transfer restrictions” and “Shares eligible for future sale—Rule 144.” If this offering occurs in 2006 and values our equity at $2 billion or more, pursuant to the original terms of the agreement with General Atlantic, General Atlantic will pay us an additional $10 million. The $10 million, if earned, will be paid as a dividend to our stockholders of record as of March 13, 2006, which was the business day immediately preceding the closing of the transaction with General Atlantic.

Description of capital stock

We describe generally below the material terms of the capital stock, amended and restated certificate of incorporation and amended and restated bylaws of NYMEX Holdings. However, this description is not complete. For a complete description of the terms of the capital stock, certificate of incorporation and bylaws of NYMEX Holdings, we refer you to the amended and restated certificate of incorporation and bylaws of NYMEX Holdings, which are included as Exhibits 3.1 and 3.2 to the registration statement of which this prospectus forms a part. We urge you to read those documents carefully before making a decision to invest in the common stock.

General

Pursuant to our amended and restated certificate of incorporation, effective upon consummation of this offering our authorized capital stock consists of shares of common stock, each with a par value of $0.01 per share, of which:

- shares of which will be outstanding upon the completion of this offering;
- 73,440,000 shares of which were issued to our current stockholders in the 90,000-for-1 recapitalization, which includes (a) 24,480,000 shares of Series A-1 Common Stock, (b) 24,480,000 shares of Series A-2 Common Stock and (c) 24,480,000 shares of Series A-3 Common Stock. See “Shares eligible for future sale—Transfer restrictions” for a discussion of the transfer restrictions on these shares;
- 8,160,000 shares issued upon consummation of this offering upon conversion of the Series A Preferred Stock. These shares are also subject to the same “lock-up” provisions as NYMEX Holdings other stockholders who hold Series A-1, A-2 and A-3 Common Stock. One-third of these shares are subject to such transfer restrictions for 180 days after an initial public offering, one-third will be subject to such transfer restrictions for 360 days thereafter and one-third are subject to such transfer restrictions for 540 days thereafter; and

All outstanding shares of common stock are, and the shares of common stock offered hereby will be, when issued and sold, validly issued, fully paid and nonassessable. Except for the transfer restrictions applicable to the shares outstanding prior to this offering, all outstanding shares of common stock have the same rights and privileges and rank equally, share ratably and are identical in respect as to all matters, including rights in liquidation.

Common stock

Voting: Each holder of shares of our common stock is entitled to one vote for each share owned of record on all matters submitted to a vote of shareholders. Except as otherwise required by law, holders of shares of our common stock will vote together as a single class on all matters presented to the shareholders for their vote or approval, including the election of directors.

The General Corporation Law of the State of Delaware (“DGCL”) provides that stockholders are not entitled to the right to cumulate votes in the election of directors unless the certificate of incorporation provides otherwise. Cumulative voting, if applicable, would permit stockholders to cast all of their votes for a single candidate when the company has multiple openings on its board rather than voting for a different candidate for each available seat. In contrast, in “regular” or “statutory” voting, shareholders may not give more than one vote per share to any

single nominee. As has been the case historically, our Amended and Restated Certificate of Incorporation does not provide for cumulative voting.

Dividends and distributions: The holders of shares of our common stock have an equal right to receive dividends and distributions, whether payable in cash or otherwise, as may be declared from time to time by our board of directors from legally available funds.

Liquidation, dissolution or winding-up: In the event of our liquidation, dissolution or winding-up, holders of the shares of our common stock are entitled to share equally, share-for-share, in the assets available for distribution after payment of all creditors.

Restrictions on transfer: Our certificate of incorporation continues to restrict the transfer of shares of our common stock issued prior to this offering. We describe these transfer restrictions under the heading “Shares Eligible For Future Sale—Transfer Restrictions.” None of the shares sold in this offering will be subject to the transfer restrictions under the certificate of incorporation.

Redemption, conversion or preemptive rights: Holders of shares of our common stock have no redemption or conversion rights or preemptive rights to purchase or subscribe for our securities.

Other Provisions: There are no sinking fund provisions applicable to our common stock nor is it subject to calls or assessments by us.

As described in “Risk factors—Our governing documents provide for the protection and support of open-outcry trading by granting certain voting and economic rights to the owners of the Class A memberships, who may have interests that differ from or may conflict with those of our stockholders” neither the board of directors nor our stockholders has any ability to change, or any responsibility or liability with respect to the trading rights protections afforded to the owners of Class A memberships (who are not required to be stockholders, but must be owners of Class A membership in NYMEX Exchange). See also “Risk factors—The COMEX governing documents provide for the protection and support of the COMEX Division by granting certain voting and other rights to the owners of the COMEX memberships which may restrict our ability to conduct our business” for a description of certain protections that have been provided to owners of COMEX Division memberships.

As of the date of this prospectus, there are 8,160,000 shares of Preferred Stock outstanding, all of which will automatically convert, on a one-for-one basis into shares of our common stock upon the consummation of this offering.

Limitation of liability and indemnification matters

Our certificate of incorporation provides that none of our directors will be liable to us or our shareholders for monetary damages for breach of fiduciary duty as a director, except in those cases in which liability is mandated by the Delaware General Corporation Law, and except for liability for breach of the director’s duty of loyalty, acts or omissions not in good faith or involving intentional misconduct or a knowing violation of law, or any transaction from which the director derived any improper personal benefit. Further, with respect to the trading rights protections described in “Risk factors—Our governing documents provide for the protection and support of open-outcry trading by granting certain voting and economic rights to the owners of the Class A memberships, who may have interests that differ from or may conflict with those of our stockholders,” our directors are not liable to us or our stockholders by reason of the acts or omissions of the owners of the Class A memberships. Our bylaws require indemnification, to

the fullest extent permitted by law, of any person made or threatened to be made a party to any action, suit or proceeding by reason of the fact that such person is or was one of our directors or officers or, at our request, serves or served as a director, officer, employee or agent of any other enterprise, against all expenses, liabilities, losses and claims actually incurred or suffered by such person in connection with the action, suit or proceeding. Our bylaws also provide that, to the extent authorized from time to time by our board of directors, we may provide to any one or more other employees or agents rights of indemnification and rights to receive payment or reimbursement of expenses, including attorneys' fees.

Certain anti-takeover matters

The Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws contain provisions that may make it more difficult for a potential acquirer to acquire us by means of a transaction that is not negotiated with the board of directors. These provisions and Delaware law could delay or prevent entirely a merger or acquisition that our stockholders consider favorable. These provisions may also discourage acquisition proposals or have the effect of delaying or preventing entirely a change in control, which could harm our stock price. The board of directors is not aware of any current effort to accumulate shares of our common stock or to otherwise obtain control of us and does not currently contemplate adopting or recommending the approval of any other action that might have the effect of delaying, deterring or preventing a change in control of us.

Following is a description of the anti-takeover effects of certain provisions of our Amended and Restated Certificate of Incorporation and of our Amended and Restated Bylaws.

Beneficial ownership limitations: Subject to limited exceptions, the Amended and Restated Certificate of Incorporation will prohibit any person from beneficially owning more than 10% of any of our common stock or more than 10% of our total voting power, other than General Atlantic which will be limited to a maximum of 20%.

These ownership limitations could delay, defer or prevent a transaction or a change in control that might involve a premium price for the holders of our common stock or otherwise be in their best interest.

Classified board: Our Amended and Restated Certificate of Incorporation provides that, following this offering, the number of directors constituting our board of directors shall be 15 and the directors shall be divided into two classes, composed of seven and eight directors, respectively, each elected to two-year terms. We intend to implement this provision and classify our board of directors in May 2007.

Under Delaware law, the directors of a corporation that has a board with more than one class, with each class of directors elected every other year, may be removed by the corporation's stockholders only for cause unless the corporation's certificate of incorporation provides otherwise. Our Amended and Restated Certificate of Incorporation and Bylaws provide that our directors may be removed only for cause, and only upon the affirmative vote of holders of at least a majority voting power of all the shares of stock then entitled to vote at an election of directors.

Additionally, following the implementation of two classes of directors on the board, two annual meetings of stockholders may be required for the stockholders to change a majority of the

directors on our board, depending on whether the directors in class I (which will contain seven directors) or class II (which will contain eight directors) are up for election at the annual meeting in question. The Amended and Restated Certificate of Incorporation also provides that vacancies on the board resulting from removal or for any other reason may, unless otherwise required by law or board resolution, be filled by a majority vote of the directors then in office. The classification of directors into two classes with staggered terms, the inability of stockholders to remove directors without cause and the ability of the board to fill vacancies will make it more difficult to change the composition of our board and in turn may have the effect of delaying, deferring or preventing a change in control of NYMEX Holdings.

No cumulative voting: The DGCL provides that stockholders are not entitled to the right to cumulate votes in the election of directors unless the certificate of incorporation provides otherwise. As has been the case historically, our Amended and Restated Certificate of Incorporation does not provide for cumulative voting.

No stockholder action by written consent; calling of special meetings of stockholders: Our Amended and Restated Certificate of Incorporation prohibits stockholder action by written consent by the holders of our common stock. It also provides that special meetings of our stockholders may be called only by or at the direction of the board of directors, the Chief Executive Officer, the Chairman or a majority of the outstanding shares of NYMEX (which is an increase from the current requirement of 10% of the outstanding shares of NYMEX).

Advance notice requirements for stockholder proposals and director nominations: Our Amended and Restated Bylaws provide that stockholders seeking to nominate candidates for election as directors or to bring business before an annual meeting of stockholders must provide timely notice of their proposal in writing to the corporate secretary.

Generally, to be timely, a stockholder's notice must be received at our principal executive offices not less than 90 nor more than 120 days prior to the first anniversary of the previous year's annual meeting. Our Amended and Restated Bylaws also specify requirements as to the form and content of a stockholder's notice. These provisions may impede stockholders' ability to bring matters before an annual meeting of stockholders or make nominations for directors at an annual meeting of stockholders.

Limitations on liability and indemnification of officers and directors: The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties. Our Amended and Restated Certificate of Incorporation includes a provision that eliminates the personal liability of directors for monetary damages for any breach of fiduciary duty in such capacity, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL.

Our Amended and Restated Bylaws provide that we must indemnify our directors and our officers to the fullest extent authorized by the DGCL. We are also expressly authorized to carry directors' and officers' insurance for the benefit of our directors, officers and certain employees. We believe that these indemnification provisions and insurance are useful to attract and retain qualified directors and executive officers.

The limitation of liability and indemnification provisions in the Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and

officers, even though such an action, if successful, might otherwise benefit us and our stockholders. In addition, the stockholders' investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

There is currently no pending material litigation or proceeding involving any of the Company's directors, officers or employees for which indemnification is sought.

As described in "Risk factors—Our governing documents provide for the protection and support of open-outcry trading by granting certain voting and economic rights to the owners of the Class A memberships, who may have interests that differ from or may conflict with those of our stockholders", neither the board of directors nor our stockholders has any ability to change, or any responsibility or liability with respect to the trading rights protections afforded to the owners of Class A memberships (who are not required to be stockholders, but must be owners of Class A membership in NYMEX Exchange). Further, our directors are not liable to us or our stockholders by reason of the acts or omissions of the owners of the Class A memberships. See also "Risk factors—The COMEX governing documents provide for the protection and support of the COMEX Division by granting certain voting and other rights to the owners of the COMEX memberships which may restrict our ability to conduct our business" for a description of certain protections that have been provided to owners of COMEX Division memberships.

Board authority to amend bylaws: Under the Amended and Restated Certificate of Incorporation, 80% of the entire board of directors has the authority to adopt, amend or repeal the bylaws without the approval of the stockholders. However, the holders of common stock will also have the right to initiate on their own, with the affirmative vote of a majority of the shares outstanding and without the approval of the board of directors, proposals to adopt, amend or repeal the bylaws.

Supermajority voting provisions: Under the Amended and Restated Certificate of Incorporation, a 66 2/3% vote of the stockholders is required to amend the provisions related to the size and composition of the board of directors, removal of directors, the board of directors' concurrent authority (80% of the entire board of directors) to amend bylaws, the inability of stockholders to act by written consent, the indemnification provision, the amendment provision and the percentage ownership limitation.

General Corporation Law of the State of Delaware: NYMEX Holdings is a Delaware corporation which, upon the consummation of this offering, will be subject to Section 203 of the DGCL. Section 203 provides that, subject to certain exceptions specified in the law, a Delaware corporation shall not engage in certain "business combinations" with any "interested stockholder" for a three-year period following the time that the stockholder became an interested stockholder unless:

- prior to such time, our board of directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, excluding certain shares; or
- at or subsequent to that time, the business combination is approved by our board of directors and by the affirmative vote of holders of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

Generally, a “business combination” includes a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. Subject to certain exceptions, an “interested stockholder” is a person who, together with that person’s affiliates and associates, owns, or within the previous three years did own, 15% or more of our voting stock.

Under certain circumstances, Section 203 makes it more difficult for a person who would be an “interested stockholder” to effect various business combinations with a corporation for a three year period. The provisions of Section 203 may encourage companies interested in acquiring our company to negotiate in advance with our board of directors because the stockholder approval requirement would be avoided if our board of directors approves either the business combination or the transaction that results in the stockholder becoming an interested stockholder. These provisions also may make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

Listing

We intend to apply to list our common stock on the New York Stock Exchange under the symbol “NMX”.

Transfer agent and registrar

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Co. Its address is 59 Maiden Lane, New York, New York 10038 and its telephone number at this location is (212) 936-5100.

Shares eligible for future sale

Future sales of substantial amounts of common stock in the public market after this offering could adversely affect market prices prevailing from time to time and could impair our ability to raise capital through the sale of our equity securities.

Upon the completion of this offering, we will have outstanding shares of common stock. The amount of shares outstanding upon completion of this offering assumes no exercise of the underwriters' over-allotment option. All of the shares sold in this offering will be freely tradable without restriction under the Securities Act unless purchased by one of our affiliates as that term is defined in Rule 144 under the Securities Act, which generally includes directors, officers or 10% stockholders.

Transfer restrictions

Although our currently issued and outstanding shares of common stock are registered under the Securities Act, these shares are subject to significant transfer restrictions under the certificate of incorporation. The transfer restriction periods will expire, subject to certain conditions:

- 180 days after the close of this offering in the case of Series A-1 Common Stock;
- 360 days after the close of this offering in the case of Series A-2 Common Stock; and
- 540 days after the close of this offering in the case of Series A-3 Common Stock.

None of the shares sold in this offering will be subject to the transfer restrictions under the Amended and Restated Certificate of Incorporation. None of the currently outstanding shares of common stock will be subject to restrictions on transfer as of the 540th day after this offering. Immediately following the expiration of the relevant restricted period, the applicable shares of common stock will automatically convert, without any action by the holder, into the same number of shares of common stock which do not have transfer restrictions. See the section entitled "Certain relationships and related party transactions—Registration rights agreement."

Rule 144

In general, under Rule 144 as currently in effect, a person, or persons whose shares are aggregated, who has beneficially owned restricted shares for at least one year, including the holding period of any prior owner except an affiliate, would be entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of common stock then outstanding, which will equal about shares immediately after this offering; or
- the average weekly trading volume of the common stock during the four calendar weeks preceding the filing of a Form 144 with respect to the sale.

Sales under Rule 144 also are subject to manner of sale provisions and notice requirements and to the availability of current public information about us.

Under the terms of the GA Agreement, the Preferred Stock issued to General Atlantic is restricted and also subject to lock-up. All shares of common stock issuable pursuant to the automatic conversion of such Preferred Stock at the consummation of this offering will similarly be restricted, and may only be freely tradeable upon registration or pursuant to an exemption from registration. See the section entitled “Certain relationships and related party transactions—Registration rights agreement.”

Rule 144(k)

Under Rule 144(k), a person who is not deemed to have been one of our affiliates at any time during the three months preceding a sale, and who has beneficially owned the shares proposed to be sold for at least two years, including the holding period of any prior owner other than an affiliate, is entitled to sell these shares without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144.

Lockup agreements

General Atlantic is also subject to the same “lock-up” provisions as our other stockholders who hold Series A-1, A-2 and A-3 Common Stock that are described in “Transfer Restrictions” above. One-third of General Atlantic’s shares will be subject to such transfer restrictions for 180 days after this offering, one-third will be subject to such transfer restrictions for 360 days thereafter and one-third will be subject to such transfer restrictions for 540 days thereafter.

Material U.S. federal tax consequences to non-U.S. stockholders

The following is a general discussion of the material United States federal income and estate tax consequences of the purchase, ownership and disposition of shares of common stock by a Non-U.S. Stockholder. For purposes of this discussion, a Non-U.S. Stockholder is a beneficial owner of our common stock who is treated for U.S. federal tax purposes as:

- a non-resident alien individual;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized under the laws of a jurisdiction other than the United States or any state or political subdivision thereof;
- an estate, other than an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust, other than a trust that (i) is subject to the primary supervision of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust, or (ii) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

For purposes of this discussion, it is important to note that the rules for determining whether an individual is a non-resident alien for income tax purposes differ from those applicable for estate tax purposes. Also, a beneficial owner who is a partner in a partnership or other flow-through entity that holds our common stock should consult its own tax advisor regarding the U.S. federal income and estate tax consequences of the purchase, ownership and disposition of our common stock.

This summary assumes that our common stock is held as a capital asset (generally, property held for investment). The discussion does not address all of the United States federal income tax and estate tax considerations that may be relevant to a Non-U.S. Stockholder in light of its particular circumstances or to Non-U.S. Stockholders that may be subject to special treatment under United States federal tax laws. Furthermore, this summary does not discuss any aspects of state, local or foreign taxation. This summary is based on current provisions of the Internal Revenue Code of 1986, as amended, Treasury regulations, judicial opinions, published positions of the Internal Revenue Service and other applicable authorities, all of which are subject to change, possibly with retroactive effect. **Each prospective purchaser of common stock is advised to consult its tax advisor with respect to the U.S. federal, state, local or foreign tax consequences of acquiring, holding and disposing of our common stock.**

Dividends

Any dividend paid to a Non-U.S. Stockholder of common stock generally will be subject to withholding tax at a 30% rate (or such lower rate specified by an applicable income tax treaty). Generally, a Non-U.S. Stockholder will certify as to its status, and to any right to reduced withholding under an applicable income tax treaty, on a properly completed Internal Revenue Service Form W-8BEN. If, however, the Non-U.S. Stockholder provides a Form W-8ECI, certifying that the dividend is effectively connected with the Non-U.S. Stockholder's conduct of a trade or business within the United States, the dividend will not be subject to withholding. Instead, such

dividends are subject to U.S. federal income tax at regular rates applicable to U.S. persons generally and, for corporate holders, may also be subject to “branch profits tax.”

Sale or disposition of common stock

A Non-U.S. Stockholder generally will not be subject to United States federal income tax on any gain realized upon the sale or other disposition of the common stock unless (i) such gain is effectively connected with the Non-U.S. Stockholder’s conduct of a United States trade or business, (ii) the Non-U.S. Stockholder is an individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which such sale or disposition occurs and certain other conditions are met, (iii) the Non-U.S. Stockholder is subject to provisions applicable to certain United States expatriates, or (iv) we are or have been a “United States real property holding corporation” for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding such sale or disposition on the Non-U.S. Stockholder’s holding period. We believe that we are not, and do not anticipate becoming, a “United States real property holding corporation”. No assurances, however can be given in this regard.

Information reporting and backup withholding

We must report annually to the Internal Revenue Service and to each Non-U.S. Stockholder the amount of dividends paid to such stockholder and the amount, if any, of tax withheld with respect to such dividends. This information may also be made available to the tax authorities in the Non-U.S. Stockholder’s country of residence. Dividends paid to a Non-U.S. Stockholder may be subject to withholding as described above under “Dividends,” but generally are not subject to “backup withholding” if the Non-U.S. Stockholder properly certifies as to its Non-U.S. status (usually by completing an Internal Revenue Service Form W-8BEN, including any claim to reduced withholding under an applicable income tax treaty). Treasury regulations contain special rules for determining whether an income tax treaty benefit depends upon the residence of an entity that is a holder of our common stock or upon the residence of the holders of an interest in the entity.

The payment of the proceeds of the sale or other taxable disposition of the common stock to or through the United States office of a broker is subject to information reporting. Information reporting requirements, but not backup withholding, will also generally apply to payments of the proceeds of a sale of the common stock by foreign offices of United States brokers or foreign brokers with certain types of relationships to the United States unless the Non-U.S. Stockholder establishes an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from payments made to a stockholder may be refunded or credited against such stockholder’s United States federal income tax liability, if any, provided that the required information is furnished to the Internal Revenue Service.

Estate tax

A non-resident alien individual should note that shares of common stock held by (i) such individual or (ii) an entity created by such individual and included in such individual’s gross estate for U.S. federal estate tax purposes (for example, a trust funded by such individual and with respect to which the individual has retained certain interests or powers), will be, absent an applicable treaty, treated as U.S. situs property subject to U.S. federal estate tax.

Underwriting

We and the selling stockholders are offering the shares of common stock described in this prospectus through a number of underwriters. J.P. Morgan Securities Inc. and Merrill Lynch, Pierce Fenner & Smith Incorporated are acting as joint book-running managers of the offering and as representatives of the underwriters. We and the selling stockholders have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we and the selling stockholders have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of shares of common stock listed next to its name in the following table:

Name	Number of shares
J.P. Morgan Securities Inc.	
Merrill Lynch, Pierce Fenner & Smith Incorporated	
Banc of America Securities LLC	
Citigroup Global Markets Inc.	
Lehman Brothers Inc.	
Sandler O'Neill & Partners, L.P.	
Total	

The underwriters are committed to purchase all the common shares offered by us and the selling stockholders if they purchase any shares. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the common shares directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of $ per share. Any such dealers may resell shares to certain other brokers or dealers at a discount of up to $ per share from the initial public offering price. After the initial public offering of the shares, the offering price and other selling terms may be changed by the underwriters. Sales of shares made outside of the United States may be made by affiliates of the underwriters. The representatives have advised us that the underwriters do not intend to confirm discretionary sales in excess of 5% of the common shares offered in this offering.

The underwriters have an option to buy up to additional shares of common stock from us and the selling stockholders to cover sales of shares by the underwriters which exceed the number of shares specified in the table above. The underwriters have 30 days from the date of this prospectus to exercise this over-allotment option. If any shares are purchased with this over-allotment option, the underwriters will purchase shares in approximately the same proportion as shown in the table above. If any additional shares of common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

At our request, pursuant to a directed share program, the underwriters have reserved for sale, at the initial public offering price, 5% of the shares offered by this prospectus for sale to our current stockholders (including General Atlantic) and lessees of Class A memberships. If the

current stockholders and lessees of Class A memberships purchase reserved shares, this will reduce the number of shares available for sale to the general public. Any reserved shares that are not orally confirmed for purchase within one day of the pricing of the offering will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus.

The underwriting fee is equal to the public offering price per share of common stock less the amount paid by the underwriters to us and the selling stockholders per share of common stock. The underwriting fee is $ per share. The following table summarizes the compensation and estimated expenses we and the selling stockholders will pay:

	Per share		Total	
	Without over-allotment	With over-allotment	Without over-allotment	With over-allotment
Underwriting Discounts and Commissions paid by us	$	$	$	$
Expenses payable by us	$	$	$	$
Underwriting Discounts and Commissions paid by selling stockholders	$	$	$	$
Expenses payable by the selling stockholders	$	$	$	$

A prospectus in electronic format may be made available on the web sites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We have agreed that we will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Securities and Exchange Commission a registration statement under the Securities Act relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of the representatives for a period of 180 days after the date of this prospectus, subject to certain exceptions. In addition, we have agreed that, except as required to permit the selling stockholders to participate in this offering, we will not waive any of the transfer restrictions applicable to our common stock during this 180 day period. This agreement will not prohibit stockholders from making transfers permitted by and as set forth in our Amended and Restated Certificate of Incorporation. Notwithstanding these limitations, this agreement does not apply to any awards made by us under any of our employee benefit plans. In the event that either (1) during the last 17 days of the “lock-up” period, we release earnings results or material news or a material event relating to us occurs or (2) prior to the expiration of the “lock-up” period, we announce that we will release earnings results during the 16-day period beginning on the last day of the “lock-up” period, then in either case the expiration of the “lock-up” will be extended until the expiration of the 18-day period beginning on the date of the release of the earnings results or the occurrence of the material news or event, as applicable, unless the representatives waive, in writing, such an extension. All of our current stockholders, whether or not selling stockholders, are subject to these provisions.

J.P. Morgan Securities Inc., Merrill Lynch, Pierce Fenner & Smith Incorporated, Banc of America Securities LLC, Citigroup Global Markets Inc., Lehman Brothers Inc. and Sandler O’Neill & Partners, L.P., in their sole discretion, may release the common stock and other securities subject

to the lock-up agreements described above in whole or in part at any time with or without notice. When determining whether or not to release common stock and other securities from lock-up agreements, J.P. Morgan Securities Inc., Merrill Lynch, Pierce Fenner & Smith Incorporated, Banc of America Securities LLC, Citigroup Global Markets Inc., Lehman Brothers Inc. and Sandler O'Neill & Partners, L.P. will consider, among other factors, the holder's reasons for requesting the release, the number of shares of common stock and other securities for which the release is being requested and market conditions at the time.

We and the selling stockholders have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, and we have further agreed to indemnify the underwriters against certain claims arising under the directed share program.

We have applied to have our common stock approved for listing on the New York Stock Exchange ("NYSE") under the symbol "NMX". In connection with the listing of the common stock on the NYSE, the underwriters will undertake to sell round lots of 100 shares or more to a minimum of 2,000 beneficial owners.

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress. These stabilizing transactions may include making short sales of the common stock, which involves the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering, and purchasing shares of common stock on the open market to cover positions created by short sales. Short sales may be "covered" shorts, which are short positions in an amount not greater than the underwriters' over-allotment option referred to above, or may be "naked" shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their over-allotment option, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the over-allotment option. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, in accordance with Regulation M of the Securities Act of 1933, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the common stock, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase common stock in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the common stock or preventing or retarding a decline in the market price of the common stock, and, as a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on the New York Stock Exchange, in the over-the-counter market or otherwise.

The initial public offering price for our common stock will be determined by negotiations between us and the representatives of the underwriters. In determining the initial public offering price, we and the representatives of the underwriters expect to consider a number of factors including:

- the information set forth in this prospectus and otherwise available to the representatives;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- our prospects for future earnings;
- the limited and sporadic quotations regarding our common stock prior to this offering;
- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, publicly traded common stock of generally comparable companies; and
- other factors deemed relevant by the underwriters and us.

Neither we nor the underwriters can assure investors that an active trading market will develop for our common shares, or that the shares will trade in the public market at or above the initial public offering price.

All but one of the underwriters, either directly or through their affiliates, are members of NYMEX Exchange and own shares of our common stock. These underwriters or their affiliates, as the case may be, pay commissions to us in connection with their trading activity as members.

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In December 2004, we entered into an agreement with JPMorgan to participate in a securities lending program under which we lend out securities on deposit in our margin deposits and Guaranty Fund in exchange for cash collateral which, in turn, is invested on an overnight basis. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future. There may be a conflict of interest between their interests as selling stockholders (*i.e.*, to maximize the value of their investment) and their respective interests as underwriters (*i.e.*, in negotiating the public offering price).

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”), no offer of shares of our common stock to the public in that Relevant Member State may be made prior to the publication of a prospectus in relation to our common shares which has been approved by the competent authority in that Relevant Member State or,

where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that, with effect from and including the Relevant Implementation Date, an offer of our common shares may be made to the public in that Relevant Member State at any time:

- to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- in any other circumstances which do not require the publication by the issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of shares to the public” in relation to any common shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the common shares to be offered so as to enable an investor to decide to purchase or subscribe the common shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each of the underwriters has represented and agreed that:

- it has not made and will not make an offer of the shares to the public in the United Kingdom prior to the publication of a prospectus in relation to the shares and the offer that has been approved by the FSA or where appropriate, approved in another Member State and notified to the FSA, all in accordance with the Prospectus Directive except that it may make an offer of the Ordinary Shares to persons who fall within the definition of “qualified investor” as that term is defined in Section 86(1) of the Financial Services and Markets Act 2000 (as amended) (“FSMA”) or otherwise in circumstances which do not result in an offer of transferable securities to the public in the United Kingdom within the meaning of the FSMA;
- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) to persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or in circumstances in which section 21 of FSMA does not apply to the company; and
- it has complied with, and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

Legal matters

Certain legal matters with respect to the common stock offered by this prospectus will be passed upon for us by Skadden, Arps, Slate, Meagher & Flom LLP. Certain legal matters in connection with this offering will be passed upon for the underwriters by Davis Polk & Wardwell.

Experts

The Consolidated financial statements of NYMEX Holdings, Inc. as of December 31, 2005 and 2004, and for each of the years in the three-year period ended December 31, 2005, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2005 are included herein in reliance upon the reports of KPMG LLP, independent registered public accounting firm, and upon the authority of said firm as experts in accounting and auditing.

Where you can find more information

We have filed with the SEC a registration statement on Form S-1 under the Securities Act for the shares of common stock being offered by this prospectus. This prospectus, which is part of the registration statement, does not contain all of the information included in the registration statement and the exhibits. For further information about us and the common stock offered by this prospectus, you should refer to the registration statement and its exhibits. References in this prospectus to any of our contracts or other documents are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contract or document. NYMEX Holdings has filed reports, proxy statements and other information with the SEC. You may read and copy the registration statement, the related exhibits, reports, proxy statements and other information that NYMEX Holdings has filed or will file with the SEC at the SEC's public reference room located at Station Place, 100 F Street, N.E., Washington, D.C. 20549. You can also request copies of those documents, upon payment of a duplicating fee, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference rooms. The SEC also maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers that file with the SEC. That site is www.sec.gov. You may also obtain this information, without charge, by request to the Office of the Corporate Secretary located at NYMEX Holdings, Inc., One North End Avenue, Suite 1548, New York, New York, 10282-1101; Attention: Donna Talamo; Telephone (212) 299-2000.

Index to consolidated financial statements of NYMEX Holdings, Inc.

December 31, 2003, 2004 and 2005 and March 31, 2005 (unaudited) and 2006 (unaudited)

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
NYMEX Holdings, Inc.:

We have audited the accompanying consolidated balance sheets of NYMEX Holdings, Inc. and subsidiaries (the "Company") as of December 31, 2005 and 2004, and the related consolidated statements of income, stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2005. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NYMEX Holdings, Inc. and subsidiaries as of December 31, 2005 and 2004, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2005, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Company's internal control over financial reporting as of December 31, 2005, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 7, 2006 expressed an unqualified opinion on management's assessment of, and the effective operation of, internal control over financial reporting.

KPMG LLP

New York, New York
March 7, 2006

NYMEX Holdings, Inc. and subsidiaries
Consolidated balance sheets

(in thousands, except for share data)	December 31, 2005	2004
Assets		
Current assets		
Cash and cash equivalents	$ 35,664	$ 3,084
Collateral from securities lending program	2,314,618	—
Securities purchased under agreements to resell	6,900	19,324
Marketable securities, at market value	100,993	144,950
Clearing and transaction fees receivable, net of allowance for member credits	23,747	17,309
Prepaid expenses	5,768	3,896
Deferred tax assets	1,748	2,590
Margin deposits and guaranty funds	92,555	34,825
Other current assets	7,129	6,704
Total current assets	2,589,122	232,682
Property and equipment, net	190,036	194,719
Goodwill	16,329	16,329
Other assets	13,260	10,920
Total assets	$2,808,747	$454,650
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 17,627	$ 15,236
Accrued salaries and related liabilities	9,893	5,015
Payable under securities lending program	2,314,618	—
Margin deposits and guaranty funds	92,555	34,825
Income tax payable	5,250	11,283
Other current liabilities	36,281	31,941
Total current liabilities	2,476,224	98,300
Grant for building construction deferred credit	108,311	110,455
Long-term debt	83,098	85,915
Retirement obligation	12,121	11,622
Deferred income taxes	2,098	1,997
Other liabilities	17,113	19,579
Total liabilities	2,698,965	327,868
Commitments and contingencies (Note 19)		
Stockholders' equity		
Common stock, at $0.01 par value, 816 shares authorized, issued and outstanding at December 31, 2005 and December 31, 2004	—	—
Additional paid-in capital	69,631	93,312
Retained earnings	39,479	33,470
Accumulated other comprehensive income	672	—
Total stockholders' equity	109,782	126,782
Total liabilities and stockholders' equity	$2,808,747	$454,650

See accompanying notes to the consolidated financial statements.

NYMEX Holdings, Inc. and subsidiaries
Consolidated statements of income

(in thousands, except for share data)	Year ended December 31, 2005	2004	2003
Revenues			
Clearing and transaction fees	$277,632	$193,295	$139,731
Market data fees	44,533	32,605	31,700
Other, net	11,943	11,532	12,737
Investment income, net	8,895	3,893	3,929
Interest income from securities lending, net	3,558	—	—
Total revenues	346,561	241,325	188,097
Expenses			
Salaries and employee benefits	62,419	57,357	54,401
Occupancy and equipment	28,482	26,383	26,664
Depreciation and amortization, net of deferred credit amortization	15,221	21,795	24,679
General and administrative	52,565	32,372	23,314
Professional services	27,379	26,544	17,427
Telecommunications	6,929	6,056	5,934
Marketing	5,207	2,490	2,080
Other expenses	9,909	8,352	8,080
Interest expense	6,852	7,039	7,237
Asset impairment and disposition losses	597	5,351	2,340
Total expenses	215,560	193,739	172,156
Income before provision for income taxes	131,001	47,586	15,941
Provision for income taxes	59,873	20,219	7,061
Net income	$ 71,128	$ 27,367	$ 8,880
Weighted average common shares outstanding, basic and diluted	816	816	816
Basic and diluted earnings per share	$ 87,167	$ 33,538	$ 10,882

See accompanying notes to the consolidated financial statements.

NYMEX Holdings, Inc. and subsidiaries
Consolidated statements of stockholders' equity

(in thousands, except for share data)	Common stock Shares	Common stock Amount	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income	Total stockholders' equity
Balances at December 31, 2002	816	$ —	$ 93,312	$ 8,223	$ —	$ 101,535
Net income	—	—	—	8,880	—	8,880
Dividends declared:						
Common stock, $6,127/share	—	—	—	(5,000)	—	(5,000)
Balances at December 31, 2003	816	—	93,312	12,103	—	105,415
Net income	—	—	—	27,367	—	27,367
Dividends declared:						
Common stock, $7,353/share	—	—	—	(6,000)	—	(6,000)
Balances at December 31, 2004	816	—	93,312	33,470	—	126,782
Net income	—	—	—	71,128	—	71,128
Unrealized gain on available-for-sale securities, net of deferred income taxes of $570	—	—	—	—	672	672
Comprehensive income						71,800
Dividends declared:						
Common stock, $108,824/share	—	—	(23,681)	(65,119)	—	(88,800)
Balances at December 31, 2005	816	$ —	$ 69,631	$ 39,479	$ 672	$ 109,782

See accompanying notes to the consolidated financial statements.

NYMEX Holdings, Inc. and subsidiaries
Consolidated statements of cash flows

(in thousands)	December 31, 2005	2004	2003
Cash flows from operating activities			
Net income	$ 71,128	$ 27,367	$ 8,880
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	16,489	23,062	26,187
Amortization of intangibles	876	878	637
Deferred grant credits	(2,644)	(2,645)	(2,645)
Deferred rental income	(675)	(1,238)	—
Deferred rent expense	(232)	90	399
Deferred income taxes	373	(2,420)	(4,562)
Asset impairment and disposition loss	597	5,351	2,340
Decrease (increase) in operating assets:			
Clearing and transaction fees receivable	(6,438)	(4,032)	607
Prepaid expenses	(1,872)	219	(520)
Margin deposits and guaranty fund assets	(57,730)	62,413	(21,911)
Other current assets	(425)	2,255	(1,771)
Increase (decrease) in operating liabilities:			
Accounts payable and accrued liabilities	2,391	4,463	(5,263)
Accrued salaries and related liabilities	4,878	723	(1,319)
Margin deposits and guaranty fund liabilities	57,730	(62,413)	21,911
Income tax payable	(6,033)	919	6,029
Other current liabilities	4,240	12,512	1,237
Other liabilities	(1,059)	1,378	(1,020)
Retirement obligation	499	(107)	692
Net cash provided by operating activities	82,093	68,775	29,908
Cash flows from investing activities			
(Increase) in collateral from securities lending program	(2,314,618)	—	—
(Increase) decrease in securities purchased under agreements to resell	12,424	25,726	(4,290)
(Increase) decrease in marketable securities	43,957	(80,065)	2,091
Capital expenditures	(12,403)	(6,639)	(13,446)
Acquisition, net of cash acquired	—	—	(3,000)
(Increase) decrease in other assets	(1,974)	1,341	(195)
Net cash used in investing activities	(2,272,614)	(59,637)	(18,840)
Cash flows from financing activities			
Increase in obligation to return collateral under securities lending program	2,314,618	—	—
Dividends paid	(88,700)	(5,000)	(7,500)
Principal payments under long-term debt agreements	(2,817)	(2,817)	(2,819)
Net cash provided by (used in) financing activities	2,223,101	(7,817)	(10,319)
Net increase in cash and cash equivalents	32,580	1,321	749
Cash and cash equivalents, beginning of period	3,084	1,763	1,014
Cash and cash equivalents, end of period	$ 35,664	$ 3,084	$ 1,763

See accompanying notes to the consolidated financial statements.

NYMEX Holdings, Inc. and subsidiaries
Notes to the consolidated financial statements

Note 1. Summary of significant accounting policies

Nature of business

NYMEX Holdings, Inc. (“NYMEX Holdings”) was incorporated in 2000 as a stock corporation in Delaware, and is the successor to the New York Mercantile Exchange. The two principal operating subsidiaries of NYMEX Holdings are New York Mercantile Exchange, Inc. (“NYMEX Exchange” or “NYMEX Division”) and Commodity Exchange, Inc. (“COMEX” or “COMEX Division”), which is a wholly-owned subsidiary of NYMEX Exchange. Where appropriate, each division will be discussed separately, and collectively will be referred to as the “Exchange.” When discussing NYMEX Holdings together with its subsidiaries, reference is being made to the “Company.”

In August 2004, NYMEX Europe Exchange Holdings Limited (“Europe Holdings”) was established as a private limited company incorporated under the laws of England and Wales and is a wholly-owned subsidiary of NYMEX Holdings. In March 2005, NYMEX Europe Limited (“Europe Limited”) was incorporated under the laws of England and Wales as an operating and wholly-owned subsidiary of Europe Holdings. Where appropriate, each European subsidiary will be discussed separately, and collectively will be referred to as the “Europe Exchange.” Europe Exchange is an independent UK-based exchange which provides an open-outcry and electronic trading facility in London, England. All trades executed on Europe Exchange are cleared through the Company’s clearinghouse in New York. Europe Exchange commenced operations in September 2005.

In June 2005, the Company and Tatweer Dubai LLC, a subsidiary of Dubai Holding L.L.C., entered into a joint venture to develop the Middle East’s first energy futures exchange. As part of this venture, DME Holdings Limited (“DME Holdings”), which is jointly owned by the Company and Tatweer Dubai LLC, was incorporated as a limited company under the laws of Bermuda. DME Holdings is the sole owner of Dubai Mercantile Exchange Limited (the “DME”), a limited liability company formed under the laws of the Dubai International Financial Centre (“DIFC”), a financial free zone designed to promote financial services within the United Arab Emirates. It is expected that the DME will initially offer sour crude and fuel oil products for trading. The DME will be regulated by the Dubai Financial Services Authority, a regulatory body established within the DIFC. The Company anticipates that the DME will commence trading in 2006.

The Company exists principally to provide facilities to buy, sell and clear energy and precious and base metals commodities for future delivery under rules intended to protect the interests of market participants. The Company itself does not own commodities, trade for its own account, or otherwise engage in market activities. The Company provides the physical facilities necessary to conduct an open outcry auction market, electronic trading systems, systems for the matching and clearing of trades executed on the Exchange, and systems for the clearing of certain bilateral trades executed off-Exchange in the over-the-counter (“OTC”) market. These services facilitate price discovery, hedging and liquidity in the energy and metals markets. The Company believes that market participants choose to trade on centralized markets such as the Exchange because of the liquidity those markets help to provide and because those markets perform an important price discovery function. The liquidity that the Exchange and other centralized markets offer is achieved in large part because the traded contracts have standardized terms and the Company’s clearinghouse mitigates counterparty performance risk. Transactions executed on the Exchange

mitigate the risk of counter-party default because the Company's clearinghouse acts as the counter-party to every trade. To manage the risk of financial nonperformance, the Exchange requires members to post margin. Trading on the Exchange is regulated by the Commodity Futures Trading Commission. Trading on the Europe Exchange is regulated by the UK's Financial Services Authority.

Principles of consolidation

The accompanying consolidated financial statements include the accounts of NYMEX Holdings and its wholly-owned subsidiaries and have been prepared in accordance with U.S. generally accepted accounting principles. All significant intercompany transactions and balances have been eliminated in consolidation. Certain reclassifications have been made to the 2004 and 2003 consolidated financial statements to conform to the 2005 presentation.

Fair value of financial instruments

Statement of Financial Accounting Standards No. 107, *Disclosures about Fair Value of Financial Instruments* , requires disclosure of the fair value of financial instruments at the balance sheet date. The carrying values of the Company's assets approximate their fair values and, where applicable, are based on current market prices. The carrying values of the Company's liabilities approximate their fair values except for the fair value of the Company's notes payable, which are based upon their future cash flows for principal and interest payments, discounted at prevailing interest rates for securities of similar terms and maturities.

Use of estimates

The preparation of the accompanying consolidated financial statements and related notes in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, the reported amounts of revenues and expenses during the reporting period, and the disclosure of contingent liabilities. Actual results could differ from those estimates.

Cash and cash equivalents

Investments in money market funds and highly liquid investments purchased with an original maturity of three months or less are classified as cash equivalents. Cash equivalents are carried at cost, which approximates fair value. The Company maintains substantially all of its cash balances with major financial institutions.

Securities purchased under agreements to resell

Securities purchased under agreements to resell are carried at contract value, as specified in the agreements. The market value of securities purchased under agreements to resell is monitored by the Company and additional collateral is obtained as necessary to protect against credit exposure. At December 31, 2005 and 2004, U.S. government securities held in a segregated account by a U.S. money-center bank collateralized the securities purchased under agreements to resell.

Marketable securities

The Company invests primarily in high-grade tax-exempt municipal bonds, direct obligations of the U.S. government and its agencies and money market mutual funds. The Company classifies its

investments in debt and equities as either trading or available-for-sale. Management determines the appropriate classification of debt and equity securities at the time of purchase and re-evaluates such classification at each balance sheet date.

Trading securities are carried at fair value based on quoted market prices. Unrealized gains and losses are recorded in investment income, net on the consolidated statements of income. Realized gains and losses from the sales of marketable securities are determined on a specific identification basis.

Available-for-sale securities are carried at fair value based on quoted market prices. Unrealized gains and losses are recorded, net of income taxes, in accumulated other comprehensive income on the consolidated balance sheets. Realized gains and losses are recorded in investment income, net on the consolidated statements of income.

The Company has provided financial guarantees and pledged collateral with one of its investment managers relating to a membership seat financing program. The investment manager retains a collateral interest in the underlying Company investments equal to 118% of the outstanding loan balance. The Company has not set up allowances for loan losses as the Company retains the exclusive right to assert its lien on, and security interest in, the membership seat.

Long-lived assets

The Company reviews long-lived assets for impairment in accordance with Statement of Financial Accounting Standards (“SFAS”) No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* (“SFAS No. 144”). The Company periodically evaluates the net realizable value of long-lived assets, including property, plant and equipment and amortizable intangible assets, relying on a number of factors including operating results, business plans, economic projections and anticipated future cash flows. When indicators of impairment are present, the carrying values of the assets are evaluated in relation to the operating performance and estimated future undiscounted cash flows of the underlying business. An impairment in the carrying value of an asset is recognized whenever anticipated future cash flows (undiscounted) from an asset are estimated to be less than its carrying value. The amount of the impairment recognized is the difference between the carrying value of the asset and its fair value. Fair values are based on assumptions concerning the amount and timing of estimated future cash flows and assumed discount rates, reflecting varying degrees of perceived risk.

Property and equipment

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization expense is provided utilizing the straight-line method over the estimated useful lives of the assets or lease terms, whichever is shorter.

The following table summarizes the years over which significant assets are generally depreciated or amortized:

Building and improvements	20 to 60 years
Information system equipment	3 to 7 years
Furniture, fixtures, office machinery and other	3 to 10 years
Internally developed software costs	3 to 7 years
Leasehold improvements	10 to 20 years

Where different depreciation methods or lives are used for tax purposes, deferred income taxes are recorded. The Company capitalizes purchases of software and costs associated with internally developed software.

Expenditures for repairs and maintenance are charged to expense as incurred. Expenditures for major renewals and betterments which significantly extend the useful lives of existing property and equipment are capitalized and depreciated.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net assets of the COMEX Division. Effective January 1, 2002, the Company adopted SFAS No. 142, *Goodwill and Other Intangible Assets,* which states that goodwill must be tested for impairment on an annual basis. Prior to 2002, goodwill was being amortized on a straight-line basis over a period of 15 years. The Company completed its impairment testing for the years ended December 31, 2005, 2004 and 2003, and determined that there were no impairment losses related to goodwill for any of the periods presented. The measurement of possible impairment is based on the most recent sales of COMEX Division membership interests. COMEX Division membership interests, or “seats”, are purchased from existing COMEX Division members at prevailing market prices. These prices are established through a bid-and-ask system.

Revenue recognition

Clearing and transaction revenue

The largest sources of the Company’s operating revenues are clearing and transaction fees. These fees are recognized as revenue in the same period that trades are effectuated. Clearing and transaction fees receivable are monies due from clearing member firms. Exposure to losses on receivables is principally dependent on each member firm’s financial condition. Seats owned by NYMEX Division and COMEX Division members collateralize fees owed to the Company. At December 31, 2005 and 2004, no clearing and transaction fees receivable balance was greater than the member’s seat value. Management does not believe that a concentration of credit risk exists from these receivables. The Company retains the right to liquidate a member’s seat in order to satisfy its receivable.

The Company has various discretionary rebate and cost reduction programs to reduce operating costs of certain market participants. In addition, during 2003, the Company maintained, on a discretionary basis, a proprietary fee reduction program pursuant to which certain clearing fees of NYMEX Division members were substantially reduced. Clearing and transaction fees were reduced by $14.0 million in 2003 as a result of this program. This program was eliminated effective January 1, 2004.

Market data revenues

The Company provides real-time and delayed market data information to subscribers relating to prices of futures and options contracts traded and cleared on the Exchange. As is common business practice in the industry, fees are remitted to the Company by market data vendors on behalf of subscribers. Revenues are accrued for the current month based on the most recent month reported by the vendors.

Other revenues

Other revenues consist of rental income from tenants leasing space in the Company’s headquarters building, compliance fines assessed for violation of trading rules and procedures,

fees charged to members for the use of telephone equipment and trading booths provided by the Company, fees charged for access to the NYMEX ACCESS® electronic trading system and other miscellaneous revenues. Other revenues are recognized on an accrual basis in the period during which the Company derives economic value, with the exception of compliance fines, which are recognized when cash is received.

Marketing costs

Marketing costs include costs incurred for producing and communicating advertising and other marketing activities. These costs are expensed when incurred.

Postretirement and postemployment benefits other than pensions

The Company provides certain postretirement benefits to its employees, which are accounted for in accordance with SFAS No. 106, *Employers' Accounting for Postretirement Benefits other than Pensions* , which requires the Company to accrue the estimated cost of retiree benefit payments other than pensions during the employees' active service lives. Such benefits consist principally of health care benefits. In addition, the Company offers various postemployment benefits to employees after employment but before retirement. The benefits are accounted for in accordance with SFAS No. 112, *Employers' Accounting for Postemployment Benefits,* which requires the Company to accrue the estimated cost of future postemployment benefits, which are funded on a pay-as-you-go basis. Postemployment benefits include both short-term disability, income benefits and long-term disability-related health benefits.

Income taxes

The Company accounts for income taxes in accordance with SFAS No. 109, *Accounting for Income Taxes* . SFAS No. 109 requires that deferred taxes be established based upon the temporary differences between financial statement and income tax bases of assets and liabilities using the enacted statutory rates. A valuation allowance is recognized if it is anticipated that some or all of a deferred tax asset may not be realized.

Earnings per share

The Company has only one type of earnings per share calculation, basic earnings per share. In accordance with SFAS No. 128, *Earnings per Share,* basic earnings per common share are based on the weighted-average number of common shares outstanding in each year. There are no common stock equivalents and, thus, no dilution of earnings per share. Earnings per share were $87,167, $33,538 and $10,882 in 2005, 2004 and 2003, respectively.

Segment reporting

The Company considers operating results for two business segments: Open Outcry and Electronic Trading and Clearing. Open Outcry is the trading and clearing of NYMEX Division and COMEX Division futures and options contracts on the trading floors of the Exchange. In addition, Open Outcry includes the trading and clearing of Europe Limited futures contracts on the trading floor of the Company's London subsidiary, which opened during the third quarter of 2005. Electronic Trading and Clearing consists of NYMEX ACCESS®, NYMEX ClearPort® Trading and NYMEX ClearPort® Clearing. The Company reports income on a segment basis, but does not allocate assets or goodwill.

Recent accounting pronouncements and changes

In May 2005, the Financial Accounting Standards Board ("FASB") issued SFAS No. 154, *Accounting Changes and Error Corrections* ("SFAS No. 154"). This statement replaces Accounting Principles Board No. 20, *Accounting Changes* ("APB 20") and SFAS No. 3, *Reporting Accounting Changes in Interim Financial Statements—An Amendment of APB Opinion No. 28* . SFAS No. 154 requires retrospective application to prior periods' financial statements of a voluntary change in accounting principle unless it is not practicable to do so. APB 20 previously required that most voluntary changes in accounting principle be recognized with a cumulative effect adjustment in net income of the period in which the change occurred. SFAS No. 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The Company will evaluate the application of SFAS No. 154, however, management does not currently believe adoption will have a material impact on the Company's results of operations and financial position.

In November 2005, the FASB issued FASB Staff Position (FSP) Nos. FAS 115-1 and FAS 124-1, *The Meaning of Other-Than-Temporary Impairment and its Application to Certain Investments* . FSP Nos. FAS 115-1 and FAS 124-1 amend SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities,* SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations,* as well as APB Opinion No. 18, *The Equity Method of Accounting for Investments in Common Stock.* This guidance nullifies certain requirements of EITF 03-1, *The Meaning of Other-Than-Temporary Impairment and its Application to Certain Investments* . FSP Nos. FAS 115-1 and FAS 124-1 include guidance for evaluating and recording impairment losses on debt and equity investments, as well as new disclosure requirements for investments that are deemed to not be other-than-temporarily impaired. FSP Nos. FAS 115-1 and FAS 124-1 also require other-than-temporary impaired debt securities to be written down to their impaired value, which becomes the new cost basis. FSP Nos. FAS 115-1 and FAS 124-1 are effective for fiscal periods beginning after December 15, 2005. The Company will evaluate the application of FSP Nos. FAS 115-1 and FAS 124-1, however, management does not currently believe adoption will have a material impact on the Company's results of operations and financial position.

Note 2. Securities lending

In 2005, the Company entered into an agreement with JPMorgan Chase & Co. ("JPMorgan") to participate in a securities lending program. Under this program, JPMorgan, as agent, lends on an overnight basis, a portion of the clearing members' securities on deposit in the Company's margin deposits and guaranty fund to third parties in return for cash collateral. JPMorgan, in turn, invests the cash collateral overnight in various investments on behalf of the Company in accordance with the Company's internal investment guidelines. Interest expense is then paid to the third party for the cash collateral the Company controlled during the transaction, and a fee is paid to JPMorgan for administering the transaction. The fee paid to JPMorgan is recorded in general and administrative expenses on the Company's consolidated statements of income. At December 31, 2005, the fair value of the securities on loan was approximately $2.3 billion. Interest income and interest expense recognized under the securities lending program was $68.8 million and $65.2 million, respectively.

Note 3. Collateralization

In connection with reverse repurchase agreements, the Company receives collateral that is held in custody by the Company's banks. At December 31, 2005 and 2004, the Company accepted

collateral in the form of U.S. Treasury bills that it is permitted by contract or industry practice to sell or re-pledge. The fair value of such collateral at December 31, 2005 and 2004 was $6.9 million and $19.3 million, respectively.

Note 4. Allowance for doubtful accounts and credits

Clearing and transaction fees receivable are carried net of allowances for member credits, which are based upon expected billing adjustments. Allowances for member credits were $385,000 and $256,000 at December 31, 2005 and 2004, respectively. The Company believes the allowances are adequate to cover member credits. The Company also believes the likelihood of incurring material losses due to non-collectibility is remote and, therefore, no allowance for doubtful accounts is necessary.

An allowance for doubtful accounts was established for market data accounts receivable to cover potential non-collectible vendor receivables as well as future adjustments by the market data vendor customers. This allowance was $78,000 and $121,000 at December 31, 2005 and 2004, respectively, which the Company believes is sufficient to cover potential bad debts and subsequent credits. At December 31, 2005, the combined amounts due from customers with the ten highest receivable balances represented 89% of the total accounts receivable balance. Accounts receivable for market data revenues are included in other current assets on the Company's consolidated balance sheets.

The Company has established a reserve for non-collectible receivables of other revenues in the amount of $512,000 and $665,000 at December 31, 2005 and 2004, respectively, and believes the amount is sufficient to cover potential bad debts and subsequent credits. Accounts receivable for other revenues are included in other current assets on the Company's consolidated balance sheets.

Note 5. Margin deposits and guaranty funds

The Company is required, under the Commodity Exchange Act, to maintain separate accounts for cash and securities that are deposited by clearing members, at banks approved by the Company, as margin for house and customer accounts. These margin deposits are used by members to meet their obligations to the Company for margin requirements on open futures and options positions, as well as delivery obligations.

Each clearing member firm is required to maintain a security deposit, in the form of cash or U.S. Treasury Securities, ranging from $100,000 to $2.0 million, per division, based upon such clearing member firm's reported regulatory capital, in a fund known as a guaranty fund. Historically, separate and distinct guaranty funds were maintained for the NYMEX Division and the COMEX Division. Effective May 16, 2003, the NYMEX Division assumed all of the clearing functions of the COMEX Division. Accordingly, the deposits were aggregated and are now maintained in a single guaranty fund (the "Guaranty Fund") which may be used for any loss sustained by the Company as a result of the failure of a clearing member to discharge its obligations on either division. Although there is now one Guaranty Fund for both divisions, separate contribution amounts are calculated for each division.

Every member and non-member executing transactions on the Company's divisions must be guaranteed by a clearing member and clear their transactions through the Company's clearinghouse. This requirement also applies to transactions conducted outside of the Exchange which clear through NYMEX ClearPort® Clearing. Clearing members of the NYMEX Division and

COMEX Division require their customers to maintain deposits in accordance with Company margin requirements. Margin deposits and Guaranty Funds are posted by clearing members with the Company's clearinghouse. In the event of a clearing member default, the Company satisfies the clearing member's obligations on the underlying contract by drawing on the defaulting clearing member's Guaranty Funds. If those resources are insufficient, the Company may fund the obligations from its own financial resources or draw on Guaranty Funds posted by non-defaulting clearing members. The Company also maintains a $100 million default insurance policy. This insurance coverage is available to protect the Company and clearing members in the event that a default in excess of $130 million occurs.

The Company is entitled to earn interest on cash balances posted as margin deposits and Guaranty Funds. Such balances are included in the Company's consolidated balance sheets, and are generally invested overnight in securities purchased under agreements to resell.

The following table sets forth margin deposits and Guaranty Fund balances held by the Company on behalf of clearing members at December 31, 2005 and 2004 (in thousands):

	December 31, 2005			December 31, 2004		
	Margin deposits	Guaranty funds	Total funds	Margin deposits	Guaranty funds	Total funds
Cash and securities earning interest for NYMEX Holdings						
Cash	$ 14	$ —	$ 14	$ 521	$ 54	$ 575
Securities held for resale	88,031	4,510	92,541	31,950	2,300	34,250
Total cash and securities	88,045	4,510	92,555	32,471	2,354	34,825
Cash and securities earning interest for members						
Money market funds	4,535,750	—	4,535,750	2,914,820	—	2,914,820
U.S. Treasuries	11,513,902	142,866	11,656,768	7,322,495	148,026	7,470,521
Letters of credit	2,091,909	—	2,091,909	511,002	—	511,002
Total cash and securities	18,141,561	142,866	18,284,427	10,748,317	148,026	10,896,343
Total funds	$ 18,229,606	$ 147,376	$ 18,376,982	$ 10,780,788	$ 150,380	$ 10,931,168

Note 6. Property and equipment, net

Property and equipment consisted of the following:

	December 31,	
(in thousands)	**2005**	**2004**
Buildings and improvements	$185,214	$ 186,645
Information systems equipment	18,250	51,324
Office furniture, fixtures, machinery and equipment	27,742	36,907
Internally developed software	1,310	11,563
Leasehold improvements	15,018	13,522
Construction in progress	252	—
	247,786	299,961
Less: accumulated depreciation and amortization	(57,750)	(105,242)
	$190,036	$ 194,719

Depreciation and amortization expense for the years ended December 31, 2005, 2004 and 2003 was approximately $15.2 million, $21.8 million and $24.7 million, respectively. Depreciation and amortization expense is recorded net of amortization of the deferred credit related to the grant for the building of $2.1 million for each year. Amortization of leasehold improvements is included in depreciation and amortization expense in the consolidated statements of income.

During 2003, the Company continued development of a new technology strategy, which was designed to standardize and simplify the Company's technology infrastructure. In conjunction with this strategy, the functionality and useful lives of existing technology assets were evaluated. As a result of this evaluation, the Company shortened the estimated useful lives of a significant component of its existing technology infrastructure, resulting in a $5.3 million charge in the fourth quarter of 2003.

The Company, in the normal course of business, records charges for the impairment and disposal of assets which it determines to be obsolete. Asset impairment and disposal losses for the years ended December 31, 2005, 2004 and 2003 were $0.6 million, $5.4 million and $2.3 million, respectively.

Note 7. Long-term debt

The Company issued long-term debt totaling $100 million during 1996 and 1997 to provide completion financing for the Company's trading facility and headquarters. This issue contained three series, each with different maturities, interest rates, and repayment schedules. Series A notes require annual principal repayments from 2001 to 2010, and a final payment of principal in 2011. Series B notes require annual principal repayments from 2011 to 2020, and a final payment of principal in 2021. Series C notes require annual principal repayments from 2022 to 2025, and a final payment of principal in 2026. The notes represent senior unsecured obligations of the Company and are not secured by the facility, the Company's interest therein, or any other collateral. The notes are subject to a prepayment penalty in the event they are paid off prior to their scheduled maturities. The Company believes that any economic benefit derived from early

redemption of these notes would be offset by the redemption penalty. These notes place certain limitations on the Company's ability to incur additional indebtedness.

(in thousands)	December 31, 2005	2004
Private placement notes		
7.48%, Senior Notes, Series A, due 2011	$16,915	$19,732
7.75%, Senior Notes, Series B, due 2021	54,000	54,000
7.84%, Senior Notes, Series C, due 2026	15,000	15,000
	85,915	88,732
Less current maturities	(2,817)	(2,817)
Total long-term debt	$83,098	$85,915

Notes payable that become due during the next five years are as follows:

2006	$ 2,817
2007	$ 2,817
2008	$ 2,817
2009	$ 2,817
2010	$ 2,817

Note 8. Members' retirement plan and benefits

The Company maintains a retirement and benefit plan under the COMEX Members' Recognition and Retention Plan ("MRRP"). This plan provides benefits to certain members of the COMEX Division based on long-term membership, and participation is limited to individuals who were COMEX Division members prior to the Company's acquisition of COMEX in 1994. No new participants were permitted into the plan after the date of the acquisition. The annual benefit payments are $12,500 ($2,000 for options members) for ten years for vested participants. Under the terms of the COMEX merger agreement, the Company is required to fund the plan with a minimum annual contribution of $400,000 until it is fully funded. The Company funded the plan by $800,000 in each of the years ended December 31, 2005, 2004 and 2003. Based on continued funding of $800,000 per year, and certain actuarial assumptions, the Company expects the plan to be fully funded in 2019. The annual contribution may be reduced if actuarial assumptions indicate that full funding can be achieved without making the entire funding contributions indicated above. Corporate contributions are charged against current operations. All benefits to be paid under the COMEX MRRP shall be based upon reasonable actuarial assumptions which, in turn, are based upon the amounts that are available and are expected to be available to pay benefits, except that the benefits paid to any individual will not exceed the amounts stated above. Quarterly distributions from the COMEX MRRP began in the second quarter of 2002. Subject to the foregoing, the Board of Directors of the Company reserves the right to amend or terminate the COMEX MRRP upon an affirmative vote of 60% of the eligible COMEX Division plan participants.

Note 9. Joint venture

FASB Interpretation No. 46, *Consolidation of Variable Interest Entities, an Interpretation of Accounting Research Bulletin No. 51* (FIN 46) and its amendment FIN 46(R) (revised December 2003) provides guidance for determining when an entity should consolidate another entity that

meets the definition of a variable interest entity. Special purpose entities and other types of entities are assessed for consolidation under this guidance. A variable interest entity is required to be consolidated if the Company will absorb a majority of the expected losses, will receive a majority of the expected residual returns, or both. An entity that consolidates a variable interest entity is called the primary beneficiary.

As disclosed in Note 1 to the consolidated financial statements, the Company has entered into a joint venture agreement with Tatweer Dubai LLC to form DME Holdings. The Company will be required to contribute capital to the joint venture in an aggregate amount of $9.8 million over a five-year period, contingent upon the DME's achievement of certain agreed upon performance targets. The Company's maximum exposure to a loss from the joint venture is limited to its capital investment, which at December 31, 2005 was approximately $1.9 million. During 2005, the Company contributed $2.5 million to the joint venture which it accounts for under the equity method. This investment was reduced by a loss incurred in 2005 of approximately $0.6 million, which is recorded in other expenses on the consolidated statements of income. Although the Company believes that DME Holdings is a variable interest entity, it does not believe that it is the primary beneficiary and, therefore, did not consolidate DME Holdings in its results of operations.

Note 10. Defined contribution plan

The Company sponsors a defined contribution plan (the "Plan") for all eligible domestic employees. The Plan qualifies as a deferred salary arrangement under Section 401(k) of the Internal Revenue Code. Under the Plan, participating employees may defer up to 25% of their pre-tax earnings, subject to the annual Internal Revenue Code contribution limit. The Company matches contributions up to a maximum of 3% of salary. In addition, the Company makes annual contributions ranging from 2% to 7% based upon tenure for each eligible Plan member. Employees vest immediately in their contribution and vest in the Company's contribution at a rate of 40% after two full years of service, and then 20% per year until fully vested at 100% after five years of service. The Company's total contributions to the Plan were $2.0 million, $1.8 million and $1.8 million for the years ended December 31, 2005, 2004 and 2003, respectively.

Note 11. Deferred compensation

The Company has a nonqualified deferred compensation plan (the "Deferred Plan") for key employees to permit them to defer receipt of current compensation. The Company may provide a matching and a regular year-end contribution to the Deferred Plan. Matching and year-end contribution percentages follow the same guidelines as the Company's defined contribution plan. The Deferred Plan is not intended to be a qualified plan under the provisions of the Internal Revenue Code. It is intended to be unfunded and, therefore, all compensation deferred under the Deferred Plan is held by the Company and commingled with its general assets. The participating employees are general creditors of the Company with respect to these benefits. The Company has the right to amend, modify, or terminate the Deferred Plan at any time. At December 31, 2005 and 2004, deferred compensation amounted to $1.9 million and $2.2 million, respectively, and is included in accrued salaries and related liabilities in the consolidated balance sheets.

Note 12. Postretirement benefits other than pensions

The Company's postretirement benefit costs are developed from actuarial valuations. Inherent in these valuations are key assumptions, including the discount rate and expected long-term rate of

return on plan assets. Material changes in its postretirement benefit costs may occur in the future due to changes in these assumptions, changes in the number of plan participants, changes in the level of benefits provided, and changes in asset levels.

The Company provides certain health care and life insurance benefit plans for qualifying retired employees. Substantially all of the Company's employees may become eligible for these benefits if they reach specified age and years of service criteria while working for the Company. The benefits are provided through certain insurance companies. The Company expects to fund its share of such benefit costs principally on a pay-as-you-go basis.

In December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Act") became law in the United States. The Act introduces a prescription drug benefit under Medicare as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to the Medicare benefit. In accordance with FASB Staff Position No. 106-1, *Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003* , the Company elected to defer recognition of the effects of the Act in any measures of the benefit obligation or cost. In May 2004, the FASB issued Staff Position No. 106-2 ("FAS No. 106-2") under the same title. FAS No. 106-2 provides guidance on accounting for the benefits attributable to new government subsidies for companies that provide prescription drug benefits to retirees. The Company has concluded that it will likely not be eligible to receive a subsidy. Therefore, the Act is not expected to have a material effect on the Company's consolidated results of operations, financial position or cash flows. The measurement date used to determine postretirement benefit measures for the postretirement benefit plan is December 31 of each year.

Accrued postretirement benefit costs are included in other non-current liabilities in the consolidated balance sheets. The following table presents the funded status of such plans, reconciled with amounts recognized in the Company's consolidated financial statements:

	December 31,	
(in thousands)	**2005**	**2004**
Change in accumulated postretirement benefit obligation:		
Accumulated postretirement benefit obligation, beginning of year	$ 6,257	$ 4,366
Service costs	409	317
Interest costs	426	331
Actuarial (gain) loss	1,450	1,555
Adjustment for prior years' overstatement	—	—
Benefits paid	(367)	(312)
Accumulated postretirement benefit obligation, end of year	$ 8,175	$ 6,257
Funded status:		
Accumulated postretirement benefit obligation, end of year	$ 8,175	$ 6,257
Unrecognized transition obligation	—	—
Unrecognized prior service cost	461	518
Unrecognized net gain (loss)	(2,365)	(1,007)
Accrued postretirement benefit cost, end of year	$ 6,271	$ 5,768

The net periodic postretirement benefit cost consists of the following:

	December 31,		
(in thousands)	**2005**	**2004**	**2003**
Service costs	$ 409	$ 317	$ 220
Interest costs	426	331	246
Amortization of transition obligation	—	—	—
Amortization of prior service costs	(57)	(57)	(57)
Amortization of net (gain) loss	92	11	(23)
Net periodic postretirement benefit cost	870	602	386
Adjustment for prior years' overstatement	—	—	(1,102)
Total net period postretirement benefit cost	$ 870	$ 602	$ (716)
Assumptions:			
Discount rate	5.75%	5.75%	6.00%
Health care cost trend rate	9.00%	10.00%	8.50%

The health care cost trend rate is assumed to decrease gradually to 5.25% by 2010 and remain level thereafter.

The following table presents the estimated future net benefit payments:

(in thousands)	**Net Benefit payments**
Fiscal Year	
2006	$ 379
2007	$ 406
2008	$ 412
2009	$ 414
2010	$ 432
2011 – 2015	$ 2,365

The following shows the impact of a 1% change in the trend rate:

	2005	
(in thousands)	**1% increase**	**1% decrease**
Effect on total of service and interest costs	$ 11	$ (12)
Effect on accumulated postretirement benefit obligation	$ 91	$ (104)

During 2003, the Company reduced its accrued postretirement benefit cost by $1.1 million, which was attributable to revisions to certain assumptions made in earlier years. Accordingly, the Company reduced salaries and employee benefits expenses in the consolidated statements of income by a similar amount in 2003, of which $0.3 million, $0.1 million and $0.8 million were attributable to 2002, 2001 and 2000 and prior years, respectively. The Company believes that the effect of the adjustment was not material to its consolidated financial position or results of operations for any of the years impacted and accordingly, the full amount was recorded in 2003.

Note 13. Deferred credits

In 1995, the Company secured a grant of $128.7 million from the New York City Economic Development Corporation ("EDC") and the Empire State Development Corporation ("ESDC",

formerly known as the New York State Urban Development Corporation) for construction of its corporate headquarters and trading facility. The grant is being recognized in income on the same basis as, and is a reduction to, the depreciation of the facility.

In 2002, the Company entered into an agreement and received a $5.0 million grant from the ESDC. This agreement requires the Company to maintain certain annual employment levels, and the grant is subject to recapture amounts on a declining scale over time. The grant is recognized in income ratably in accordance with a recapture schedule.

Note 14. Postemployment benefits

The Company offers various postemployment benefits to employees after employment but before retirement. These benefits are paid in accordance with the Company's established postemployment benefit practices and policies. Postemployment benefits include both short-term disability income benefits and long-term disability related health benefits. The Company accrues for these future postemployment benefits, which are funded on a pay-as-you-go basis. The Company's postemployment benefits liabilities at December 31, 2005 and December 31, 2004 were $0.9 million.

Note 15. Income taxes

The provision for income taxes in the consolidated statements of income for the years ended December 31, 2005, 2004 and 2003, respectively, consisted of the following:

(in thousands)	2005	2004	2003
Current:			
Federal	$38,056	$14,619	$ 8,426
State and local	21,588	8,238	3,795
Total	59,644	22,857	12,221
Deferred:			
Federal	156	(1,760)	(4,095)
State and local	73	(878)	(1,065)
Total	229	(2,638)	(5,160)
Total provision	$59,873	$20,219	$ 7,061

Reconciliation of the statutory U.S. federal income tax rate to the effective tax rate on income before the provision for income taxes is as follows:

	2005	2004	2003
Statutory U.S. federal tax rate	35.0%	35.0%	34.0%
State and local taxes, net of federal benefit	10.6	10.3	11.4
Change in estimate	—	—	3.1
Tax-exempt income	(1.0)	(1.6)	(6.0)
Valuation allowance	—	(1.5)	0.6
Other, net	1.1	0.3	1.2
Effective tax rate	45.7%	42.5%	44.3%

At December 31, the components of net deferred tax assets (liabilities) were as follows:

(in thousands)	2005	2004
Current		
Assets:		
Accrued expenses	$ 1,346	$ 2,723
Other	516	27
Total	1,862	2,750
Liabilities:		
Unrealized gains on marketable securities	—	—
Other	114	160
Total	114	160
Total current net deferred tax assets	$ 1,748	$ 2,590
Noncurrent		
Assets:		
Postretirement benefits	$ 3,308	$ 2,943
Deferred compensation	885	878
COMEX MRRP	2,757	2,820
COMEX MRRP contribution and earnings	3,164	2,417
Demutualization costs	—	345
Federal net operating loss carryforwards	344	318
Charitable contributions carryforward	—	955
Amortization	1,308	—
Other	908	840
Total	12,674	11,516
Less valuation allowance	(812)	(821)
Total noncurrent deferred tax assets	11,862	10,695
Liabilities:		
Depreciation and amortization	13,032	12,373
Capitalization of software	358	319
Unrealized gains on marketable securities	570	—
Total noncurrent deferred tax liabilities	13,960	12,692
Total net noncurrent deferred tax liabilities	$ (2,098)	$ (1,997)

Management has determined that the realization of the recognized gross deferred tax asset of $13.7 million at December 31, 2005 is more likely than not, based on taxable temporary differences and anticipated future taxable income. However, if estimates of future taxable income are reduced, the amount of the deferred tax asset considered realizable could also be reduced.

The Company maintained valuation allowances of $0.8 million in 2005 and 2004, in accordance with the provisions of SFAS No. 109. The allowances were established due to the uncertainty of realizing certain tax carryforwards.

Note 16. Supplemental disclosure of cash flow information

Supplemental disclosures of cash flow information for the years ended December 31, 2005, 2004 and 2003, respectively, are as follows:

	December 31,		
(in thousands)	**2005**	**2004**	**2003**
Cash paid for:			
Interest	$72,085	$ 7,048	$7,258
Income taxes	$65,530	$21,720	$5,595
Non-cash investing and financing activities:			
Unrealized gain on available-for-sale securities	$ 1,242	$ —	$ —
Purchase of assets under capital lease obligation	$ —	$ 955	$ —

Note 17. Acquisition

On March 31, 2003, the Company acquired the assets and assumed certain liabilities of TradingGear.com ("TradingGear"), a Delaware limited liability company. The acquisition was accounted for under the purchase method of accounting and, accordingly, the acquired assets and assumed liabilities have been recorded at their estimated fair values. The purchase price was $3,000,000 in cash. The Company considered, among other things, the value of software it had been licensing from TradingGear as well as the potential additional revenue generated from TradingGear's customer contracts in determining the consideration furnished for TradingGear's assets.

Note 18. Segment reporting

The Company considers operating results for two business segments: Open Outcry and Electronic Trading and Clearing. Open Outcry is the trading and clearing of NYMEX Division and COMEX Division futures and options contracts on the trading floors of the Exchange. In addition, Open Outcry includes the trading and clearing of Europe Limited futures contracts on the trading floor of the Company's London subsidiary, which opened during the third quarter of 2005. Electronic Trading and Clearing consists of NYMEX ACCESS®, NYMEX ClearPort® Trading and NYMEX ClearPort® Clearing. The Corporate/Other column represents income earned on the Company's investments net of fees, fees incurred on its securities lending activities and interest expense incurred on its obligations. The Company reports revenue on a segment basis. Total revenues presented for each segment include clearing and transaction fees related to such segment and a pro rated portion of market data fees. Other revenues are attributed entirely to Open Outcry. Depreciation and amortization and other operating expenses (excluding interest, securities lending fees and losses from the DME joint venture) are allocated based on the proportion of total revenues attributed to each segment. The prior year segment information has been reclassified to reflect this methodology of reporting each segment.

Financial information relating to these business segments is set forth below (in thousands):

	Year ended December 31, 2005			
	Open outcry	Electronic trading & clearing	Corporate / other	Total
Total revenues	$216,212	$117,896	$12,453	$346,561
Depreciation and amortization	9,850	5,371	—	15,221
Other operating expenses	124,255	67,754	8,330	200,339
Income before provision for income taxes	82,107	44,771	4,123	131,001
Provision for income taxes	37,529	20,460	1,884	59,873
Net income	$ 44,578	$ 24,311	$ 2,239	$ 71,128

	Year ended December 31, 2004			
	Open outcry	Electronic trading & clearing	Corporate / other	Total
Total revenues	$180,022	$57,410	$ 3,893	$241,325
Depreciation and amortization	16,525	5,270	—	21,795
Other operating expenses	125,032	39,873	7,039	171,944
Income (loss) before provision (benefit) for income taxes	38,465	12,267	(3,146)	47,586
Provision (benefit) for income taxes	16,343	5,213	(1,337)	20,219
Net income (loss)	$ 22,122	$ 7,054	$(1,809)	$ 27,367

	Year ended December 31, 2003			
	Open outcry	Electronic trading & clearing	Corporate / other	Total
Total revenues	$153,557	$30,611	$ 3,929	$188,097
Depreciation and amortization	20,577	4,102	—	24,679
Other operating expenses	116,930	23,310	7,237	147,477
Income (loss) before provision (benefit) for income taxes	16,050	3,199	(3,308)	15,941
Provision (benefit) for income taxes	7,109	1,417	(1,465)	7,061
Net income (loss)	$ 8,941	$ 1,782	$(1,843)	$ 8,880

The Company does not account for, and does not report to management, its assets (other than goodwill and other intangible assets for SFAS No. 142 reporting purposes) or capital expenditures by business segment. Foreign source revenues and long-lived assets located in foreign countries are immaterial to the consolidated results of operations and financial position of the Company and are, therefore, not disclosed separately.

Note 19. Commitments and contingencies

Legal proceedings

Set forth below is a description of material litigation to which the Company is a party, as of December 31, 2005. Although there can be no assurance as to the ultimate outcome, the

Company believes it has a meritorious defense and is vigorously defending the matter described below. The final outcome of any litigation, however, cannot be predicted with certainty, and an adverse resolution of this matter could have a material adverse effect on the Company's consolidated results of operations, financial position or cash flows.

The Company has been named as a defendant in the following legal action:

New York Mercantile Exchange, Inc. v. IntercontinentalExchange, Inc. On November 20, 2002, NYMEX Exchange commenced an action in United States District Court for the Southern District of New York against IntercontinentalExchange, Inc ("ICE"). The amended complaint alleges claims for: (a) copyright infringement by ICE arising out of ICE's uses of certain NYMEX Exchange settlement prices; (b) service mark infringement by reason of use by ICE of the service marks NYMEX and NEW YORK MERCANTILE EXCHANGE; (c) violation of trademark anti-dilution statutes; and (d) interference with contractual relationships. On January 6, 2003, ICE served an Answer and Counterclaims, in which ICE alleges five counterclaims against NYMEX Exchange as follows: (1) a claim for purported violation of Section 2 of the Sherman Act, 15 U.S.C. § 2, for NYMEX Exchange's allegedly trying to maintain a monopoly in the execution of the North America energy futures and expand the alleged monopoly into the execution and clearing of North American OTC energy contracts by attempting to deny ICE access to NYMEX Exchange settlement prices; (2) a claim for purported violation of Section 1 of the Sherman Act by conspiring with certain of its members to restrain trade by attempting to deny ICE access to NYMEX Exchange settlement prices; (3) a claim for alleged violation of Section 2 of the Sherman Act by NYMEX Exchange purportedly denying ICE access to NYMEX Exchange's settlement prices which are allegedly an "essential facility"; (4) a claim for purported violation of Section 1 of the Sherman Act and Section 3 of the Clayton Act by NYMEX Exchange allegedly tying execution services for North American energy futures and options to clearing services; and (5) a claim for purported violation of the Lanham Act through false advertising with respect to certain services offered by NYMEX Exchange and services offered by ICE. The counterclaims request damages and trebled damages in amounts not specified yet by ICE in addition to injunctive and declaratory relief.

On August 11, 2003, the Court issued an opinion dismissing certain counterclaims and one affirmative defense, with leave to replead. On or about August 28, 2003, NYMEX Exchange was served with ICE's First Amended Counterclaims in which ICE made four counterclaims against NYMEX Exchange principally alleging violations of U.S. antitrust laws, including claims regarding monopoly leveraging.

By Order and Opinion dated June 30, 2004, the Court granted NYMEX Exchange's motion and dismissed all of the antitrust counterclaims asserted against NYMEX Exchange.

By Order and Opinion dated September 29, 2005, the Court (1) granted ICE's motion for summary judgment to the extent of dismissing NYMEX Exchange's federal claims for copyright and trademark infringement and dismissing without prejudice (by declining to exercise supplemental jurisdiction), NYMEX Exchange's state law claims for violation of trademark anti-dilution statutes and interference with contractual relationships, and (2) denied NYMEX Exchange's cross-motion for partial summary judgment on copyright infringement and tortious interference with contract. On October 13, 2005, NYMEX Exchange filed a notice of appeal with the United States Court of Appeals for the Second Circuit. NYMEX Exchange filed its appeal brief on January 24, 2006. The appeal should be argued in the second quarter of 2006. This case is ongoing.

Contractual obligations

In connection with its operating activities, the Company enters into certain contractual obligations. The Company's material contractual cash obligations include long-term debt, operating leases, a capital lease and other contracts. A summary of the Company's future cash payments associated with its contractual cash obligations outstanding as of December 31, 2005, as well as an estimate of the timing in which these commitments are expected to expire, are set forth in the following table:

	Payments due by period						
(in thousands)	**2006**	**2007**	**2008**	**2009**	**2010**	**Thereafter**	**Total**
Contractual Obligations							
Long-term debt principal	$ 2,817	$ 2,817	$ 2,817	$ 2,817	$ 2,817	$ 71,830	$ 85,915
Long-term debt interest	6,626	6,416	6,205	5,994	5,783	41,786	72,810
Operating leases—facilities	4,203	4,040	4,017	4,045	3,880	7,712	27,897
Operating leases—equipment	1,969	1,228	729	33	—	—	3,959
Capital lease	327	—	—	—	—	—	327
Other long-term obligations	800	800	800	800	800	7,003	11,003
Total contractual obligations	$ 16,742	$ 15,301	$ 14,568	$ 13,689	$ 13,280	$ 128,331	$ 201,911

The Company occupies premises under leases, including a land lease, with various lessors that expire in 2006 through 2069. For the years ended December 31, 2005, 2004 and 2003, rental expense for facilities and the land lease amounted to $3.8 million, $2.7 million and $4.0 million, respectively. The lease commitments on the Company's facilities include scheduled base rent increases over the terms of the leases. The base rent payments are being charged to expense on the straight-line method over the terms of the leases. The Company has recorded a deferred credit to reflect the excess of rent expense over cash payments since inception of the leases.

The Company leases space to tenants in its headquarters facility. Rents collected from these leases were $8.2 million, $8.5 million and $7.3 million during 2005, 2004 and 2003, respectively, and are recorded in other revenue on the consolidated statements of income. Future minimum rental income for the years 2006 through 2010 are as follows:

(in thousands)	
2006	$ 8,095
2007	7,521
2008	5,640
2009	4,764
2010	4,484
Total	$ 30,504

In 1994, the Company entered into a Letter of Intent with Battery Park City Authority ("BPCA"), the EDC and the ESDC to construct a new trading facility and office building on a site in Battery

Park City. By agreement dated May 18, 1995, the EDC and ESDC agreed to provide funding of $128.7 million to construct the facility. The Company is liable for liquidated damages on a declining scale, with an initial maximum of up to $75.0 million, if it violates terms of the occupancy agreement at any time prior to the 15 years from the date of occupancy, July 7, 1997.

In May 1995, the Company signed a ground lease (expiring June 2069) with BPCA for the site where it constructed its headquarters and trading facility. The lease establishes payments in lieu of taxes ("PILOTs") due to New York City, as follows: for the trading portion of the facility, PILOTs are entirely abated for the first 20 years after occupancy; for the office portion of the facility, PILOTs are entirely abated for one year after occupancy, at a percentage of assessment (ranging from 25% to 92.5%) for the next 10 years and, thereafter, at an amount equal to assessment. Sub-let space is not eligible for abatements.

In 2002, the Company entered into an agreement and received a $5.0 million grant from ESDC. This agreement requires the Company to maintain certain annual employment levels, and the grant is subject to recapture amounts, on a declining scale, over time.

The Company and the Board of Trade of the City of New York, Inc. ("NYBOT") entered into a lease agreement that became effective on November 20, 2002. In accordance with this lease agreement, NYBOT is leasing approximately 13,000 square feet on the COMEX Division trading floor and approximately 45,000 square feet of office space for a ten-year term. The rent commencement date for the trading floor space and office space was July 1, 2003 and May 20, 2003, respectively.

In accordance with the DME shareholders agreement, the Company will be required to contribute capital to the joint venture in an aggregate amount of $9.8 million over a five-year period, contingent upon the DME's achievement of certain agreed upon performance targets. On September 6, 2005, the first contribution of $2.5 million was made.

Financial guarantees

The Company adopted FASB Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others—an Interpretation of FASB Statements No. 5, 57, and 107 and Rescission of FASB Interpretation No. 34 ("FIN No. 45"), effective January 1, 2003. The Company has certain guarantee arrangements in its clearing process as well as other financial guarantees discussed below:

Included in marketable securities are investments that are pledged as collateral with one of the Company's investment managers relating to a membership seat financing program. Under this program, the investment manager extends credit to individuals purchasing NYMEX Division memberships. The program requires that the Company pledge assets to the investment manager in an amount equal to at least 118% of the loan value. In the event a member defaults on a loan, the investment manager has the right to seize the Company's collateral for the amount of the default, and the Company has the right to liquidate the member's interest in NYMEX Division to reimburse its loss of collateral. At December 31, 2005, there were total seat loan balances of $8.7 million and securities pledged against the seat loan balances of $10.3 million.

The Company serves a clearinghouse function, standing as a financial intermediary on every futures and options transaction cleared. Through its clearinghouse, the Company maintains a system of guarantees for performance of obligations owed to buyers and sellers. This system of guarantees is supported by several mechanisms, including margin deposits and guaranty funds

posted by clearing members with the Company's clearinghouse. The amount of margin deposits on hand will fluctuate over time as a result of, among other things, the extent of open positions held at any point in time by market participants in NYMEX Division and COMEX Division contracts and the margin rates then in effect for such contracts. The Company is required, under the Commodity Exchange Act, to maintain separate accounts for cash and securities that are deposited by clearing members, at banks approved by the Company, as margin for house and customer accounts. These clearing deposits are used by members to meet their obligations to the Company for margin requirements on open futures and options positions, as well as delivery obligations.

During 2004, the Company established additional retail customer protection supported by a commitment of at least $10 million available at all times to promptly reimburse retail customers in the event that their clearing member defaults as a result of a default by another customer where margin funds from the retail customer's account are used to address the default. Retail customers are defined as those that do not otherwise qualify as "eligible contract participants" under the requirements of the Commodity Exchange Act, and are not floor traders or floor brokers on the Exchange or family members of an Exchange floor trader or floor broker who maintains an account at the same clearing firm.

There were no events of default during 2005, in any of the above arrangements, in which a liability should be recognized in accordance with FIN No. 45.

Note 20. Certain relationships and related transactions

The inherent nature of the Company's business frequently gives rise to related party transactions. The majority of the Company's shareholders, including several members of its Board of Directors, frequently do business with the Company. The Company's Board of Directors establishes fees and usage charges and also determines the level of payments under any proprietary fee reduction or other cost reduction programs.

Certain members of the Company's Board of Directors may serve as officers or directors of clearing member firms. These clearing member firms pay substantial fees to the Company's clearinghouse in connection with services the Company provides. The Company believes that the services provided to these clearing firms are on terms no more favorable to those firms than terms given to other member firms and individual members.

The following are descriptions of material transactions involving the Company and its Board of Directors and officers:

Vincent Viola, the Chairman of the Board of the Company until March 16, 2004, was the sole shareholder of Pioneer Futures, Inc. ("Pioneer"), which was one of the largest clearing members with whom the Company conducted business. Pioneer terminated its clearing member firm privileges with the Company in September 2004. For the period ended March 31, 2004 (the period covering Mr. Viola's tenure as Chairman), approximately $2.4 million in revenue was derived from Pioneer from clearing and transaction fees and approximately $164,000 was derived from rental income. For the year ended December 31, 2003, revenue of approximately $9.2 million from clearing and transaction fees and approximately $0.7 million from rental income were earned from Pioneer. On March 17, 2004, Mr. Viola entered into an advisor services agreement with the Company that was terminated on September 27, 2005.

Sterling Commodities Corp. (“Sterling”), of which David Greenberg, a director of the Company, is the President, currently leases space from the Company at its corporate headquarters facility. The lease expires on November 30, 2007. The aggregate amount of rent collected from Sterling during 2005, 2004 and 2003 was approximately $257,000, $238,000 and $242,000, respectively. Clearing and transaction fees earned from Sterling in 2005, 2004 and 2003 were approximately $2.8 million, $1.9 million and $1.6 million, respectively.

ABN AMRO, Inc. (“ABN AMRO”), by which Richard Schaeffer, the Vice Chairman of the Company, is employed as Executive Director of Global Energy Futures, currently leases space from the Company at its corporate headquarters facility. The aggregate amount of rent collected from ABN AMRO during 2005, 2004 and 2003 was approximately $307,000, $268,000 and $72,000, respectively.

Stanley Meierfeld, a Director of the Company, is a Managing Director of the Geldermann division of FC Stone, LLC. FC Stone, LLC currently leases space from the Company at its corporate headquarters facility. The aggregate amount of rent collected from FC Stone, LLC during 2005 was approximately $436,000.

Kevin McDonnell, a director of the Company, was selected by Europe Limited to be a market maker for its NYMEX Brent Crude contract which was launched on the Europe Limited trading floor during 2005. Mr. McDonnell was compensated an amount of approximately $714,000 for his services.

Zone Energy Group, Inc. (“Zone Energy”), of which Mr. Ardizzone, a director of the Company, is an executive officer and principal owner, was selected by the Company to be a market maker for NYMEX Brent Crude contract at its Dublin branch during 2005. Zone Energy was compensated an aggregate amount of approximately $698,000 for their services. In addition, Zone Energy currently leases space from the Company at its corporate headquarters facility. The aggregate amount of rent collected from Zone Energy during 2005 was approximately $65,000.

On January 27, 2003, a wholly-owned subsidiary of the Company, Tradingear Acquisition LLC, entered into an Asset Purchase Agreement with TGFIN Holdings, Inc. (“TGFIN”) and its operating subsidiary, TradinGear.com. Pursuant to this agreement, TGFIN and TradinGear.com were paid $3 million for certain assets, including certain tangible assets and software which the Company had previously been licensing from TradinGear.com. This transaction closed on March 31, 2003. On April 2, 2003, Samuel Gaer, Chairman and CEO of TGFIN, became Senior Vice President and Chief Information Officer of the Company. Prior to that date, Mr. Gaer also received approximately $82,500 in consulting fees from the Company in 2003. Mr. Gaer subsequently resigned his position as an officer and director of TGFIN. Mr. Gaer, together with his family, owned at the time of the acquisition approximately 38% of stock of TGFIN.

The Company had invested assets segregated for the benefit of the COMEX Members’ Recognition and Retention Plan (the “COMEX MRRP”) of $12.8 million and $11.6 million at December 31, 2005 and 2004, respectively, in a portfolio of fixed income securities managed by Legg Mason Wood Walker, Inc., a securities firm of which Anthony George Gero, a director of the Company, was a senior investment officer up until December 2, 2005. Mr. Gero is currently a Senior Vice President of RBC Dain Rauscher and a Vice President of Global Futures at RBC Capital Markets Global Futures. On March 1, 2006, the Company’s Board of Directors authorized the transfer of the COMEX MRRP funds into a portfolio of fixed income securities to be managed by RBC Dain Rauscher.

The Company has provided financial guarantees and pledged collateral relating to a membership seat financing program with one of its banks, Brown Brothers Harriman & Co. Pursuant to this program, the participating member remains primarily liable for the loan that is used to purchase a membership seat and corresponding share of common stock in the Company. The Company guarantees the unpaid balance owed by each participating member, and the Company has the right to liquidate the membership seat and corresponding share of common stock if such member defaults on the loan. As of December 31, 2005, none of the directors and/or their immediate family members had a loan balance relating to this program. As of December 31, 2004, the following directors and/or their immediate family member had loan balances relating to this program in excess of $60,000: James McNamara, brother of John L. McNamara, a director of the Company, in the amount of $79,600.

The following table below reflects the member loan balances outstanding and collateral held by the Company on behalf of Exchange members participating in the seat financing program at December 31, (in thousands):

	2005	2004
Loan balance outstanding	$ 8,731	$ 7,125
Collateral on deposit	$ 10,303	$ 8,408

Note 21. Parent company only information

The only assets of NYMEX Holdings, Inc., the registrant, are its investments in its wholly-owned subsidiaries, which totaled $109.8 million and $126.8 million at December 31, 2005 and 2004, respectively. The registrant has only one liability, dividends payable to shareholders, which were $3.6 million and $3.5 million at December 31, 2005 and 2004, respectively. Net income from these investments on the equity basis of accounting amounted to $71.1 million, $27.4 million and $8.9 million for the years ended December 31, 2005, 2004 and 2003, respectively. Other than the dividends payable to shareholders, the registrant has no liabilities, material contingencies or guarantees. During 2005, the registrant received no cash dividends from any of its subsidiaries.

Note 22. Subsequent event

On January 11, 2006, the Board of Directors of the Company voted to declare and distribute a special cash dividend of $30 million to stockholders of record as of January 21, 2006. On January 23, 2006, each of the stockholders as of the record date was paid $36,765 per share of the Company’s common stock.

Note 23. Quarterly financial data (unaudited) (in thousands, except per share data)

	2005			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Trading volumes				
NYMEX Division	40,116	45,808	52,112	46,403
COMEX Division	7,326	7,449	7,695	8,301
Total	47,442	53,257	59,807	54,704
Summarized financial data				
Operating revenues	$ 72,680	$ 82,503	$ 97,903	$ 93,475
Operating expenses	50,106	54,089	56,278	55,087
Income before provision for income taxes	22,574	28,414	41,625	38,388
Provision for income taxes	10,152	12,787	19,200	17,734
Net income	$ 12,422	$ 15,627	$ 22,425	$ 20,654
Basic and diluted earnings per share	$ 15,223	$ 19,151	$ 27,482	$ 25,311
Common stock prices				
High	$ 1,900	$ 2,500	$ 2,850	$ 3,775
Low	$ 1,760	$ 2,475	$ 2,600	$ 3,000

	2004			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Trading volumes				
NYMEX Division	30,443	33,667	36,862	38,071
COMEX Division	8,213	7,696	6,794	7,740
Total	38,656	41,363	43,656	45,811
Summarized financial data				
Operating revenues	$ 54,537	$ 55,575	$ 63,762	$ 67,451
Operating expenses	43,465	45,883	53,742	50,649
Income before provision for income taxes	11,072	9,692	10,020	16,802
Provision for income taxes	4,830	4,370	4,437	6,582
Net income	$ 6,242	$ 5,322	$ 5,583	$ 10,220
Basic and diluted earnings per share	$ 7,650	$ 6,522	$ 6,842	$ 12,525
Common stock prices				
High	$ 1,550	$ 1,650	$ 1,650	$ 2,000
Low	$ 1,550	$ 1,650	$ 1,650	$ 1,745

Management's report on internal control over financial reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed to provide reasonable assurance of the reliability of its financial reporting and of the preparation of its financial statements for external reporting purposes, in accordance with U.S. generally accepted accounting principles.

The Company's internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and disposition of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with the authorization of its management and directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on its financial statements.

As of December 31, 2005, management conducted an assessment of the effectiveness of the Company's internal control over financial reporting based upon the framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), Internal Control-Integrated Framework. Based on this assessment, management has concluded that, as of December 31, 2005, the Company maintained effective internal control over financial reporting.

The Company's independent registered public accountants, KPMG LLP, have audited and issued their report on management's assessment of the Company's internal control over financial reporting. The report of KPMG LLP appears on page F-32.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
NYMEX Holdings, Inc.:

We have audited management's assessment, included in the accompanying Management's Report on Internal Control over Financial Reporting, that NYMEX Holdings, Inc. and subsidiaries (the "Company") maintained effective internal control over financial reporting as of December 31, 2005, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that NYMEX Holdings, Inc. maintained effective internal control over financial reporting as of December 31, 2005, is fairly stated, in all material respects, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Also, in our opinion, NYMEX Holdings, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2005, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of NYMEX Holdings, Inc. and subsidiaries as of December 31, 2005 and 2004, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2005, and our report dated March 7, 2006 expressed an unqualified opinion on those consolidated financial statements.

KPMG LLP

New York, New York
March 7, 2006

NYMEX Holdings, Inc. and subsidiaries
Consolidated balance sheets

(in thousands, except for share data)	March 31, 2006	December 31, 2005
	(Unaudited)	
Assets		
Cash and cash equivalents	$ 17,754	$ 35,664
Collateral from securities lending program	2,286,456	2,314,618
Securities purchased under agreements to resell	3,720	6,900
Marketable securities, at market value	181,868	100,993
Clearing and transaction fees receivable, net of allowance for member credits	28,429	23,747
Prepaid expenses	4,244	5,768
Deferred tax assets	1,748	1,748
Margin deposits and guaranty funds	43,362	92,555
Other current assets	10,205	7,129
Total current assets	2,577,786	2,589,122
Property and equipment, net	190,577	190,036
Goodwill	16,329	16,329
Other assets	16,135	13,260
Total assets	$ 2,800,827	$ 2,808,747
Liabilities and stockholders' (deficit) equity		
Accounts payable and accrued liabilities	$ 31,335	$ 17,627
Accrued salaries and related liabilities	8,832	9,893
Payable under securities lending program	2,286,456	2,314,618
Margin deposits and guaranty funds	43,362	92,555
Income tax payable	28,870	5,250
Other current liabilities	72,517	36,281
Total current liabilities	2,471,372	2,476,224
Grant for building construction deferred credit	107,775	108,311
Long-term debt	83,098	83,098
Retirement obligation	11,944	12,121
Deferred income taxes	2,607	2,098
Other liabilities	16,909	17,113
Total liabilities	2,693,705	2,698,965
Commitments and contingencies		
Cumulative redeemable convertible preferred stock, $0.01 par value; 8,160,000 shares authorized, issued and outstanding as of March 31, 2006—Note 8	153,579	—
Stockholders' (deficit) equity—Note 9		
Common stock, $0.01 par value; 816 shares authorized, issued and outstanding as of December 31, 2005	—	—
Common stock, $0.01 par value; 81,600,000 shares authorized as of March 31, 2006; 73,440,000 issued and outstanding as of March 31, 2006	734	—
Additional paid-in capital	—	69,631
Retained (deficit) earnings	(48,472)	39,479
Accumulated other comprehensive income, net of tax	1,281	672
Total stockholders' (deficit) equity	(46,457)	109,782
Total liabilities and stockholders' (deficit) equity	$ 2,800,827	$ 2,808,747

See accompanying notes to the unaudited consolidated financial statements.

NYMEX Holdings, Inc. and subsidiaries
Consolidated statements of income (unaudited)

(in thousands, except for share data)	Three months ended March 31, 2006	2005
Revenues		
Clearing and transaction fees	$ 92,420	$58,415
Market data fees	15,382	11,049
Interest income from securities lending	27,242	6,944
Other, net	3,868	2,695
Investment income, net	1,460	89
Total revenues	140,372	79,192
Interest expense from securities lending	26,191	6,512
Net revenues	114,181	72,680
Expenses		
Salaries and employee benefits	18,314	15,103
Occupancy and equipment	8,245	6,974
Depreciation and amortization, net of deferred credit amortization	3,334	4,146
General and administrative	12,446	9,083
Professional services	3,326	8,384
Telecommunications	1,678	1,736
Marketing	913	751
Other expenses	2,344	2,196
Interest expense	1,668	1,725
Asset impairment and disposition losses	200	8
Total expenses	52,468	50,106
Income before provision for income taxes	61,713	22,574
Provision for income taxes	28,080	10,152
Net income	$ 33,633	$12,422
Weighted average common shares outstanding, basic and diluted	16,321,000	816
Basic and diluted earnings per share	$ 2.03	$15,223

See accompanying notes to the unaudited consolidated financial statements.

NYMEX Holdings, Inc. and subsidiaries
Consolidated statements of stockholders' (deficit) equity (unaudited)

(in thousands, except for share data)	Common stock Shares	Common stock Amount	Additional paid-in capital	Retained (deficit) earnings	Accumulated other comprehensive income	Total stockholders' (deficit) equity
Balances at January 1, 2005	816	$ —	$ 93,312	$ 33,470	$ —	$ 126,782
Comprehensive income:						
Net income	—	—	—	71,128	—	71,128
Unrealized gain on available-for-sale securities, net of deferred income taxes of $570	—	—	—	—	672	672
Total comprehensive income						71,800
Dividends declared:						
Common stock, $108,824/share	—	—	(23,681)	(65,119)	—	(88,800)
Balances at December 31, 2005	816	$ —	$ 69,631	$ 39,479	$ 672	$ 109,782
Dividends declared on January 11, 2006:						
Common stock, $36,765/share	—	—	—	(30,000)	—	(30,000)
Comprehensive income:						
Net income	—	—	—	33,633	—	33,633
Change in unrealized gain on available-for-sale securities, net of deferred income taxes of $509	—	—	—	—	609	609
Total comprehensive income						34,242
Retirement of common stock	(816)	—	—	—	—	—
Issuance of common stock	73,440,000	734	(734)	—	—	—
Cumulative redeemable convertible preferred stock dividends and amortization of issue costs	—	—	—	(481)	—	(481)
Dividends declared on March 21, 2006:						
Common stock, $2.18/share	—	—	(68,897)	(91,103)	—	(160,000)
Balances at March 31, 2006 (Unaudited)	73,440,000	$ 734	$ —	$ (48,472)	$ 1,281	$ (46,457)

See accompanying notes to the unaudited consolidated financial statements.

NYMEX Holdings, Inc. and subsidiaries
Consolidated statements of cash flows (unaudited)

(in thousands)	March 31, 2006	2005
Cash flows from operating activities		
Net income	$ 33,633	$ 12,422
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,651	4,463
Amortization of intangibles	219	219
Deferred grant credits	(661)	(661)
Deferred rental income	(169)	(169)
Deferred rent expense	(50)	(41)
Deferred income taxes	—	—
Asset impairment and disposition loss	200	8
Decrease (increase) in operating assets:		
Clearing and transaction fees receivable	(4,682)	(4,352)
Prepaid expenses	1,524	51
Margin deposits and guaranty fund assets	49,193	(255,456)
Other current assets	(3,076)	(159)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	13,708	1,662
Accrued salaries and related liabilities	(1,061)	1,770
Margin deposits and guaranty fund liabilities	(49,193)	255,456
Income tax payable	23,620	1,901
Other current liabilities	39,836	2,115
Other liabilities	140	(1,194)
Retirement obligation	(177)	(158)
Net cash provided by operating activities	106,655	17,877
Cash flows from investing activities		
(Increase) decrease in collateral from securities lending program	28,162	(1,454,918)
(Increase) decrease in securities purchased under agreements to resell	3,180	(10,106)
(Increase) decrease in marketable securities	(80,875)	(277)
Capital expenditures	(4,392)	(2,328)
(Increase) decrease in other assets	(1,976)	74
Net cash used in investing activities	(55,901)	(1,467,555)
Cash flows from financing activities		
Proceeds from issuance of preferred stock	160,000	—
Costs related to issuance of preferred stock	(6,902)	—
Increase in obligation to return collateral under securities lending program	(28,162)	1,454,918
Dividends paid	(193,600)	(3,500)
Net cash provided by (used in) financing activities	(68,664)	1,451,418
Net increase (decrease) in cash and cash equivalents	(17,910)	1,740
Cash and cash equivalents, beginning of period	35,664	3,084
Cash and cash equivalents, end of period	$ 17,754	$ 4,824

See accompanying notes to the unaudited consolidated financial statements.

NYMEX Holdings, Inc. and subsidiaries
Notes to the unaudited consolidated financial statements

1. Basis of presentation and summary of significant accounting policies

Nature of business

NYMEX Holdings, Inc. (“NYMEX Holdings”) was incorporated in 2000 as a stock corporation in Delaware, and is the successor to the New York Mercantile Exchange. The two principal operating subsidiaries of NYMEX Holdings are New York Mercantile Exchange, Inc. (“NYMEX Exchange” or “NYMEX Division”) and Commodity Exchange, Inc. (“COMEX” or “COMEX Division”), which is a wholly-owned subsidiary of NYMEX Exchange. Where appropriate, each division will be discussed separately, and collectively will be referred to as the “Exchange.” When discussing NYMEX Holdings together with its subsidiaries, reference is being made to the “Company.”

In August 2004, NYMEX Europe Exchange Holdings Limited (“Europe Holdings”) was established as a private limited company incorporated under the laws of England and Wales and is a wholly-owned subsidiary of NYMEX Holdings. In March 2005, NYMEX Europe Limited (“Europe Limited”) was incorporated under the laws of England and Wales as an operating and wholly-owned subsidiary of Europe Holdings. Where appropriate, each European subsidiary will be discussed separately, and collectively will be referred to as the “Europe Exchange.” Europe Exchange is an independent UK-based exchange which provides an open-outcry and electronic trading facility in London, England. All trades executed on Europe Exchange are cleared through the Company’s clearinghouse in New York. Europe Exchange commenced operations in September 2005.

In June 2005, the Company and Tatweer Dubai LLC, a subsidiary of Dubai Holding L.L.C., entered into a joint venture to develop the Middle East’s first energy futures exchange. As part of this venture, DME Holdings Limited (“DME Holdings”), which is jointly owned by the Company and Tatweer Dubai LLC, was incorporated as a limited company under the laws of Bermuda. DME Holdings is the sole owner of Dubai Mercantile Exchange Limited (the “DME”), a limited liability company formed under the laws of the Dubai International Financial Centre (“DIFC”), a financial free zone designed to promote financial services within the United Arab Emirates. It is expected that the DME will initially offer sour crude and fuel oil products for trading. The DME will be regulated by the Dubai Financial Services Authority, a regulatory body established within the DIFC. The Company anticipates that the DME will commence trading in the fourth quarter of 2006.

In March 2006, the stockholders of the Company approved a stock purchase agreement (the “GA Agreement”) with General Atlantic Partners 82, L.P., GapStar, LLC, GAP Coinvestments III, LLC, GAP Coinvestments IV, LLC, GAP Coinvestments CDA, L.P. and GAPCO GmbH & Co. KG (collectively “General Atlantic”) whereby General Atlantic acquired a 10% equity interest in NYMEX Holdings. The GA Agreement valued NYMEX Holdings’ equity at $1.6 billion, without giving effect to the value of the separate NYMEX Exchange trading rights. General Atlantic did not acquire any trading rights, all of which remained with the owners of Class A memberships in NYMEX Exchange.

The Company exists principally to provide facilities to buy, sell and clear energy and precious and base metals commodities for future delivery under rules intended to protect the interests of

market participants. The Company itself does not own commodities, trade for its own account, or otherwise engage in market activities. The Company provides the physical facilities necessary to conduct an open outcry auction market, electronic trading systems, systems for the matching and clearing of trades executed on the Exchange, and systems for the clearing of certain bilateral trades executed off-Exchange in the over-the-counter ("OTC") market. These services facilitate price discovery, hedging and liquidity in the energy and metals markets. The Company believes that market participants choose to trade on centralized markets such as the Exchange because of the liquidity those markets help to provide and because those markets perform an important price discovery function. The liquidity that the Exchange and other centralized markets offer is achieved in large part because the traded contracts have standardized terms and the Company's clearinghouse mitigates counterparty performance risk.

Transactions executed on the Exchange mitigate the risk of counter-party default because the Company's clearinghouse acts as the counter-party to every trade. To manage the risk of financial nonperformance, the Exchange requires members to post margin. Trading on the Exchange is regulated by the Commodity Futures Trading Commission. Trading on the Europe Exchange is regulated by the UK's Financial Services Authority.

Significant accounting policies

The Company's significant accounting policies are described in the notes of the December 31, 2005 audited consolidated financial statements included in its Annual Report on Form 10-K.

Earnings per share

The Company calculates earnings per share in accordance with Statement of Financial Accounting Standards ("SFAS") No. 128, *Earnings per Share* , and Emerging Issues Task Force ("EITF") Topic 03-06, *Participating Securities and the Two-Class Method under FASB Statement No. 128* . EITF 03-06 clarifies the use of the two-class method of calculating earnings per share as originally prescribed in SFAS No. 128 (see Note 10).

Basis of presentation

The accompanying unaudited consolidated financial statements include the accounts of NYMEX Holdings and its wholly-owned subsidiaries and have been prepared in accordance with U.S. generally accepted accounting principles. All significant intercompany transactions and balances have been eliminated in consolidation. Certain reclassifications have been made to the unaudited consolidated financial statements to conform to the current presentation.

The accompanying unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto in Item 15(A) of NYMEX Holdings, Inc. Annual Report on Form 10-K for the year ended December 31, 2005.

2. Securities lending

In 2005, the Company entered into an agreement with JPMorgan Chase & Co. ("JPMorgan") to participate in a securities lending program. Under this program, JPMorgan, as agent, lends on an overnight basis, a portion of the clearing members' securities on deposit in the Company's margin deposits and guaranty fund to third parties in return for cash collateral. JPMorgan, in turn, invests the cash collateral overnight in various investments on behalf of the Company in accordance with the Company's internal investment guidelines. Interest expense is then paid to the third party for the cash collateral the Company controlled during the transaction, and a fee is

paid to JPMorgan for administering the transaction. The fee paid to JPMorgan is recorded in general and administrative expenses on the Company's consolidated statements of income. At March 31, 2006, the fair value of the securities on loan was approximately $2.3 billion.

3. Collateralization

In connection with reverse repurchase agreements, the Company receives collateral that is held in custody by the Company's banks. At March 31, 2006, and December 31, 2005, the Company accepted collateral in the form of U.S. Treasury bills that it is permitted by contract or industry practice to sell or re-pledge. The fair value of such collateral at March 31, 2006 and December 31, 2005 was $3.7 million and $6.9 million, respectively.

4. Allowance for doubtful accounts and credits

Clearing and transaction fees receivable are carried net of allowances for member credits, which are based upon expected billing adjustments. Allowances for member credits were $473,000 and $385,000 at March 31, 2006 and December 31, 2005, respectively. The Company believes the allowances are adequate to cover member credits. The Company also believes the likelihood of incurring material losses due to non-collectibility is remote and, therefore, no allowance for doubtful accounts is necessary.

An allowance for doubtful accounts was established for market data accounts receivable to cover potential non-collectible vendor receivables as well as future adjustments by the market data vendor customers. This allowance was $59,000 and $78,000 at March 31, 2006 and December 31, 2005, respectively, which the Company believes is sufficient to cover potential bad debts and subsequent credits. At March 31, 2006, the combined amounts due from vendors with the ten highest receivable balances represented 91% of the total accounts receivable balance. Accounts receivable for market data revenues are included in other current assets on the Company's consolidated balance sheets.

Other revenues consist of rental income from tenants leasing space in the Company's headquarters building, compliance fines assessed for violation of trading rules and procedures, fees charged to members for the use of telephone equipment and trading booths provided by the Company, fees charged for access to the NYMEX ACCESS® electronic trading system and other miscellaneous revenues. Other revenues are recognized on an accrual basis in the period during which the Company derives economic value, with the exception of compliance fines, which are recognized when cash is received. The Company has established a reserve for non-collectible receivables of other revenues in the amount of $568,000 and $512,000 at March 31, 2006 and December 31, 2005, respectively, and believes the amount is sufficient to cover potential bad debts and subsequent credits. Accounts receivable for other revenues are included in other current assets on the Company's consolidated balance sheets.

5. Margin deposits and guaranty funds

The Company is required, under the Commodity Exchange Act, to maintain separate accounts for cash and securities that are deposited by clearing members, at banks approved by the Company, as margin for house and customer accounts. These margin deposits are used by members to meet their obligations to the Company for margin requirements on open futures and options positions, as well as delivery obligations.

Each clearing member firm is required to maintain a security deposit, in the form of cash or U.S. Treasury securities, ranging from $100,000 to $2.0 million, per division, based upon such clearing

member firm's reported regulatory capital, in a fund known as a guaranty fund (the "Guaranty Fund"). The Guaranty Fund may be used for any loss sustained by the Company as a result of the failure of a clearing member to discharge its obligations on the NYMEX Division or COMEX Division. Although there is one Guaranty Fund for both divisions, separate contribution amounts are calculated for each division.

Every member and non-member executing transactions on the Company's divisions must be guaranteed by a clearing member and clear their transactions through the Company's clearinghouse. This requirement also applies to transactions conducted outside of the Exchange which clear through NYMEX ClearPort® Clearing. Clearing members of the NYMEX Division and COMEX Division require their customers to maintain deposits in accordance with Company margin requirements. Margin deposits and Guaranty Funds are posted by clearing members with the Company's clearinghouse. In the event of a clearing member default, the Company satisfies the clearing member's obligations on the underlying contract by drawing on the defaulting clearing member's Guaranty Funds. If those resources are insufficient, the Company may fund the obligations from its own financial resources or draw on Guaranty Funds posted by non-defaulting clearing members. The Company also maintains a $100 million default insurance policy. This insurance coverage is available to protect the Company and clearing members in the event that a default in excess of $130 million occurs.

The Company is entitled to earn interest on cash balances posted as margin deposits and Guaranty Funds. Such balances are included in the Company's consolidated balance sheets, and are generally invested overnight in securities purchased under agreements to resell.

The following table sets forth margin deposits and Guaranty Fund balances held by the Company on behalf of clearing members at March 31, 2006 and December 31, 2005 (in thousands):

	March 31, 2006			December 31, 2005		
	Margin deposits	Guaranty funds	Total funds	Margin deposits	Guaranty funds	Total funds
Cash and securities earning interest for NYMEX Holdings						
Cash	$ 8,043	$ —	$ 8,043	$ 14	$ —	$ 14
Securities held for resale	33,059	2,260	35,319	88,031	4,510	92,541
Total cash and securities	41,102	2,260	43,362	88,045	4,510	92,555
Cash and securities earning interest for members						
Money market funds	5,032,700	—	5,032,700	4,535,750	—	4,535,750
U.S. Treasuries	10,029,874	150,061	10,179,935	11,513,902	142,866	11,656,768
Letters of credit	2,189,902	—	2,189,902	2,091,909	—	2,091,909
Total cash and securities	17,252,476	150,061	17,402,537	18,141,561	142,866	18,284,427
Total funds	$ 17,293,578	$ 152,321	$ 17,445,899	$ 18,229,606	$ 147,376	$ 18,376,982

6. Long-term debt

The Company issued long-term debt totaling $100 million during 1996 and 1997 to provide completion financing for the Company's trading facility and headquarters. This issuance contained three series, each with different maturities, interest rates and repayment schedules. Series A notes require annual principal repayments from 2001 to 2010, and a final payment of principal in 2011. Series B notes require annual principal repayments from 2011 to 2020, and a final payment of principal in 2021. Series C notes require annual principal repayments from 2022 to 2025, and a final payment of principal in 2026. The notes represent senior unsecured obligations of the Company and are not secured by the facility, the Company's interest therein, or any other collateral. The notes are subject to a prepayment penalty in the event they are paid off prior to their scheduled maturities. The Company believes that any economic benefit derived from early redemption of these notes would be offset by the redemption penalty. These notes place certain limitations on the Company's ability to incur additional indebtedness. At March 31, 2006 and December 31, 2005, the notes payable balance, including the current portion, was $85.9 million.

7. Stock purchase agreement

On March 13, 2006, a special meeting of the stockholders of the Company was held. At that time, the stockholders approved and adopted an amended and restated certificate of incorporation, amended and restated bylaws and a merger with NYMEX Merger Sub, Inc., a newly-formed Delaware corporation and a wholly-owned subsidiary of NYMEX Holdings ("Merger Sub"). These actions, along with the adoption of an amended and restated certificate of incorporation and amended and restated bylaws of NYMEX Exchange, revised NYMEX Holdings' capital structure in order to sell equity to General Atlantic Partners 82, L.P., GapStar, LLC, GAP Coinvestments III, LLC, GAP Coinvestments IV, LLC, GAP Coinvestments CDA, L.P. and GAPCO GmbH & Co. KG (collectively "General Atlantic") pursuant to a previously-disclosed stock purchase agreement (as amended, the "GA Agreement"). The GA Agreement valued NYMEX Holdings' equity at $1.6 billion, without giving effect to the value of the separate NYMEX Exchange trading rights. General Atlantic did not acquire any trading rights, all of which remained with the owners of Class A memberships in NYMEX Exchange.

On March 14, 2006, pursuant to the terms and conditions of the GA Agreement, the Company issued and sold an aggregate of 8,160,000 shares of its newly-created Series A Cumulative Redeemable Convertible Preferred Stock, par value $0.01 per share (the "Preferred Stock"), to General Atlantic for an aggregate purchase price of $160 million in cash and an additional $10 million which will be paid on the closing date of an initial public offering if an initial public offering occurs in 2006 which values NYMEX Holdings' equity at $2 billion or greater. The Preferred Stock represented 10% of NYMEX Holdings' outstanding capital stock immediately following its issuance.

The merger

To facilitate the GA Agreement, Merger Sub merged with and into NYMEX Holdings which was the surviving corporation. Merger Sub was formed solely for the purpose of effecting the merger and had no operating history and nominal assets, liabilities and capitalization.

NYMEX Holdings is the parent company of, and holds the sole outstanding Class B membership in, NYMEX Exchange. The Class B membership in NYMEX Exchange holds all voting and economic rights in NYMEX Exchange, except for the open outcry trading protections granted to the owners

of Class A memberships in NYMEX Exchange. Class A memberships in NYMEX Exchange are trading rights but are not entitled to any voting or economic rights in NYMEX Exchange, except for the open outcry trading protections granted to the owners of Class A memberships in NYMEX Exchange. Previously, the common stock of NYMEX Holdings and the corresponding Class A membership interest in NYMEX Exchange were "stapled" together and, therefore, were only permitted to be transferred jointly. Upon consummation of the GA Agreement, the common stock of NYMEX Holdings was "de-stapled" from the Class A membership interests in NYMEX Exchange.

Conversion of shares

Each of the original 816 shares of NYMEX Holdings common stock issued and outstanding immediately prior to the merger were automatically converted into the right to receive 90,000 shares of the common stock of NYMEX Holdings. The 90,000 shares were comprised of 30,000 shares of Series A-1 Common Stock; 30,000 shares of Series A-2 Common Stock; and 30,000 shares of Series A-3 Common Stock. Total authorized shares of common stock are 81,600,000 shares which consist of the 73,440,000 issued shares of Series A-1, Series A-2 and Series A-3 common stock and 8,160,000 shares reserved for issuance upon conversion of the Preferred Stock. Upon conversion, the Preferred Stock will no longer be outstanding or available for issuance. In addition, the sole share of common stock of Merger Sub held by NYMEX Holdings was cancelled.

Use of proceeds

The gross proceeds from the GA Agreement were distributed to NYMEX Holdings' stockholders in the form of an extraordinary cash distribution (the "Special Dividend"). Accordingly, each stockholder received approximately $196,078 per share on a pre-merger basis or approximately $2.18 per share on a post-merger basis. In the event that the additional $10 million is paid by General Atlantic on the closing date of an initial public offering, the $10 million will also be distributed in the form of an extraordinary cash distribution to NYMEX Holdings' stockholders of record as of March 13, 2006, the day immediately prior to the closing of the GA Agreement (the "Additional Dividend"). Each such stockholder would receive approximately $12,255 per share on a pre-merger basis or approximately $0.14 per share on a post-merger basis. General Atlantic did not participate in the Special Dividend and will not participate in the Additional Dividend, if any.

Series A cumulative redeemable convertible preferred stock

Pursuant to the terms and conditions of the Preferred Stock:

- the holders of the Preferred Stock are entitled to vote, on an as-if converted basis, on all matters entitled to be voted on by holders of shares of common stock voting together as a single class with the common stock;
- so long as General Atlantic owns at least 80% of the number of shares of Preferred Stock initially acquired by it (including for purposes of this calculation the shares of NYMEX Holdings common stock issued or issuable upon conversion of the Preferred Stock), then (i) prior to an initial public offering, General Atlantic, voting as a separate class, will be entitled to designate and elect one director of NYMEX Holdings and NYMEX Exchange, and (ii) following an initial public offering, General Atlantic will be entitled to designate, and the Company's board of directors will nominate and unanimously recommend that its stockholders elect, one director of NYMEX Holdings and NYMEX Exchange, and in each case, such individual must be a managing director of General Atlantic LLC. In addition, so long as General Atlantic owns at

least 80% of the number of shares of Preferred Stock initially acquired by it (including for purposes of this calculation the shares of NYMEX Holdings common stock issued or issuable upon conversion of the Preferred Stock), then General Atlantic will be entitled to designate one non-voting observer to the boards of directors who must be reasonably acceptable to the Company. This right is particular to General Atlantic (or its affiliates) and is not transferable to any other person who purchases the Preferred Stock from General Atlantic, which may only occur subject to the transfer provisions described below;

- the holders of Preferred Stock are entitled to receive, on an as-if converted basis, all dividends or other distributions made to the holders of shares of common stock, but the holders of Preferred Stock did not participate in the Special Dividend nor will they participate in the Additional Dividend, if any;
- if the Company consummates an initial public offering on or prior to June 30, 2008, then no mandatory cash dividends will be payable or paid with respect to the shares of Preferred Stock;
- if the Company has not consummated an initial public offering on or prior to June 30, 2008, all accrued and unpaid dividends from the closing date will be paid by the Company in cash, or at the option of the Company, by appropriately increasing the number of shares of common stock into which the Preferred Stock is convertible (the “Stock Election”), to the holders of the Preferred Stock no later than September 30, 2008, at an annual rate of 5.5%. In addition, at the end of each quarter following June 30, 2008, the Company will pay, in cash, dividends on the Preferred Stock at an annual rate of 5.5%;
- if by the fifth anniversary of the closing of the GA Agreement the Company has not consummated an initial public offering or a sale, merger or other business combination, then the holders of the majority of the shares of the Preferred Stock will have the right to cause the Company to redeem all of the shares of Preferred Stock at the original purchase price, plus accrued and unpaid dividends. This redemption payment will be payable over three years with interest at the annual rate of 5%, although the Company would have the right to prepay it at any time with no prepayment penalty; and
- prior to an initial public offering and so long as General Atlantic owns at least 80% of the number of shares of Preferred Stock initially acquired by it (including the shares of common stock issued or issuable upon conversion of the Preferred Stock), certain major actions may not be undertaken without the consent of General Atlantic, such as:

  a. any sale, merger or other business combination of NYMEX Holdings which constitutes a change of control, unless (a) the consideration is cash or stock which is listed and freely tradable without restriction on the New York Stock Exchange or The NASDAQ Stock Market and (b) the aggregate proceeds to the holders of Preferred Stock are greater than $272,000,000 (which is 1.7 times General Atlantic’s original purchase price);

  b. the issuance of any shares of capital stock of NYMEX Holdings ranking senior or on parity with the Preferred Stock;

  c. the creation, incurrence, issuance, assumption or guarantee of any indebtedness if the Company’s ratio of consolidated indebtedness to its earnings before interest, taxes, depreciation and amortization, generally referred to as EBITDA, would exceed 2:1 on a pro forma basis;

d. any change in the size of the board of directors or any creation or change in the size of any committee of the board of directors;

e. any amendment, modification or restatement of (i) the terms of the Preferred Stock (whether by merger, consolidation, business combination or otherwise), (ii) the NYMEX Holdings certificate of incorporation, or (iii) the certificate of incorporation or bylaws of NYMEX Exchange, in the case of clauses (ii) or (iii), only in the event of an adverse affect on the rights, preferences, qualifications, limitations or restrictions of the Preferred Stock (whether by merger, consolidation, business combination or otherwise); and

f. the redemption of any shares of capital stock of NYMEX Holdings or any subsidiary or common stock equivalents.

- each share of the Preferred Stock is convertible, at the option of the holder, into one share of common stock, subject to adjustment for the Stock Election and in the event that NYMEX Holdings sells shares of stock prior to an initial public offering at a price less than that paid by General Atlantic. Additionally, upon the consummation of an initial public offering, all of the shares of Preferred Stock will automatically convert into an equivalent number of shares of common stock, subject to adjustment as described above. Once converted into common stock, such shares of Preferred Stock will no longer be outstanding or available for issuance; and
- Upon the occurrence or consummation of one of the following events: a liquidation; a winding up; a dissolution; a sale; a merger or other business combination of NYMEX Holdings; or a sale of all or substantially all of its assets (an “Event”), holders of the Preferred Stock will be paid for each share of Preferred Stock held thereby, before any payment or distribution is made to any common stock or preferred stock that does not rank equally with or senior to the Preferred Stock. The amount shall be equal to the greater of (i) $160,000,000 for the 8,160,000 shares of the Preferred Stock plus accrued and unpaid dividends or (ii) the aggregate amount payable upon the occurrence of an Event with respect to the number of shares of common stock into which such share of Preferred Stock is convertible immediately prior to such an Event.

Transfer restrictions

To avoid creating an accidental illiquid market in NYMEX Holdings’ common stock following the “de-stapling,” new restrictions were imposed upon the transfer of NYMEX Holdings’ common stock that will be in effect until an initial public offering is conducted. Currently, the shares of Series A-1, Series A-2 and Series A-3 Common Stock are transferable only to (i) an owner of one or more Class A memberships issued by NYMEX Exchange, (ii) an owner of one or more shares of NYMEX Holdings’ common stock or (iii) General Atlantic, provided that General Atlantic is not permitted to acquire shares of NYMEX Holdings’ common stock from other stockholders unless no other stockholder or owner of a Class A membership offers to purchase such shares and, provided further that General Atlantic has agreed that its ownership will be limited to a maximum of 20% of NYMEX Holdings’ voting power. Certain limited exceptions to these transfer restrictions, such as permitted transfers to a spouse, child or trust, are set forth in Article 5(e) of the Amended and Restated Certificate of Incorporation of NYMEX Holdings.

In the event NYMEX Holdings does conduct an initial public offering, additional restrictions upon the transfer of its common stock are intended to create an orderly market in NYMEX Holdings common stock. The shares of common stock that are currently issued will not be transferable after an initial public offering during Restricted Periods. These restrictions are similar to

customary underwriter lock-ups in initial public offerings. The term “Restricted Period” means each of the periods commencing on the date of the initial public offering and ending:

(i) with respect to Series A-1 Common Stock, 180 days thereafter;

(ii) with respect to Series A-2 Common Stock, 360 days thereafter; and

(iii) with respect to Series A-3 Common Stock, 540 days thereafter.

None of the currently outstanding shares of common stock will be subject to restrictions on transfer as of the 540th day after an initial public offering. Immediately following the expiration of the relevant Restricted Period, the applicable shares of common stock will automatically convert, without any action by the holder, into the same number of shares of common stock which do not have transfer restrictions.

General Atlantic has agreed to the same lock-up provisions as part of the Registration Rights Agreement, which will also be imposed on any transferee of General Atlantic’s shares.

Additionally, no stockholder will be permitted to acquire shares of NYMEX Holdings voting stock which would cause such stockholder to beneficially own more than a maximum of 10% of NYMEX Holdings’ voting power, other than General Atlantic which will be limited to a maximum of 20%.

Composition of board of directors

The board of directors of NYMEX Holdings and NYMEX Exchange consisted of twenty-five directors at March 31, 2006. In accordance with the GA Agreement, the annual meeting of stockholders was held on May 1, 2006 at which time the board of directors was reduced from twenty-five to fifteen directors. Additionally, the entire board of directors will be elected annually each May.

8. Cumulative redeemable convertible preferred stock

The Preferred Stock issued in connection with the GA Agreement has a redemption feature that subjected it to an analysis of equity versus liability in accordance with SFAS No. 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity* . The Preferred Stock embodies a conditional obligation to redeem the instrument upon events not certain to occur and accordingly is not classified as a liability until such event is certain to occur. The condition is that by the fifth anniversary of the closing of the GA Agreement the Company has not consummated an initial public offering or a sale, merger or other business combination.

In accordance with SEC Staff Announcement Topic No. D-98, *Classification and Measurement of Redeemable Securities* , a company that issues preferred shares that are conditionally redeemable is required to account for the securities in accordance with Accounting Series Release No. 268, *Presentation in Financial Statements of Redeemable Preferred Stocks* , which states that the shares are to be recorded on the company’s balance sheet between total liabilities and stockholders’ equity as a temporary equity item. The amount in temporary equity is the proceeds from the sale of the Preferred Stock, net of issuance costs of $6.9 million. In addition, dividends on the Preferred Stock and accretions of the issuance costs (both charges to retained earnings) are added to arrive at the balance at March 31, 2006.

9. Consolidated statements of stockholders' (deficit) equity

Prior to the Company's demutualization in November 2000, earnings and paid-in-capital were combined and reported in *Members' Equity* on its consolidated financial statements. At the date of demutualization, the balance in *Members' Equity* was transferred to *Additional Paid-in-Capital.* Subsequent to demutualization, earnings are being reported in *Retained Earnings* on the Company's consolidated statements of stockholders' equity.

On March 21, 2006 the board of directors of the Company distributed a special cash dividend of $160 million, previously declared on March 6, 2006 to stockholders of record as of March 13, 2006 in connection with the GA Agreement (see Note 7). On the date of declaration, the balance in *Retained Earnings* was not sufficient to absorb the dividend due to the classification of the proceeds from the GA Agreement as a temporary equity item (see Note 8). As such, the balance in *Additional Paid-in-Capital* was reduced to zero and the remainder of the $160 million dividend was a reduction to *Retained Earnings* . This resulted in a deficit in *Retained Earnings* as well as *Total Stockholders' Equity* at March 31, 2006. If the Preferred Stock (see Note 8) is converted into common stock, which could occur, in accordance with the GA Agreement, at the option of the holder or automatically in the event of an initial public offering by the Company, the balance in temporary equity would be transferred to permanent equity as an increase to *Additional Paid-in-Capital.*

10. Earnings per share

The Company calculates earnings per share in accordance with Statement of Financial Accounting Standards ("SFAS") No. 128, *Earnings per Share* , and Emerging Issues Task Force ("EITF") Topic 03-06, *Participating Securities and the Two-Class Method under FASB Statement No. 128* . EITF 03-06 clarifies the use of the two-class method of calculating earnings per share as originally prescribed in SFAS No. 128.

During the period, the Company had 8,160,000 shares of convertible preferred stock outstanding which were convertible into an equal amount of common stock (see Note 7). The Preferred Stock is considered to be a participating security under SFAS No. 128 because the holders of such securities are entitled to receive all dividends or other distributions made to the holders of shares of common stock. EITF 03-06 requires that participating securities be included in the computation of basic earnings per share using the two-class method, if the effect would be dilutive to earnings per share. Earnings available to common stockholders is calculated by subtracting from net income the dividends on preferred shares and the accretion of the preferred stock issuance costs. Basic earnings per share is earnings available to common stockholders divided by the weighted average number of common shares outstanding during the period.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. The Company considers its preferred stock as dilutive. The Company calculates diluted earnings per share using the "if-converted" method. Under this method, the dividends on preferred shares and the accretion of the preferred stock issuance costs are added back to earnings available to common stockholders to arrive at the numerator. The weighted average of the preferred stock outstanding is added to the weighted average common shares outstanding to arrive at the denominator. If the effect of the if-converted method is anti-dilutive, the effect on diluted earnings per share of the Preferred Stock is disregarded.

The following is a reconciliation of the Company's net income and weighted average shares for calculating basic and diluted earnings per share (in thousands, except for share data):

	Three months ended March 31,	
	2006	2005
Net income	$ 33,633	$12,422
Less: Accrued preferred stock dividends	416	—
Accretion of preferred stock issuance costs	65	—
Earnings available to common stockholders	$ 33,152	$12,422
Weighted average common shares outstanding	14,689,000	816
Participating securities—convertible preferred stock	1,632,000	—
Weighted average common shares outstanding—basic and dilutive	16,321,000	816

The calculation of diluted earnings per share results in an anti-dilutive effect and, therefore, diluted earnings per share is the same as basic earnings per share.

11. Incentive programs

The Company has various discretionary rebate programs that reduce operating costs of certain market participants. These programs were designed to provide incentives to third parties to establish business with the Company and are recorded in general and administrative expenses on the consolidated statements of income. During the three-month periods ended March 31, 2006 and 2005, these programs totaled $6.1 million and $2.8 million, respectively.

12. Members' retirement plan and benefits

The Company maintains a retirement and benefit plan under the COMEX Members' Recognition and Retention Plan ("MRRP"). This plan provides benefits to certain members of the COMEX Division based on long-term membership, and participation is limited to individuals who were COMEX Division members prior to the Company's acquisition of COMEX in 1994. No new participants were permitted into the plan after the date of the acquisition. The annual benefit payments are $12,500 ($2,000 for options members) for ten years for vested participants. Under the terms of the COMEX merger agreement, the Company is required to fund the plan with a minimum annual contribution of $400,000 until it is fully funded. The Company funded the plan by $800,000 in 2005 and expects to do so in 2006. Based on continued funding of $800,000 per year, and certain actuarial assumptions, the Company expects the plan to be fully funded in 2019. The annual contribution may be reduced if actuarial assumptions indicate that full funding can be achieved without making the entire funding contributions indicated above. Corporate contributions are charged against current operations. All benefits to be paid under the COMEX MRRP shall be based upon reasonable actuarial assumptions which, in turn, are based upon the amounts that are available and are expected to be available to pay benefits, except that the benefits paid to any individual will not exceed the amounts stated above. Quarterly distributions from the COMEX MRRP began in the second quarter of 2002. Subject to the foregoing, the board of directors of the Company reserves the right to amend or terminate the COMEX MRRP upon an affirmative vote of 60% of the eligible COMEX Division plan participants.

13. Postretirement benefits other than pensions

The Company's postretirement benefit costs are developed from actuarial valuations. Inherent in these valuations are key assumptions, including the discount rate and expected long-term rate of return on plan assets. Material changes in its postretirement benefit costs may occur in the future due to changes in these assumptions, changes in the number of plan participants, changes in the level of benefits provided, and changes in asset levels. The Company provides certain health care and life insurance benefit plans for qualifying retired employees. Substantially all of the Company's employees may become eligible for these benefits if they reach specified age and years of service criteria while working for the Company. The benefits are provided through certain insurance companies. The Company expects to fund its share of such benefit costs principally on a pay-as-you-go basis.

In December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Act") became law in the United States. The Act introduces a prescription drug benefit under Medicare as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to the Medicare benefit. In accordance with FASB Staff Position No. 106-1, *Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003* , the Company elected to defer recognition of the effects of the Act in any measures of the benefit obligation or cost. In May 2004, the FASB issued Staff Position No. 106-2 ("FAS No. 106-2") under the same title. FAS No. 106-2 provides guidance on accounting for the benefits attributable to new government subsidies for companies that provide prescription drug benefits to retirees. The Company has concluded that it will likely not be eligible to receive a subsidy. Therefore, the Act is not expected to have a material effect on the Company's consolidated results of operations, financial position or cash flows. The measurement date used to determine postretirement benefit measures for the postretirement benefit plan is December 31 of each year.

Accrued postretirement benefit costs are included in other non-current liabilities in the consolidated balance sheets. The accrued postretirement obligations recorded in the balance sheet at March 31, 2006 and December 31, 2005 exceed the amount of the accumulated obligations.

The following table presents the funded status of such plans, reconciled with amounts recognized in the Company's unaudited consolidated financial statements (in thousands):

	Three Months Ended March 31,	
	2006	**2005**
Service costs	$ 109	$ 88
Interest costs	115	88
Amortization of prior service costs	(14)	(14)
Amortization of net (gain) loss	22	6
Total net period postretirement benefit cost	$ 232	$ 168

14. Joint Venture

FASB Interpretation No. 46, *Consolidation of Variable Interest Entities, an Interpretation of Accounting Research Bulletin No. 51* (FIN 46) and its amendment FIN 46(R) (revised December

2003) provides guidance for determining when an entity should consolidate another entity that meets the definition of a variable interest entity. Special purpose entities and other types of entities are assessed for consolidation under this guidance. A variable interest entity is required to be consolidated if the Company will absorb a majority of the expected losses, will receive a majority of the expected residual returns, or both. An entity that consolidates a variable interest entity is called the primary beneficiary.

As disclosed in Note 1 to the consolidated financial statements, the Company has entered into a joint venture agreement with Tatweer Dubai LLC to form DME Holdings. The Company will be required to contribute capital to the joint venture in an aggregate amount of $9.8 million over a five-year period, contingent upon the DME's achievement of certain agreed upon performance targets. The Company's maximum exposure to a loss from the joint venture is limited to its capital investment, which at March 31, 2006 was approximately $4.0 million. During 2005, the Company made an initial capital contribution of $2.5 million and in the first quarter of 2006 made a second capital contribution of $2.5 million to the joint venture. The Company accounts for its investment under the equity method of accounting whereby its investment is adjusted by any gain or loss it recognizes from the joint venture. For the three months ended March 31, 2006, the Company incurred a loss of approximately $0.4 million, which is recorded in other expenses on the consolidated statements of income. Although the Company believes that DME Holdings is a variable interest entity, it does not believe that it is the primary beneficiary and, therefore, did not consolidate DME Holdings in its results of operations.

15. Lease termination costs

The Company leases 17,000 square feet of space at 22 Cortlandt Street in New York, New York. During the first quarter of 2006, the Company negotiated with the landlord for an early termination of the lease. In accordance with FAS No. 146, *Accounting for Costs Associated with Exit or Disposal Activities* ("FAS No. 146"), the Company recorded a charge in the current quarter for the amount to be paid. The charge is recorded in occupancy and equipment on the Company's consolidated statements of income for the quarter ended March 31, 2006.

The following tables summarize the activity related to the lease termination in accordance with FAS No. 146 (in thousands):

	Lease temination costs		Lease temination costs
Total expected to be incurred	$ 1,800	Liability at January 1, 2006	$ —
Current period charge	$ 1,800	Current period charge	1,800
Liability at March 31, 2006	$ 1,800	Current period payments	—
		Liability at March 31, 2006	$ 1,800

16. Supplemental disclosures of cash flow information

Supplemental disclosures of cash flow information for the three months ended March 31, 2006 and 2005 are as follows:

	March 31,	
(in thousands)	**2006**	**2005**
Cash paid for:		
Interest	$ 26,194	$ 6,519
Income taxes	$ 4,458	$ 8,250
Non-cash investing and financing activities:		
Unrealized gain on available-for-sale securities	$ 1,118	$ —
Issuance of common stock	$ 734	$ —

17. Segment reporting

The Company considers operating results for two business segments: Open Outcry and Electronic Trading and Clearing. Open Outcry is the trading and clearing of NYMEX Division and COMEX Division futures and options contracts on the trading floors of the Exchange. In addition, Open Outcry includes the trading and clearing of Europe Limited futures contracts on the trading floor of the Company's London subsidiary, which opened during the third quarter of 2005. Electronic Trading and Clearing consists of NYMEX ACCESS® , NYMEX ClearPort® Trading and NYMEX ClearPort® Clearing. The Corporate/Other column represents income earned on the Company's securities lending activities and investments net of fees, interest expense incurred on its obligations, fees incurred on its securities lending activities and losses incurred from the DME joint venture. The Company reports revenue on a segment basis. Total revenues presented for each segment include clearing and transaction fees related to such segment and a pro rated portion of market data fees. Other revenues are attributed entirely to Open Outcry. Depreciation and amortization and other operating expenses (excluding interest, securities lending fees and losses from the DME joint venture) are allocated based on the proportion of total revenues attributed to each segment. The prior year segment information has been reclassified to reflect this methodology of reporting each segment.

Financial information relating to these business segments is set forth below (in thousands):

	Three months ended March 31, 2006			
	Open outcry	Electronic trading & clearing	Corporate / other	Total
Net revenues	$63,460	$ 48,210	$ 2,511	$114,181
Depreciation and amortization	1,895	1,439	—	3,334
Other operating expenses	26,600	20,207	2,327	49,134
Income before provision for income taxes	34,965	26,564	184	61,713
Provision for income taxes	15,909	12,087	84	28,080
Net income	$19,056	$ 14,477	$ 100	$ 33,633

	Three months ended March 31, 2005			
	Open outcry	Electronic trading & clearing	Corporate / other	Total
Net revenues	$50,318	$ 21,841	$ 521	$ 72,680
Depreciation and amortization	2,891	1,255	—	4,146
Other operating expenses	30,771	13,356	1,833	45,960
Income (loss) before provision (benefit) for income taxes	16,656	7,230	(1,312)	22,574
Provision (benefit) for income taxes	7,489	3,253	(590)	10,152
Net income (loss)	$ 9,167	$ 3,977	$ (722)	$ 12,422

The Company does not account for, and does not report to management, its assets (other than goodwill and other intangible assets for SFAS No. 142 reporting purposes) or capital expenditures by business segment. Foreign source revenues and long-lived assets located in foreign countries are not material to the consolidated results of operations and financial position of the Company and are, therefore, not disclosed separately.

18. Commitments and contingencies

Contractual obligations

In connection with its operating activities, the Company enters into certain contractual obligations. The Company's material contractual cash obligations include long-term debt, operating leases, a capital lease and other contracts. A summary of the Company's future cash payments associated with its contractual cash obligations outstanding as of March 31, 2006, as well as an estimate of the timing in which these commitments are expected to expire, are set forth in the following table:

	Payments due by period						
(in thousands)	2006	2007	2008	2009	2010	Thereafter	Total
Contractual Obligations							
Long-term debt principal	$ 2,817	$ 2,817	$ 2,817	$ 2,817	$ 2,817	$ 71,830	$ 85,915
Long-term debt interest	6,626	6,416	6,205	5,994	5,783	41,786	72,810
Operating leases—facilities	2,712	3,455	3,431	3,458	3,737	7,734	24,527
Operating leases—equipment	1,334	1,232	732	33	—	—	3,331
Capital lease	205	—	—	—	—	—	205
Other long-term obligations	800	800	800	800	800	7,003	11,003
Total contractual obligations	$14,494	$14,720	$13,985	$13,102	$13,137	$ 128,353	$197,791

The Company occupies premises under leases, including a land lease, with various lessors that expire in 2006 through 2069. For the three months ended March 31, 2006 and 2005, rental expense for facilities and the land lease amounted to $2.6 million and $0.8 million, respectively. Included in the March 31, 2006 amount is the $1.8 million lease termination charge the Company incurred (see Note 15).

The Company leases space to tenants in its headquarters facility and records the associated rental income in other revenue on the consolidated statements of income. For the three months ended March 31, 2006 and 2005, rental income amounted to $2.1 million and $2.0 million, respectively. Future minimum rental income for the years 2006 through 2010 and thereafter is as follows:

(in thousands)	
2006	$ 6,071
2007	7,521
2008	5,640
2009	4,764
2010	4,484
Thereafter	10,778
Total	$ 39,258

In accordance with the DME shareholders agreement, the Company will be required to contribute capital to the joint venture in an aggregate amount of $9.8 million over a five-year period, contingent upon the DME's achievement of certain agreed upon performance targets. At March 31, 2006, the Company had contributed a total of $5.0 million.

Financial guarantees

The Company adopted FASB Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others—an Interpretation of FASB Statements No. 5, 57, and 107 and Rescission of FASB Interpretation No. 34 ("FIN No. 45"), effective January 1, 2003. The Company has certain guarantee arrangements in its clearing process as well as other financial guarantees discussed below:

Included in marketable securities are investments that are pledged as collateral with one of the Company's investment managers relating to a membership seat financing program. Under this program, the investment manager extends credit to individuals purchasing NYMEX Division memberships. The program requires that the Company pledge assets to the investment manager in an amount equal to at least 118% of the loan value. In the event a member defaults on a loan, the investment manager has the right to seize the Company's collateral for the amount of the default, and the Company has the right to liquidate the member's interest in NYMEX Division to reimburse its loss of collateral. At March 31, 2006, there were total seat loan balances of $6.8 million and securities pledged against the seat loan balances of $8.0 million.

The Company serves a clearinghouse function, standing as a financial intermediary on every open futures and options transaction cleared. Through its clearinghouse, the Company maintains a system of guarantees for performance of obligations owed to buyers and sellers. This system of guarantees is supported by several mechanisms, including margin deposits and guaranty funds posted by clearing members with the Company's clearinghouse. The amount of margin deposits on hand will fluctuate over time as a result of, among other things, the extent of open positions held at any point in time by market participants in NYMEX Division and COMEX Division

contracts and the margin rates then in effect for such contracts. The Company is required, under the Commodity Exchange Act, to maintain separate accounts for cash and securities that are deposited by clearing members, at banks approved by the Company, as margin for house and customer accounts. These clearing deposits are used by members to meet their obligations to the Company for margin requirements on open futures and options positions, as well as delivery obligations.

During 2004, the Company established additional retail customer protection supported by a commitment of at least $10 million available at all times to promptly reimburse retail customers in the event that their clearing member defaults as a result of a default by another customer where margin funds from the retail customer's account are used to address the default. Retail customers are defined as those that do not otherwise qualify as "eligible contract participants" under the requirements of the Commodity Exchange Act, and are not floor traders or floor brokers on the Exchange or family members of an Exchange floor trader or floor broker who maintains an account at the same clearing firm.

There were no events of default during the three months ended March 31, 2006, in any of the above arrangements, in which a liability should be recognized in accordance with FIN No. 45.

Legal proceedings

Set forth below is a description of material litigation to which the Company is a party, as of March 31, 2006. Although there can be no assurance as to the ultimate outcome, the Company believes it has a meritorious legal position in the matter described below. The final outcome of any litigation, however, cannot be predicted with certainty, and an adverse resolution of this matter could have a material adverse effect on the Company's consolidated results of operations, financial position or cash flows.

The Company has been named as a defendant in the following legal action:

New York Mercantile Exchange, Inc. v. IntercontinentalExchange, Inc. On November 20, 2002, NYMEX Exchange commenced an action in United States District Court for the Southern District of New York against IntercontinentalExchange, Inc. ("ICE"). The amended complaint alleges claims for: (a) copyright infringement by ICE arising out of ICE's uses of certain NYMEX Exchange settlement prices; (b) service mark infringement by reason of use by ICE of the service marks NYMEX and NEW YORK MERCANTILE EXCHANGE; (c) violation of trademark anti-dilution statutes; and (d) interference with contractual relationships. On January 6, 2003, ICE served an Answer and Counterclaims, in which ICE alleges five counterclaims against NYMEX Exchange as follows: (1) a claim for purported violation of Section 2 of the Sherman Act, 15 U.S.C. § 2, for NYMEX Exchange's allegedly trying to maintain a monopoly in the execution of the North America energy futures and expand the alleged monopoly into the execution and clearing of North American OTC energy contracts by attempting to deny ICE access to NYMEX Exchange settlement prices; (2) a claim for purported violation of Section 1 of the Sherman Act by conspiring with certain of its members to restrain trade by attempting to deny ICE access to NYMEX Exchange settlement prices; (3) a claim for alleged violation of Section 2 of the Sherman Act by NYMEX Exchange purportedly denying ICE access to NYMEX Exchange's settlement prices which are allegedly an "essential facility"; (4) a claim for purported violation of Section 1 of the Sherman Act and Section 3 of the Clayton Act by NYMEX Exchange allegedly tying execution services for North American energy futures and options to clearing services; and (5) a claim for purported violation of the Lanham Act through false advertising with respect to certain services

offered by NYMEX Exchange and services offered by ICE. The counterclaims request damages and trebled damages in amounts not specified yet by ICE in addition to injunctive and declaratory relief.

On August 11, 2003, the Court issued an opinion dismissing certain counterclaims and one affirmative defense, with leave to replead. On or about August 28, 2003, NYMEX Exchange was served with ICE's First Amended Counterclaims in which ICE made four counterclaims against NYMEX Exchange principally alleging violations of U.S. antitrust laws, including claims regarding monopoly leveraging.

By Order and Opinion dated June 30, 2004, the Court granted NYMEX Exchange's motion and dismissed all of the antitrust counterclaims asserted against NYMEX Exchange.

By Order and Opinion dated September 29, 2005, the Court (1) granted ICE's motion for summary judgment to the extent of dismissing NYMEX Exchange's federal claims for copyright and trademark infringement and dismissing without prejudice (by declining to exercise supplemental jurisdiction), NYMEX Exchange's state law claims for violation of trademark anti-dilution statutes and interference with contractual relationships, and (2) denied NYMEX Exchange's cross-motion for partial summary judgment on copyright infringement and tortious interference with contract. NYMEX Exchange has filed an appeal with the United States Court of Appeals for the Second Circuit. The appeal should be argued in the second quarter of 2006. This case is ongoing.

19. Subsequent events

London trading floor

In March 2006, the Company decided that it would cease its floor trading operations of Europe Exchange and focus entirely on its existing electronic trading platform. The Company anticipates that the trading floor will close around June 30, 2006. Based on this timeframe, the Company expects to incur various charges during the second quarter of 2006 estimated to be between $2.5 million and $3.5 million. These charges will be the result of a change in estimate to the useful life of leasehold improvements and equipment, as well as lease termination costs. The net book value of leasehold improvements and equipment that pertain to the trading floor operations will be written off over their shortened useful life in accordance with SFAS No. 154, *Accounting Changes and Error Corrections* . The lease termination costs will consist of various operating leases the Company had contracted to support its floor trading operations and will be written off in accordance with FAS No. 146.

Technology services agreement

On April 6, 2006, NYMEX Exchange entered into a definitive technology services agreement (the "CME Agreement") with Chicago Mercantile Exchange Inc. ("CME"), a wholly-owned subsidiary of Chicago Mercantile Exchange Holdings Inc.

Pursuant to the CME Agreement, CME will be the exclusive electronic trading service provider for NYMEX Exchange's energy futures and options contracts. Initial trading of NYMEX Exchange energy products on CME Globex, currently scheduled to begin in the second quarter of 2006, is expected to include side-by-side trading of NYMEX Exchange full-sized and NYMEX Exchange miNY™ energy futures contracts for crude oil, natural gas, heating oil and gasoline with NYMEX

Exchange's floor-based products during open outcry trading hours as well as trading when the NYMEX Exchange trading floor is closed. In the third quarter of 2006, all products trading on the NYMEX ACCESS® electronic trading platform are expected to transition to CME Globex. Also under the terms of the CME Agreement, CME Globex will be the exclusive electronic trading platform for metals products currently listed on the COMEX Division, with an anticipated launch in the third quarter of 2006.

The CME Agreement has a ten-year term from the launch date with rolling three-year extensions unless either party elects not to renew the CME Agreement upon written notice prior to the beginning of the applicable renewal term. Pursuant to the CME Agreement, NYMEX Exchange will pay to CME a minimum annual payment or per trade fees based on average daily volume, whichever is greater.

Annual meeting of stockholders

The Company held its annual meeting of stockholders on May 1, 2006. Votes were cast in person or by proxy for the election of the new fifteen member board of directors. Due to its open director nomination process, the Company takes no position, and makes no recommendation, regarding the election of directors. The process for nomination of directors allows shareholders to nominate, subject to qualification, (i) themselves or other shareholders to be candidates for the board of directors, and (ii) non-shareholders to be Public Director candidates for the board of directors. A description of the Company's director nomination process is contained in the Annual Meeting Proxy for 2006, in the section entitled "Director Nomination Process."

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shares

Common stock

Prospectus

Joint book-running managers

JPMorgan **Merrill Lynch & Co.**

Banc of America Securities LLC **Citigroup** **Lehman Brothers**

Sandler O'Neill + Partners, L.P.

July , 2006

Part II

Information not required in prospectus

Item 13. Other expenses of issuance and distribution

The following table sets forth the costs and expenses, other than other underwriting discounts and commissions, payable by us in connection with the sale of the common stock being registered. All amounts, other than the SEC registration fee and the NASD filing fee, are estimates.

SEC registration fee	$ 26,750
NASD filing fee	25,500
NYSE listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Blue sky fees and expenses	*
Transfer agent and registrar fees and expenses	*
Miscellaneous fees and expenses	*
Total	$ *

* To be filed by amendment.

Item 14. Indemnification of directors and officers

Section 145 of Delaware General Corporation Law provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement in connection with specified actions, suits and proceedings whether civil, criminal, administrative, or investigative, other than a derivative action by or in the right of the corporation, if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification extends only to expenses, including attorneys' fees, incurred in connection with the defense or settlement of such action and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation's certificate of incorporation, bylaws, disinterested director vote, stockholder vote, agreement, or otherwise.

As permitted by Delaware corporation law, our certificate of incorporation provides that our directors will not be personally liable to NYMEX Holdings or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability:

- for any breach of the director's duty of loyalty to NYMEX Holdings or its stockholders;
- for any act or omission not in good faith or which involved intentional misconduct or a knowing violation of law;
- for unlawful payments of dividends or unlawful stock repurchases or redemptions as provided by Delaware corporation law; or

- for any transaction from which the director derived an improper personal benefit.

As described in “Risk factors—Our governing documents provide for the protection and support of open-outcry trading by granting certain voting and economic rights to the owners of the Class A memberships, Who May Have Interests that Differ from or May Conflict with Those of Our Stockholders”, neither the board of directors nor our stockholders has any ability to change, or any responsibility or liability with respect to the trading rights protections afforded to the owners of Class A memberships (who are not required to be stockholders, but must be owners of Class A membership in NYMEX Exchange). Further, our directors shall not be liable to us or our stockholders by reason of the acts or omissions of the owners of the Class A memberships.

The inclusion of this provision in our certificate of incorporation does not eliminate the directors’ fiduciary duty, other than with respect to the trading rights protections, and in appropriate circumstances equitable remedies such as injunctive or other forms of non-monetary relief will remain available under Delaware law.

Item 15. Recent sales of unregistered securities

The 8,160,000 shares of Preferred Stock that were issued and sold to General Atlantic for $160 million in cash pursuant to the GA Agreement were not registered under the Securities Act of 1933, as amended (the “Securities Act”). The shares were issued in reliance on exemptions from registration under Section 4(2) of the Securities Act and/or Rule 506 of Regulation D promulgated thereunder, and in reliance on General Atlantic’s representations in the GA Agreement that, among other things, each of the General Atlantic purchasers is an “accredited investor” within the meaning of Rule 501 of Regulation D. Appropriate restrictive legends were affixed to the certificates representing the shares of the Series A Preferred Stock and will be affixed to the shares of common stock issuable upon conversion of the Series A Preferred Stock.

Item 16. Exhibits and financial statement schedules

(a) Exhibits

Exhibit index

Exhibit number	Description
1.1	Form of Underwriting Agreement.**
3.1	Form of Amended and Restated Certificate of Incorporation of NYMEX Holdings, Inc.
3.2	Form of Amended and Restated Bylaws of NYMEX Holdings, Inc.
3.3	Amended and Restated Certification of Incorporation of New York Mercantile Exchange, Inc. (incorporated herein by reference to Exhibit 3.3 of Current Report on Form 8-K, dated March 17, 2006).
3.4	Bylaws of New York Mercantile Exchange, Inc. (incorporated herein by reference to Exhibit 3.4 of Current Report on Form 8-K, dated March 17, 2006).
4.1	Form of Common Stock certificate for NYMEX Holdings, Inc.**
4.2	Note Purchase Agreement among NYMEX and each of Purchasers listed in Schedule A attached thereto, dated October 15, 1996 (incorporated herein by reference to Exhibit 10.5 of Form S-4 (file no. 333-30332)).
5.1	Opinion of Skadden, Arps, Slate, Meagher & Flom LLP.**
10.1	Ground Lease between Battery Park City Authority and NYMEX dated May 18, 1995 (incorporated herein by reference to Exhibit 10.3 of Form S-4 (file no. 333-30332)).
10.2	Funding Agreement among New York State Urban Development Corporation, New York City Economic Development Corporation, Battery Park City Authority and NYMEX dated May 18, 1995 (incorporated herein by reference to Exhibit 10.4 of Form S-4 (file no. 333-30332)).
10.3	NYMEX Holdings, Inc. Executive Income Deferral Program (incorporated herein by reference to Exhibit 10.5 of Form 10-K for the fiscal year ended December 31, 2000).
10.4	Network License Order Form between Oracle Corporation and NYMEX, accompanying Payment Plan Agreement and Payment Schedule between Oracle Credit Corporation and NYMEX (incorporated herein by reference to Exhibit 10.6 of Form S-4 (file no. 333-30332)).
10.5	Network License Order Form between Oracle Corporation and NYMEX, accompanying Payment Schedule between Oracle Credit Corporation and NYMEX and Amendment I to the Network License Order Form (incorporated herein by reference to Exhibit 10.7 of Form S-4 (file no. 333-30332)).
10.6	Network License Order Form between Oracle Corporation and NYMEX and accompanying Payment Schedule between Oracle Credit Corporation and NYMEX (incorporated herein by reference to Exhibit 10.8 of Form S-4 (file no. 333-30332)).
10.6.1	Software License and Services Agreement between Oracle Corporation and NYMEX effective January 6, 1995 (incorporated herein by reference to Exhibit 10.8.1 of Form S-4 (file no. 333-30332)).

Exhibit number	Description
10.7	Smartnet Agreement between Cisco Systems, Inc. and NYMEX dated May 21, 1996 (incorporated herein by reference to Exhibit 10.9 of Form S-4 (file no. 333-30332)).
10.8	Network Supported Account Agreement between Cisco Systems, Inc. and NYMEX dated May 21, 1996 (incorporated herein by reference to Exhibit 10.10 of Form S-4 (file no. 333-30332)).
10.9	COMEX Members' Recognition and Retention Plan (incorporated herein by reference to Exhibit 10.11 of Form 10-K for the fiscal year ended December 31, 2000).
10.10	Employment agreement between NYMEX Holdings, New York Mercantile Exchange, Inc. and Samuel H. Gaer (incorporated herein by reference to Exhibit 10.14 of Form 10-Q for the quarter ending March 31, 2003 (file no. 333-30332)).
10.10.1	Employment agreement between NYMEX Holdings, Inc., New York Mercantile Exchange, Inc. and Madeline Boyd (incorporated herein by reference to Exhibit 10.1 of Form 10-Q for the quarter ending March 31, 2004).
10.10.2	Employment agreement between NYMEX Holdings, Inc., New York Mercantile Exchange, Inc. and Sean Keating (incorporated herein by reference to Exhibit 10.1 of Form 10-Q for the quarter ending June 30, 2004).
10.10.3	Employment agreement between NYMEX Holdings, Inc., New York Mercantile Exchange, Inc. and James E. Newsome (incorporated herein by reference to Exhibit 10.1 of Form 10-Q for the quarter ending September 30, 2004).
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10.10.5	Employment agreement between NYMEX Holdings, New York Mercantile Exchange, Inc. and Christopher Bowen (incorporated herein by reference to Exhibit 10.1 of Current Report on Form 8-K, dated April 11, 2006).
10.11	Stock Purchase Agreement by and among NYMEX Holdings, Inc. and General Atlantic Partners 82, L.P., GapStar, LLC, GAP Coinvestments III, LLC, GAP Coinvestments IV, LLC and GAPCO GmbH & Co. KG (incorporated herein by reference to Exhibit 10.1 of Current Report on Form 8-K, dated November 18, 2005).
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10.11.3	Registration Rights Agreement by and among NYMEX Holdings, Inc. and General Atlantic Partners 82, L.P., GapStar, LLC, GAP Coinvestments III, LLC, GAP Coinvestments IV, LLC, GAP Coinvestments CDA, L.P. and GAPCO GmbH & Co. KG (incorporated herein by reference to Exhibit 10.2 of Current Report on Form 8-K, dated March 17, 2006.)
10.12	Definitive Technology Services Agreement by and between New York Mercantile Exchange, Inc. and Chicago Mercantile Exchange Inc. ("CME"), a wholly owned subsidiary of Chicago Mercantile Exchange Holdings Inc.**†

Exhibit number	Description
10.13	Agreement and Plan of Merger by and among New York Mercantile Exchange, COMEX Acquisition Corp. and Commodity Exchange, Inc., dated January 28, 1994.
10.13.1	Amendment No.1 to the Agreement and Plan of Merger by and among New York Mercantile Exchange, COMEX Acquisition Corp. and Commodity Exchange, Inc., dated March 25, 1994.
10.14	Form of NYMEX Holdings, Inc. 2006 Omnibus Long-Term Incentive Plan.
14.1	Code of Ethics for principal executive officer and senior financial officers (incorporated herein by reference to Exhibit 14 of Form 10-K for the fiscal year ended December 31, 2003).
21.1	Subsidiaries of NYMEX Holdings, Inc. (incorporated herein by reference to Exhibit 21.1 of Form S-4 (file no. 333-30332)).
23.1	Consent of KPMG LLP.
23.2	Consent of Skadden, Arps, Slate, Meagher & Flom LLP (included in Exhibit 5.1).**
24.1	Powers of Attorney (included in signature page).

* Previously filed.

** To be filed with a subsequent amendment to this registration statement.

† Portions of this exhibit will be omitted and will be filed separately with the Secretary of the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment under Rule 406 of the Securities Act.

(b) Financial Statement Schedules

All schedules have been omitted because they are either inapplicable or the required information has been given in the consolidated financial statements or the notes thereto.

Item 17. Undertakings

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

1. For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

2. For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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Signatures

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on July 14, 2006.

NYMEX Holdings, Inc.

By: /s/ Richard Schaeffer

Name: Richard Schaeffer
Title: Director and Chairman

Power of attorney

We, the undersigned directors and officers of NYMEX Holdings, Inc., do hereby constitute and appoint Christopher Bowen and Richard Kerschner our true and lawful attorneys-in-fact and agents, to do any and all acts and things in our names and on our behalf in our capacities as directors and officers and to execute any and all instruments for us and in our name in the capacities indicated below, which said attorneys and agents may deem necessary or advisable to enable said registrant to comply with the Securities Act of 1933 and any rules, regulations and requirements of the Securities and Exchange Commission, in connection with the registration statements, or any registration statement for this offering that is to be effective upon filing pursuant to Rule 462 under the Securities Act of 1933, including specifically, but without limitation, power and authority to sign for us or any of us in our names in the capacities indicated below, any and all amendments (including post-effective amendments) hereof; and we do hereby ratify and confirm all that said attorneys and agents shall do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons on July 14, 2006 in the capacities indicated.

Signature	Title
/s/ Richard Schaeffer **Richard Schaeffer**	Director and Chairman
/s/ Robert Halper **Robert Halper**	Director and Vice Chairman
/s/ James Newsome **James Newsome**	Director, President and Chief Executive Officer (Principal Executive Officer)
/s/ Jerome Bailey **Jerome Bailey**	Chief Operating Officer and Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ Stephen Ardizzone **Stephen Ardizzone**	Director

Signature	Title
/s/ Neil Citrone	Director
Neil Citrone	
/s/ Melvyn Falis	Director
Melvyn Falis	
/s/ William Ford	Director
William Ford	
/s/ Anthony George Gero	Director
Anthony George Gero	
/s/ Thomas Gordon	Director
Thomas Gordon	
/s/ Harvey Gralla	Director
Harvey Gralla	
/s/ David Greenberg	Director
David Greenberg	
/s/ Daniel Rappaport	Director
Daniel Rappaport	
/s/ Frank Siciliano	Director and Treasurer
Frank Siciliano	
/s/ Robert Steele	Director
Robert Steele	
/s/ Dennis Suskind	Director
Dennis Suskind	

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23.1	Consent of KPMG LLP.
23.2	Consent of Skadden, Arps, Slate, Meagher & Flom LLP (included in Exhibit 5.1).**
24.1	Powers of Attorney (included in signature page).

* Previously filed.

** To be filed with a subsequent amendment to this registration statement.

† Portions of this exhibit will be omitted and will be filed separately with the Secretary of the Securities and Exchange Commission pursuant to the Registrant's application requesting confidential treatment under Rule 406 of the Securities Act.

EXHIBIT 3.1

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF NYMEX HOLDINGS, INC.

NYMEX Holdings, Inc., a Delaware corporation (the "Corporation"), does hereby certify that:

1. This Amended and Restated Certificate of Incorporation was duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of Delaware.

2. (a) Upon the filing of this Amended and Restated Certificate of Incorporation of the Corporation (the "Effective Time"), each and every share of Series A Cumulative Redeemable Convertible Preferred Stock ("Series A Preferred Stock") issued and outstanding immediately prior to the Effective Time shall be converted into such number of fully paid and nonassessable shares of Common Stock (as defined below) calculated in accordance with Article FOURTH, Section (b), 7(b)(i) of the Corporation's certificate of incorporation in effect immediately prior to the Effective Time.

(b) Immediately upon conversion as provided in paragraph 2(a) above, each holder of shares of Series A Preferred Stock shall be deemed to be the holder of record of the shares of Common Stock issuable upon conversion of such holder's shares of Series A Preferred Stock, notwithstanding that the share register of the Corporation shall then be closed or that certificate(s) representing such shares of Common Stock shall not then actually be delivered to such Person (as defined below). Upon written notice from the Corporation, each holder of shares of Series A Preferred Stock so converted shall promptly surrender to the Corporation at its principal place of business to be maintained by it (or at such other office or agency of the Corporation as the Corporation may designate by such notice to the holders of shares of Series A Preferred Stock) certificate(s) representing the shares of Series A Preferred Stock so converted.

(c) Immediately upon conversion as provided in paragraph 2(a) above, all rights with respect to the shares of Series A Preferred Stock so converted, including the rights, if any, to receive notices and vote, shall terminate, except for the rights of holders thereof to (i) receive certificate(s) for the number of shares of Common Stock into which such shares of Series A Preferred Stock have been converted and (ii) exercise the rights and benefit from the privileges to which they are entitled as holders of shares of Common Stock.

3. The certificate of incorporation of the Corporation, originally filed on February 10, 2000, is hereby amended and restated in its entirety as follows:

FIRST: The name of the Corporation is NYMEX Holdings, Inc.

SECOND: The address of the Corporation's registered office in the State of Delaware is 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808. The name of the registered agent at such address is Corporation Service Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL").

FOURTH: The total number of shares of stock that the Corporation shall initially have authority to issue shall be 168,940,000 shares of common stock, each having a par value of $0.01, and shall include (a) 24,480,000 shares of Series A-1 Common Stock (the "Series A-1 Common Stock"), (b) 24,480,000 shares of Series A-2 Common Stock (the "Series A-2 Common Stock"), (c) 24,480,000 shares of Series A-3 Common Stock (the "Series A-3 Common Stock"), (d) 22,060,000 shares of common stock and (e) 73,440,000 shares of common stock which may only be issued upon conversion of the shares of Series A-1 Common Stock, Series A-2 Common Stock and Series A-3 Common Stock in accordance with Article FIFTH, Section (c). The Series A-1 Common Stock, the Series A-2 Common Stock and the Series A-3 Common Stock are collectively referred to herein as shares of "Pre-IPO Common Stock" and the other shares of common stock are referred to herein as shares of "Common Stock." All shares of Pre-IPO Common Stock that automatically convert into shares of Common Stock pursuant to Article FIFTH, Section (c), shall be retired and shall not assume the status of authorized shares or be available for reissuance. Upon the conversion and retirement of all of the shares of Pre-IPO Common Stock and the filing of the certificate contemplated by Section 243 of the DGCL, the total number of authorized shares shall be 95,500,000.

FIFTH:

(a) Subject to the other paragraphs of this Article FIFTH, upon surrender to the Corporation or to any transfer agent of the Corporation of a certificate for shares of Common Stock duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, the Corporation or its transfer agent shall issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon the Corporation's books.

(b) Each holder of shares of Pre-IPO Common Stock will not, during the applicable Restricted Period (as defined below), (1) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Pre-IPO Common Stock or any securities convertible into or exercisable or exchangeable for Pre-IPO Common Stock (including without limitation, shares of Pre-IPO Common Stock of which such holder may be deemed to be a Beneficial Owner (as defined below) and securities which may be issued upon exercise of a stock option or warrant) or (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of shares of Pre-IPO Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of shares of Pre-IPO Common Stock, other securities,

cash or otherwise. Notwithstanding the foregoing, if (1) during the last 17 days of the period beginning on the effective date of the registration statement relating to the Initial Public Offering (as defined below) and ending on the date that is 180 days after such effective date, the Corporation issues an earnings release or material news or a material event relating to the Corporation occurs; or (2) prior to the expiration of such 180-day period, the Corporation announces that it will release earnings results during the 16-day period beginning on the last day of such 180-day period, the restrictions imposed by this Article FIFTH, Section (b) shall continue to apply with respect to shares of Pre-IPO Common Stock that were to convert into shares of Common Stock upon the expiration of such 180-day period until the expiration of an 18-day period beginning on the date of the issuance of the earnings release or the occurrence of the material news or material event. Each certificate evidencing ownership of shares of Pre-IPO Common Stock shall bear a legend prominently noting such restrictions on transfer contained in this Article FIFTH, Section (b), and in furtherance of the foregoing, the Corporation and any duly appointed transfer agent for the registration or transfer of the shares of Pre-IPO Common Stock described herein are hereby authorized to decline to make any transfer of shares of Pre-IPO Common Stock if such transfer would constitute a violation or breach of this Article FIFTH, Section (b).

(c) The term "Restricted Period" means each of the periods commencing on the closing date of the Initial Public Offering and ending (x) with respect to the shares of Series A-1 Common Stock, 180 days thereafter, unless a later date is mandated by the second sentence of Article FIFTH, Section (b), above, and in such case as of such later date, (y) with respect to the shares of Series A-2 Common Stock, 360 days thereafter, and (z) with respect to the shares of Series A-3 Common Stock, 540 days thereafter so that none of the shares of Pre-IPO Common Stock shall be subject to restrictions on transfer contained in this Article FIFTH as of such 540th day. Immediately following the expiration of the relevant Restricted Period, the applicable shares of Pre-IPO Common Stock shall automatically convert, without any action by the holder, into the same number of shares of Common Stock. The board of directors of the Corporation (the "Board of Directors") shall have the authority, in its sole and absolute discretion, to reduce the duration of, or to remove, in whole or in part, any Restricted Period and, in connection therewith, cause the conversion of all or any portion of the outstanding shares of Pre-IPO Common Stock into the same number of shares of Common Stock. The Corporation shall at all times reserve and keep available for issuance upon the conversion of shares of Pre-IPO Common Stock, such number of its authorized but unissued shares of Common Stock as will from time to time be sufficient to permit the conversion of all outstanding shares of Pre-IPO Common Stock.

(d) Notwithstanding any other provision of this Article FIFTH, the following transfers of Pre-IPO Common Stock shall be permitted but shall not shorten the Restricted Period: (i) transfers of shares of Pre-IPO Common Stock (1) to the transferor's spouse, child, stepchild, grandchild or great-grandchild (each such person, an "Immediate Family Member"), (2)(x) to a trust established for the benefit of the transferor or an Immediate Family Member of the transferor or (y) from such a trust to the beneficiary and/or the grantor of such trust, (3) to the beneficial owner of an individual retirement account, provided that the transferor is such individual retirement account, (4) to the estate

of a deceased stockholder and such transfer was pursuant to the deceased stockholder's will or the applicable laws of descent and distribution, (5) to the beneficiary of an estate referred to in clause (4) above, provided that the transferor is such estate and such beneficiary is an Immediate Family Member of the deceased stockholder or a trust for the sole benefit of such Immediate Family Member, or (6) pursuant to a pledge as collateral or assignment for the benefit of New York Mercantile Exchange, Inc. (the "Exchange") and the clearing members of the Exchange as permitted or required under the certificate of incorporation, bylaws, rules or regulations of the Exchange in each case where the transferee receives the same series of Pre-IPO Common Stock as held by the transferor, (ii) transfers to satisfy claims of the Exchange as permitted or required under the certificate of incorporation, bylaws, rules or regulations of the Exchange or (iii) any redemption by the Corporation or other transfer (where the transferee receives the same series of Pre-IPO Common Stock as held by the transferor) that has been approved by the Board of Directors in its sole and absolute discretion.

(e) (i) Except as otherwise provided in this Article FIFTH, Section (e), no Person, either alone or together with any Related Persons (as defined below), shall be permitted at any time to be a Beneficial Owner of voting securities of the Corporation representing greater than 10% of the voting power of the Corporation (the "Ownership Limitation"); provided that notwithstanding the Ownership Limitation, the General Atlantic Parties (as defined below) may (i) subject to Section 6.1 of the Investor Rights Agreement (as defined below), acquire shares which would cause the General Atlantic Parties to be a Beneficial Owner of voting securities in excess of the Ownership Limitation and (ii) take the other actions specified in Section 6.1 of the Investor Rights Agreement; and provided further that if any Person who is a Beneficial Owner of shares in excess of the Ownership Limitation solely as a result of a reduction in the number of shares of voting stock outstanding due to the repurchase of shares of voting stock by the Corporation, such Person shall not be deemed in violation of this Article FIFTH, Section (e), unless and until such Person, after becoming aware that such Person is a Beneficial Owner of shares in excess of the Ownership Limitation, acquires any additional shares of voting stock.

(ii) If any Person, either alone or together with any Related Persons, at any time becomes a Beneficial Owner of voting securities of the Corporation in excess of the Ownership Limitation in violation of this Article FIFTH, Section (e), such Person and its Related Persons shall be obligated to sell promptly, and the Corporation shall be obligated to purchase promptly, at a price equal to the par value of such shares of stock, that number of shares of stock of the Corporation necessary so that such Person, together with its Related Persons, shall be a Beneficial Owner of shares of stock of the Corporation representing no more than the Ownership Limitation, after taking into account that such repurchased shares shall become treasury shares and shall no longer be deemed to be outstanding. To the extent that the Corporation does not have funds legally available for such repurchase, the Corporation shall not be obligated to repurchase such shares unless and until funds become legally available therefor.

(iii) In the event the Corporation shall repurchase shares of stock (the "Repurchased Stock") of the Corporation pursuant to any provision of this Section (e), notice of such repurchase shall be given by first class mail, postage prepaid, mailed not less than five (5) business nor more than 60 calendar days prior to the repurchase date, to the holder of the Repurchased Stock, at such holder's address as the same appears on the stock register of the Corporation. Each such notice shall state: (1) the repurchase date; (2) the number of shares of Repurchased Stock to be repurchased; (3) the aggregate repurchase price, which shall equal the aggregate par value of such shares; and (4) the place or places where such Repurchased Stock is to be surrendered for payment of the aggregate repurchase price. Failure to give notice as aforesaid, or any defect therein, shall not affect the validity of the repurchase of Repurchased Stock. From and after the repurchase date (unless default shall be made by the Corporation in providing funds for the payment of the repurchase price), shares of Repurchased Stock which have been repurchased as aforesaid shall become treasury shares and shall no longer be deemed to be outstanding, and all rights of the holder of such Repurchased Stock as a stockholder of the Corporation in respect of such shares of Repurchased Stock (except the right to receive from the Corporation the repurchase price against delivery to the Corporation of evidence of ownership of such shares) shall cease. Upon surrender in accordance with said notice of evidence of ownership of Repurchased Stock so repurchased (properly assigned for transfer, if the Board of Directors shall so require and the notice shall so state), such shares shall be repurchased by the Corporation at par value.

(iv) If and to the extent that shares of stock of the Corporation beneficially owned by any Person or its Related Persons are held of record by any other Person, this Section (e) shall be enforced against such record owner by requiring the sale of shares of stock of the Corporation held by such record owner in accordance with this Section (e), in a manner that will accomplish the Ownership Limitation applicable to such Person and its Related Person.

(f) Definitions. As used in this Article FIFTH and elsewhere in this Amended and Restated Certificate of Incorporation, the following terms shall have the following meanings (with terms defined in the singular having comparable meanings when used in the plural and vice versa):

"Affiliate" means any Person who has the power, whether directly or indirectly, to control a firm or other business entity as well as the direct or indirect ownership of 10% or more of the voting securities of a corporation, association or other entity or ownership of a partnership interest in a partnership.

"Beneficial Owner" means any Person who is a "beneficial owner" as defined in Rule 13d-3 of the General Rules and Regulations promulgated under the Exchange Act (or any successor rule).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the United States Securities and Exchange Commission ("SEC") promulgated thereunder.

"General Atlantic Parties" means General Atlantic Partners 82, L.P., GAP Coinvestments III, LLC, GAP Coinvestments IV, LLC, GAP Coinvestments CDA, L.P., GapStar, LLC, GAPCO GmbH & Co. KG and any Affiliates thereof.

"Governmental Authority" means the government of any nation, state, city, locality or other political subdivision thereof.

"Initial Public Offering" means the first bona fide firm commitment underwritten public offering of shares of Common Stock pursuant to an effective registration statement under the Securities Act, and in which the underwriting is lead managed by an internationally recognized investment banking firm and the shares of Common Stock are listed on the New York Stock Exchange, Inc., The Nasdaq Stock Market, Inc. or another internationally recognized stock exchange.

"Investor Rights Agreement" means the Investor Rights Agreement, dated as of March 14, 2006, by and among the Corporation and the General Atlantic Parties, as may be amended from time to time.

"Person" means any individual, firm, corporation, partnership, limited liability company, trust, incorporated or unincorporated association, joint venture, joint stock company, Governmental Authority or other entity of any kind.

"Related Persons" means, as to any Person (a) any Affiliate of such Person; (b) any other Person(s) with which such Person has any agreement, arrangement or understanding (whether or not in writing) to act together for the purpose of acquiring, holding or disposing of shares of the stock of the Corporation; (c) in the case of a Person that is a company, corporation or similar entity, any executive officer (as defined under Rule 3b-7 under the Exchange Act) or director of such Person and, in the case of a Person that is a partnership or a limited liability company, any general partner, managing member or manager of such Person, as applicable; (d) in the case of a Person that is a natural person, any Immediate Family Member of such natural Person, or any relative of such Immediate Family Member who has the same home as such natural Person or who is a director or officer of the Corporation or any of its parents or subsidiaries; (e) in the case of a Person that is an executive officer (as defined under Rule 3b-7 under the Exchange Act), or a director of a company, corporation or similar entity, such company, corporation or entity, as applicable; and (f) in the case of a Person that is a general partner, managing member or manager of a partnership or limited liability company, such partnership or limited liability, as applicable.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

SIXTH: The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition,

limitation and regulation of the powers of the Corporation and of its Directors (as defined below) and stockholders:

(a) Upon the Effective Time, the Board of Directors shall consist of fifteen (15) members (each, a "Director") and the Directors who are to serve from the Effective Time until the first annual meeting of stockholders after the Effective Time (the "Next Annual Meeting") and until their successors have been duly elected and qualified at such Next Annual Meeting or their earlier death, resignation or removal are those individuals who were serving as Directors immediately prior to the Effective Time.

(b) Until and including the election of Directors to occur at the annual meeting of stockholders in 2011, the Board of Directors shall have a Chairman and a Vice Chairman who shall be designated as Chairman or Vice Chairman by the stockholders of the Corporation. After the annual meeting of stockholders in 2011, upon the affirmative vote of 80% of the entire Board of Directors, the Chairman and Vice Chairman shall be appointed by the Board of Directors from among the members of the Board of Directors rather than elected by the stockholders of the Corporation. In the event of the death, resignation or vacancy of the Chairman, the Vice Chairman shall be the Chairman; in the event of the death, resignation or vacancy of the Vice Chairman, the Board of Directors, by vote of a majority of the Directors then in office, shall appoint a Vice Chairman from among the other Directors. In order to be designated as Chairman or Vice Chairman, such person must be either an individual who, or an officer, director or partner of a corporation, partnership, association, other entity or sole proprietorship that, (i) beneficially owns no less than 10,000 shares of Common Stock (as appropriately adjusted for any stock split, combination, reorganization, recapitalization, reclassification, stock dividend, stock distribution of similar event, and excluding any stock options or unvested restricted stock) of the Corporation both at the time of his election and during the entire one-year period immediately prior to such election and (ii) is nominated in accordance with the procedures determined by the Board of Directors; provided that the stock ownership requirement contained in clause (i) of this Article SIXTH, Section (b) shall not apply to a Chairman or Vice Chairman appointed by the Board of Directors from among the members of the Board of Directors in accordance with this Article SIXTH, Section (b). The Chairman and the Vice Chairman each shall have the power, authority and responsibilities provided in the Bylaws of the Corporation.

(c) From and after the Effective Time and until the Next Annual Meeting:

(i) the Board of Directors shall consist of the following members from each of the categories indicated below:

(1) One member from the Floor Broker Group, which consists of owners or lessees of Exchange Memberships, who are either individuals or officers, directors or partners of a corporation, partnership, association, other entity or sole proprietorship, whose principal commodity-related business is acting as a floor broker on the floor of the Exchange;

(2) One member from the Futures Commission Merchant Group, which consists of owners or lessees of Class A memberships in the Exchange ("Exchange Memberships") who are either officers, directors or partners of a corporation, partnership, association, other entity or sole proprietorship, the principal commodity-related business of which is the solicitation or acceptance of orders for commodity futures and/or options transactions from customers, and in connection therewith accepts money, securities or other property to margin or guarantee such transactions and which is registered with the Commodity Futures Trading Commission (the "CFTC") as a Futures Commission Merchant;

(3) One member from the Trade Group, which consists of owners or lessees of Exchange Memberships who are either officers, directors or partners of a corporation, partnership, association, other entity or sole proprietorship, the principal commodity-related business of which is the production, processing or commercial use of, or is a merchant dealing in, one or more commodities traded on the Exchange;

(4) One member from the Local Trader Group, which consists of owners or lessees of Exchange Memberships, who are either individuals or officers, directors or partners of a corporation, partnership, association, other entity or sole proprietorship, whose principal commodity-related business is executing trades in Exchange contracts on the floor of the Exchange for their personal accounts;

(5) Two members from the At Large Group, who are either individuals who, or officers, directors or partners of a corporation, partnership, association, other entity or sole proprietorship that, own or lease Exchange Memberships;

(6) Two members from the Equity Holder Group, who are either individuals who, or officers, directors or partners of a corporation, partnership, association, other entity or sole proprietorship that, own Exchange Memberships and have leased their last or sole Exchange Membership to another party;

(7) Three Public Directors as described in Article SIXTH, Section (c)(ii) below;

(8) A Managing Director of General Atlantic LLC, who is designated and elected by the General Atlantic Parties, voting together as a separate class, provided that the number

of shares of Common Stock owned, in the aggregate, by the General Atlantic Parties is at least 80% of the number of shares of Common Stock beneficially held by them, in the aggregate, immediately prior to the Effective Time (as appropriately adjusted for any stock split, combination, reorganization, recapitalization, reclassification, stock dividend, stock distribution or similar event);

(9) The Chairman, who shall satisfy the qualifications in Article SIXTH, Section (b) above;

(10) The Vice Chairman, who shall satisfy the qualifications in Article SIXTH, Section (b) above; and

(11) The President, who must be the officer appointed as "President" by the Board of Directors.

(ii) In order to qualify as a Public Director described in Article SIXTH, Section (c)(i), clause (7) above, a person must (w) be knowledgeable of futures trading or financial regulation or otherwise capable of contributing to the deliberations of the Board of Directors, (x) not be a holder of an Exchange Membership (an "Exchange Member"), an Affiliate of any Exchange Member or an employee of the Exchange, (y) meet the definition of public director set forth in applicable CFTC regulations and (z) meet the definition of independence for audit committee members contained in the applicable listing standards. If, for any reason, a Public Director no longer meets these requirements during his term as Director, the term of such Director shall immediately expire and the vacancy may thereafter be filled by the Board of Directors in accordance with the Bylaws of the Corporation.

(iii) Not more than one partner, officer, director, employee or Affiliate of an Exchange Member or of any member firm of the Exchange (a "Member Firm"), or partner, officer, director or employee of any Affiliate of an Exchange Member or of any Affiliate of a Member Firm, shall be eligible to serve as a Director at one time. If, by reason of a change in affiliation of a Director, election of a Director at any time, or by reason of merger, sale or consolidation of two or more Exchange Members or Member Firms, more than one partner, officer, director, employee, or Affiliate of an Exchange Member or of a Member Firm or partner, officer, director or employee of any Affiliate of such Exchange Member or of any Affiliate of such Member Firm, as the case may be, is a Director, at least one such Director shall resign so that there shall be only one Director who is a partner, officer, director, employee, or Affiliate of such Exchange Member or Member Firm, as the case may be, or partner, officer, director or employee of any Affiliate of such Exchange Member or of any Affiliate of such Member Firm, as the case may be. If one such Director shall fail to resign, the term of all such Directors shall automatically and immediately expire and the vacancy or vacancies shall thereafter be filled by the Board of Directors in accordance with the Bylaws of the

Corporation; provided, however, that if one such Director is the Chairman or the Vice Chairman, only the term of the other such Director or Directors shall expire; provided, further, that if two of such Directors are the Chairman and the Vice Chairman, the term of the Chairman shall not expire as aforesaid and the term of the Vice Chairman and any other such Director shall expire as aforesaid. No person shall be permitted to stand for election to the Board of Directors if the election and qualification of such person could result in more than one person who is a partner, officer, director, employee or Affiliate of an Exchange Member or Member Firm or partner, officer, director or employee of any Affiliate of an Exchange Member or of any Affiliate of a Member Firm serving on the Board of Directors.

(d) At and after the Next Annual Meeting:

(i) the Directors shall be divided into two classes, designated Class I and Class II. Class I shall consist of seven (7) Directors, and Class II shall consist of eight (8) Directors. Class I shall be comprised of one (1) Public Director, three (3) Independent Directors, two (2) At Large Directors and the President and Class II shall be comprised of two (2) Public Directors, two (2) Independent Directors, two (2) At Large Directors, the Chairman and the Vice Chairman, each as described in Article SIXTH, Section (d)(ii) below. The term of the initial Class I Directors shall terminate at the first annual meeting of stockholders following the Next Annual Meeting and the term of the initial Class II Directors shall terminate at the second annual meeting of stockholders following the Next Annual Meeting, or, in each case, upon such Director's earlier death, resignation, retirement, disqualification or removal. At each annual meeting of stockholders following the Next Annual Meeting, successors to the class of Directors whose term expires at that annual meeting shall be elected for a term ending at the second annual meeting of stockholders following his or her election. A Director shall hold office until the Director's successor shall be elected and shall qualify, subject, however, to earlier death, resignation, retirement, disqualification or removal from office.

(ii) the Board of Directors shall consist of the following members from each of the categories indicated below:

(1) Three Public Directors as described in Article SIXTH, Section (d)(iii) below;

(2) Five Independent Directors as described in Article SIXTH, Section (d)(iv) below;

(3) Four At Large Directors as described in Article SIXTH, Section (d)(v) below, subject to Article SIXTH, Section (d)(vi) below;

(4) The Chairman, who shall satisfy the qualifications in Article SIXTH, Section (b) above, subject to Article SIXTH, Section (d)(vi) below;

(5) The Vice Chairman, who shall satisfy the qualifications in Article SIXTH, Section (b) above, subject to Article SIXTH, Section (d)(vi) below; and

(6) The President, who must be the officer appointed as "President" by the Board of Directors.

(iii) In order to qualify as a Public Director described in Article SIXTH, Section (d)(ii), clause (1) above, a person must (w) be knowledgeable of futures trading or financial regulation or otherwise capable of contributing to the deliberations of the Board of Directors, (x) not be an Exchange Member, an Affiliate of any Exchange Member or an employee of the Exchange, (y) meet the definition of public director set forth in applicable CFTC regulations and (z) meet the definition of independence for audit committee members contained in the applicable listing standards. If, for any reason, a Public Director no longer meets these requirements during his term as Director, the term of such Director shall immediately expire and the vacancy may thereafter be filled by the Board of Directors in accordance with the Bylaws of the Corporation.

(iv) In order to qualify as an Independent Director described in Article SIXTH, Section (d)(ii), clause (2) above, a person must (x) meet the definition of public director set forth in applicable CFTC regulations and (y) meet the definition of independence for directors contained in the applicable listing standards. If, for any reason, an Independent Director no longer meets these requirements during his term as Director, the term of such Director shall immediately expire and the vacancy may thereafter be filled by the Board of Directors in accordance with the Bylaws of the Corporation.

(v) In order to qualify as an At Large Director described in Article SIXTH, Section (d)(ii), clause (3) above, a person must be either an individual who, or an officer, director or partner of a corporation, partnership, association, other entity or sole proprietorship that, beneficially owns no less than 10,000 shares of Common Stock (as appropriately adjusted for any stock split, consolidation, reorganization, recapitalization, reclassification, stock dividend, stock distribution or similar event, and excluding any stock options or unvested restricted stock) of the Corporation both at the time of his election and during the entire one-year period immediately prior to his election. If, for any reason, an At Large Director no longer meets these requirements during his term as Director, the term of such Director shall immediately expire and the vacancy may thereafter be filled by the Board of Directors in accordance with the Bylaws of the Corporation.

(vi) In the event that, after the annual meeting of stockholders in 2011, the Board of Directors elects pursuant to Article SIXTH, Section (b) above to

appoint the Chairman and the Vice Chairman from among the members of the Board of Directors, the categories described in Article SIXTH, Section (d)(ii), clauses (4) and (5) above shall no longer apply, and the number of At Large Directors, as described in Article SIXTH, Section (d)(ii), clause (3) above, shall be increased from four (4) to six (6).

(e) In order to be elected at a meeting of stockholders to one of the categories described in Article SIXTH, Section (c) or (d), as applicable, a candidate for election to the Board of Directors must be nominated in accordance with the procedures set forth in the Bylaws of the Corporation whereupon that candidate will be eligible for election at the applicable meeting of stockholders only as a member of the category determined in accordance with the procedures implemented by the Board of Directors. In the event that there is a controversy as to the qualification of a Director, Director elect or Director nominee, the Nominating Committee of the Board of Directors (or the entire Board of Directors, if there is no Nominating Committee) shall make a final determination upon such data as it, in its sole and absolute discretion, determines is necessary, relevant or material. After the annual meeting of stockholders in 2011, the Board of Directors may, upon the affirmative vote of 80% of the entire Board of Directors, eliminate or reduce any or all of the stock ownership requirements for Directors. Any Director who accepts a nomination for election as Chairman or Vice Chairman pursuant to Article SIXTH, Section (d)(ii), clauses (4) and (5) shall resign from such Director's current Director position, effective as of the date of the election in which such Director is a candidate for Chairman or Vice Chairman. Except as provided in this Amended and Restated Certificate of Incorporation, any Director who, at any time during his or her term of office, fails to continue to satisfy the category requirements for which he or she was elected or who ceases to qualify to serve on the Board of Directors under Article SIXTH, Section (f) or otherwise, shall thereupon cease to be qualified as a Director and the term of office of such person shall automatically end. Notwithstanding the foregoing, no action of an unqualified Director, the Board of Directors or any committee thereof shall be rendered invalid or otherwise affected solely because a Director becomes or at the time of such action was not qualified.

(f) No person shall serve on the Board of Directors if in violation of Rule 3.03 or any successor rule of the Exchange or if such service would conflict with any final order or decision of the CFTC or if such service would result in the Corporation or one of its subsidiaries failing to comply with any requirements applicable to the Corporation under the Commodity Exchange Act. Without limiting the foregoing, no person shall serve on the Board of Directors (i) who is found by a final, nonappealable decision or settlement agreement (or absent a finding in the settlement agreement if any acts charged included a disciplinary offense) to have committed a disciplinary offense, as defined in CFTC Regulation 1.63 or any successor regulation (a)(6); (ii) whose CFTC registration in any capacity is revoked or suspended; (iii) who is subject to an agreement with the CFTC or any self-regulatory organization not to apply for registration; (iv) who is subject to a denial, suspension or disqualification from serving on a disciplinary committee, oversight committee, arbitration panel or governing board of any self-regulatory organization as that term is defined in Section 3(a)(26) of the Exchange Act or any successor provision; or (v) who has been convicted of any felony listed in Section

8a(2)(D)(ii) through (iv) of the Commodity Exchange Act or any successor provision; in each case, for a period of three years from the date of such final decision or settlement agreement or for such time as the Person remains subject to any suspension or expulsion, or has failed to pay any portion of a fine imposed for committing a disciplinary offense, whichever is longer. All terms used in this Section (f) shall be defined consistent with CFTC Regulation 1.63(a) or any successor regulation.

(g) No person shall be permitted to stand for election for more than one position on the Board of Directors at a single meeting of stockholders.

(h) Any or all of the Directors may be removed for cause by vote of the holders of a majority of the outstanding shares of each class of voting stock of the Corporation voting together as a single class.

(i) Except as set forth in Sections 201(x), 202, 311, 500(B) and 501 of the Exchange's bylaws, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. With respect to Sections 201(x), 202, 311, 500(B) and 501 of the Exchange's bylaws (relating to certain rights of Exchange Members), the Directors shall (i) not be liable to the Corporation or its stockholders by reason of the actions or omissions of Exchange Members and (ii) be entitled to indemnification and advancement of expenses as provided in the Bylaws of the Corporation. A copy of the Exchange's bylaws is available, without cost, to any stockholder of the Corporation from the Corporation's secretary.

SEVENTH: In furtherance and not in limitation of the powers conferred upon it by the laws of the State of Delaware, the Board of Directors shall have the power to adopt, amend, alter or repeal the Bylaws of the Corporation. The affirmative vote of at least 80% of the entire Board of Directors then in office shall be required to adopt, amend, alter or repeal the Bylaws of the Corporation. The Bylaws of the Corporation also may be adopted, amended, altered or repealed by the affirmative vote of a majority of outstanding shares entitled to vote in connection with the election of Directors. Notwithstanding the foregoing, and regardless of whether the Board of Directors or the stockholders adopt, amend, alter or repeal the Bylaws of the Corporation, those provisions which require the concurrence of the Exchange Members voting in accordance with the Exchange's bylaws shall in all events require such concurrence.

EIGHTH: No Director will have any personal liability to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty as a Director, except (i) for any breach of the Director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, as amended or (iv) for any transaction from which the Director obtained an improper personal benefit.

NINTH: Pursuant to Section 211(e) of the DGCL, Directors shall not be required to be elected by written ballot.

TENTH: Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation, and the ability of the stockholders to consent in writing to the taking of any action is hereby specifically denied.

ELEVENTH: Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept (subject to any provision contained in the DGCL) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

TWELFTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation in the manner now or hereafter prescribed in this Amended and Restated Certificate of Incorporation, the Bylaws of the Corporation or the DGCL, and all rights herein conferred upon stockholders are granted subject to such reservation; provided, however, that, notwithstanding any other provision of this Amended and Restated Certificate of Incorporation (and in addition to any other vote that may be required by law), the affirmative vote of the holders of at least 66 2/3 % of the voting power of the shares entitled to vote at an election of Directors shall be required to amend, alter, change or repeal, or to adopt any provision as part of this Amended and Restated Certificate of Incorporation inconsistent with the purpose and intent of Articles FIFTH, SIXTH, SEVENTH, EIGHTH and TENTH of this Amended and Restated Certificate of Incorporation or this Article TWELFTH. Further, any amendment to Article SIXTH, Section (i), or to this sentence of Article TWELFTH, shall also require the concurrence of the Exchange Members voting in accordance with the Exchange's bylaws.

[Execution Page Follows]

In Witness Whereof, the Corporation has caused this Amended and Restated Certificate of Incorporation to be duly executed on its behalf on [ ], 2006.

NYMEX Holdings, Inc.

By:_____

Name:_____

Title:_____

EXHIBIT 3.2

AMENDED AND RESTATED
BYLAWS OF
NYMEX HOLDINGS, INC.
(hereinafter called the "Corporation")

A Delaware Corporation

ARTICLE I

OFFICES

Section 1. The registered office of the Corporation shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 2. The Corporation may also have offices at such other places, within or outside of the State of Delaware, as the board of directors of the Corporation (the "Board of Directors") may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. All meetings of stockholders shall be held at the registered office of the Corporation, or at such other place within or outside of the State of Delaware as may be fixed from time to time by the Board of Directors.

Section 2. Annual meetings of stockholders shall be held at such date and time during the month of May as may be fixed by the Board of Directors. At each annual meeting of stockholders, the stockholders shall elect directors and transact such other business as may properly be brought before the meeting.

Section 3. Written notice of each annual meeting of stockholders, stating the place, date and hour of the meeting, shall be given in the manner set forth in Article VI of these Bylaws. Such notice shall be given not less than 10 nor more than 50 days before the date of the meeting to each stockholder entitled to vote at the meeting.

Section 4. *Nature of Business at Annual Meetings of Stockholders*.

(a) No business may be transacted at an annual meeting of stockholders, other than business that is either (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (ii) otherwise properly brought before the annual meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof), or (iii) otherwise properly brought before the annual meeting by any stockholder of the Corporation (A) who is a stockholder of record on the date of the giving of the notice provided for in this Section 4 and on the record date for the

determination of stockholders entitled to notice of and to vote at such annual meeting and (B) who complies with the notice procedures set forth in this Section 4.

(b) In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

(c) To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs.

(d) To be in proper written form, a stockholder's notice to the Secretary must set forth as to each matter such stockholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and record address of such stockholder, (iii) the class or series and number of shares of common stock of the Corporation which are owned beneficially or of record by such stockholder, (iv) a description of all arrangements or understandings between such stockholder and any other person or persons (including their names) in connection with the proposal of such business by such stockholder and any material interest of such stockholder in such business and (v) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

(e) No business shall be conducted at the annual meeting of stockholders except business brought before the annual meeting in accordance with the procedures set forth in this Section 4; provided, however, that, once business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Section 4 shall be deemed to preclude discussion by any stockholder of any such business. If the Chairman of an annual meeting determines that business was not properly brought before the annual meeting in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

Section 5. Special meetings of stockholders may be called at any time for any purpose or purposes by the Chairman of the Board of Directors or by the Secretary upon the written request of the majority of the Board of Directors and shall be called upon the written request of the stockholders representing at least 50% of all outstanding shares entitled to vote on the action proposed to be taken. Such written

requests shall state the time, place and purpose or purposes, by or at the direction of the person or persons calling the special meeting, of the proposed meeting and the special meeting so called shall be limited to the purpose set forth in the demand. A special meeting of stockholders called by the Board of Directors or the Chairman of the Board of Directors, other than one required to be called by reason of a written request of stockholders, may be canceled by the Board of Directors at any time not less than 24 hours before the scheduled commencement of the meeting.

Section 6. Written notice of each special meeting of stockholders shall be given in the manner set forth in Article VI of these Bylaws. Such notice shall be given not less than 10 nor more than 50 days before the date of the meeting to each stockholder entitled to vote at the meeting. Each such notice of a special meeting of stockholders shall state the place, date and hour of a meeting and the purpose or purposes for which the meeting is called.

Section 7. *Nomination of Directors*.

(a) Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board of Directors may be made at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors, (i) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (ii) by any stockholder of the Corporation (a) who is a stockholder of record on the date of the giving of the notice provided for in this Section 7 and on the record date for the determination of stockholders entitled to notice of and to vote at such meeting and (b) who complies with the notice procedures set forth in this Section 7.

(b) In addition to any other applicable requirements, for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

(c) To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Corporation (i) in the case of an annual meeting, not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs; and (ii) in the case of a special meeting of stockholders called for the purpose of electing directors, not later than the close of business on the tenth (10th) day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever first occurs.

(d) To be in proper written form, a stockholder's notice to the Secretary must set forth (i) as to each person whom the stockholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares of common stock of the Corporation which are owned beneficially or of record by the person, (D) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder (or any successor rules thereto), (E) the category (pursuant to Article SIXTH of the certificate of incorporation of the Corporation (the "Certificate of Incorporation")) to which the stockholder proposes to nominate such person and a statement that such person satisfies the applicable criteria and (F) such person's written consent to serve as a director and a written undertaking to promptly provide to the Secretary of the Corporation upon request any information that the Corporation deems to be relevant to the determination of whether such person satisfies the applicable criteria; and (ii) as to the stockholder giving the notice (A) the name and record address of such stockholder, (B) the class or series and number of shares of common stock of the Corporation which are owned beneficially or of record by such stockholder, (C) a description of all arrangements or understandings between such stockholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such stockholder, (D) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice and (E) any other information relating to such stockholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder (or any successor rules thereto).

(e) No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 7. If the Chairman of the meeting determines that a nomination was not made in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

(f) The Corporation shall include in the proxy statement distributed in connection with any annual meeting of stockholders or any special meeting of stockholders called for the purpose of electing directors, persons nominated in accordance with this Section 7 by stockholders who are also owners of Class A memberships in the Exchange ("Exchange Memberships"), the number of whom collectively represents at least 20% of the total number of owners of all Exchange Memberships. For the sake of clarity, such percentage shall be measured by person, and not by memberships owned.

Section 8. Except as otherwise required by law or the Certificate of Incorporation, the presence in person or by proxy of holders of one-third of the shares entitled to vote at a meeting of stockholders shall be necessary, and shall constitute a

quorum, for the transaction of business at such meeting. If a quorum is not present or represented by proxy at any meeting of stockholders, then the holders of a majority of the shares entitled to vote at the meeting who are present in person or represented by proxy may adjourn the meeting from time to time until a quorum is present. An adjourned meeting may be held later without notice other than announcement at the meeting, except that if the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given in the manner set forth in Article VI to each stockholder of record entitled to vote at the adjourned meeting.

Section 9. At any meeting of stockholders, each stockholder having the right to vote shall be entitled to vote in person or by proxy. Except as otherwise provided by law or in the Certificate of Incorporation or Bylaws, each stockholder shall be entitled to one vote for each share of stock entitled to vote standing in his name on the books of the Corporation. All elections of directors shall be determined by plurality votes. Except as otherwise provided by law or in the Certificate of Incorporation or Bylaws, any other matter shall be determined by the vote of a majority of the shares that are voted with regard to it at a meeting where a valid quorum is present.

ARTICLE III

BOARD OF DIRECTORS

Section 1. The Board of Directors shall manage the business of the Corporation, except as otherwise provided by law, the Certificate of Incorporation (including, without limitation, by reference to Sections 201(x), 202, 311, 500(B) and 501 of the Bylaws of New York Mercantile Exchange, Inc., a Delaware nonstock corporation (the "Exchange")) or Bylaws. Except as otherwise provided in the Certificate of Incorporation (including, without limitation, by reference to Sections 201(x), 202, 311, 500(B) and 501 of the Bylaws of the Exchange), the Board of Directors is vested with all powers necessary and proper for the government of the Exchange, the regulation and conduct of members and member firms and for the promotion of the welfare, objects and purposes of the Exchange. Except as otherwise provided in the Certificate of Incorporation (including, without limitation, by reference to Sections 201(x), 202, 311, 500(B) and 501 of the Bylaws of the Exchange), the Board of Directors shall have control over and management of, the property, business and finances of the Exchange. Except as otherwise provided in the Certificate of Incorporation (including, without limitation, by reference to Sections 201(x), 202, 311, 500(B) and 501 of the Bylaws of the Exchange), the Board of Directors may also adopt, rescind or interpret the Rules of the Exchange and impose such fees, charges, dues and assessments, all as it deems necessary and appropriate. Without limiting the generality of the foregoing, and except as otherwise provided in the Certificate of Incorporation (including, without limitation, by reference to Sections 201(x), 202, 311, 500(B) and 501 of the Bylaws of the Exchange), the Board of Directors shall have the following powers: (1) the Board of Directors may make such expenditures as it deems necessary for the best interests of the Exchange; (2) the Board of Directors may fix, from time to time, the fees or other compensation to members of the Board of Directors and to members of any committee for services rendered in performing

these duties as such. The compensation for Public Directors (as defined in the Certificate of Incorporation) may differ from the compensation for other Directors; (3) the Board of Directors shall have the power to take such action as may be necessary to effectuate any final order or decision of the Commodity Futures Trading Commission taken under authority of the Commodity Exchange Act and necessary to comply in all respects with any requirements applicable to the Corporation under the Commodity Exchange Act; and (4) the Board of Directors shall have the power to adopt arbitration rules for the settlement of claims, grievances, disputes and controversies. The Board of Directors may designate by resolution, from time to time, such committees as it may deem necessary or appropriate, and delegate to such committees the authority of the Board of Directors to the extent provided in these Bylaws or in such resolution, subject to any applicable provision of law.

Section 2. Except as otherwise required by applicable law, any or all of the directors, may be removed for cause by vote of the holders of a majority of the outstanding shares of each class of voting stock of the Corporation voting as a single class. Further, (x) a resignation from the Board of Directors shall be deemed to be a simultaneous resignation from the board of directors of the Exchange and (y) a resignation from the board of directors of the Exchange shall be deemed to be a simultaneous resignation from the Board of Directors. In addition to those powers identified in Article III, Section 1(3) of these Bylaws, the Board of Directors shall have the power to take such action as may be necessary to enforce the provisions of Article SIXTH, Section (e) of the Certificate of Incorporation.

Section 3. Vacancies occurring in the Board of Directors may be filled by vote of a majority of the directors then in office, even if less than a quorum exists. A director appointed to fill a vacancy prior to the Next Annual Meeting (as defined in the Certificate of Incorporation) shall serve until the Next Annual Meeting and until his successor is elected and qualified. A director appointed to fill a vacancy after the Next Annual Meeting shall serve until the next annual meeting of stockholders, in accordance with Article SIXTH of the Certificate of Incorporation, and until his successor is elected and qualified; provided that at the next annual meeting of stockholders, the successor to such director shall be elected for a term equal to (a) the remaining term of the class of directors to which such director was appointed or (b) if there is no such remaining term, two-years.

Section 4. The books of the Corporation, except such as are required by law to be kept within the State of Delaware, may be kept at such place or places within or outside of the State of Delaware as the Board of Directors may from time to time determine.

Section 5. The Board of Directors, by the affirmative vote of a majority of the directors then in office, and irrespective of any personal interest of any of its members, may establish reasonable compensation of any or all directors for services to the Corporation as directors or officers or otherwise.

ARTICLE IV

MEETINGS OF THE BOARD OF DIRECTORS

Section 1. The first meeting of each newly-elected Board of Directors shall be held immediately following the annual meeting of stockholders. If the meeting is held at the place of the meeting of stockholders, then no notice of the meeting need be given to the newly-elected directors. If the first meeting is not held at that time and place, then it shall be held at a time and place specified in a notice given in the manner provided for notice of special meetings of the Board of Directors as set forth in Article VI.

Section 2. Regular meetings of the Board of Directors may be held upon such notice, or without notice, at such times and at such places within or outside of the State of Delaware as shall from time to time be determined by the Board of Directors.

Section 3. Special meetings of the Board of Directors may be called by the Chairman of the Board of Directors, or in his absence, the Vice Chairman, or the President, provided that the President is a director, on at least one hour's notice to each director and shall be called by the Chairman on like notice at the written request of any five directors.

Section 4. Whenever notice of a meeting of the Board of Directors is required, the notice shall be given in the manner set forth in Article VI of these Bylaws and shall state the place, date and hour of the meeting. Except as provided by law, the Certificate of Incorporation or other provisions of these Bylaws, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of the meeting.

Section 5. Except as otherwise required by law or the Certificate of Incorporation or other provisions of these Bylaws, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business, and the vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. If a quorum is not present at any meeting of directors, then a majority of the directors present at the meeting may adjourn the meeting from time to time, without notice of the adjourned meeting other than announcement at the meeting. One or more directors may participate in a meeting of the Board of Directors by means of conference telephone or similar communication device. To the extent permitted by law, a director participating in a meeting by conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other will be deemed present in person at the meeting and all acts taken by him during his participation shall be deemed taken at the meeting.

Section 6. Any action of the Board of Directors may be taken without a meeting if written consent to the action signed by all members of the Board of Directors is filed with the minutes of the Board of Directors.

Section 7. The Board of Directors shall have the authority to make rules governing its own conduct and proceedings. In the absence of such rules, all meetings of the Board of Directors shall be conducted in accordance with the then current edition of *Robert's Rules of Order*.

ARTICLE V

COMMITTEES

Section 1. The Board of Directors may designate from among its members an Executive Committee and other committees, each consisting of three or more directors, and may also designate one or more of its members to serve as alternates on these committees. To the extent permitted by law and applicable listing requirements, the Chairman of the Board of Directors shall be an *ex-officio* member of all committees other than the audit committee. To the extent permitted by law and applicable listing requirements, the Executive Committee shall have all the authority of the Board of Directors, except as the Board of Directors otherwise provides, and the other committees shall have such authority as the Board of Directors grants them. The Board of Directors shall have power at any time to change the membership of any committees, to fill vacancies in their membership and to discharge any committees. All resolutions establishing or discharging committees, designating or changing members of committees or granting or limiting authority of committees, may be adopted only by the affirmative vote of a majority of the entire Board of Directors.

Section 2. Each committee shall keep regular minutes of its proceedings and report to the Board of Directors as and when the Board of Directors shall require. Except as otherwise provided herein, in an applicable committee charter or by the Board of Directors, or as otherwise required by law or applicable listing standards, a majority of the members of any committee may determine its actions and the procedures to be followed at its meetings (which may include a procedure for participating in meetings by conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other), and may fix the time and place of its meetings.

Section 3. Any action of a committee may be taken without a meeting if written consent to the action signed by all the members of the committee is filed with the minutes of the committee.

ARTICLE VI

NOTICES

Section 1. Any notice to a stockholder shall be given personally or by mail. If mailed, then a notice will be deemed given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of stockholders.

Section 2. Any notice to a director may be given personally, by telephone or by mail, facsimile transmission, telex, telegraph, cable or similar instrumentality. A notice will be deemed given when actually given in person or by telephone; when transmitted by a legible transmission, if given by facsimile transmission; when transmitted, answerback received, if given by telex; on the day when delivered to a cable or similar communications company; one business day after delivery to an overnight courier service; or on the third business day after the day when deposited with the United States mail, postage prepaid, directed to the director at his business address, facsimile number or telex number or at such other address, facsimile number or telex number as the director may have designated to the Secretary in writing as the address or number to which notices should be sent.

Section 3. Any person may waive notice of any meeting by signing a written waiver, whether before or after the meeting. In addition, attendance at a meeting will be deemed a waiver of notice unless the person attends for the purpose, expressed to the meeting at its commencement, of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE VII

OFFICERS

Section 1. The officers of the Corporation shall be a President, a Secretary and a Treasurer. The officers of the Corporation may also include, at the discretion of the Board of Directors, one or more Vice Presidents (one or more of whom may be designated an Executive Vice President or a Senior Vice President), one or more Assistant Secretaries or Assistant Treasurers, and such other officers as it may from time to time deem advisable. Any two or more offices may be held by the same person. In addition, subject to Article SIXTH, Section (b) of the Certificate of Incorporation, the stockholders shall designate one director as Chairman of the Board of Directors and one director as Vice Chairman of the Board of Directors. No officer (except the Chairman of the Board of Directors, the Vice Chairman and the Treasurer, to the extent described in Article SIXTH, Sections (b) and (e) of the Certificate of Incorporation) need be a director or stockholder of the Corporation; provided that the officers of the Corporation (other than the Chairman, the Vice Chairman and the Treasurer) shall not be members of the Exchange.

Section 2. Each officer (except the Chairman of the Board of Directors and the Vice Chairman to the extent described in Article SIXTH, Section (b) of the Certificate of Incorporation and this Section 2 of Article VII of these Bylaws) shall be elected by the Board of Directors and shall hold office for such term, if any, as the Board of Directors shall determine. Any officer (except the Chairman of the Board of Directors and the Vice Chairman to the extent described in Article SIXTH, Section (b) of the Certificate of Incorporation and this Section 2 of Article VII of these Bylaws) may be removed at any time, either with or without cause, by the vote of a majority of the entire Board of Directors.

Section 3. Any officer may resign at any time by giving written notice to the Board of Directors or to the President. Such resignation shall take effect at the time specified in the notice or, if no time is specified, at the time of receipt of the notice, and the acceptance of such resignation shall not be necessary to make it effective.

Section 4. The compensation of officers shall be fixed by the Board of Directors or in such manner as it may provide.

Section 5. The Chairman of the Board of Directors shall preside at all meetings of the stockholders and of the Board of Directors and shall have such other duties as from time to time may be assigned to him by the Board of Directors. The Chairman of the Board of Directors shall have such authority and perform such duties as are incident to his office. The Vice Chairman shall preside over any meetings of the stockholders of the Board of Directors at which the Chairman is not present.

Section 6. The President shall be the Chief Executive Officer of the Corporation and shall have general charge of the management of the business and affairs of the Corporation. In the event of a vacancy in the office of the President and, accordingly, a vacancy in the Board of Directors in accordance with Article SIXTH, Section (e) of the Certificate of Incorporation, election by the Board of Directors of a successor President pursuant to Section 2 of this Article VII shall constitute simultaneous appointment of the successor President to the Board of Directors of the Corporation and the board of directors of the Exchange in accordance with Article III, Section 3 of these Bylaws and Article SIXTH, Section (d)(ii)(6) of the Certificate of Incorporation.

Section 7. The officers of the Corporation shall have such powers and perform such duties in the management of the property and affairs of the Corporation, subject to the control of the Board of Directors and the President, as customarily pertain to their respective offices, as well as such powers and duties as from time to time may be prescribed by the Board of Directors.

Section 8. The Corporation may secure the fidelity of any or all of its officers or agents by bond or otherwise. In addition, the Board of Directors may require any officer, agent or employee to give security for the faithful performance of his duties.

ARTICLE VIII

CERTIFICATES FOR SHARES

Section 1. The shares of stock of the Corporation shall be represented by certificates, in such form as the Board of Directors may from time to time prescribe, signed by such officers as required by General Corporation Law of the State of Delaware (the “DGCL”) and bearing any legends as may be prescribed by the Certificate of Incorporation.

Section 2. Any or all signatures upon a certificate may be a facsimile. Even if an officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall cease to be that officer, transfer agent or registrar

before the certificate is issued, that certificate may be issued by the Corporation with the same effect as if he or it were that officer, transfer agent or registrar at the date of issue.

Section 3. The Board of Directors may direct that a new certificate be issued in place of any certificate issued by the Corporation that is alleged to have been lost, stolen or destroyed. When doing so, the Board of Directors may prescribe such terms and conditions precedent to the issuance of the new certificate as it deems expedient, and may require a bond sufficient to indemnify the Corporation against any claim that may be made against it with regard to the allegedly lost, stolen or destroyed certificate or the issuance of the new certificate.

Section 4. The Corporation or a transfer agent of the Corporation, upon surrender to it of a certificate representing shares, duly endorsed and accompanied by proper evidence of lawful succession, assignment or authority of transfer, shall issue a new certificate to the person entitled thereto, and shall cancel the old certificate and record the transaction upon the books of the Corporation.

Section 5. The Board of Directors may fix a date as the record date for determination of the stockholders entitled (i) to notice of, or to vote at, any meeting of stockholders, (ii) to express consent to, or dissent from, corporate action in writing without a meeting, or (iii) to receive payment of any dividend or other distribution or allotment of any rights or to take or be the subject of any other action. The record date must be on or after the date on which the Board of Directors adopts the resolution fixing the record date and in the case of (i), above, must be not less than 10 nor more than 60 days before the date of the meeting, in the case of (ii), above, must be not more than 10 days after the date on which the Board of Directors fixes the record date, and in the case of (iii), above, must be not more than 60 days prior to the proposed action. If no record date is fixed, then the record date will be as provided by law. A determination of stockholders entitled to notice of, or to vote at, any meeting of stockholders that has been made as provided in this Section will apply to any adjournment of the meeting, unless the Board of Directors fixes a new record date for the adjourned meeting.

Section 6. The Corporation shall for all purposes be entitled to treat a person registered on its books as the owner of shares, as the owner of those shares, with the exclusive right, among other things, to receive dividends and to vote with regard to those shares, and the Corporation shall be entitled to hold a person registered on its books as the owner of shares liable for calls and assessments, if any may legally be made, and shall not be bound to recognize any equitable or other claim to, or interest in, shares of its stock on the part of any other person, whether or not the Corporation shall have express or other notice of the claim or interest of the other person, except as otherwise provided by the laws of Delaware.

ARTICLE IX

INDEMNIFICATION

Section 1. *Power to Indemnify in Actions, Suits or Proceedings other than Those by or in the Right of the Corporation.* Subject to Section 3 of this Article IX, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (including, without limitation, the Exchange), against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

Section 2. *Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Corporation.* Subject to Section 3 of this Article IX, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (including, without limitation, the Exchange), against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 3. *Authorization of Indemnification.* Any indemnification under this Article IX (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the present or former director or officer is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article IX, as the case may be. Such determination shall be made, with respect to a person who is a director or officer at the time of such determination, (i) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (ii) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion or (iv) by the stockholders. Such determination shall be made, with respect to former directors and officers, by any person or persons having the authority to act on the matter on behalf of the Corporation. To the extent, however, that a present or former director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, without the necessity of authorization in the specific case.

Section 4. *Good Faith Defined.* For purposes of any determination under Section 3 of this Article IX, a person shall be deemed to have acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe such person's conduct was unlawful, if such person's action is based on the records or books of account of the Corporation or another enterprise, or on information supplied to such person by the officers of the Corporation or another enterprise in the course of their duties, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or another enterprise. The provisions of this Section 4 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article IX, as the case may be.

Section 5. *Indemnification by a Court.* Notwithstanding any contrary determination in the specific case under Section 3 of this Article IX, and notwithstanding the absence of any determination thereunder, any director or officer may apply to the Court of Chancery of the State of Delaware or any other court of competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under Section 1 or Section 2 of this Article IX. The basis of such indemnification by a court shall be a determination by such court that indemnification of the director or officer is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article IX, as the case may be. Neither a contrary determination in the specific case under Section 3 of this Article IX nor the absence of any determination thereunder shall be a defense to such application or create a

presumption that the director or officer seeking indemnification has not met any applicable standard of conduct. Notice of any application for indemnification pursuant to this Section 5 shall be given to the Corporation promptly upon the filing of such application. If successful, in whole or in part, the director or officer seeking indemnification shall also be entitled to be paid the expense of prosecuting such application.

Section 6. *Expenses Payable in Advance.* Expenses (including attorneys' fees) incurred by a director or officer in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized in this Article IX. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the Corporation deems appropriate.

Section 7. *Nonexclusivity of Indemnification and Advancement of Expenses.* The indemnification and advancement of expenses provided by, or granted pursuant to, this Article IX shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Certificate of Incorporation, these Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that indemnification of the persons specified in Section 1 and Section 2 of this Article IX shall be made to the fullest extent permitted by law. The provisions of this Article IX shall not be deemed to preclude the indemnification of any person who is not specified in Section 1 or Section 2 of this Article IX but whom the Corporation has the power or obligation to indemnify under the provisions of the DGCL, or otherwise.

Section 8. *Insurance.* The Corporation may purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Article IX.

Section 9. *Certain Definitions.* For purposes of this Article IX, references to the "Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors or officers, so that any person who is or was a director or officer of such constituent corporation, or is or was a director or officer of such constituent corporation serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture,

trust or other enterprise, shall stand in the same position under the provisions of this Article IX with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. The term "another enterprise" as used in this Article IX shall mean any other corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise of which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. For purposes of this Article IX, references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director or officer with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article IX.

Section 10. *Survival of Indemnification and Advancement of Expenses.* The indemnification and advancement of expenses provided by, or granted pursuant to, this Article IX shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 11. *Limitation on Indemnification.* Notwithstanding anything contained in this Article IX to the contrary, except for proceedings to enforce rights to indemnification (which shall be governed by Section 5 of this Article IX), the Corporation shall not be obligated to indemnify any director or officer (or his or her heirs, executors or personal or legal representatives) or advance expenses in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors of the Corporation.

Section 12. *Indemnification of Employees and Agents.* The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to employees and agents of the Corporation similar to those conferred in this Article IX to directors and officers of the Corporation.

ARTICLE X

GENERAL PROVISIONS

Section 1. The corporate seal shall have inscribed on it the name of the Corporation, the year of its creation, the words "CORPORATE SEAL DELAWARE," and such other appropriate legend as the Board of Directors may from time to time determine. Unless prohibited by the Board of Directors, a facsimile of the corporate seal may be affixed or reproduced in lieu of the corporate seal itself.

Section 2. The fiscal year of the Corporation shall be determined by resolution of the Board of Directors.

ARTICLE XI

AMENDMENTS

Section 1. *Amendment of Bylaws*. Any Bylaw may be amended or deleted or a new Bylaw may be adopted by either (x) the affirmative vote of 80% of the entire Board of Directors then in office or (y) the affirmative vote of a majority of outstanding shares entitled to vote in connection with the election of directors. Notice of the proposed Bylaw, amendment or deletion must be given in accordance with Article VI and shall specifically set forth the entire Bylaw, amendment, or deletion proposed. Further, any amendment to Article III, Section 1, this sentence of Article XI, Section 1, or the second sentence of Article XII, Section 1 shall also require the concurrence of the Exchange members voting in accordance with the Exchange's Bylaws.

ARTICLE XII

MISCELLANEOUS

Section 1. *Investor Rights Agreement.* Notwithstanding anything to the contrary set forth in these Bylaws, solely with respect to those items specifically provided for in that certain Investor Rights Agreement (the "IRA") by and between the Corporation and the General Atlantic Parties (as defined in the Certificate of Incorporation), as the same may be amended from time to time, the terms of these Bylaws are subject to the terms of the IRA. Further, any amendment to the IRA which adversely affects any rights of the Exchange members pursuant to Sections 201(x), 202, 311, 500(B) and 501 of the Exchange's Bylaws, shall also require the concurrence of the Exchange members voting in accordance with the Exchange's Bylaws.

* * *

Adopted as of: [_____], 2006

Exhibit 10.10.4

February 17, 2006

Mr. Jerome Bailey
C/O Russell Reynolds Associates
Stephen Scroggins
200 Park Avenue
Suite 2300
New York, NY 10166
Tel: 212-351-2000
Fax: 212-345-9463

Dear Jerry:

It is a pleasure to offer you the position of Chief Operating Officer and Chief Financial Officer for the New York Mercantile Exchange, Inc. ("NYMEX") at an annual salary rate of $500,000 which shall be paid in accordance with NYMEX's regular payroll practice. The following departments will report to this position: Finance, Clearing, Research, Marketing, and Market Data (responsibility of which will be shared jointly with the Chief Information Officer). This offer is contingent upon our receipt of satisfactory references, a background check, and Board of Directors review and approval.

In this capacity you will be eligible for the following additional compensation and benefits:

Bonus: For calendar year 2006, you will be entitled to receive a minimum discretionary bonus of $500,000, contingent upon your continued employment at the time of the NYMEX annual bonus distribution for Senior Staff. Any such bonus shall be deemed earned, and is payable, at the time of said distribution.

Grant of Option: (a) If and when NYMEX completes an initial public offering or private placement of its equity securities, effective not later than the closing of the initial public offering or private placement, you will be granted an option (the "Option"), subject to such terms and conditions (including without limitation provisions relating to method of exercise and payment, vesting, withholding, limited periods after termination of employment within which the Option may be exercised, nontransferability and rights of repurchase and first refusal) as may be determined by the Board of Directors (or comparable governing body) of the entity granting the Option, which shall be comparable to the provisions of options granted to other NYMEX officers and executives of comparable position.

(b) You acknowledge that an initial public offering (or private placement) might not be completed, and NYMEX has not promised that either will in fact occur and reserves the right to change its plans in this regard at any time provided, however, that if such initial public offering (or private placement) of equity securities does not occur within one year of the commencement of your employment and you terminate your employment with NYMEX you will be entitled to a one-time payment of $500,000 in lieu of the Option.

Group Insurance: Providing coverage for medical (hospitalization, surgical and major medical), dental, life and long term disability; eligibility begins on the first day of the next calendar month following the completion of 60 days of employment.

Vacation: Four (4) weeks.

Personal Days: Two personal days per year.

Sick Days: Ten sick days per year after one year of service. During the first year, six days after three months of employment. This is supplemented by short and long term disability policies.

More extensive details regarding these benefits and others provided by the New York Mercantile Exchange will be explained during your orientation; documentation will also be provided. Please note that all conditions of employment are subject to change at the discretion of the Exchange.

Nothing in this letter creates any obligation for the NYMEX to employ you for any specific period of time. Rather, you will be employed on an at-will basis, which means that either you or the NYMEX may terminate your employment at any time for any reason and with or without notice. It is, however, NYMEX's intention to enter into an employment agreement with you.

Your starting date is March 1, 2006.

Part of your personnel processing will be the completion of Form I-9 and the presentation of documents, which verify your employment eligibility, in accordance with the Immigration Reform and Control Act of 1986. All newly hired employees, regardless of national origin, must follow the procedures required by the Act. You must present these documents, as listed on the attached sheet, and complete an I-9 form on your date of employment.

If you have any questions regarding this offer, please call me in the Human Resources department at (212) 299-2203.

Welcome to the New York Mercantile Exchange.

Sincerely,

/s/ Barry Loyal

Barry Loyal
Vice President, Human Resources

cc: Personnel File

Accepted:

/s/ Jerome Bailey — February 17, 2006

Signature — **Date**

Exhibit 10.13

AGREEMENT AND PLAN OF MERGER

By and Among

NEW YORK MERCANTILE EXCHANGE,
COMEX ACQUISITION CORP.

and

COMMODITY EXCHANGE, INC.

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AGREEMENT AND PLAN OF MERGER

This **AGREEMENT AND PLAN OF MERGER** (the "Agreement") is made this 28th day of January, 1994 by and among NEW YORK MERCANTILE EXCHANGE, a corporation organized under the New York Not-For-Profit Corporation Law (the "Buyer"), COMEX ACQUISITION CORP., a corporation organized under the New York Not-For-Profit Corporation Law ("NewCo"), and COMMODITY EXCHANGE, INC., a corporation organized under the New York Not-For-Profit Corporation Law (the "Company").

WHEREAS, the Buyer and the Company are commodities/futures exchanges through which their respective members trade a variety of contracts; and

WHEREAS, in accordance with and subject to the provisions of the New York Not-For-Profit Corporation Law, the record owners of regular memberships in the Company ("Regular Memberships") (i.e., all record owners of memberships in the Company and not including licensees or any persons in the categories known as "Option Memberships" and "Aluminum Memberships") own (i) trading privileges (the "COMEX Trading Privileges") and (ii) equity interests in the Company (the "COMEX Equity Interests"), which are more specifically defined below but which generally consist of rights to participate in the corporate governance of the Company by electing directors and voting on certain other matters and rights to participate in dividends or distributions paid or made by the Company on liquidation or otherwise; and

WHEREAS, the Buyer desires to purchase all of the COMEX Equity Interests from the record owners of the Company's Regular Memberships and to leave the COMEX Trading Privileges outstanding (and exercisable through a new division of the Buyer (the "COMEX Division"), which will operate after the merger contemplated hereby through the Initial Surviving Corporation (as defined below) or in the future may operate as a division of the Buyer), on the terms and subject to the conditions set forth below; and

WHEREAS, the Company believes that it is desirable and in the best interests of the Company to effect a merger of NewCo into the Company so that the Company will become a wholly owned subsidiary of the Buyer, and the entity surviving the merger subsequently may merge with and into the Buyer (subject to the terms and conditions set forth in this Agreement);

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties and agreements contained herein and other good and valuable consideration, the parties to this Agreement agree as follows:

ARTICLE I

THE MERGER

1.1 The Merger. Subject to the terms and conditions of this Agreement, at the Effective Time (as defined below) NewCo shall be merged with and into the Company in accordance with the provisions of the Not-For-Profit Corporation Law of the State of New York (the "NPCL"). The separate corporate existence of NewCo shall cease and the Company shall be the surviving corporation (the "Initial Surviving Corporation"). The merger provided for in this Section 1.1 is referred to in this Agreement as the "Merger".

1.2 Effective Time. The Merger shall become effective at the date and time of filing with the Secretary of State of the State of New York of a certificate of merger, all in accordance with the provisions of § 905 of the NPCL (the time the Merger becomes effective being the "Effective Time"). The certificate of merger shall be substantially in the form attached as Schedule 1.2 and shall be filed at the time of the Closing (as defined below).

1.3 Effects of the Merger. The Merger shall have the effects set forth in § 905 of the NPCL. Without limiting the foregoing, at the Effective Time, the Initial Surviving Corporation shall succeed to all the rights, privileges, powers, franchises, properties and assets of the Company and NewCo and to all the debts, choses in action and other interests due or belonging to the Company and NewCo, and be subject to, and responsible for, all the debts, liabilities and duties of the Company and NewCo with the effect set forth in the NPCL.

1.4 Name. The name of the Initial Surviving Corporation immediately after the Effective Time shall be "Commodity Exchange, Inc."

1.5 Officers and Directors; COMEX Governors Committee. The officers and directors of the Initial Surviving Corporation immediately after the Effective Time shall be as designated by the Buyer in writing at or prior to the Effective Time. Until the Initial Special Election (as defined in the New COMEX By-Laws), the COMEX Governors Committee (as defined in the New COMEX By-Laws) shall consist of the members of the Board of Governors of the Company who held office immediately prior to the Effective Time.

1.6 Certificate of Incorporation. The Certificate of Incorporation of the Initial Surviving Corporation immediately after the Effective Time shall be as set forth in Schedule 1.6, until subsequently amended as provided by law.

1.7 By-Laws and Rules.

1.7.1 The By-Laws (the "New COMEX By-Laws") of the Initial Surviving Corporation immediately after the Effective Time shall be as set forth in Schedule 1.7.1, until subsequently amended in accordance with their terms.

1.7.2 The Rules (the "New COMEX Rules") that will apply to the Initial Surviving Corporation immediately after the Effective Time shall be as set forth in Schedule 1.7.2, until subsequently amended in accordance with the terms of this Agreement, the New COMEX By-Laws and the New COMEX Rules.

1.7.3 Notwithstanding the foregoing, if so determined by the Board of Directors of the Buyer, the New COMEX By-Laws and the New COMEX Rules that will apply to the Initial Surviving Corporation immediately after the Effective Time may contain changes from those set forth in Schedules 1.7.1 and 1.7.2, but only to the extent the changes (i) would be permitted to be made under the terms of the documents contained in Schedules 1.7.1 and 1.7.2 without the consent or approval of the COMEX Governors Committee (as defined in the New COMEX By-Laws) or the owners of COMEX Division regular memberships (as defined below) and without any right on the part of either of them to veto the changes or (ii) are made in response to requirements imposed by, or comments received from, the Commodity Futures Trading Commission ("CFTC") or its staff or any other governmental authority with lawful jurisdiction, provided no change described in this clause (ii) shall be made if either the Board of Directors of the Buyer or the Board of Governors of the Company shall have determined in good faith that the changes are reasonably likely to have a material adverse effect on the rights of the persons who after the Effective Time will be COMEX Division regular members of the Buyer. If, prior to the Closing, the Buyer is notified by the CFTC or its staff or any other governmental authority with lawful jurisdiction of any changes that are required to be made with respect to, or any requirements imposed on, the operations of the Company, the Buyer shall give the Board of Governors of the Company prompt written notice of any such change or requirement and shall allow the Company a reasonable opportunity to respond to and participate in any related discussions with the CFTC or its staff or any other governmental authority with lawful jurisdiction.

1.8 Conversion of Memberships; Consideration.

1.8.1 The Regular Memberships in the Company outstanding immediately prior to the Effective Time shall be deemed to consist of two components: (a) the COMEX Trading Privileges, which constitute the exclusive rights and privileges of record owners of Regular Memberships to trade futures, futures option contracts and similar instruments as provided in the By-Laws and Rules of the Company; and (b) the COMEX Equity Interests, which are all other rights and privileges which immediately prior to the Effective Time are appurtenant to a Regular Membership in the Company, including, without limitation, all rights to (i) vote and participate in corporate governance (except only for the limited voting rights which are appurtenant to the COMEX Trading Privileges as provided in the New COMEX By-Laws referred to below) and (ii) receive or participate in dividends or distributions paid or made on liquidation or otherwise, as well as any and all other rights whatsoever with respect to the Company which are not included in the COMEX Trading Privileges. Rights under the Recognition and Retention Plan for Members of Commodity Exchange, Inc. (the "COMEX MRRP") are not included in COMEX Trading Privileges or in COMEX Equity Interests.

1.8.2 At the Effective Time:

(a) The COMEX Equity Interests shall cease to exist and shall be converted into the right to receive from the Buyer, after the Merger and on the terms and in the manner described below, consideration (the "Merger Consideration") consisting of (i) the Initial Cash Payment (as defined below) and (ii) the Deferred Cash Payments (as defined below).

(b) The COMEX Trading Privileges shall be and become, automatically upon the Merger, solely the rights and privileges to trade futures, futures option contracts and similar instruments on the exchange established by the Initial Surviving Corporation and the Buyer in accordance with and specifically as set forth in the provisions of the New COMEX By-Laws and the New COMEX Rules. Owners of COMEX Trading Privileges after the Effective Time shall be known as "owners of Memberships in the COMEX Division," "Members of the COMEX Division of the Buyer" or "COMEX Division Members." The Members of the COMEX Division of the Buyer will have the right to receive an amount equal to $10 million (to be distributed among the record owners of Memberships in the COMEX Division pro rata, based on the number of regular memberships owned of record by each of them, including regular memberships owned by the Buyer but excluding from the number of regular memberships held by the Buyer the number of regular memberships held by the Company in treasury at the Effective Time, on the effective date of the registration statement referred to below) upon the receipt by the Buyer of the net proceeds of a NYMEX IPO (as hereinafter defined). "NYMEX IPO" means a public offering for cash of equity securities pursuant to a registration statement filed under the Securities Act of 1933 by the Buyer, any holding company which holds a controlling interest in the Buyer, or any other entity which owns or operates all or substantially all of the business or assets which are owned by the Buyer immediately following the Effective Time.

(c) The Board of Directors and the officers of the Initial Surviving Corporation and the Board of Directors and the officers of New York Mercantile Exchange shall operate as fiduciaries with respect to the COMEX Division Members. In the case of a merger, reorganization, consolidation, recapitalization, restructuring, spin-off, financing or other extraordinary transaction involving either or both of the Initial Surviving Corporation, the NYMEX Member (as defined in the New COMEX By-Laws) or any successor of either of them, the Board of Directors and the officers of the Initial Surviving Corporation, the Board of Directors and the officers of New York Mercantile Exchange or the board of directors and the officers of any successor of either of them, as the case may be, shall operate as fiduciaries with respect to the COMEX Division Members. Notwithstanding anything in this Agreement to the contrary, the fiduciary duties set forth in this clause (c) shall not (i) require an extension of any of the time periods specified in Section 157(A) of the New COMEX By-Laws, (ii) prohibit any transaction involving the Buyer or the Initial Surviving Corporation which does not alter or diminish the contractual rights of the COMEX Division Members under the New COMEX By-Laws, the New COMEX Rules, this Agreement, the Notes or the Note Agency Agreement or (iii) prohibit the liquidation, dissolution or winding up of the Initial Surviving Corporation in the event that the aggregate amounts of Losses (as defined in Section 8.6.1) exceed the total Merger Consideration paid by the Buyer.

(d) The COMEX Option Memberships shall be the contractual rights set forth in Sections 2.61 through 2.67 of the New COMEX Rules.

(e) The COMEX Aluminum Memberships shall be the contractual rights set forth in Sections 2.80 through 2.88 of the New COMEX Rules.

1.8.3 (a) The Initial Cash Payment is an aggregate amount payable on a pro rata basis (based on the number of memberships owned of record), as described in Section 1.8.8, to the COMEX Regular Members (as defined in Section 1.8.8) equal to $30,000,000 plus (or minus) the amount by which the Adjusted Liquid Net Worth of the Company at the Effective Time is greater (or less) than $15,000,000. In this Agreement, "Adjusted Liquid Net Worth" means the amount by which the Company's cash, cash equivalents and receivables exceed the sum of its liabilities plus all reserves. The Adjusted Liquid Net Worth shall be computed in a manner consistent with the financial statements described in Section 3.11, and in accordance with the provisions set forth in Schedule 1.8.3.

(b) If so directed by the Company by written notice received by the Buyer no later than five New York Mercantile Exchange trading days prior to the Closing, at the Effective Time the Buyer shall deposit a portion of the Initial Cash Payment equal to $500,000 (the "Special COMEX Reserve") in a segregated account established with the Paying Agent. Amounts deposited pursuant to this Section 1.8.3(b) shall be the property of the Members of the COMEX Division of the Buyer as they may be from time to time. Such amount shall be disbursed at the written direction of the COMEX Governors Committee and shall be used solely to pay for the costs and expenses associated with enforcing the rights of members of the COMEX Division of the Buyer specified herein and enforceable in accordance with the terms of this Agreement. Except as provided in this Section 1.8.3(b), Section 1.8.7(f), Section 8.4, Section 8.7.4 and Section 9.4(b), nothing in this Agreement shall impose on the Buyer any obligation to make any deposits with respect to, or pay for any costs and expenses associated with, enforcement of the rights of members of the COMEX Division of the Buyer under this Agreement. Notwithstanding the foregoing, the Special COMEX Reserve may be disbursed at the written direction of the Chairman or Vice Chairman of the COMEX Governors Committee in accordance with a vote of a majority of the votes cast by Members of the COMEX Division of the Buyer who are present at a regular or special-meeting of the Members of the COMEX Division of the Buyer duly called in accordance with the New COMEX By-Laws (or any successor provisions). The Buyer shall have no obligation, responsibility or duty with respect to the disposition of funds deposited with the Paying Agent in accordance with this Section 1.8.3(b).

1.8.4 The Buyer shall cause Deloitte & Touche to prepare a certified, written statement (the "Estimate") following the procedures set forth on Schedule 1.8.3 and setting forth an estimate of the Adjusted Liquid Net Worth and the Initial Cash Payment, and specifying in reasonable detail the basis for those calculations. The Buyer shall cause the Estimate to be delivered to the Company not less than two full New York Mercantile Exchange trading days prior to the Closing. The amount of the Initial Cash Payment contained in the Estimate is referred to in this Agreement as the "Estimated Payment". Immediately after the Effective Time, the Buyer shall cause funds in the amount of the Estimated Payment (less the amount of the Special COMEX Reserve, if any) to be deposited with The Bank of New York, as Paying Agent (the "Paying Agent"), for distribution as provided below. The obligations of the Paying Agent shall be set forth in an agreement (the "Paying Agency Agreement") substantially in the form set forth on Schedule 1.8.4.

1.8.5 No later than 30 days prior to the first anniversary of the Effective Time, the Buyer will cause to be prepared and deliver to the COMEX Governors Committee a final calculation of the Adjusted Liquid Net Worth in accordance with the procedures set forth on Schedule 1.8.5 and certified to by the Buyer's outside independent public accountants. Coopers & Lybrand may be retained by the COMEX Governors Committee to prepare an audited verification of the Adjusted Liquid Net Worth as determined by the Buyer in accordance with Schedule 1.8.5 and the Initial Cash Payment. Deloitte & Touche shall be retained immediately following the Closing by the Buyer to assist in the procedures specified in Schedule 1.8.5. The Buyer and the COMEX Governors Committee shall take all reasonably required actions to allow any audit and other accountants' investigations provided for in this Section 1.8.5 to proceed as contemplated by this Agreement. The verification prepared by Coopers & Lybrand, if any, shall be delivered to the Buyer and the COMEX Governors Committee not later than 10 days after the Buyer prepares and delivers to the COMEX Governors Committee the final calculation of the Adjusted Liquid Net Worth (the "Audit Delivery Date"). If the COMEX Governors Committee does not retain Coopers & Lybrand to prepare the audited verification referred to above, or if Coopers & Lybrand

fails to so deliver an audited verification of the final calculation of the Adjusted Liquid Net Worth by the Audit Delivery Date, the amount of the Adjusted Liquid Net Worth calculated by the Buyer shall be conclusive and binding. If audited calculations delivered by Coopers & Lybrand are delivered in a timely manner and they differ by less than 10% of the lower calculation of Adjusted Liquid Net Worth, the Adjusted Liquid Net Worth shall be the mean between the two calculations. If the amount in dispute is equal to or greater than 10% of the lower calculation of Adjusted Liquid Net Worth, then unless within ten days after delivery of the audited calculation by Coopers & Lybrand the Buyer and the COMEX Governors Committee mutually agree on the amount of the Adjusted Liquid Net Worth and the Initial Cash Payment, the matter shall be referred to KPMG Peat Marwick (if such firm has not provided services to the Buyer, the Company or the COMEX Governors Committee since the date of this Agreement) or such other firm as may be mutually agreed to by the Buyer and the COMEX Governors Committee (the "Dispute Accountant"). The Dispute Accountant shall be directed to select either the calculation prepared by Coopers & Lybrand or the calculation prepared by the Buyer in accordance with Schedule 1.8.5, whichever more accurately reflects the calculations required under Schedule 1.8.5. The fees and expenses of Coopers & Lybrand for its services described in this Section 1.8.5 shall be deemed to be a liability which reduces the Adjusted Liquid Net Worth. The fees and expenses of Deloitte & Touche for its services described in this Section 1.8.5 shall be paid by the Buyer. One-half of the fees and expenses of the Dispute Accountant shall be treated in the same way as the fees and expenses of Coopers & Lybrand, and the other half shall be paid by the Buyer. The Initial Cash Payment as finally determined pursuant to this Section 1.8.5 is referred to in this Agreement as the "Revised Initial Payment".

1.8.6 (a) If the Revised Initial Payment is less than the Estimated Payment (such difference being referred to in this Agreement as the "Overpayment Amount"), the Buyer shall have the right to apply to or offset against the Deferred Cash Payments, in the order of maturity, the sum of (i) the Overpayment Amount and (ii) interest accrued on the Overpayment Amount at a per annum rate equal to the rate of interest which is publicly announced, on the date the Estimated Payment is made, by Chemical Bank as its prime lending rate (the "Prime Rate"), calculated on the basis of the actual number of days elapsed over 365, from the Closing Date to the due date of the Deferred Cash Payments.

(b) If the Revised Initial Payment is greater than the Estimated Payment (such difference being referred to as the "Underpayment Amount"), the Buyer shall promptly cause to be deposited with the Paying Agent for distribution to the COMEX Regular Members or their successors at such time, funds equal to the sum of (i) the Underpayment Amount and (ii) interest accrued on the Underpayment Amount at a per annum rate equal to the Prime Rate, calculated on the basis of the actual number of days elapsed over 365, from the Closing Date to the date of the deposit required under this Section 1.8.6(b).

1.8.7 (a) The Deferred Cash Payments are aggregate amounts (payable on a pro rata basis, as described in Section 1.8.8, to the COMEX Regular Members) equal to the sum of (i) $20,000,000, of which $5,000,000 shall be payable on each of the first, second, third and fourth anniversaries of the Effective Time, subject, however, to the rights of deduction and offset provided for in Sections 1.8.6, 1.8.7(b) and (f) and 8.7.4; and (ii) $20,000,000, of which $5,000,000 shall be payable on each of the first, second, third and fourth anniversaries of the Effective Time, subject to the rights of deduction and offset provided for in Section 8.6.3 and except as provided in Section 1.8.7(c); provided, however, that each of the amounts payable under this clause (ii) shall be reduced (but not below zero) to the extent the COMEX CEC Incremental After-Tax Revenue Amount (as defined below) is less than $5,000,000.

(b) As promptly as practicable after March 31, 1995, but in no event later than May 31, 1995, the Buyer will cause a nationally recognized independent public accountant selected by the Buyer to prepare a certified calculation (the "COMEX CEC Calculation") of an amount (the "COMEX CEC Incremental After-Tax Revenue Amount") computed as set forth below. The COMEX CEC Incremental After-Tax Revenue Amount shall be computed by (A) determining the excess of (i) the COMEX CEC Revenue (as defined below) earned during the period from January 1, 1995 to March 31, 1995 over (ii) $4,500,000 and then (B) multiplying the amount so determined by a percentage equal to 100% minus the Buyer's highest marginal combined federal, state and local income tax rate and, if calculated on the basis of revenues or income, franchise tax rate then in effect, and then (C) multiplying that result by four. The COMEX CEC Revenue is the amount determined on an

accrual basis in accordance with United States generally accepted accounting principles ("GAAP") (net of appropriate allowances for collectibility) of ticker fees, booth license fees, clerk fees, CRT fees, teletype (wire) fees, telephone agency income, ticker network fees, clearing association amounts, interest and miscellaneous items accrued by Commodities Exchange Center, Inc. ("CEC") or its successors for the account of the Initial Surviving Corporation or its successor. The COMEX CEC Calculation shall be delivered to the COMEX Governors Committee as promptly as practicable after it is prepared. In the event that the COMEX Governors Committee does not object to the COMEX CEC Calculation, such calculation of the COMEX CEC Incremental After-Tax Revenue Amount shall be conclusive and binding. If the COMEX Governors Committee does object and the COMEX Governors Committee and the Buyer do not agree on the COMEX CEC Calculation, then unless within 30 days after the COMEX CEC Calculation is delivered to the COMEX Governors Committee the Buyer and the COMEX Governors Committee mutually agree on the COMEX CEC Incremental After-Tax Revenue Amount, the Buyer shall refer the matter to a nationally recognized independent public accountant reasonably acceptable to the COMEX Governors Committee that has not provided services to the Buyer, the Company or the COMEX Governors Committee within the previous five years (but not excluding the Dispute Accountant) (the "CEC Revenue Dispute Accountant"). The CEC Revenue Dispute Accountant shall be directed to select within 30 days either the COMEX CEC Calculation or the calculation of the COMEX CEC Incremental After-Tax Revenue Amount prepared by the COMEX Governors Committee, whichever calculation such accountant determines to most accurately reflect the revenues and taxes involved in such calculation. The calculation selected by the CEC Revenue Dispute Accountant shall thereafter be known as the COMEX CEC Incremental After-Tax Revenue Amount. All costs, fees and expenses associated with the CEC Revenue Dispute Accountant shall be advanced by the Buyer, and solely if the CEC Revenue Dispute Accountant selects the COMEX CEC Calculation prepared by the Buyer instead of the calculation of the COMEX CEC Incremental After-Tax Revenue Amount prepared by the COMEX Governors Committee, all such costs, fees and expenses may be recovered by the Buyer by offset against or deduction from any Deferred Cash Payment subsequently due. The Buyer shall take all reasonable steps to permit the COMEX Governors Committee, any auditors it may select and the CEC Revenue Dispute Accountant to have access to the books, records and work papers used in the preparation of the COMEX CEC Calculation.

(c) If the COMEX CEC Incremental After-Tax Revenue Amount is not finally determined by the first anniversary of the Effective Time, then payment of any Deferred Cash Payment due on the first anniversary of the Effective Time under Section 1.8.7(a)(ii) (the "First CEC Payment") shall not be paid on such first anniversary but instead shall be deferred to and paid with interest on the second anniversary of the Effective Time. Interest shall accrue on the First CEC Payment at a per annum rate equal to the Prime Rate from the first anniversary of the Effective Time to the date of payment.

(d) The obligations of the Buyer to make the Deferred Cash Payments shall be evidenced by promissory notes (the "Notes") substantially in the form set forth in Schedule 1.8.7(d). The Notes shall be delivered together with the Initial Cash Payment to the Paying Agent. Notwithstanding anything in this Agreement to the contrary, in the event of an Option Member Claim (as defined in Section 8.6.3), (A) no payment shall be made under clause (ii) of Section 1.8.7(a) until the entry of a nonappealable judgment with respect to or the settlement of any Option Member Claim as provided in Section 8.6.3 and (B) any payment under clause (ii) of Section 1.8.7(a) that is deferred pursuant to the preceding clause (A) shall be made, with interest at the rate provided for in the Notes (provided that no interest shall accrue on any such payment that is so deferred after the sixth anniversary of the first Due Date (as defined in the Note) immediately following the commencement of the Option Member Claim), to persons who were shown on the records of the Initial Surviving Corporation or the Buyer, as applicable, as the record owners of regular memberships in the COMEX Division of the Buyer on the date of such nonappealable judgment or settlement.

(e) The Notes shall be appurtenant to and transferable solely and mandatorily with regular memberships in the COMEX Division of the Buyer. The Buyer's obligation to make payments under the Notes shall be supported by an irrevocable letter of credit substantially in the form of Schedule 1.8.7(e)(l) (the "Letter of Credit") issued by a bank selected by the Buyer in favor of The Bank of New York, as Note Agent (the "Note Agent"). The bank selected by the Buyer in the preceding sentence shall (1) be a bank commonly referred to as a "money center bank" as such term is used in traditional commercial transactions in New York City or (2)(a) have capital and surplus of not less than $250,000,000; (b) have commercial paper outstanding issued by such

bank or its holding company which is rated P-1 or A-1 by Moody's Investors Services, Inc. or Standard & Poor's Corporation, respectively; and (c) maintain an office for payment within the City and County of New York and within five miles of the offices of the Buyer or (3) be a bank which has otherwise been approved by the Buyer as an original margin depository; provided that any bank that has been rejected by the Buyer as an original margin depository shall not qualify under clause (1) above. The Note Agency Agreement, which shall be substantially in the form of Schedule 1.8.7(e)(2) (the "Note Agency Agreement"), shall provide, among other things, that in the event the Buyer does not deposit the full amount of the principal of and interest on, and any other amounts required under, the Notes with the Note Agent two full New York Mercantile Exchange trading days before the due date of the principal of and interest on, and any other amounts required under, the Notes, the Note Agent will make a drawing under the Letter of Credit in an amount equal to the difference between the portion (if any) of the principal of and interest on, and any other amounts required under, the Notes deposited by the Buyer with the Note Agent and the full amount of the principal of and interest on, and any other amounts required under, the Notes required to be paid by the Buyer on such due date. The proceeds of any drawing under the Letter of Credit by the Note Agent pursuant to the Note Agency Agreement shall be paid to the record owners of the Notes as specified in the Note Agency Agreement.

(f) Fifty percent of all costs, fees and expenses (including legal fees and expenses) associated with procuring and maintaining the Letter of Credit during each year in which the Letter of Credit is outstanding shall be paid by the Buyer, and 50% shall be borne by the Noteholders, advanced by the Buyer for their account and recovered by the Buyer by offset against or deduction from any Deferred Cash Payment subsequently due.

1.8.8 Promptly after the Paying Agent receives the Estimated Payment and the Notes, the Paying Agent shall deliver or mail to each person (a "COMEX Regular Member") who was shown on the records of the Company as the record owner of a Regular Membership in the Company immediately prior to the Effective Time (the "Record Date") (as certified in writing to the Buyer by a duly authorized officer of the Company immediately prior to the Effective Time, which certification shall be conclusive and may be relied on by the Buyer without further investigation) a form of letter of transmittal. The letter of transmittal shall be in the form set forth on Schedule 1.8.8. Upon delivery of the requisite instruments and a duly executed letter of transmittal, each COMEX Regular Member shall be entitled to receive in exchange therefor, the COMEX Regular Member's pro rata share of the Estimated Payment and the Notes so received by the Paying Agent. The pro rata share will be determined by multiplying the Estimated Payment and the aggregate principal amount of the Notes, respectively, by a fraction the numerator of which is the number of Regular Memberships in the Company owned by the COMEX Regular Member immediately prior to the Effective Time and covered by the instruments and letter of transmittal delivered by the COMEX Regular Member in accordance with this Agreement, and the denominator of which is the aggregate number of Regular Memberships in the Company outstanding immediately prior to the Effective Time.

1.8.9 Promptly after the Paying Agent receives any adjustment amount provided for in Section 1.8.6(b), the Paying Agent shall deliver or mail to each COMEX Regular Member, at the most recent address of that COMEX Regular Member appearing in the records of the Paying Agent, the COMEX Regular Member's pro rata share of the respective amount so received by the Paying Agent. The pro rata share shall be determined as provided in Section 1.8.8.

1.8.10 After the Effective Time there shall be no transfers on the books of the Company of the memberships in the Company which were outstanding immediately prior to the Effective Time, and no further memberships shall be issued.

1.9 Conversion of Membership in NewCo. At the Effective Time, the membership in NewCo held by the Buyer immediately prior to the Effective Time shall be converted, by virtue of the Merger and without any action on the part of the holder thereof, into a membership in the Initial Surviving Corporation, such that immediately following the Effective Time for the purposes of the NPCL the Buyer will be the sole voting and equity member in the Initial Surviving Corporation.

1.10 Limitation on Future Rights. At and after the Effective Time, each COMEX Regular Member and each other person or entity having contractual or other rights with respect to the Company shall cease to have any rights in the Company, except for:

(a) as to the COMEX Regular Members, the rights (i) to receive the amount of Merger Consideration to which such Member is entitled under this Agreement (subject to the provisions of this Agreement), (ii) to exercise the COMEX Trading Privileges through the new COMEX Division of the Buyer, as provided in this Agreement, under and subject to the provisions of the New COMEX By-Laws and the New COMEX Rules, (iii) the other rights provided in the New COMEX By-Laws and the New COMEX Rules for Regular Members of the COMEX Division of the Buyer, (iv) rights under the COMEX MRRP and the rights described under Section 5.9(b) and (v) the rights provided by each section of this Agreement referred to in Section 9.10.2; and

(b) as to any other person or entity having contractual or other rights with respect to the Company (i.e., licensees, Option Members and Aluminum Members), the respective rights and privileges provided in the New COMEX Rules for licensees, Option Members and Aluminum Members of the COMEX Division of the Buyer and the rights provided to them, if any, by Sections 5.9, 5.17 and 5.19 of this Agreement.

1.11 Approval of Members. (a) Each of the Buyer and the Company shall take all actions necessary in accordance with the NPCL and other applicable law, including §§ 902 and 903 of the NPCL, and their respective certificates of incorporation and by-laws, to cause special meetings (the "Special Meetings") of their respective regular members to be duly called and held within 30 days after the earlier of (i) the date the Buyer and the Company agree on the Proxy Materials or (ii) the date on which the Company delivers to the Buyer the supplemental proxy materials referred to in Section 1.12(b), and in any event within 75 days (unless the Buyer fails to deliver the Proxy Materials on the Proxy Materials Delivery Date (as defined in Section 1.12(a)), in which case such deadline will be postponed by one day for each day that the Buyer fails to deliver the Proxy Materials after the Proxy Materials Delivery Date) after the date of this Agreement for the purpose of approving and adopting the Merger and this Agreement and all other actions contemplated by this Agreement which require approval and adoption by the respective members and on any other matter which the Buyer reasonably determines should be submitted to the respective members in order to effectuate the Merger in accordance with this Agreement. The Board of Directors of the Buyer and the Board of Governors of the Company will recommend approval and adoption of the Merger and the actions contemplated by this Agreement and in all materials submitted to the respective members of the Buyer and the Company in anticipation of their Special Meetings.

(b) Notwithstanding any provision to the contrary in this Agreement, the Company may postpone the Special Meeting of its members (with a corresponding adjustment to the deadline set forth in Section 8. l(b)) solely in order to respond to, alleviate and/or defend against any of the following: (i) any advice by the CFTC or the staff of the CFTC or any other governmental, administrative, regulatory or judicial body having jurisdiction to the effect that it is reasonably likely that modifications materially adverse to the record owners of Regular Memberships in the Company may be required before subsequently approving the transactions contemplated hereby or permitting such transactions to proceed; or (ii) the occurrence of any facts which may be material to the members of the Company and require the distribution to such members of supplemental Proxy Materials (as defined below) setting forth such information; provided that, in any case described in clause (i), the Special Meeting may be postponed for a maximum period not to exceed ten calendar days following the resolution of the issue, and in any case described in clause (ii), the Special Meeting may be postponed for a maximum period not to exceed ten calendar days, and may be postponed not more than once, unless the Buyer and the Company agree otherwise. The Company shall use its reasonable best efforts to avoid and minimize the length of any postponement.

(c) Notwithstanding any provision to the contrary in this Agreement, the Buyer may postpone the Special Meeting of its members (with a corresponding adjustment to the deadline set forth in Section 8.1(c)) solely in order to respond to, alleviate and/or defend against the occurrence of any facts which may be material to the members of the Buyer and require the distribution to such members of supplemental Proxy Materials setting forth such information; provided, that the Special Meeting may be postponed for a maximum period not to exceed ten calendar days, and may be postponed not more than once, unless the Buyer and the Company agree otherwise. The Buyer shall use its reasonable best efforts to avoid and minimize the length of any postponement.

(d) The Buyer shall announce the results of the voting at its Special Meeting prior to the Company's announcement of the results of voting at its Special Meeting. The Company need not announce the results of the voting at its Special Meeting if the Buyer's members fail to approve the Merger.

1.12 Proxy Materials. (a) In accordance with the requirements of applicable law, the Company and the Buyer shall distribute to their respective members a joint notice of meeting and proxy statement, proxy card and related materials (collectively, the "Proxy Materials"). The Buyer and the Company shall work together diligently to agree upon the Proxy Materials. If the Buyer and the Company fail to agree on the Proxy Materials earlier than the 21st day (the "Proxy Materials Delivery Date") after the execution of this Agreement, then the Buyer shall deliver to the Company on the Proxy Materials Delivery Date Proxy Materials acceptable to the Buyer.

(b) Within 17 days after delivery of the Buyer's Proxy Materials, the Company shall deliver to the Buyer supplemental proxy materials acceptable to the Company.

(c) Nothing in Sections 1.12(a) and (b) shall be deemed to preclude the Buyer and the Company from agreeing on joint Proxy Materials before the end of the period set forth in clause (b) of this Section 1.12.

(d) Each of the Buyer and the Company shall make all reasonable efforts to mail to its respective members (i) the Proxy Materials within three days after the Buyer and the Company agree on the Proxy Materials or (ii) the Proxy Materials and the supplemental proxy materials referred to in clause (b) within three days after the Company delivers such supplemental proxy materials to the Buyer.

ARTICLE II

THE CLOSING

2.1 Closing. The closing (the "Closing") of the Merger shall take place at the offices of Rogers & Wells, 200 Park Avenue, New York, New York at 10:00 a.m. New York time on a date (the "Closing Date") to be specified by a written notice from the Buyer to the Company, which date shall be no earlier than ten New York Mercantile Exchange trading days after the notice and no later than 15 New York Mercantile Exchange trading days after (i) the fulfillment (or waiver, if applicable) of each of the conditions precedent to the obligations of the respective parties set forth in Articles VI and VII of this Agreement, including the receipt of the requisite approval of the members of the Company and the Buyer pursuant to all applicable statutory requirements, except for conditions which by their terms are to be satisfied at the Closing, (ii) the expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and (iii) the receipt of all requisite consents and approvals of the CFTC, unless another date *is* mutually agreed to in writing by the parties hereto.

2.2 The Company's Actions at Closing. At the Closing, the Company will deliver or make available to the Buyer the following, all of which shall be reasonably satisfactory in form and substance to the Buyer:

(a) A certificate of the inspector of elections acting at the Special Meeting of the members of the Company certifying as to the number and percentage of votes cast in respect of each action taken at the Special Meeting.

(b) To the extent then in the possession or control of the Company, all corporate documents of the Company, including, without limitation, the minute book, membership ledger, corporate seal, and copies of tax returns, tax reports and auditor's reports covering all periods since incorporation of the Company and all agreements, books and records, reports and files kept in the ordinary course of business of the Company from the date of its incorporation to the Closing.

(c) Certified copies of resolutions of the Company's members and Board of Governors authorizing and approving the Merger in accordance with this Agreement, and the execution and delivery of this Agreement and the transactions contemplated by it.

(d) All keys to all safe deposit boxes or vaults of, and all premises or offices owned or leased by, the Company.

(e) A certificate from a duly authorized officer of the Company, dated as of the Closing Date, certifying that (i) the representations and warranties of the Company contained in this Agreement remain true and correct in all material respects as of the Closing, (ii) all obligations to be performed by the Company hereunder at or prior to the Closing have been so performed, and (iii) to the best knowledge of the Company, the conditions specified in Article VI have been fully satisfied or waived (except for those conditions the satisfaction of which is solely in the discretion of the Buyer, as to which such party need certify only as to the underlying facts which are within its knowledge).

(f) A certificate of merger, substantially in the form attached as Schedule 1.2, executed in accordance with the requirements of applicable law.

(g) An opinion of Skadden, Arps, Slate, Meagher & Flom, special counsel to the Company, as to the matters set forth in Schedule 2.2(g).

(h) All other documents the Buyer reasonably requests to evidence further the effectiveness of the Merger, the performance by the Company of its covenants under this Agreement and the satisfaction of any applicable condition or otherwise in furtherance of the transactions contemplated by this Agreement.

2.3 The Buyer's and NewCo's Actions at Closing. At the Closing, each of the Buyer and NewCo will deliver to the Company the following, all of which shall be reasonably satisfactory in form and substance to the Company:

(a) A certificate from a duly authorized officer of the Buyer, dated as of the Closing Date, certifying that (i) the representations and warranties of each such party contained in this Agreement remain true and correct in all material respects as of the Closing, (ii) all obligations to be performed by the Buyer hereunder at or prior to the Closing have been performed, and (iii) to the best knowledge of the Buyer, the conditions specified in Article VII have been fully satisfied or waived (except for those conditions the satisfaction of which is solely in the discretion of the Company, as to which such party need certify only as to the underlying facts which are within its knowledge).

(b) A certificate of the inspector of elections acting at the Special Meeting of the members of the Buyer certifying as to the number and percentage of votes cast in favor of each action taken at the Special Meeting.

(c) Certified copies of resolutions of the Buyer's members and Board of Directors authorizing and approving the Merger in accordance with this Agreement, and the execution and delivery of this Agreement and the transactions contemplated by it.

(d) A certificate of merger, substantially in the form attached as Schedule 1.2, executed in accordance with the requirements of applicable law.

(e) An opinion of Rogers & Wells, special counsel to the Buyer and NewCo, as to the matters set forth in Schedule 2.3(e).

(f) All other documents the Company reasonably requests to evidence further the effectiveness of the Merger, the performance of the Buyer of its covenants under this Agreement and the satisfaction of any applicable condition or otherwise in furtherance of the transactions contemplated by this Agreement.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Buyer as follows:

3.1 Corporate Status; Organizational Documents.

3.1.1 The Company is a Type A corporation duly organized, validly existing and in good standing under the NPCL. The Company is qualified to do business as a foreign corporation in each state in which it is required to be qualified, except states in which the failure to qualify, in the aggregate, would not have a material adverse effect on the financial condition or operations of the Company.

3.1.2 The Company has heretofore delivered to the Buyer certified copies of the Certificate of Incorporation, By-Laws and Rules of the Company, each as currently in effect. Except as reflected therein, each of those documents was duly adopted, is in full force and effect and has not been modified or amended.

3.2 Authorization; Vote Required.

3.2.1 Subject to the approval of the Merger by the members of the Company provided for in Section 1.11 ("COMEX Member Approval"), the Company has all the power and authority necessary to enable it to execute and deliver this Agreement, and to carry out the transactions contemplated by this Agreement. The Company has all the power and the authority necessary to own, lease and operate its assets and to transact the business in which it is presently engaged. Other than COMEX Member Approval, the Company has taken all corporate actions and any other actions under applicable law necessary to authorize the execution and delivery of this Agreement and the performance by the Company of its obligations under this Agreement.

3.2.2 The only vote of record owners of any equity or membership rights in the Company necessary to approve the Merger is the affirmative vote of the record owners of at least 66 2/3% of the outstanding memberships present and voting at a meeting provided that affirmative votes are cast with respect to memberships which constitute not less than a quorum.

3.3 Binding Agreement. This Agreement is a legal, valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except (i) to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors' rights generally, and (ii) that the availability of equitable remedies, including specific performance, is subject to the discretion of the court before which any proceeding therefor may be brought.

3.4 Compliance with Instruments and Law.

3.4.1 Except as set forth on Schedule 3.4, neither the execution and delivery of this Agreement by the Company nor the consummation of the transactions contemplated by this Agreement in the manner provided for in this Agreement will (i) violate any provision of the Company's Certificate of Incorporation, By-Laws, Rules or other charter or organizational documents, or (ii) violate, result in a breach of, or constitute a default in any material respect under any provision of any material agreement or instrument to which the Company is a party or by which the Company (or any of its properties or assets) is bound, or any material provision of any applicable local, state, Federal or foreign law or any order, judgment, writ, decree, statute, rule or regulation of any court or governmental agency applicable to the Company (or any of its properties or assets).

3.4.2 Except as set forth in Schedule 3.4, to the knowledge of the Company, the Company is not in conflict with, or in default or violation of any material law, rule, regulation, order, judgment or decree applicable to the Company or by which any of its assets or properties is bound or affected.

3.5 Memberships. The only equity, voting or membership interests which the Company is authorized to issue under its certificate of incorporation are Regular Memberships, of which 772 are issued and outstanding at the date of this Agreement. Each of the Regular Memberships has been duly authorized and issued and is fully paid and nonassessable (except only for the assessment obligations provided for in the Company's By-Laws and Rules). In addition, the Company is authorized under its Rules to issue option seats, of which 238 are outstanding, and aluminum seats, of which 12 are outstanding. The Company's Option Members and Aluminum Members have no voting, approval or other veto rights with respect to the Merger or the other transactions contemplated by this Agreement. The Company is not a party to any agreement or bound by any obligation which requires, or upon (i) the passage of time, (ii) the payment of money or (iii) the occurrence of any other event may require, the Company to issue or sell any membership or other equity or voting interest.

3.6 Consents. Except as set forth in Schedule 3.6, no permits, consents, approvals or authorizations of, registrations, qualifications, designations, declarations or filings with, or notices to any person or entity (including, without limitation, any creditor of the Company) or any foreign, Federal or state governmental authority are required to be obtained, made or submitted by the Company in connection with the execution, delivery or performance of this Agreement, or the consummation of the transactions contemplated hereby, whether by statute, rule or regulation, by contract or otherwise.

3.7 Subsidiaries. At the date hereof, the Company has no subsidiaries, except for New-Clear Inc. Prior to the Effective Time, COMEX Clearing Association, Inc. (or a successor entity thereof) will be a subsidiary of the Company. Except as set forth in Schedule 3.7, the Company does not own or control, directly or indirectly, any corporation, partnership, business trust, association or other business entity, or any interest in any such entity.

3.8 Proxy Materials. None of the information relating to the Company that has been or will be supplied by the Company for inclusion in the Proxy Materials nor COMEX Materials (as defined below), at the time the Proxy Materials or any supplement or amendment thereto is, or any COMEX Materials are, first mailed to members of the Company, will contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements contained therein, in the light of the circumstances under which they are made, not misleading. "COMEX Materials" are written materials relating to the Merger (i) that are prepared by the Company subsequent to the Proxy Materials and (ii) that the Board of Directors of the Company, in the exercise of its fiduciary duty to the record owners of Regular Memberships, deems appropriate to be distributed to the members of the Company.

3.9 CFTC, Regulatory Matters. Except as set forth in Schedule 3.9, to the knowledge of the Company, the Company has complied and is in compliance in all material respects with all applicable filing, reporting and other provisions of the Commodity Exchange Act, as amended (the "Act"), and the rules and regulations of the CFTC under the Act and all orders, approvals and interpretations of the CFTC. No consent, approval, order or authorization of, or registration, declaration or filing with the CFTC is required by or with respect to the Company in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated by this Agreement, except for the filing of applications with the CFTC under the Act set forth on Schedule 3.9. No investigation by the CFTC, the National Futures Association or any other governmental or quasi-governmental entity with jurisdiction or supervision over the Company is pending or threatened. The Company has made available to the Buyer copies of all material correspondence with the CFTC over the past five years, including without limitation all reports or correspondence relating to or arising out of any inspection, audit, investigation or similar procedure performed by or on behalf of the CFTC during that period.

3.10 Litigation. Except as set forth in Schedule 3.10, there is no action or proceeding pending, nor to the Company's knowledge is there any investigation pending or any action, proceeding or investigation threatened against the Company before any court or administrative agency that is reasonably likely to result, either

individually or in the aggregate, in material money damages payable by the Company or in an injunction against the Company, in any material adverse change in the business, condition, affairs, operations, properties or assets of the Company or in any material liability of the Company. Except as set forth in Schedule 3.10, on the date hereof there are no actions or proceedings pending or, to the Company's knowledge, any investigations pending or any actions, proceedings or investigations threatened, which question the validity or enforceability of any provision of this Agreement or seek to prevent or enjoin the Merger or any other of the transactions expressly contemplated hereby.

3.11 Financial Statements.

3.11.1 There have been delivered to the Buyer (i) copies of the balance sheets of the Company as of November 30, 1992, 1991 and 1990 (the November 30, 1992 balance sheet is sometimes hereinafter called the "Balance Sheet") and the related statements of income, members' equity and changes in financial position of the Company for the fiscal years then ended, including the related notes thereto, all certified by Coopers & Lybrand, independent certified public accountants (the November 30, 1992, 1991 and 1990 financial statements, including the Balance Sheet, are hereinafter called the "Financial Statements"), and (ii) a copy of the unaudited balance sheets of the Company as of August 31, 1993 and 1992 (the August 31, 1993 balance sheet is sometimes hereinafter called the "Interim Balance Sheet") and the related unaudited statements of income, members' equity and changes in financial position of the Company for the periods then ended, including the related notes thereto, if any (the August 31, 1993 and 1992 financial statements, including the Interim Balance Sheet, are sometimes hereinafter called the "Interim Statements"). The Financial Statements and, except as indicated in Schedule 3.11.1, the Interim Statements have been prepared in accordance with GAAP applied on a basis consistent with that of prior years or periods and fairly present the financial position and results of operations of the Company as of the dates of their balance sheets and for the periods indicated.

3.11.2 Except as disclosed in Schedule 3.11.2 hereto, the Company had no material obligations, liability or commitments (fixed or contingent) not shown or provided for in accordance with GAAP in the Financial Statements or the Interim Statements, as the case may be, or in the notes thereto. As of the date of the Balance Sheet, there were no outstanding loans made by the Company to any of its employees, officers or directors.

3.12 Absence of Changes. Except as set forth in Schedule 3.12, since the date of the Interim Balance Sheet, the Company has conducted its business in the ordinary course and in a manner consistent with past practice in all respects, and there has not been:

(a) any material change in the assets, liabilities, earnings, financial condition, business or operations of the Company, which individually or in the aggregate have bad or will have a material adverse effect on the Company's assets, liabilities, earnings, financial condition, business or operations;

(b) any contractual obligation incurred in excess of $100,000, including, without limitation, financing leases or purchase money obligations, other than contractual obligations incurred in the ordinary course of business and in a manner consistent with past practice;

(c) any guaranty, endorsement, indemnity, or warranty entered into or provided, or increased or extended other than those incurred in the ordinary course of business and in a manner consistent with past practice;

(d) any damage, destruction or loss, whether or not covered by insurance, materially adversely affecting the business or the value of the properties or business of the Company;

(e) any waiver by the Company of all or any part of a material and valuable right or of a material debt owed to it;

(f) any loan made by the Company to any of its employees, officers or directors;

(g) any increase in the annual rate of compensation (other than bonuses that do not result in an increase in the Company's severance obligations to the person to whom such bonus was paid) of any of the officers or directors of the Company other than pursuant to existing employment agreements, or any change in the severance policies or obligations of the Company;

(h) any declaration or payment of any dividend or other distribution of the assets of the Company;

(i) any material transaction involving the Company and any officer or director of the Company or any affiliate or family member of any such officer or director; or

(j) any redemption, repurchase, or other acquisition for value of its memberships by the Company or any issuance of memberships of or other voting or equity interests in the Company or of any securities convertible into or rights to acquire any such membership or other voting or equity interest or any dividend or distribution declared, set aside, or paid by the Company.

3.13 Tax Matters.

3.13.1 Definitions. For purposes of this Agreement:

(a) "Closing Agreement" means a written and legally binding agreement with a Tax Authority relating to Taxes.

(b) "Code" means the Internal Revenue Code of 1986, as amended.

(c) "IRS" means the United States Internal Revenue Service.

(d) "Tax Authority" means the IRS and any state, local, foreign or other governmental agency charged by law with the administration or collection of any Tax.

(e) "Tax Return" means a report, return, notification or other information required to be supplied to a governmental entity with respect to Taxes.

(f) "Tax Ruling" means a written ruling of a Tax Authority relating to Taxes.

(g) "Taxes" means any Federal, state, county, local or foreign taxes, charges, surcharges, fees, levies, or other assessments, including all net income, gross income, sales and use, value added, ad valorem, transfer, gains, profits, excise, franchise, real and personal property, gross receipt, capital stock, production, business and occupation, disability, employment, payroll, license, estimated, stamp, duties, imposts, severance or withholding taxes or charges imposed by any government entity, and includes any interest and penalties (civil or criminal) on or additions to any such taxes and any expenses incurred in connection with the determination, settlement or litigation of any Tax liability.

3.13.2 Tax Representations. Except as set forth on Schedule 3.13 the following representations are true and correct in all material respects:

(a) Filing of Timely Tax Returns. The Company has filed all Tax Returns required to be filed by applicable law, maintained all documents and records relating to Taxes as are required to be made or provided or maintained by it and has complied in all respects with all legislation relating to Taxes applicable to it. All Tax Returns were in all respects (and, as to Tax Returns not filed as of the date hereof, will be) true, complete and correct and filed on a timely basis. No claim has ever been made by an authority of a jurisdiction where the Company does not file Tax Returns that it is or may be subject to taxation by that jurisdiction.

(b) Payment of Taxes. The Company has, within the time and in the manner prescribed by law, paid (and until the Closing Date will pay within the time and in the manner prescribed by law) all Taxes that are due and payable.

(c) Tax Reserves. The Company has established (and until the Closing Date will maintain) on its books and records reserves adequate to pay all Taxes not yet due and payable in accordance with GAAP which are reflected in the Company's Financial Statements and Interim Statements to the extent required. No differences exist between the amounts of the book basis and the tax basis of assets (net of liabilities) that are not accounted for by an accrual on the books for federal income tax purposes.

(d) Tax Liens. There are no Tax liens upon the assets of the Company except liens for Taxes not yet due.

(e) Extensions of Time for Filing Tax Returns. The Company has not requested any extension of time within which to file any Tax Return, which Tax Return has not since been filed.

(f) Waivers of Statute of Limitations. The Company has not executed any outstanding waivers or comparable consents regarding the application of the statute of limitations with respect to any Taxes or Tax Returns.

(g) Expiration of Statute of Limitations. The statute of limitations for the assessment of all Taxes has expired for all applicable Tax Returns or those Tax Returns have been examined by the appropriate taxing authorities for all periods through 1988 and no deficiency for any Taxes has been proposed, asserted or assessed against the Company that has not been resolved and paid in full.

(h) Audit, Administrative and Court Proceedings. No audits or other administrative proceedings or court proceedings are presently pending with regard to any Taxes or Tax Returns of the Company, and no Tax Authority has notified the Company that it intends to investigate its Tax affairs.

(i) Powers of Attorney. No power of attorney currently in force has been granted by the Company concerning any Tax matter.

(j) Tax Rulings. The Company has not received a Tax Ruling or entered into a Closing Agreement with any Tax Authority that would have a continuing adverse effect after the Closing Date.

(k) Availability of Tax Returns. As soon as practicable after the date hereof, the Company will make available to Buyer (to the extent then in the possession of the Company) complete and accurate copies of (i) all Tax Returns, and any amendments thereto, filed by the Company, (ii) all audit reports received from any Tax Authority relating to any Tax Return filed by the Company and (iii) any Closing Agreements entered into by the Company with any Tax Authority.

(l) Secondary Liability. No event, transaction, act or omission has occurred which could result in the Company becoming liable to pay or to bear any Tax as a transferee, successor or otherwise which is primarily or directly chargeable or attributable to any other person, firm or company. The Company has no actual or contingent liability (whether by reason of any indemnity, warranty or otherwise) to any other person in respect of any actual, contingent or deferred liability of such person to Tax.

(m) Withholding Taxes. The Company has complied (and until the Closing Date will comply) in all respects with the provisions of the Code relating to the payment and withholding of Taxes, including, without limitation, the withholding and reporting requirements under Code §§ 1441 through 1464, 3401 through 3606, and 6041 and 6049, as well as similar provisions under any other laws, and have, within the time and in the manner prescribed by law, withheld and paid over to the proper governmental authorities all amounts required in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder, or other third party.

(n) Code § 341(f). The Company has not filed (and will not file prior to the Closing) a consent pursuant to Code § 341 (f) or has agreed to have Code § 341(f)(2) apply to any disposition of a subsection (f) asset (as that term is defined in Code § 341(f)(4)) owned by the Company.

(o) Code § 168. No property of the Company is property that it or any party to this transaction is or will be required to treat as being owned by another person pursuant to the provisions of Code § 168(f)(8) (as in effect prior to its amendment by the Tax Reform Act of 1986) or is "tax-exempt use property" within the meaning of Code § 168.

(p) Code § 481 Adjustments. The Company is not required to include in income any adjustment pursuant to Code § 481(a) by reason of a voluntary change in accounting method initiated by the Company, and to the best of the knowledge of the Company, the IRS has not proposed any such adjustment or change in accounting method.

(q) Code § 338 Elections. No election under Code § 338 (or any predecessor provisions) has been made by the Company with respect to any of its assets or properties.

(r) U.S. Real Property Holding Company. The Company is not and has not been a United States real property holding company (as defined in Code § 897(c)(2)) during the applicable period specified in Code § 897(c)(l)(ii).

(s) Deductibility of Payments or Obligations. The Company is not subject to any contract, obligation or commitment under which it will or may any time hereafter be or become liable to make any payment (or provide any other amount in money in money or money's worth) of a revenue nature which (in either such case) is not deductible, depreciable or amortizable in full in computing the income of the Company for the purpose of any Taxes on income or profits to which the Company may be subject, other than any payment relating to the acquisition of assets which is treated as having an indefinite useful life for purposes of the relevant Tax.

(t) Payments for Assets or Services. The Company has not disposed of any asset or supplied any service or business facility of any kind (including a loan of money or the letting, hiring or licensing of any property whether tangible or intangible) in circumstances where the consideration to be received for such disposal or supply will be less than the consideration deemed received for Tax purposes.

3.14 Intellectual Property Rights. Except as set forth on Schedule 3.14,

3.14.1 To the Company's knowledge, the business of the Company does not infringe upon or violate any patents, trademarks, service names, trade names, copyrights or any other proprietary rights of any third party in any material respect.

3.14.2 To the Company's knowledge after reasonable investigation, the Company owns or has the right to use, free and clear of all liens, charges, restrictions and claims, all patents, trademarks, service names, trade names, copyrights and all other proprietary rights, and all licenses relating to the foregoing (collectively, "Intellectual Property"), material to the conduct of the business of the Company as now conducted, without infringing upon the right or claimed right of any person under or with respect to any of the foregoing, or violating the terms or conditions of any license to which the Company is a party, in any material respect. Schedule 3.14 is a complete and accurate list of all Intellectual Property material to the conduct of the business of the Company as now conducted. None of the Company's rights in such Intellectual Property will be materially adversely affected by the Merger and following the Merger the Initial Surviving Corporation will have substantially the same rights in all material respects in and to such Intellectual Property.

3.14.3 Except as set forth on Schedule 3.14.3, the Company is not obligated or under any liability whatsoever to make royalty or other payments to any owner, licensor of, or other claimant to, any Intellectual Property or other intangible asset, with respect to the use thereof or in connection with the conduct of the business of the Company or otherwise.

3.14.4 Except as set forth on Schedule 3.14.4, the Company has not granted any material licenses or rights with respect to its assets or its business.

3.14.5 No claim, action, proceeding, arbitration or investigation of any nature whatsoever has been commenced or overtly threatened in writing during the last two years against the Company, in respect of or concerning any of the Intellectual Property.

3.14.6 Except as set forth on Schedule 3.14.6, the Company has not commenced or threatened in writing to commence during the last two years any claim, action, proceeding or arbitration of any nature whatsoever in respect of or concerning any of the Intellectual Property, which claim, action, proceeding or arbitration has not been resolved.

3.15 Title/Sufficiency of Assets. Except as described in Schedule 3.15, the Company holds all its assets free and clear of any mortgages, liens, security interests or adverse interests (other than liens, interests and claims that do not materially detract from the value of such assets). The assets owned or leased by the Company constitute all the assets necessary for the conduct of its business as presently conducted. All equipment owned or leased by the Company is in good operating condition and repair (except for routine maintenance requirements incurred in the ordinary course of business) with no material defects known to the Company and is usable in a manner consistent with its current use.

3.16 Material Agreements. Schedule 3.16 is a complete list of all material loan agreements, credit agreements, indentures, mortgages and other instruments which evidence or provide for an obligation to repay borrowed money on the part of the Company and of all leases and other material agreements to which the Company is a party or by which it or any of its properties is bound. Except as set forth in Schedule 3.16, each of those agreements is in full force and effect and no event, act or omission on the part of the Company has occurred and, to the knowledge of the Company after due inquiry, no state of affairs exists which may result, individually or with the giving of notice or the passage of time or both, in a material default under or with respect to, or an acceleration of, any such agreement or any obligation thereunder. Except as set forth in Schedule 3.16, the consummation of the Merger and the other transactions contemplated by this Agreement will not result, individually or with the giving of notice, the passage of time or both, in a material default under or with respect to, or an acceleration of any obligations under any of those agreements or give rise to a right on the part of any party to terminate or modify the terms of any such agreement.

3.17 Insurance. Schedule 3.17 is a complete list of all material policies of insurance maintained at the date of this Agreement by the Company. All the policies of insurance listed in Schedule 3.17 are in full force and effect. The insurance listed in Schedule 3.17 is all the insurance which is required by law to be maintained with regard to the Company and its business operations.

3.18 Employees. Except as set forth in Schedule 3.18 the Company does not have any written employment agreements with any of their employees, and all of the employees of the Company are employees at will. Except as set forth in Schedule 3.18, the Company is not obligated by any agreement or by custom to provide severance compensation to any of its employees. The Company is not a party to any collective bargaining agreement or other labor union contract applicable to employees of the Company, and there is no such agreement or contract that is currently being negotiated.

3.19 Employee Benefit Plans.

3.19.1 Schedule 3.19 sets forth each employee benefit plan (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), insurance, severance, pension, retirement, profit-sharing, medical, health, sick leave, vacation, fringe benefit, stock option plan, bonus plan, deferred compensation agreement and each other employee or independent contractor benefit or otherwise compensatory, collective bargaining or employment plan, contract, agreement, policy, fund, commitment or arrangement, whether oral or written ("Plans"), maintained or to which contributions are made by or on behalf of the Company or any entity required to be aggregated with the Company under Section 414(b), (c), (m) or (o)

of the Code or Section 4001 of ERISA (a "Controlled Group Member") or with respect to which the Company or any Controlled Group Member has or may have any present or future obligation to contribute or other liability (the "Company Plans"). The Company has furnished to the Buyer (i) a true, correct, and complete copy of each Company Plan (including a summary, where the Company Plan is oral), including any amendments thereto, and the most recent favorable determination letters from the IRS, as applicable; (ii) all related trust agreements, insurance contracts, and other funding arrangements for each Company Plan (or, in each case in which there is no such trust, insurance or other funding arrangement, Schedule 3.19 shall so indicate); (iii) every related administrative, investment management and other arrangement; and (iv) the annual report for each Company Plan for each of the last five Plan Years and the most recent summary plan description (as supplemented by any summaries of material modifications).

3.19.2 Neither the Company nor any Controlled Group Member contributes or has ever contributed to or maintained or otherwise had an obligation to contribute to a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA. Each Company Plan has been established, operated and administered in accordance with its terms and with the applicable provisions of ERISA, the Code and all other Federal and state laws (including without limitation Section 401(a) of the Code and any other Code provisions with respect to which compliance is required to obtain any and all intended favorable tax treatment) in all material respects. Each Company Plan intended to be qualified under Section 401(a) of the Code is so qualified, and each Company Plan intended to receive other favorable tax treatment under the Code receives such treatment. There are no Company Plans that are discriminatory for purposes of Section 105(h) of the Code. No Company Plan is intended to satisfy Section 125 of the Code.

3.19.3 Each Company Plan subject to Section 412 of the Code, Part 3 of Title I of ERISA or Title IV of ERISA had accrued benefits the present value of which did not exceed the then current value of such Plan's assets as of such Plan's latest valuation date, based upon the actuarial assumptions used for funding purposes in the actuarial report prepared by such Plan's actuary with respect to such Plan as of such valuation date, and the Company has no knowledge and no reason to know that such does not continue to be the case determined as of the date hereof. No condition exists with respect to any Plan that could result in liability under Section 4069 or 4212(c) of ERISA, or any other provision of Title IV of ERISA, or Section 412 of the Code or any related excise tax provision, to the Company or, by virtue of the transactions contemplated hereby, to the Buyer or any of its affiliates. No condition exists with respect to any Plan that has resulted or could result in a lien or other security interest under Section 401(a)(29) of the Code or under ERISA with respect to any property of the Company or, by virtue of the transactions contemplated hereby, of the Buyer or any of its affiliates. There are, and for the last five years have been, no "reportable events" for purposes of ERISA with respect to which the applicable notice provisions have not been waived. There are no accumulated funding deficiencies with respect to any Company Plan, whether or not waived.

3.19.4 With respect to each Company Plan:

(a) all contributions or payments to, or under, each Company Plan required by law or by the terms of any Company Plan, contract or agreement required to have been made at this time have been made;

(b) the Company is in material compliance with Section 4980B of the Code and Part 6 of Title I of ERISA (collectively, "COBRA") and any other applicable state or federal law relating to continuation of benefits, and no event or condition exists with respect to any Company Plan which could subject the Company to a material tax under Section 4980B of the Code, and, for plan years beginning before December 31, 1988, each such Company Plan materially complied with the requirements of then Section 162(k) of the Code, to the extent applicable;

(c) except as may be provided in Section 5.9(a), each such Company Plan may be amended or terminated by the Company without liability to the Company, employees, former employees or others on or after the date hereof (other than with respect to benefit liabilities that are accrued under any such Company Plan as of the date of the amendment or termination), COBRA liabilities, if applicable, and, in the case of a tax qualified Plan, any additional vesting required upon termination by the Plan or by law;

(d) except as set forth on Schedule 3.19, no medical, life or death benefits are provided to retirees or other terminated employees or independent contractors, except as may be, and to the extent, required under COBRA; provided that (i) with respect to any such benefits described on Schedule 3.19, the nature and cost thereof, and the covered group, are described thereon and (ii) to the best knowledge of the Company, the members of the covered group do not have existing health problems that would reasonably cause the Company to conclude that such costs are a materially misleading indication of future costs to the Company;

(e) no prohibited transaction within the meaning of Section 406 of ERISA has been committed for which the Company or any Company Plan could be subject to a liability for either a civil penalty assessed pursuant to Section 502(i) of ERISA or a tax imposed by Section 4975 of the Code, or to any other liability or other burden under ERISA; and

(f) no matter is currently pending with the IRS, Department of Labor, Pension Benefit Guaranty Corporation, or other Federal or state government agency, except for routine filings and applications.

3.19.5 To the best of the Company's knowledge, there is no pending or threatened suit or proceeding involving the Company Plans or employees with respect to which the Company would have liability, nor is there a basis for any such suit or proceeding. The Company has no liability with respect to any Company Plans that has not been fully taken into account and properly accrued for in accordance with GAAP on the Company's financial statements. No event has occurred and no condition exists, with respect to any Plan, that has subjected or could subject the Company or the Buyer or any of its affiliates (by virtue of the transactions contemplated hereby), or any Company Plan, to any tax, fine, penalty or other liability (other than, in the case of the Company or a Company Plan, a liability arising in the normal course to make contributions or payments, as applicable, when ordinarily due under a Company Plan). No Plan, other than the Plans set forth on Schedule 3.19.5, is or will be directly or indirectly binding on the Buyer or any of its affiliates by virtue of the transactions contemplated hereby, other than as a result of acts which are (i) acts of the Buyer not provided for herein or (ii) acts of others not known by the Company (or future acts not currently known of by the Company) and beyond the control of the Company.

3.19.6 Except as may be provided in Section 5.9(a), no Plan exists which could result in the payment of money or any other property or rights, or accelerate or provide any other rights or benefits, to any current or former employee of or other current or former service provider to the Company that would not have been required but for the transactions provided for herein, and the Company is not a party to any plan, program, arrangement or understanding that would result, separately or in the aggregate, in the payment (whether in connection with any termination of employment or otherwise) of any "excess parachute payment" within the meaning of Section 280G of the Code with respect to a current or former employee of, or current or former independent contractor to, the Company.

3.20 Licenses and Permits. The Company has all material licenses and permits from all governmental authorities which are necessary to permit it to conduct its business as it is being conducted at the date of this Agreement. Schedule 3.20 is a complete list of all material licenses and permits from all governmental authorities which the Company holds at the date of this Agreement.

3.21 Investment Bankers' Fees. The Company has not incurred, and will not incur, any liability for any investment banking, business consultant, brokerage or finders' fees or commissions in connection with the transactions contemplated by this Agreement, except for fees and expenses payable to BFM Advisory L.P. pursuant to the agreement set forth on Schedule 3.21, which will be paid by the Buyer or the Company in accordance with Section 5.15. The Company has no obligation to use the services of BFM Advisory L.P. following the Effective Time.

3.22 Other Information. No representation or warranty by the Company contained in this Agreement or in any certificate, exhibit or document furnished or to be furnished to the Buyer by the Company pursuant to this Agreement contains or will contain any willful untrue statement of a material fact or knowingly or willfully omits or will omit to state any material fact necessary to make the statements contained herein or therein not misleading.

3.23 No Implied Representations. The parties hereto acknowledge that the Company is not making any representation or warranty whatsoever, express or implied, except those representations and warranties explicitly set forth in this Article III or in any certificate, schedule to this Agreement or document expressly contemplated hereby which is delivered by or on behalf of the Company in connection herewith.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE BUYER AND NEWCO

The Buyer and NewCo represent and warrant to the Company as follows:

4.1 Corporate Status. Each of the Buyer and NewCo is a Type A corporation duly organized and in good standing under the laws of the NPCL. The Buyer and NewCo are qualified to do business as foreign corporations in each state in which they are required to be qualified, except states in which the failure to qualify, in the aggregate, would not have a material adverse effect on the financial condition or operations of the Buyer or Newco.

4.2 Authorization: Vote Required. Subject to the approval of the Merger by the members of the Buyer provided for in Section 1.11 ("NYMEX Member Approval" and, collectively with COMEX Member Approval, "Member Approval"), each of the Buyer and NewCo has all the power and authority necessary to enable it to execute and deliver this Agreement, and to carry out the transactions contemplated by this Agreement. The Buyer and NewCo have all the power and the authority necessary to own, lease and operate their respective assets and to transact the business in which they are presently engaged. The Buyer and NewCo have taken all corporate actions necessary to authorize and perform the transactions contemplated by this Agreement. The only vote of the record owners of any equity or membership rights in the Buyer and NewCo necessary to approve the Merger is the affirmative vote of a majority and 66 2/3%, respectively, of the outstanding memberships present and entitled to be voted at a meeting.

4.3 Binding Agreement. This Agreement is a legal, valid and binding agreement of the Buyer and NewCo, enforceable against each of them in accordance with its terms, except (i) to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors' rights generally, and (ii) that the availability of equitable remedies, including specific performance, is subject to the discretion of the court before which any proceeding therefor may be brought.

4.4 Compliance with Instruments and Law.

4.4.1 Neither the execution and delivery of this Agreement by the Buyer or Newco nor the consummation of the transactions contemplated by this Agreement in the manner provided for in this Agreement will (i) Materially violate any provision of their respective organizational documents, or (ii) Materially violate, result in a breach of, or constitute a default under any provision of any material agreement or instrument to which the Buyer or Newco is a party or by which the Buyer or Newco (or any of their properties or assets) is bound, or any material provision of any applicable local, state, Federal or foreign law or any order, judgment, writ, decree, statute, rule or regulation of any court or governmental agency applicable to the Buyer or Newco or any of their respective subsidiaries (or any of their properties or assets).

4.4.2 Except as set forth in Schedule 4.4, to the knowledge of the Buyer, neither the Buyer nor NewCo is Materially in conflict with, or in default or violation of any law, rule, regulation, order, judgment or decree applicable to the Buyer or Newco or by which any of their respective assets or properties are bound or affected.

4.5 Consents. Except as set forth in Schedule 4.5, no permits, consents, approvals or authorizations of, registrations, qualifications, designations, declarations or filings with, or notices to any person or entity (including, without limitation, any stockholder or creditor of the Buyer or NewCo) or any foreign, Federal or state governmental authority are required to be obtained, made or submitted by the Buyer or NewCo in connection with the execution, delivery or performance of this Agreement, or the consummation of the transactions contemplated hereby.

4.6 Litigation. Except as set forth in Schedule 4.6, there is no Material action or proceeding pending, nor to the Buyer's knowledge, is there any Material investigation pending, or any action, proceeding or investigation threatened against the Buyer or any of its subsidiaries before any court or administrative agency. Except as set forth in Exhibit 4.6, on the date hereof there are no actions or proceedings pending or, to the Buyer's knowledge, any investigations pending or any actions, proceedings or investigations threatened, which question the validity or enforceability of any provision of this Agreement or seek to prevent or enjoin the Merger or any other of the transactions contemplated hereby.

4.7 CFTC, Regulatory Matters. Except as set forth in Schedule 4.7, to the knowledge of the Buyer, the Buyer has complied and is in compliance with all applicable Material filing, reporting and other provisions of the Act and the rules and regulations of the CFTC under the Act and all orders, approvals and interpretations of the CFTC. No consent, approval, order or authorization of, or registration, declaration or filing with the CFTC is required by or with respect to the Buyer in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated by this Agreement, except for the filing of applications with the CFTC under the Act set forth on Schedule 4.7. No investigation by the CFTC, the National Futures Association or any other governmental or quasi-governmental entity with jurisdiction or supervision over the Buyer is pending or threatened. The Buyer has made available to the Company copies of all Material correspondence with the CFTC over the past three years, including without limitation all reports or correspondence relating to or arising out of any inspection, audit, investigation or similar procedure performed by or on behalf of the CFTC during that period.

4.8 Financial Statements.

4.8.1 There have been delivered to the Company (i) copies of the balance sheets of the Buyer as of December 31, 1992, 1991 and 1990 (the December 31, 1992 balance sheet is sometimes hereinafter called the "NYMEX Balance Sheet") and the related statements of income, members' equity and changes in financial position of the Buyer for the fiscal years then ended, including the related notes thereto, all certified by Coopers & Lybrand, independent certified public accountants (the December 31, 1992, 1991 and 1990 financial statements, including the NYMEX Balance Sheet, are hereinafter called the "NYMEX Financial Statements"), and (ii) a copy of the unaudited balance sheets of the Buyer as of September 30, 1993 and 1992 (the September 30, 1993 balance sheet is sometimes hereinafter called the "NYMEX Interim Balance Sheet") and the related unaudited statements of income, members' equity and changes in financial position of the Buyer for the periods then ended, including the related notes thereto, if any (the September 30, 1993 and 1992 financial statements, including the NYMEX Interim Balance Sheet, are sometimes hereinafter called the "NYMEX Interim Statements"). The NYMEX Financial Statements and, except as indicated in Schedule 4.8, the NYMEX Interim Statements have been prepared in accordance with GAAP applied on a basis consistent with that of prior years or periods and fairly present the financial position and results of operations of the Buyer as of the dates of their balance sheets and for the periods indicated.

4.8.2 Except as set forth in Schedule 4.8, the Buyer has no Material obligation, liability or commitment not disclosed in the NYMEX Financial Statements previously furnished to the Company.

4.9 Absence of Changes. Except as set forth in Schedule 4.9, since the date of the most recent balance sheet provided by the Buyer to the Company, there has not been any Material adverse change in the assets, liabilities, earnings, financial condition, business or operations of the Buyer.

4.10 Licenses and Permits. The Buyer has all Material licenses and permits from all governmental authorities which are necessary to permit it to conduct its business as it is being conducted at the date of this Agreement.

4.11 Proxy Materials. None of the information relating to the Buyer that has been or will be supplied by the Buyer for inclusion in the Proxy Materials, at the time the Proxy Materials or any supplement or amendment thereto is first mailed to members of the Company, will contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements contained therein, in light of the circumstances under which they are made, not misleading; provided, however, the Buyer makes no representation, and shall not at any time be deemed to have made any representation, as to any COMEX Materials.

4.12 "Material"; "Materially". For the purposes of this Article IV (other than Section 4.11), a fact, state of affairs or other matter is "Material" or affects the Buyer "Materially" only if it (i) significantly and adversely affects the probability that the members of the Company will enjoy the trading privileges provided for in this Agreement, the New COMEX By-Laws or the New COMEX Rules following the Effective Time; or (ii) compromises the integrity of the Buyer as a commodities/futures market to a degree which substantially impairs the ability of the Buyer to function as an institution at levels comparable to those it recently has experienced.

ARTICLE V

OTHER AGREEMENTS

5.1 No Solicitation. From the execution of this Agreement, the Company shall not, and shall not permit any of its officers, directors or representatives (including any investment bankers) to, directly or indirectly, solicit, encourage, initiate or continue any discussions with, or, subject to the fiduciary duties of the Board of Governors of the Company, furnish any information to, any person or entity other than the Buyer, Newco and their officers, employees and agents regarding any merger, sale of all or any significant portion of assets, sale of equity interests or similar transaction involving the Company. Without limiting the foregoing, it is understood that any violation of the restrictions set forth in the preceding sentence by any executive officer of the Company, whether or not such person is purporting to act on behalf of the Company or otherwise, shall be deemed to be a breach of this Section 5.1 by the Company. From the execution of this Agreement, the Company will notify the Buyer immediately upon receipt of any indication of interest, inquiry, offer or proposal which relates in any way to any such merger, sale or other transaction, and shall indicate in reasonable detail the identity of the parties in question and, subject to the fiduciary duties of the Board of Governors of the Company, the substance of all communications with those parties. Nothing in this Section 5.1 shall prohibit the Company from responding to an unsolicited invitation or offer by a third party to engage in negotiations by advising the third party making the invitation or offer of the consequences of a breach of this Section 5.1 and indicating that the Company will commence discussions only if the third party agrees to such conditions as may be established by the Company.

5.2 Conduct of Business Prior to Closing. Except as otherwise provided in this Agreement or required by the CFTC or otherwise consented to by the Buyer in writing, from and after the date of this Agreement the Company shall comply with each of the following:

(a) Its business shall be conducted only in the ordinary and usual course, it shall use best efforts to keep intact its business organization and goodwill, keep available the services of its respective officers and employees and maintain good relationships with suppliers, lenders, creditors, employees, customers, and others having business or financial relationships with it, and it shall use its best efforts to notify the Buyer as soon as practicable of any event or occurrence or emergency material to, and not in the ordinary and usual course of business of, it.

(b) It shall not (i) amend its Certificate of Incorporation, By-Laws or Rules, (ii) split, combine or reclassify any of its outstanding memberships or declare, set aside, or pay any dividend or other distribution on or make or agree or commit to make any exchange for or redemption of any memberships payable in cash, stock, or property or (iii) create any additional privilege to engage in proprietary or other trading of any contracts on the Commodity Exchange, Inc.

(c) It shall not (i) issue or agree to issue any additional memberships of, or rights of any kind to acquire any equity or voting interests in, the Company or (ii) enter into any contract, agreement, commitment, or arrangement with respect to any of the foregoing, except that it shall have the right to issue or sell additional Regular Memberships so long as the total number of Regular Memberships outstanding at any time does not exceed 772.

(d) It shall not (i) create, incur, or assume any long-term or short-term indebtedness for money borrowed, (ii) issue, make or extend any guarantees of any indebtedness or (iii) make any capital expenditures or commitment for capital expenditures, except in each case in the ordinary course of business and consistent with past practice. It shall not create, incur or assume (i) any indebtedness outside the ordinary course of business or (ii) any indebtedness for borrowed money or capitalized leases, unless such indebtedness would be taken into account as a liability in computing Adjusted Liquid Net Worth.

(e) It shall not, except as may be required by law or to retain a Plan's tax qualified status (i) adopt, enter into or amend any bonus, profit-sharing, compensation, pension, retirement, deferred compensation, employment, severance, termination, or other employee benefit plan, policy, agreement, trust fund, or arrangement for the benefit or welfare of any officer, director, member or employee, (ii) agree to any increase in the compensation payable or to become payable to, or any increase in the contractual term of employment of, any officer or director, (iii) agree to any increase in the compensation payable or to become payable to employees generally or (iv) institute or amend any severance plan or policy.

(f) It shall not sell, lease, mortgage, encumber or otherwise dispose of or grant any interest in any of its assets or properties, except for sales, encumbrances, and other dispositions or grants of interests in assets other than fixed assets which are made in the ordinary course of business and consistent with past practice and except for liens for taxes not yet due or liens or encumbrances that are not material in amount or effect and do not impair the use of the property, or as specifically provided for or permitted in this Agreement.

(g) It shall not enter into, terminate or amend any material contract, agreement, commitment, or understanding if such entry into, termination or amendment would have a material adverse effect on the Company's assets, liabilities, earnings, financial condition, business or operations.

(h) It shall not enter into any agreement, commitment, or understanding, whether in writing or otherwise, with respect to any of the matters referred to in subparagraphs (a) through (g) above if such agreement, commitment or understanding would have a material adverse effect on the Company's assets, liabilities, earnings, financial condition, business or operations.

(i) Except for any breach previously disclosed to the Buyer on any Schedule to this Agreement that may exist on the date of this Agreement, it shall comply with all material laws and regulations applicable to it and its operations.

(j) It shall maintain in full force and effect insurance coverage in an amount not less than that presently in effect. The Company shall immediately notify Buyer in the event any insurance coverage is reduced or eliminated.

(k) It shall not take any action (even if otherwise permitted under the Agreement) if the action would or reasonably may be expected to result in any of the Company's representations or warranties in this Agreement being untrue or in any of the conditions set forth in Article VI not being satisfied.

5.3 No Publicity. Except as otherwise required by law, for so long as this Agreement is in effect, neither the Buyer nor the Company shall issue or cause the publication of any press release or other public announcement with respect to the transactions contemplated by this Agreement without prior consultation with the other party.

5.4 Notification of Changes. The parties to this Agreement shall notify the others promptly if any representation contained in this Agreement or if any information contained in any schedule to this Agreement ceases to be true and correct as of any subsequent date.

5.5 Access to Information: Cooperation in Developing Consolidation Plan. The Company shall afford to the Buyer and to the Buyer's accountants, counsel and other representatives throughout the period prior to the Closing Date reasonable access during normal business hours to the business and properties of the Company, including its books, contracts, commitments, records (including but not limited to tax returns), files, reports, audit work papers, personnel, and other relevant information pertaining thereto, and all other facilities or materials which relate in any way to the business of the Company, and the Company shall cooperate with the Buyer in connection with calculations prepared under Section 1.8.3. During such period, the Company shall furnish promptly to the Buyer (i) a copy of each report, schedule and other document filed or received by it during such period pursuant to the requirements of the CFTC, and (ii) all other information concerning its business, properties and personnel as the Buyer may reasonably request. Throughout the period prior to the Closing Date, the Company shall make available to the Buyer and its representatives such of the Company's officers, employees, consultants and other personnel as the Buyer may request for the purpose of providing information and of formulating plans and arrangements for the consolidation of the businesses of the Buyer and the Company. The Buyer agrees that all Information (as defined in the letter agreement dated May 14, 1993 (the "Confidentiality Agreement")) between the Buyer and the Company) shall be maintained in strict accordance with the terms and conditions of the Confidentiality Agreement. Notwithstanding anything to the contrary in this Agreement, the Company shall use its reasonable best efforts prior to the COMEX Special Meeting to obtain the consent of Coffee, Sugar & Cocoa Exchange, Inc., New York Cotton Exchange and New York Futures Exchange, Inc. to provide, and after the first to occur of obtaining such consents or COMEX Member Approval shall provide, a copy of the agreement referred to in Section 8.l(j)(i) to: (x) Pollack & Kaminsky within two days after the later of the date of this Agreement and the date that a confidentiality agreement (the "Pollack Agreement") has been executed by Pollack & Kaminsky which is satisfactory to the Company and contains provisions (i) whereby, in the event the transactions contemplated by this Agreement are not consummated, Pollack & Kaminsky agrees not to represent the Buyer or any of its affiliates in negotiations with New York City to enter into an agreement to relocate in New York City, (ii) whereby prior to the delivery referred to in clause (y) of this paragraph. Pollack & Kaminsky shall not furnish copies of such agreement to the Buyer or disclose the substance of the terms thereof to the Buyer except in accordance with the Pollack Agreement and (iii) permitting Pollack & Kaminsky to furnish the Buyer its view of the agreement referred to in Section 8.1(j)(i) with respect to the standards set forth in Section 8.1(j)(A) of this Agreement or otherwise pursuant to terms generally found in confidentiality agreements and (y) the Buyer not later than immediately following the COMEX Member Approval. Notwithstanding anything to the contrary in this Agreement, the Company shall provide a copy of the agreement referred to in Section 8.1(j)(ii) to: (x) Pollack & Kaminsky within two days after the later of the date of this Agreement and the date that a confidentiality agreement (the "Second Pollack Agreement") has been executed by Pollack & Kaminsky which is satisfactory to the Company and contains provisions (i) whereby, in the event the transactions contemplated by this Agreement are not consummated, Pollack & Kaminsky agrees not to represent the Buyer or any of its affiliates in negotiations with Texas Instruments Incorporated or the Company to enter into an agreement with respect to hand-held technology, (ii) whereby prior to the delivery referred to in clause (y) of this paragraph, Pollack & Kaminsky shall not furnish copies of such agreement to the Buyer or disclose the substance of the terms thereof to the Buyer except in accordance with the Second Pollack Agreement and (iii) permitting Pollack & Kaminsky to furnish the Buyer its view of the agreement referred to in Section 8.1(j)(ii) with respect to the standards set forth in Section 8.1(j)(A) of this Agreement or otherwise pursuant to terms generally found in confidentiality agreements and (y) the Buyer not later than immediately following the COMEX Member Approval. The provisions of the Pollack Agreement and the Second Pollack Agreement may be contained in one document.

5.6 Officers' and Directors' Indemnification, Insurance. The Buyer agrees that all rights to indemnification now existing or hereafter arising before the Effective Time, in favor of the employees, agents, governors or officers of the Company (together with the Company, individually the "Indemnified Party," and collectively the "Indemnified Parties") as provided in its certificate of incorporation or by-laws or otherwise in effect on the date hereof or before the Effective Time, shall survive the Merger and shall continue in full force and effect after the Effective Time. Following the Effective Time, the Buyer will cause the Initial Surviving Corporation to, and, in the event of a merger, consolidation, sale of all or substantially all the assets, reorganization, recapitalization, restructuring, spin-off, financing or other extraordinary transaction involving either or both of the Initial Surviving Corporation, the Buyer or any successor of either of them, then the Initial Surviving Corporation, the Buyer or the successor of either of them, as the case may be, shall, periodically (and at least quarterly) reimburse an Indemnified Party for its legal and other expenses (including the cost of any investigation and preparation incurred in connection therewith) incurred in connection with any action, proceeding or investigation brought against or involving such Indemnified Party and in respect of which the Indemnified Party is entitled to indemnification hereunder, including any such actions, proceedings or investigations arising out of events occurring on or before the Effective Time.

The Buyer and the Initial Surviving Corporation shall cause to be maintained in effect for a period ending no sooner than the sixth anniversary of the Effective Time, at no expense to the beneficiaries thereof and to the extent commercially available in the United States, directors' and officers' liability insurance providing at least the same coverage with respect to the Company's officers and directors as the current policies maintained by or on behalf of the Company, and containing terms and conditions which are substantially no less advantageous, with respect to matters occurring prior to the Effective Time (to the extent such insurance is currently available with respect to such matters). In the event any claim is made against present or former directors, officers or employees of the Company that is covered or potentially covered by insurance, the Initial Surviving Corporation and the Buyer shall do nothing that would forfeit, jeopardize, restrict or limit the insurance coverage available for that claim until the final disposition of that claim.

The Buyer and the Initial Surviving Corporation shall cause to be maintained in effect, at no expense to the beneficiaries thereof, liability insurance providing at least the same coverage with respect to the COMEX Governors Committee as the current policies maintained by or on behalf of the Company with respect to the Board of Governors of the Company, and containing terms and conditions which are substantially no less advantageous, with respect to matters occurring after the Effective Time (to the extent such insurance is currently available with respect to such matters). In the event any claim is made against the COMEX Governors Committee that is covered or potentially covered by insurance, the Initial Surviving Corporation and the Buyer shall do nothing that would forfeit, jeopardize, restrict or limit the insurance coverage available for that claim until the final disposition of that claim.

The provisions of this Section 5.6 are intended to be for the benefit of, and shall be enforceable by, each indemnified party and his or her heirs and representatives.

5.7 Best Efforts. Subject to the terms and conditions of this Agreement, the Company and the Buyer each shall use its best efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the Merger and the transactions contemplated by the Agreement, subject to Member Approval, including cooperating fully with the other party, including the provision of information and making of all necessary filings under the HSR Act. In case at any time after the Effective Time any further action is necessary or desirable to carry out the purposes of this Agreement or to vest after the Effective Time the Initial Surviving Corporation with full title to all properties, assets, rights, approvals, immunities and franchises of the Company prior to the Effective Time, the proper officers and directors of the Buyer and the Company shall take all such necessary action.

5.8 Headquarters; Floor Reconfiguration. The Buyer agrees that in the event the Buyer moves its headquarters and trading operations to a new location, the Buyer will cause the trading facilities relating to the COMEX Division (i) to be located in such new location and (ii) to be substantially similar to the NYMEX facilities at such new location. The Buyer shall not make any changes to the Four World Trade Center ("4 WTC") floor space of the COMEX Division of the Buyer for any of the Buyer's existing products other than platinum/palladium. Notwithstanding the foregoing, the Buyer agrees that it shall not undertake any potential 4 WTC floor reconfiguration that will impair the ability of members of the COMEX Division of the Buyer to conduct business in a manner substantially the same as that to which they are accustomed.

5.9 COMEX Members.

(a) COMEX MRRP. Prior to the Effective Time, the Company shall cause the COMEX MRRP to be amended to provide as set forth in Schedule 5.9.

(b) Other Benefits of COMEX Members. The Buyer shall provide members of the COMEX Division of the Buyer who are record owners of Regular Memberships with life insurance, disability, health and other welfare benefit plans, programs, policies and arrangements other than the COMEX MRRP (each, a "COMEX Member Benefit") no less favorable in the aggregate than those provided by the Buyer to its other members. The Buyer shall provide owners of COMEX Option Memberships with life insurance, disability, health and other welfare benefit plans, programs, policies and arrangements other than the COMEX MRRP (each a "COMEX Option Member Benefit") no less favorable in the aggregate than those provided by the Company prior to the Effective Time (or amended ratably with COMEX Member Benefits). Notwithstanding the foregoing, the Buyer shall be required to provide any person who is a member of the COMEX Division or a COMEX Option Member and the NYMEX Division, only the COMEX Member Benefit or COMEX Option Member Benefit or the corresponding life insurance, disability, health or other welfare benefit plans; programs, policies or arrangements in respect of the Buyer's members (each, a "NYMEX Member Benefit"), whichever is greater. In the event the Buyer cancels or discontinues any NYMEX Member Benefit, it may cancel or discontinue the corresponding COMEX Member Benefit and/or COMEX Option Member Benefit (such cancellation or discontinuance of the COMEX Member Benefit and/or COMEX Option Member Benefit shall be effective following any subsequent five-year period during which the Buyer has not paid any dividend or made any distribution to members of the Buyer as a class or their successors as a class other than pursuant to a bona fide benefits program, including the Buyer's Members Retention and Retirement Plan (but excluding any profit sharing plan for members of the Buyer), provided that if a NYMEX Member Benefit is subsequently reinstated, the provisions of this paragraph 5.9(b) shall apply as if the NYMEX Member Benefit had not been previously cancelled or discontinued). The Buyer shall not be required to make payments in any year to fund any such corresponding COMEX Member Benefit or COMEX Option Member Benefit in an amount greater than the amount that the Buyer paid to fund such COMEX Member Benefit or COMEX Option Member Benefit during the year preceding the time the Buyer canceled or discontinued any NYMEX Member Benefit, provided that if a NYMEX Member Benefit is subsequently reinstated, the provisions of the first two sentences of this paragraph 5.9(b) shall take precedence over this sentence.

5.10 Severance Plans for Company Employees. For one year after the Effective Time, the Buyer shall not amend or terminate any of the severance and termination plans, programs, policies and arrangements listed in Schedule 5.10 to the extent the details thereof have been disclosed on Schedule 5.10 (the "Severance Plans") to the detriment of any individual who was an employee of the Company immediately prior to the Effective Time, except as may be required by law. With respect to all employees of the Company whose employment is terminated within the one-year period immediately following the Effective Time, the Buyer shall honor such Severance Plans. Further, the Buyer, until the first anniversary of the Effective Time, shall provide, except as may be provided by law, including, without limitation, the tax laws, any such terminated employee with the equivalent of the Company's current customary auxiliary benefits during the employee's severance period; provided, however, that no auxiliary benefits regarding any tax-qualified plans or plans otherwise tested for discrimination under the Code shall be required to be provided under this sentence.

5.11 Other Benefit Arrangements of Company Employees. Following the Effective Time, the Buyer shall provide the persons who were employees of the Company immediately prior to the Effective Time, for

so long as those persons are employed by the Buyer (or the Initial Surviving Corporation or an affiliate of the Buyer), with employee benefits, programs, policies and arrangements no less favorable than those provided by the Buyer from time to time to its employees in comparable positions. After the Effective Time, the Buyer shall honor the post-retirement medical benefit commitments listed in Schedule 3.19.

5.12 Crediting Service of Company Employees. If any person who is an employee of the Company immediately prior to the Effective Time becomes a participant in any employee benefit plan, program, policy or arrangement of the Buyer (or the Initial Surviving Corporation or an affiliate of the Buyer), such employee shall be given credit under such plan for all service prior to the Effective Time with the Company for purposes of eligibility and vesting and for all other purposes for which such service is either taken into account or recognized; provided, however, that such service need not be credited to the extent it would result in a duplication of benefits, including, without limitation, benefit accrual service under defined benefit plans; and provided, further, that such crediting shall not be required if not permitted by law (including, without limitation, any Code provision compliance with which is required for plan tax-qualification) without the need to increase benefits or enhance any other plan terms, or provide equivalent treatment in any manner, with respect to any individual who is not such an employee.

5.13 Second Stage Merger.

5.13.1 Following the Merger, the Buyer will not cause or permit the merger or consolidation of the Initial Surviving Corporation with and into the Buyer or the liquidation or dissolution of the Initial Surviving Corporation into the Buyer (any of the foregoing, a "Second Stage Merger") unless and until one of the following conditions have been satisfied:

(a) The Buyer and the COMEX Governors Committee shall have received a private letter ruling from the IRS, which ruling shall set forth a conclusion to the effect that the Second Stage Merger will not itself cause the COMEX Regular Members to realize taxable income or to have any loss disallowed that would otherwise have been deductible for Federal income tax purposes; or

(b) The effective time of the Second Stage Merger shall be not sooner than three years after the Effective Time and the Buyer shall have received an opinion of counsel, which may be Rogers & Wells, or if another counsel, a counsel reasonably acceptable to the COMEX Governors Committee, to the effect that the Second Stage Merger will not (as opposed to "should not," "is not likely to," "may not" or words to similar effect) cause the COMEX Regular Members to realize taxable income or to have any loss disallowed that would otherwise have been deductible for Federal income tax purposes.

5.13.2 The Buyer and the Initial Surviving Corporation shall not enter into any agreement, understanding or obligation with respect to the Second Stage Merger unless such agreement, understanding or obligation provides that every covenant, agreement or obligation of the Buyer for the benefit of the owners of Regular Memberships, Option Memberships and Aluminum Memberships contained in this Agreement, the New COMEX Rules and the New COMEX By-laws shall be assumed by the Buyer as the surviving corporation in the Second Stage Merger (or by the other entity, if any, which is the surviving corporation).

5.13.3 Notwithstanding Sections 5.13.1 and 5.13.2, the Buyer may cause the merger or consolidation of the Initial Surviving Corporation with and into any subsidiary of the Buyer (in corporate, partnership, limited partnership or any other form) or the liquidation or dissolution of the Initial Surviving Corporation into any subsidiary of the Buyer (in corporate, partnership, limited partnership or any other form), in connection with the conversion of the Initial Surviving Corporation to "for-profit" status or any other bona fide corporate purpose, but only upon the receipt of an opinion of Rogers & Wells, or if another counsel, a counsel reasonably acceptable to the COMEX Governors Committee, to the effect that such merger or consolidation will not (as opposed to "should not," "is not likely to," "may not" or words to similar effect) cause the COMEX Regular Members to realize taxable income or to have any loss disallowed that would otherwise have been deductible for Federal income tax purposes.

5.14 Distribution of Proxy Materials. Subject to Section 1.12, the Company agrees to distribute to the COMEX Members those Proxy Materials that are prepared by the Buyer. The Company agrees not to distribute any COMEX Materials, unless (i) the Company shall have actually furnished to, or in good faith shall have used its reasonable best efforts to actually furnish to, at least one person named on Schedule 5.14 written notice, which notice shall include a copy of the COMEX Materials, at least 24 hours prior to the date such COMEX Materials are to be distributed and (ii) the Company cooperates with the Buyer to permit the Buyer to prepare and distribute to the Company's Members a supplement or addendum to the Proxy Materials in connection with any such COMEX Materials; provided, however, that the Company shall have no obligation to delay (except as set forth in clause (i) of this Section) or to refrain from distributing the COMEX Materials.

5.15 Opinion of Company Financial Advisor. The Company shall obtain prior to the Closing the opinion of BFM Advisory L.P. or another mutually agreed to financial advisor with respect to the fairness from a financial point of view of the Merger Consideration to be received by the Company's Regular Members. In the event the Merger is consummated, the fees, costs and expenses of the financial advisor in connection with rendering such opinion shall be borne by the Buyer. In the event the Merger is not consummated, the fees, costs and expenses of the financial advisor in connection with rendering such opinion shall be borne by the Company.

5.16 Equity Interests in the COMEX Division of the Buyer. So long as the Buyer has an obligation to make Deferred Cash Payments, the Buyer agrees not to (i) issue or agree to issue any memberships of, or rights of any kind to acquire any equity interests in, the COMEX Division of the Buyer or (ii) enter into any contract, agreement, commitment or arrangement with respect to any of the foregoing if the effect of the foregoing would reduce the Deferred Cash Payments payable to the COMEX Regular Members or their successors.

5.17 NYMEX ACCESS[SM]. If and when options contracts that are traded on Commodity Exchange Inc. immediately prior to the Effective Time are listed on NYMEX ACCESS, the Buyer will take all steps reasonably necessary to allow such contracts to be traded on NYMEX ACCESS by owners of Regular COMEX Division regular memberships and option members. Thereafter, option members may be granted such trading privileges in options contracts listed on NYMEX ACCESS as may be determined by the Buyer on a case-by-case basis. As soon as reasonably practicable after the Effective Time, the Buyer shall take all steps reasonably necessary to cause gold, silver and copper futures contracts that are traded on the COMEX Division of the Buyer to be listed on NYMEX ACCESS and to allow such contracts to be traded on NYMEX ACCESS by owners of Regular COMEX Division regular memberships. Pursuant to rules substantially similar to those applicable to members of the Buyer, owners of COMEX Division regular memberships may lease or license their electronic trading privileges separately from their regular trading privileges and owners of COMEX Division regular memberships and option members (to the extent that options that they are permitted to trade are listed) may exercise electronic trading privileges.

5.18 Clearing and Trade Processing Matters. The Buyer shall undertake to integrate the clearing and trade processing operations of the Company into the Buyer as soon as reasonably practicable after the Closing. Two COMEX Division regular memberships will be required to clear contracts traded on the COMEX Division, and two regular memberships in the Buyer will be required to clear contracts traded on the NYMEX Division of the Buyer. Two COMEX Division regular memberships and two regular memberships in the Buyer will be required to clear contracts that are not New Energy Contracts or New Metals contracts (each as defined in the New COMEX By-Laws). The Buyer will take all steps reasonably practicable to make financial requirements uniform for clearing member firms. Following the Closing, the Buyer will undertake to maintain separate guaranty funds associated with each membership division's clearing members, provided that any changes to that structure will be at the discretion of the Board of Directors of the Buyer. The Buyer will use its reasonable best efforts to ensure that clearing member liability in connection with potential assessments on defaults will be based upon trades cleared in particular contracts as set forth on Schedule 5.18. The Buyer will use its reasonable best efforts to ensure that the COMEX Division of the Buyer will move to a gross margining system. Except as provided in the New COMEX By-Laws and the New COMEX Rules, nothing in this Agreement shall limit the Buyer's ability to convert the COMEX audit trail system to the pit card system or any other system whatsoever.

5.19 Mergers. Sale of Assets, etc. The Buyer shall not enter into or effect any transaction involving the merger or consolidation of the Buyer, the NYMEX Division of the Buyer or the COMEX Division

of the Buyer with or into another entity, the sale, transfer or lease of all or substantially all of the assets of the Buyer, the NYMEX Division of the Buyer or the Initial Surviving Corporation or its successor to another entity or the sale, transfer or lease of the COMEX Division of the Buyer or the NYMEX Division of the Buyer or any similar transaction unless (i) the surviving or acquiring entity agrees to provide all of the rights and the protections referred to or addressed in Section 205(D) of the New COMEX By-Laws and the Sections of this Agreement under which members of the Company would be entitled to third-party beneficiary rights under Section 9.10.2 and (ii) except in the case of a transaction described in Section 5.13.3, the Buyer and the NYMEX Division of the Buyer are transferred together, and simultaneously, with the COMEX Division of the Buyer.

5.20 CEC Price Structure. From the Closing through the conclusion of the Reference Period (as defined in Section 1.8.7(b)), the Buyer shall not, without the prior written consent of the COMEX Governors Committee, alter the pricing in effect immediately prior to the Reference Period with respect to items which comprise CEC Revenue.

5.21 Amendments to By-Laws and Rules. The Buyer and the Company agree that the rules applicable to trading, governance and other matters pertaining to the COMEX Division of the Buyer or to members of the COMEX Division of the Buyer may be rules adopted by the Board of Directors of the Initial Surviving Corporation or by the Board of Directors of the Buyer. To the extent that any of those rules are or become rules adopted by the Board of Directors of the Buyer, the Buyer will amend, modify or delete those rules only in accordance with Section 205(D) of the New COMEX By-Laws. The Board of the Initial Surviving Corporation will promptly give notice of any rules of the Buyer that become applicable to COMEX Divisions Members.

5.22 Trading Privileges in NYMEX Division Contracts. At the Effective Time, the Buyer shall make available to members of the COMEX Division of the Buyer the trading privileges set forth in Section 157(A)(2), (3), (4), (5), (6) and (7) of the New COMEX By-Laws, in accordance with the terms and restrictions set forth in the New COMEX By-Laws.

5.23 Competing Contracts. Except with respect to contracts in sour crude oil jet fuel, aluminum, platinum and palladium, without the consent of two-thirds of the COMEX Division regular memberships present and entitled to be voted at a meeting, neither the Buyer nor any affiliate (as defined in the Securities Act of 1933) of the Buyer, including without limitation the Initial Surviving Corporation, shall approve for trading any contracts which provide for future delivery (by actual delivery or by cash settlement) of commodities which also are the subject of contracts which at the time of such proposed action previously have been approved for trading on the COMEX Division of the Buyer.

5.24. Board of Directors of the Buyer and the Initial Surviving Corporation. The Chairman and Vice Chairman of the COMEX Governors Committee shall be entitled to attend all meetings of the Board of Directors of the Buyer and of the Initial Surviving Corporation in person, as observers only, and not as Directors. The Chairman and Vice Chairman of the COMEX Governors Committee shall not, *ipso facto,* be members of the Board of Directors of the Buyer or of the Initial Surviving Corporation, shall not have the right to vote at meetings of the Board of Directors of the Buyer or of the Initial Surviving Corporation and shall not be counted for purposes of determining whether a quorum exists. The Chairman and Vice Chairman of the COMEX Governors Committee may address the Board of Directors of the Initial Surviving Corporation or of the Buyer in the same manner and subject to the same restrictions as apply to members of the Board of Directors of the Initial Surviving Corporation or of the Buyer. Inadvertent failure or inability to notify either of them of a meeting shall not affect the validity of any action taken at the meeting in his or their absence. The Chairman and Vice Chairman of the COMEX Governors Committee may, by action of the Board of Directors of the Buyer or of the Initial Surviving Corporation, be excluded from those portions of meetings of the Board of Directors of the Buyer or of the Initial Surviving Corporation (i) that relate exclusively to matters as to which the Board of Directors of the Buyer or of the Initial Surviving Corporation concludes, based on the advice of counsel, that the presence of the Chairman and/or Vice Chairman of the COMEX Governors Committee may result in the loss of a privilege against disclosure which otherwise would be available, or (ii) during which the Board of Directors of the Buyer or of the Initial Surviving Corporation considers actual or potential litigation brought by the COMEX Governors Committee or any COMEX Division Member.

ARTICLE VI

CONDITIONS TO OBLIGATIONS OF THE BUYER

The obligation of the Buyer to consummate the Merger is subject to the fulfillment or waiver prior to or at the Closing of each of the following conditions:

6.1 Member Approval. The Merger and the other transactions contemplated by this Agreement shall have been approved and adopted by the Company's and the Buyer's members at the Special Meetings, by the affirmative votes required under applicable law and those approvals shall remain in full force and effect and not have been modified or terminated.

6.2 COMEX Clearing Association, Inc. The transfer of all of the assets and functions of COMEX Clearing Association, Inc. ("CCA") to the Company or a subsidiary of the Company shall have occurred as provided in the agreement and collateral materials, copies of which are attached hereto as Schedule 6.2 (the "CCA Merger Agreement"). At the effective time of the merger provided for in the CCA Merger Agreement (the "CCA Merger") all of the representations and warranties made by CCA shall have been true and correct, and since the effective time of the CCA Merger no event shall have occurred that has or will have a material adverse effect on the Company's assets, liabilities, earnings, financial condition, business or operations.

6.3 Commodity Futures Clearing Corp. of New York. Except as provided on Schedule 6.3, the termination of all accrued or contingent liabilities or obligations owed by the Company to or on account of the Commodity Futures Clearing Corp. of New York.

6.4 No Injunctions, Restraints or Proceedings. No temporary restraining order, preliminary or permanent injunction or other order, decree or ruling issued by any court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any other legal restraint or prohibition preventing the consummation of the Merger or any other material transaction contemplated by this Agreement, shall be in effect, no legal proceeding shall be pending or, other than as set forth on Schedule 6.4, overtly threatened in writing which in the Buyer's reasonable opinion, if adversely decided, could result in the imposition of such a restraint or prohibition or could call into question the effectiveness of the Merger or the validity of this Agreement and no change shall have occurred in or with respect to any legal proceeding disclosed in this Agreement which in the Buyer's reasonable opinion has materially increased the prospect of the imposition of any legal restraint or prohibition against the Merger or this Agreement.

6.5 Consents. All permits, consents, authorizations, approvals, registrations, qualifications, designations, declarations, filings and notices set forth in Schedule 3.6 shall have been obtained, made or submitted by the Company and, if required, shall be effective on and as of the Closing. Any waiting period and any extension thereof under the HSR Act applicable to the transactions contemplated hereby shall have expired or been terminated.

6.6 Performance. The Company shall have performed and complied in all material respects with all agreements and conditions contained in this Agreement to be performed or complied with by it on or before the Closing.

6.7 Representations and Warranties Correct. The representations and warranties of the Company contained in Article III shall be true in all respects on and as of the Closing Date as if they had been made at the Closing; provided, however, that subject to Section 8.1(e), the Company shall have a reasonable period of time after discovery or notice of a breach of a representation or warranty that is not qualified by materiality, which breach is not reasonably likely to have a material adverse effect on the Company (a "Non-Material Breach"), to cure such Non-Material Breach and shall act diligently and in good faith to take all steps necessary to cure such Non-Material Breach.

ARTICLE VII

CONDITIONS TO OBLIGATION OF THE COMPANY

The obligation of the Company to consummate the Merger is subject to the fulfillment to its satisfaction or waiver prior to or at the Closing of each of the following conditions:

7.1 Member Approval. The Merger and the other transactions contemplated by this Agreement shall have been approved and adopted by the Company's and the Buyer's respective members at the Special Meetings, by the affirmative votes required under applicable law, and those approvals shall remain in full force and effect and not have been modified or terminated.

7.2 By-Laws and Rules. The New COMEX By-Laws and the New COMEX Rules shall come into effect simultaneously with the Merger and be as provided in Section 1.7, subject to any amendments permitted by Section 1.7.

7.3 No Injunctions, Restraints or Proceedings. No temporary restraining order, preliminary or permanent injunction or other order, decree or ruling issued by any court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any other legal restraint or prohibition preventing the consummation of the Merger or any other material transaction contemplated by this Agreement, shall be in effect, no legal proceeding shall be pending or, other than as set forth on Schedule 7.3, overtly threatened in writing which in the Company's reasonable opinion, if adversely decided, could result in the imposition of such a restraint or prohibition or could call into question the effectiveness of the Merger or the validity of this Agreement and no change shall have occurred in or with respect to any legal proceeding described in this Agreement which in the Company's reasonable opinion has materially increased the prospect of the imposition of any legal restraint or prohibition against the Merger or this Agreement.

7.4 Consents. All permits, consents, authorizations, approvals, registrations, qualifications, designations, declarations, filings and notices set forth in Schedule 4.5 shall have been obtained, made or submitted by the Buyer or NewCo and, if required, shall be effective on and as of the Closing. Any waiting period and any extension thereof under the HSR Act applicable to the transactions contemplated hereby shall have expired or been terminated.

7.5 Performance. The Buyer shall have performed and complied in all material respects with all agreements and conditions contained in this Agreement to be performed or complied with by it on or before the Closing.

7.6 Representations and Warranties Correct. The representations and warranties of the Buyer and NewCo contained in Article IV shall be true in all respects on and as of the Closing Date as if they had been made at the Closing; provided, however, that subject to Section 8.1(e), the Buyer shall have a reasonable period of time after discovery or notice of a breach of a representation or warranty that is not qualified by Materiality, which breach is not reasonably likely to have a Material adverse effect on the Buyer (a "Buyer Non-Material Breach"), to cure such Buyer Non-Material Breach and shall act diligently and in good faith to take all steps necessary to cure such Buyer Non-Material Breach.

7.7 Tax Laws. There shall not have occurred a material change in the Federal income tax laws (whether by statute, regulation or other pronouncement of the United States Treasury Department or the IRS or by court decision) with the result that the tax treatment of members of the Company in the Merger described in the Proxy Materials shall have been materially adversely affected. For purposes of this Section 7.7, changes in tax rates, rules as to deducibility and similar provisions will not be deemed material adverse changes.

ARTICLE VIII

TERMINATION; RIGHT OF RECOVERY; CERTAIN DISPUTES

8.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by mutual consent of the Company and the Buyer; or

(b) by the Buyer if COMEX Member Approval shall not have been obtained at a Special Meeting duly called and held before September 30, 1994, subject to postponement of such date in accordance with the provisions of Section 1.11; or

(c) by the Company if NYMEX Member Approval shall not have been obtained at a Special Meeting duly called and held before September 30, 1994, subject to postponement of such date in accordance with the provisions of Section 1.11; or

(d) by the Buyer or the Company if, without fault of the terminating party, the Closing shall not have occurred on or before the nine-month anniversary of the date of this Agreement; or

(e) by the Buyer or the Company at any time after (i) the occurrence of a material breach by the non-terminating party of any of such non-terminating party's covenants contained herein, or (ii) the later to occur of (A) Member Approval and (B) satisfaction of the conditions specified in Sections 6.5 and 7.4, respectively, if at that time any representation or warranty of the non-terminating party contained herein shall be inaccurate or breached in any material respect or, with respect to any representation or warranty of the non-terminating party that is qualified by knowledge, the non-terminating party has notice of or discovers that such representation is inaccurate or breached in any material respect; provided, in either case, that at the time of termination the breach or inaccuracy is continuing and, if capable of cure, the non-terminating party shall have failed to cure the breach or inaccuracy within the period specified in a notice of default from the terminating party to the non-terminating party, which period shall be equal to the lesser of (1) 30 days from the date of delivery of such notice and (2) the period of time (which in any event will not be less than 30 days) from the date of delivery of such notice to (but not including) the nine-month anniversary of the date of this Agreement; and provided, further, that the terminating party is not then in default under this Agreement and all of the terminating party's representations and warranties in this Agreement are true and correct in all material respects; or

(f) by the Buyer, if the Company shall at any time breach the covenant contained in Section 5.1 or engage in activities that would constitute a breach of Section 5.1 but for the qualifications contained in Section 5.1 with respect to the fiduciary duties of the Board of Governors of the Company or enter into a definitive agreement with another Person for merger, sale of assets, sale of memberships or a similar transaction involving the Company; or

(g) (i) except as provided in clause (n) of this Section, by the Buyer, if prior to the Closing the Board of Governors of the Company shall have withdrawn or modified in a manner adverse to the Buyer or NewCo its approval or recommendation of this Agreement or the Merger; or (ii) except as provided in clause (o) of this Section, by the Company, if prior to the Closing the Board of Directors of the Buyer or NewCo shall have withdrawn or modified in a manner adverse to the Company its approval or recommendation of this Agreement or the Merger; or

(h) (i) except as provided in clause (l) of this Section, by the Buyer, if, after being obtained, COMEX Member Approval is actually or purportedly withdrawn or modified in a materially adverse manner; or (ii) except as provided to clause (m) of this Section, by the Company, if, after being obtained, NYMEX Member Approval is actually or purportedly withdrawn or modified in a materially adverse manner; or

(i) (x) by the Buyer, if the Company is unable to or does not cure any Non-Material Breach during the time period set forth in Section 6.7; or (y) by the Company, if the Buyer is unable to or does not cure any Buyer Non-Material Breach during the time period set forth in Section 7.6; or

(j) by the Buyer, if upon review of the contracts, agreements and any other documents not disclosed to the Buyer prior to the date of this Agreement relating to the Company's relationship (i) with the City of New York in connection with the development of a new building site or (ii) with Texas Instruments Incorporated and its affiliates, the Buyer (A) discovers that the Company has material liabilities, material financial commitments (fixed or contingent) or other material obligations or (B) is dissatisfied in its sole discretion with the terms and conditions of such contracts, agreements or other documents; or

(k) automatically, if (i) the COMEX Member Approval is not obtained at the Special Meeting of the Company's regular members actually held in accordance with Section 1.11 or (ii) the NYMEX Member Approval is not obtained at the Special Meeting of the Buyer's regular members actually held in accordance with Section 1.11; or

(l) automatically, if the COMEX Member Approval is withdrawn at any time prior to the Closing by a vote of the owners of a majority of the Regular Memberships in the Company voting and entitled to vote at a meeting of owners of such Regular Memberships duly called in accordance with the By-Laws of the Company; or

(m) automatically, if the NYMEX Member Approval is withdrawn at any time prior to the Closing by a vote of the owners of a majority of the regular memberships in the Buyer voting and entitled to vote at a meeting of the owners of such regular memberships duly called in accordance with the By-Laws of the Buyer; or

(n) automatically, if the approval or recommendation of this Agreement or the Merger by the Board of Governors of the Company is withdrawn or modified at any time prior to the Special Meeting of the Company's regular members provided for in Section 1.11 by a vote of a majority of the members of the Company's Board of Governors; or

(o) automatically, if the approval or recommendation of this Agreement or the Merger by the Board of Directors of the Buyer is withdrawn or modified at any time prior to the Special Meeting of the Buyer's regular members provided for in Section 1.11; by a vote of a majority of the members of the Buyer's Board of Directors.

8.2 Effect of Termination. In the event of the termination of this Agreement pursuant to Section 8.1, this Agreement shall become null and void from the date of termination and no party hereto (or any of their respective directors, officers or employees) shall have any liability or further obligation to any other party hereto, except as provided in Sections 8.3, 8.4 and 8.5.

8.3 Payment to Buyer Under Certain Circumstances.

(a) The Company shall pay to the Buyer, as reimbursement for its unitemized expenses incurred in connection with this Agreement and the transactions contemplated hereby, and as compensation for lost opportunity costs, an amount in cash equal to $2,000,000 if this Agreement is terminated by the Buyer pursuant to Section 8.1(e), 8.1(f), 8.1(g)(i), 8.1(h)(i) or 8.1(j)(A). In addition, in the event this Agreement is terminated by the Buyer pursuant to Section 8.1(e), 8.1(f), 8.1(g)(i), 8.1(h)(i) or 8.1(j)(A), the Company shall pay to the Buyer upon demand a fee equal to 10% of the amount by which the fair value of all consideration paid or furnished, directly or indirectly, to the Company or its members exceeds the Merger Consideration, plus all expenses, including reasonable attorneys' fees, incurred by the Buyer in connection with this Agreement and the transactions contemplated hereby if (i) after the date of this Agreement and prior to the termination of this Agreement, any person or entity or "group" (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934) shall have made a proposal (a "takeover proposal") to acquire all or substantially all of the equity interests

in or the business or assets of the Company, or to merge directly or indirectly with the Company, or amended any such takeover proposal made prior to the date of this Agreement and (ii) within one year following the date such takeover proposal is made or amended, as the case may be, any person or entity (other than the Buyer or any of its affiliates) shall have acquired, directly or indirectly, the Company, all or substantially all of its assets or operations or more than 50% of the Company's memberships for consideration other than contractual trading privileges in COMEX having a value greater than the Merger Consideration. For purposes of this Section 8.3 only, the Merger Consideration shall be calculated on the assumption that the Adjusted Liquid Net Worth of the Company is $20,000,000 and that no adjustments to the Merger Consideration are required.

(b) Notwithstanding the foregoing, in the circumstances set forth in clause (x) of the last sentence of Section 8.5 and in lieu of requiring the Company to pay the Buyer the amounts due under Section 8.3(a), the Buyer in its sole discretion may seek the remedies of specific performance and/or injunctive relief.

(c) The Company shall pay to the Buyer an amount in cash equal to $2,000,000 if this Agreement is terminated pursuant to Section 8.1(l) or 8.1(n).

8.4 Payment to the Company Under Certain Circumstances.

(a) The Buyer shall pay to the Company as reimbursement for its unitemized expenses incurred in connection with this Agreement and the transactions contemplated hereby, and as compensation for lost opportunity costs, an amount in cash equal to $2,000,000, if this Agreement is terminated by the Company pursuant to Section 8.1(e), 8.1(g)(ii) or 8.1(h)(ii).

(b) Notwithstanding the foregoing, in the circumstances set forth in clause (y) of the last sentence of Section 8.5 and in lieu of requiring the Buyer to pay the Company the amount due under Section 8.4(a), the Company in its sole discretion may seek the remedies of specific performance and/or injunctive relief.

(c) The Buyer shall pay to the Company an amount in cash equal to $2,000,000 if this Agreement is terminated pursuant to Section 8.1(m) or 8.1(o).

8.5 Exclusive Remedy. The remedies provided for in Sections 8.3 and 8.4 shall be the exclusive remedies for any default or breach hereunder by any party hereto prior to Closing. Each party waives the right to receive the remedy of specific performance or injunctive relief for any default or breach prior to Closing, except that specific performance and/or injunctive relief shall be available with respect to any breach of this Agreement (x) by the Company which (i) consists of a failure to proceed to Closing after COMEX Member Approval which failure is not excused by an express provision of this Agreement and (ii) has not been approved by the affirmative vote of (A) a majority of the Company's Board of Governors and (B) the owners of a majority of the Regular Memberships in the Company present and entitled to vote at a meeting of owners of such Regular Memberships duly called in accordance with the By-Laws of the Company or (y) by the Buyer which (i) consists of a failure to proceed to Closing after NYMEX Member Approval which failure is not excused by an express provision of this Agreement and (ii) has not been approved by the affirmative vote of (A) a majority of the Buyer's Board of Directors and (B) a majority of the outstanding memberships in the Buyer present and entitled to vote at a meeting duly called in accordance with the By-Laws of the Buyer.

8.6 Right of Recovery in Respect of the Company's Pre-Consolidation Liabilities; Member Claims.

8.6.1. In the event the Buyer, its affiliates (including the Initial Surviving Corporation and the Buyer's subsidiaries, if any) or any of their respective officers, directors or agents incurs or becomes liable for any loss, liability, claim, damage or expense (including legal fees and expenses) (collectively, "Losses") as a result of any claim made or asserted by a third party or legal, administrative or other investigation or proceeding threatened or commenced by a third party after the date of this Agreement, the subject matter of which is any wrongful, negligent or unlawful action, omission or inaction alleged to have occurred prior to the Closing Date (other than an action to enforce rights under this Agreement) (collectively, a "Claim"), the Buyer shall have the

right to increase any or all of the dues and fees payable by, or levy assessments on (dues and assessments to be applied pro rata among all members of the COMEX Division of the Buyer based upon the number of regular memberships held, including, for these purposes, regular memberships purchased after the Effective Time and held by the Buyer or its affiliates), the owners of Regular Memberships of the COMEX Division of the Buyer in an aggregate amount equal to the aggregate of all such Losses incurred or paid by the Buyer; provided, however, that the Buyer shall not have any such rights under this Section 8.6.1 unless the aggregate of all Losses incurred or paid by the Buyer exceeds on a cumulative basis $5,000,000, and then only to the extent of any such excess but in no event more than the total Merger Consideration paid by the Buyer; provided further, however, that the Buyer shall not have any such rights under this Section 8.6.1 with respect to Claims that are initiated or of which the Buyer otherwise first receives notice after the sixth anniversary of the Effective Time and that the Buyer shall not have any rights under this Section 8.6.1 (i) unless and until the underlying Claim is finally determined by a nonappealable judgment of a court of competent jurisdiction or the voluntary settlement of such Claim entered into by the Buyer (subject in each case to the provisions of Section 8.6.2 hereof) and (ii) unless the Buyer shall have acted diligently and in good faith with respect to such Claim and its disposition. For purposes of this Section 8.6, the amount of any Losses shall be reduced by any reserves accrued in calculating Adjusted Liquid Net Worth with respect to the items comprising such Losses, net of tax, insurance or other benefits (including counterclaims, cross-claims or third party claims in the amounts that have been asserted and not yet resolved) which are or will be received by the Buyer or any of its affiliates in respect of or as a result of such Claim or the facts or circumstances related thereto.

8.6.2 Notice of any right asserted under this Section 8.6 shall be furnished by the Buyer to the COMEX Governors Committee (or any successor entity) not less than 30 days prior to the date on which the Buyer shall increase any dues or fees payable by, or levy any assessments on, members of the COMEX Division of the Buyer. The Buyer shall give prompt notice to the COMEX Governors Committee of any Claim and shall afford a representative of the COMEX Governors Committee the reasonable opportunity to consult with the Board with respect to such Claim; provided, however, that failure to give promptly any notice specified in this sentence shall not affect the rights of the Buyer under this Section 8.6 or otherwise under this Agreement unless and only to the extent such delay causes prejudice. The notice shall specify in reasonable detail the basis for the asserted right to increase dues or fees payable by, or levy assessments on, members of the COMEX Division of the Buyer, and the basis of computation of the amount of such dues, fees and assessments. Except as provided in Section 8.7, the right to increase dues or fees payable by, or levy any assessments on, members of the COMEX Division of the Buyer, and the amount thereof specified in any such notice shall be conclusive and binding on all applicable parties.

8.6.3 In the event that prior to or after the Closing (but within six years after the Effective Time) any claim, lawsuit, proceeding or investigation (i) brought by, on behalf of, or in the case of investigations, brought about in response to actions of, one or more option members of the Company or the COMEX Division of the Buyer, as the case may be, and (ii) relating to or arising out of this Agreement or the transactions contemplated hereby shall be commenced or overtly threatened (an "Option Member Claim"), the COMEX Governors Committee may undertake, conduct and control, through counsel of its own choosing, the settlement, compromise or defense of any such Option Member Claim. In the event the Option Member Claim is finally determined by a nonappealable judgment of a court of competent jurisdiction or the voluntary settlement of such Option Member Claim is entered into by all parties thereto, any and all losses, liabilities, claims, damages or expenses (including legal fees and expenses) as a result of Option Member Claims ("Option Member Losses") shall be (i) offset against or deducted from the Deferred Cash Payments attributable to CEC Revenue as set forth in Section 1.8.7(a)(ii); and (ii) only to the extent that the amounts of Deferred Cash Payments specified in clause (i) of this Section 8.6.3 are less than all Option Member Losses, recovered by the Buyer through an increase in the dues and fees payable by, or the levying of assessments on (dues and assessments, if any, to be applied pro rata among all owners of Regular Memberships of the COMEX Division of the Buyer based on the number of regular memberships held, including for these purposes, regular memberships purchased after the Effective Time and held by the Buyer or its affiliates), Members of the COMEX Division of the Buyer.

8.7 Disputes as to Claims.

8.7.1 In the event the COMEX Governors Committee disputes the assertion of a right to increase dues and fees on, or levy assessments against, members of the COMEX Division of the Buyer, or the

amount of any such dues, fees or assessments, pursuant to Section 8.6, it shall notify the Buyer within ten days after delivery of the notice of dues, fees or assessments pursuant to Section 8.6.2. Within ten days after delivery of any notice under this Section 8.7, if the parties have not yet settled such dispute, the disputed items shall be referred to a mutually agreed upon internationally recognized arbitrator (the "Arbitrator") for determination (as promptly as practicable) in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect on the date of commencement of arbitration.

8.7.2 If a notice of dispute is given in respect of dues, fees or assessments pursuant to Section 8.7.1, no such dues, fees or assessments may be imposed or collected until resolution of the dispute.

8.7.3 The arbitration shall be held in New York, New York unless the parties mutually agree to have the arbitration held elsewhere. The determination of the Arbitrator shall be final and binding upon all applicable parties, including without limitation all persons entitled to receive any portion of the Initial Cash Payment or any Deferred Cash Payment.

8.7.4 Fifty percent of all costs and expenses incurred in connection with this Section 8.7 (including all legal fees and expenses) shall be paid by the Buyer, and 50% shall be borne by the Members of the COMEX Division of the Buyer, advanced by the Buyer for their account and recovered by the Buyer at its election either by offset against or deduction from any Deferred Cash Payment subsequently due or by an increase in the dues and fees payable by, or an assessment against, the Members of the COMEX Division of the Buyer.

ARTICLE IX

MISCELLANEOUS

9.1 Entire Agreement. This Agreement, including the exhibits hereto, constitutes the entire agreement between the parties hereto, and no party shall be liable or bound to the other in any manner by any warranties, representations or covenants except as specifically set forth herein.

9.2 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing such documents.

9.3 Notices and Other Communications. Any notice or other communication required or permitted to be given under this Agreement must be in writing and will be deemed effective when delivered in person or sent by facsimile, cable, telegram or telex, or by overnight delivery service or by registered or certified mail, postage prepaid, return receipt requested, to the following addresses:

If to the Buyer:

New York Mercantile Exchange
Four World Trade Center
New York, New York 10048
Attention: Chairman
Telephone: (212) 938-2222
Telecopier: (212) 423-1562

With a copy to:

Rogers & Wells
200 Park Avenue
New York, New York 10166
Attention: John A. Healy, Esq.
Telephone: (212) 878-8281
Telecopier: (212) 878-8375

If to the Company:

Commodity Exchange, Inc.
4 World Trade Center
New York, New York 10048
Attention: Chairman
Telephone: (212) 938-2000

If to the COMEX Division Governors Committee:

c/o Commodity Exchange, Inc.
4 World Trade Center
New York, New York 10048
Attention: Chairman of the COMEX Governors Committee
Telephone: (212) 938-2000

In each case, with a copy to:

Skadden, Arps, Slate, Meagher & Flom
919 Third Avenue
New York, New York 10022
Attention: Stephen M. Banker, Esq.
Telephone: (212) 735-2760
Telecopier: (212) 735-2000

The parties to this Agreement may change the address to which notices or other communications are to be sent by a notice to the other given as provided in this Section 9.3.

9.4 Expenses.

(a) Except as provided in Sections 1.8.3(b), 1.8.7(f), 5.15, 8.3, 8.4, 8.7.4 and 9.4(b) of this Agreement, each party to this Agreement shall bear its own expenses incurred in connection with the negotiation, preparation, execution and consummation of this Agreement, including the fees, expenses and disbursements of its respective legal counsel incurred in connection herewith.

(b) Except as provided in Section 8.7.4, if any proceeding is brought for the enforcement of this Agreement or because of an alleged dispute, breach or default in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover from the unsuccessful party or parties all costs and expenses, including attorneys' fees and disbursements, incurred in connection with such proceeding, in addition to any other relief to which it or they may be entitled.

9.5 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power or remedy accruing to any party to this Agreement upon any breach or default of the other party under this Agreement shall impair any such right, power or remedy, nor shall it be construed to be a waiver of or acquiescence in any such breach or default or any similar breach or default thereafter occurring; nor shall any waiver of any

single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. No waiver of any provision or right under this Agreement shall be effective unless set forth in a written instrument executed by the waiving party.

9.6 Governing Law. This Agreement will be governed by, and construed under, the laws of the State of New York without regard to its conflict of laws principles.

9.7 Amendment. This Agreement may be amended by the parties hereto, by action taken or authorized by their respective Boards of Directors, at any time before or after approval of the matters presented in connection with the Merger by the Company's and the Buyer's members, but, after any such approval, no amendment shall be made which by law requires further approval by the Company's and the Buyer's members without such further approval. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto. After the Effective Date, any of the matters set forth in Sections 5.6 through 5.13 and 5.16 through 5.24 may be amended upon the approval of the Buyer and a majority (except for Section 5.23 for which the requisite vote shall be two-thirds) of owners of COMEX Regular Memberships present and entitled to be voted at a meeting.

9.8 Consent To Jurisdiction and Process. The Company, the Buyer and NewCo each irrevocably submit to the non-exclusive in personam jurisdiction of any New York State or Federal court sitting in the County of New York over any suit, action or proceeding arising out of or relating to this Agreement or the Merger. To the fullest extent they may effectively do so under applicable law, the Company, the Buyer and NewCo each irrevocably waive and agree not to assert, by way of motion, as a defense or otherwise, any claim that they are not subject to the in personam jurisdiction of any such court, any objection that they may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. The Company, the Buyer and Newco each consent to process being served in any suit, action or proceeding of the nature referred to in this Section 9.8 by mailing a copy thereof by registered or certified mail, postage prepaid, return receipt requested, to the address of the respective party specified in or designated pursuant to Section 9.3. The Company, the Buyer and NewCo each agree that such service upon receipt (i) shall be deemed in every respect effective service of process upon them in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by law, be taken and held to be valid personal service upon and personal delivery to them. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any national commercial delivery service.

9.9 Survival of the Representations and Warranties. The representations and warranties of the Buyer and the Company contained herein and in any certificate or other writing delivered pursuant hereto shall not survive the Effective Time and shall not relate to the Second Stage Merger; provided that the foregoing provision shall not limit any covenant or agreement of the parties hereto which by its terms contemplates performance after the Effective Time.

9.10 Third Party Beneficiaries.

9.10.1 Except for the parties hereto and as otherwise expressly set forth in Section 9.10.2. nothing in this Agreement, express or implied, is intended to or shall confer upon any other person or persons any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

9.10.2 COMEX Regular Members and (as to the rights specified in Section 1.8. Section 5.6. Section 5.8. Section 5.9(b), Section 5.11, Section 5.13, Section 5.16, Section 5.17, Section 5.18, Section 5.19, Section 5.20, Section 5.21, Section 5.22, Section 5.23, Section 5.24, Section 8.6 and Section 8.7 and in clause (ii) below) their respective successors and assigns, and, after the Effective Time, the COMEX Governors Committee, solely in its capacity as a representative of the members of the Company immediately prior to the Effective Time and of the members of the COMEX Division of the Buyer, shall be entitled to enforce after the Effective Time directly against the Buyer (i) the provisions of Section 1.8. Section 5.6, Section 5.8, Section 5.9, Section 5.10, Section 5.11, Section 5.12, Section 5.13, Section 5.16, Section 5.17, Section 5.18, Section 5.19.

Section 5.20, Section 5.21, Section 5.22, Section 5.23, Section 5.24, Section 8.6 and Section 8.7 and (ii) their rights under Section 157 and Section 205 of the New COMEX By-Laws. Those members shall be bound by any resolution of a dispute as to the amount of Merger Consideration which is achieved in accordance with the provisions of this Agreement. Persons who were employees of the Company immediately prior to the Effective Time shall be entitled to enforce after the Effective Time directly against the Buyer the provisions of Section 5.10, Section 5.11, Section 5.12 and Sections 5.13 and 5.19 (as those provisions relate to Sections 5.10, 5.11 and 5.12). The owners of Option Memberships shall be entitled to enforce after the Effective Time directly against the Buyer the provisions of Section 1.8.2(d) and the provisions of Section 5.9, Section 5.17 and Section 5.19 (as those provisions relate to options or option members). The owners of Aluminum Memberships shall be entitled to enforce after the Effective Time directly against the Buyer the provisions of Section 1.8.2(e).

9.11 Damages. No party hereto shall have any liability for any incidental, indirect, special, consequential, exemplary or punitive damages arising out of, relating to or resulting from any breach of the representations and warranties set forth in this Agreement, any failure to perform any covenant under this Agreement, any Claim or otherwise in connection with this Agreement.

9.12 Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first above written.

NEW YORK MERCANTILE EXCHANGE

By: /s/ Daniel Rappaport
Name: Daniel Rappaport
Title: Chairman of the Board

COMEX ACQUISITION CORP.

By: /s/ Daniel Rappaport
Name: Daniel Rappaport
Title: President

COMMODITY EXCHANGE, INC.

By: /s/ Donna Redel
Name: Donna Redel
Title: Chairman

Exhibit 10.13.1

AMENDMENT NO. 1 TO
AGREEMENT AND PLAN OF MERGER

By and Among

NEW YORK MERCANTILE EXCHANGE,
COMEX ACQUISITION CORP.

and

COMMODITY EXCHANGE, INC.

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AMENDMENT NO. 1 TO
AGREEMENT AND PLAN OF MERGER

This **AMENDMENT NO. 1 TO AGREEMENT AND PLAN OF MERGER** ("Amendment No. 1") is made this 25th day of March, 1994 by and among NEW YORK MERCANTILE EXCHANGE, a corporation organized under the New York Not-For-Profit Corporation Law (the "Buyer"), COMEX ACQUISITION CORP., a corporation organized under the New York Not-For-Profit Corporation Law ("NewCo"), and COMMODITY EXCHANGE, INC., a corporation organized under the New York Not-For-Profit Corporation Law (the "Company"), and amends the Agreement and Plan of Merger dated January 28, 1994 (the "Original Agreement"), by and among the Buyer, NewCo, and the Company.

WHEREAS, the Buyer, NewCo and the Company desire to amend the Original Agreement and certain of the schedules thereto and;

WHEREAS, the Buyer, NewCo and the Company desire to clarify the parties' intent with respect to certain provisions set forth in the Original Agreement and in the schedules thereto,

NOW, THEREFORE, pursuant to Section 9.7 of the Original Agreement and in consideration of the foregoing, the Original Agreement, including the schedules thereto, is hereby amended as set forth herein.

ARTICLE I

1.1 Capitalized Terms. Capitalized terms used herein and not defined have the meanings assigned to them in the Original Agreement except where the context otherwise requires.

1.2 Conversion of Memberships: Consideration. Section 1.8.2(d) of the Original Agreement is hereby amended by deleting therefrom the phrase "Sections 2.61" and replacing it with the phrase "Sections 2.60".

1.3 Letter of Credit Cost Recovery. Section 1.8.7(a) of the Original Agreement is hereby amended by inserting at the end of the sixth line thereof the phrase "Section 1.8.7(f) and".

1.4 Fee Increases. In connection with Section 8.6 of the Original Agreement and Section 104 of the New COMEX By-Laws, the Buyer, NewCo and the Company agree that any fees received by the Buyer from holders of Option Memberships and Aluminum Memberships will be excluded from the determination of whether and when the reimbursement obligation of owners of Memberships in the COMEX Division of the Buyer under the Original Agreement for (i) Option Member Losses, (ii) Losses and (iii) the costs and expenses (including legal fees and expenses) specified in Section 8.7.4 of the Original Agreement) has been satisfied.

1.5 Headquarters; Floor Reconfiguration. Section 5.8 of the Original Agreement is hereby amended by adding to the end of such Section 5.8 the following:

> "In the event that the Buyer seeks to reallocate any booth or reconfigure the floor, in the COMEX trading floor space at 4 WTC, it shall give no less than two weeks prior notice to the COMEX Governors Committee. Any member of the COMEX Division of the Buyer that believes that such reallocation or reconfiguration impairs its ability to conduct business in a manner substantially the same as that to which it is accustomed (an "Objecting Member"), may register, within the two-week notice period, an objection with the COMEX Governors Committee which, if it agrees with such member, shall, within one week of receipt of such objection, notify the Board of Directors of the Buyer. Within two weeks of such notification, the Board of Directors of the Buyer shall convene a panel comprised of five NYMEX Division members of the Facilities Committee (appointed by the Buyer), five COMEX Division members of the Facilities Committee (appointed by the COMEX Governors

Committee) and a member of the Arbitration Committee that is neither a member of, nor affiliated with a member of, either the NYMEX Division or the COMEX Division of the Buyer (selected from Arbitration Committee members by the Buyer subject to two as of right challenges by the COMEX Governors Committee), to consider whether the reallocation or reconfiguration, including any alternatives offered to the Objecting Member, will impair the ability of such member to conduct business in a manner substantially the same as that to which it is accustomed. The Buyer may not make such reallocation or reconfiguration within the three-week period following notice to the COMEX Governors Committee, prior to the determination of the panel if a panel is or is to be convened, or after a determination of a panel adverse to the Buyer. The panel shall make its determination expeditiously and shall follow such rules and procedures as it deems appropriate. Nothing in this section shall apply to booth allocations or floor reconfigurations that are recommended by the COMEX Division Booth Allocation Subcommittee."

1.6 Other Benefits of COMEX Members. Section 5.9(b) of the Original Agreement is hereby amended by amending and restating the first sentence of such Section 5.9(b) as follows:

"The Buyer shall provide members of the COMEX Division of the Buyer who are owners of Memberships in the COMEX Division with life insurance, disability, health and other welfare benefit plans, programs, policies and arrangements other than the COMEX MRRP (each, a "COMEX Member Benefit") no less favorable in the aggregate than those provided by the Buyer to its other members."

1.7 Second Stage Merger. Section 5.13.3 of the Original Agreement is hereby amended to delete the phrase "Notwithstanding Sections 5.13.1 and 5.13.2," and replace it with "Notwithstanding Section 5.13.1,".

1.8 NYMEX ACCESS[SM]. Section 5.17 of the Original Agreement is hereby amended and restated in its entirety as follows:

"5.17 NYMEX ACCESS[SM].

5.17.1 If and when options contracts that are traded on Commodity Exchange Inc. immediately prior to the Effective Time are listed on the NYMEX ACCESS System or another after hours, electronic trading system through which NYMEX Division contracts are traded (such System and other system are referred to in this section as "NYMEX ACCESS"), the Buyer will take all steps reasonably necessary to allow such contracts to be traded on NYMEX ACCESS by owners of COMEX Division regular memberships and option members. Thereafter, option members may be granted such trading privileges in options contracts listed on NYMEX ACCESS as may be determined by the Buyer on a case-by-case basis. As soon as reasonably practicable after the Effective Time, the Buyer shall take all steps reasonably necessary to cause gold, silver and copper futures contracts that are traded on the COMEX Division of the Buyer to be listed on NYMEX ACCESS and to allow such contracts to be traded on NYMEX ACCESS by owners of COMEX Division regular memberships. If and when other futures and options contracts that are traded on the COMEX Division of the Buyer at any time after the Effective Time are listed on NYMEX ACCESS, the Buyer will allow such contracts to be traded on NYMEX ACCESS by owners of COMEX Division regular memberships.

5.17.2 Pursuant to rules substantially similar to those applicable to members of the Buyer, owners of COMEX Division regular memberships

may lease or license their electronic trading privileges on the COMEX Division separately from their regular trading privileges and owners of COMEX Division regular memberships and option members (to the extent that options that they are permitted to trade are listed) may exercise electronic trading privileges.

5.17.3 NYMEX will not permit the trading of any COMEX Division contract on NYMEX ACCESS during the hours that such contract is open for trading by open outcry on the COMEX Division floor.

5.17.4 Fees for owners of COMEX Division regular memberships trading on NYMEX ACCESS (other than trading pursuant to Section 157(A)(7) of the New COMEX By-Laws) will be equal to: (A) the relevant clearing and transaction fees established by the Board of Directors of New COMEX subject to Section 105 of the New COMEX By-Laws plus (B) a NYMEX ACCESS fee equal to the NYMEX ACCESS fee charged to owners of memberships in the NYMEX Division of the Buyer for trading NYMEX Division products.

5.17.5 Subject to the rules for electronic trading, firms upon which privileges are conferred by owners of COMEX Division regular memberships or option members pursuant to the New COMEX Rules will be entitled to exercise the same trading privileges on NYMEX ACCESS as are available to them with respect to trading on the floor of the COMEX Division.

5.17.6. If all trading of NYMEX Division contracts on NYMEX ACCESS is terminated, then, notwithstanding the provisions of Sections 157(A) and 205(D)(5) of the New COMEX By-Laws, the Buyer may terminate all trading on NYMEX ACCESS; provided, however, that if any contract traded on the NYMEX Division of the Buyer is thereafter listed for trading on NYMEX ACCESS then the gold, silver and copper contracts, to the extent listed for trading on NYMEX ACCESS at the time all trading on NYMEX ACCESS stopped, shall be relisted for trading on NYMEX ACCESS and the proviso of Section 205(D)(5) of the New COMEX By-Laws shall not be applicable until the 12-month anniversary of such relisting."

1.9 Clearing and Trade Processing Matters. Section 5.18 of the Original Agreement is hereby amended by adding to the end of such Section 5.18 the following:

"NYMEX will, and will cause New COMEX to, make automated hand-held trade data entry terminals ("Hand-Held Technology") available to all persons trading on the COMEX Division at or about the same time, and on the same basis, including with respect to cost, arrangements for payment, relevant features, maintenance and upgrades, that it provides Hand-Held Technology to persons trading on the NYMEX Division."

1.10 Certain Trading Privileges. Section 5.22 of the Original Agreement is hereby amended and restated in its entirety as follows:

"At the Effective Time, the Buyer shall make available to members of the COMEX Division of the Buyer the trading privileges set forth in Section 157(A)(2), (3), (4), (5), (6) and (7) of the New COMEX By-Laws, in accordance with the terms and restrictions set forth in the New COMEX By-

Laws. From and after the Effective Time the Buyer shall not, except as provided in Section 157(B) of the New COMEX By-laws and Section 2.60, 2.80 and 2.90 of the New COMEX Rules, without the vote of the owners of 66 2/3% of the COMEX Division regular memberships entitled to vote and voting at a meeting, permit any other person to exercise, or grant to any other person, all or any of the rights and privileges specified under Section 157(A)(1) of the New COMEX By-laws or, without the vote of the owners of a majority of the COMEX Division regular memberships entitled to vote and voting at a meeting, permit any other person to exercise, or grant to any other person, all or any of the rights and privileges specified under Section 157(A)(2) of the New COMEX By-laws."

1.11 Competing Contracts. Section 5.23 of the Original Agreement is hereby amended and restated in its entirety as follows:

"5.23 Competing Contracts. Without the consent of two-thirds of the COMEX Division regular memberships present and entitled to be voted at a meeting, neither the Buyer nor any affiliate (as defined in the Securities Act of 1933) of the Buyer, including, without limitation, the Initial Surviving Corporation, shall approve for trading any contracts which provide for future delivery (by actual delivery or by cash settlement) of (i) gold, (ii) silver, (iii) copper, (iv) a basket of securities which comprise the Eurotop 100 Stock Index (as constituted from time to time, the "Eurotop Index"), (v) a combination of commodities which includes, or index which includes as one of its components, the value of gold, silver, copper or the Eurotop Index or (vi) an alloy which contains gold, silver or copper."

1.12 1993 Audited Financial Statements. Article V of the Original Agreement is hereby amended to add a new Section 5.25 as follows:

"5.25. 1993 Audited Financial Statements. The Buyer shall provide the Board of Governors of the Company a copy of the Buyer's audited financial statements, including the notes thereto, for the fiscal year ended December 31, 1993 together with the report (which report shall not be qualified as to uncertainty, audit scope or accounting principles) thereon of Deloitte & Touche (collectively, the "1993 Audited Financial Statements") no later than 5:00 p.m. on April 15, 1994. If the 1993 Audited Financial Statements have not been provided, by hand delivery, to the office of the Chairman of the Board of Governors of the Company by April 15, 1994, then notwithstanding anything in this Agreement to the contrary, the sole remedy of the Company shall be the right to postpone the COMEX Special Meeting by one day for each day that the Buyer fails to deliver the 1993 Audited Financial Statements by 5:00 p.m. on April 15, 1994; provided however, that if the day to which the COMEX Special Meeting would be postponed is not a New York Mercantile Exchange trading day, then the Board of Governors of the Company may postpone the COMEX Special Meeting to the next New York Mercantile Exchange trading day and, if the 1993 Audited Financial Statements are delivered on a day that is not a New York Mercantile Exchange trading day, then the 1993 Audited Financial Statements shall be deemed to have been delivered on the next New York Mercantile Exchange trading day."

1.13 Expenses. Section 9.4(b) of the Original Agreement is hereby amended by adding to the end of such Section 9.4(b) the following:

"; provided, however, that after the Effective Time, all costs and expenses (including all legal fees and expenses) incurred in connection with any action or

proceeding brought or instituted after the Effective Time by the COMEX Governors Committee on behalf of the Members of the COMEX Division of the Buyer to enforce the rights of Members of the COMEX Division of the Buyer specified herein and enforceable in accordance with the terms of this Agreement shall be advanced by the Buyer for their account and, if the Buyer is the successful or prevailing party, all of such costs and expenses (including all legal fees and expenses) so incurred shall be recovered by the Buyer by an increase in the dues and fees payable by, or an assessment against, the Members of the COMEX Division of the Buyer."

1.14 Original Agreement Section 8.1 (m). Section 8.1 (m) of the Original Agreement is hereby amended and restated in its entirety as follows:

"(m) automatically, if the NYMEX Member Approval is withdrawn at any time prior to the Closing by a vote of a majority of the regular memberships in the Buyer voting and entitled to vote at a meeting duly called in accordance with the By-Laws of the Buyer; or".

1.15 Original Agreement Section 9.7. Section 9.7 of the Original Agreement is hereby amended and restated in its entirety as follows:

"9.7 Amendment. This Agreement may be amended by the parties hereto, by action taken or authorized by their respective Boards, at any time before or after approval of the matters presented in connection with the Merger by the Company's and the Buyer's members, but, after any such approval, no amendment shall be made which by law requires further approval by the Company's and the Buyer's members without such further approval. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto. After the Effective Date, any of the matters set forth in Sections 5.6 through 5.13 and 5.16 through 5.24 may be amended upon the approval of the Buyer and a majority (except for Section 5.23 for which the requisite vote shall be two-thirds) of owners of Memberships in the COMEX Division present and voting at a meeting."

1.16 Interest Cap. The maximum rate of interest under the Notes shall be 12%.

1.17 New COMEX By-Law Section 100. Section 100 of the By-Laws is hereby amended and restated in its entirety as follows:

"Sec. 100. CATEGORIES, NUMBERS OF MEMBERSHIPS

(A) There will be two categories of membership in New COMEX: the NYMEX Membership (of which only one will be issued) and COMEX Division regular memberships. Only NYMEX shall have the voting, liquidation and the other rights and privileges of a member under the New York Not-For-Profit Corporation Law (the "NPCL"). Holders of the COMEX Division regular memberships will not have any ownership or other rights under the NPCL, and their rights will be contractual only. Except as expressly provided in these By-Laws, the holders of COMEX Division regular memberships, in their capacity as such, shall have no voting rights and no right whatsoever to receive dividends or distributions (of cash, securities or other property) whether arising from a dissolution, merger, consolidation or otherwise. Notwithstanding the foregoing, the Board and the officers of New COMEX and NYMEX shall operate as fiduciaries with respect to owners of COMEX Division regular memberships. In the case of a merger, reorganization, consolidation, recapitalization, restructuring,

spin-off, financing or other extraordinary transaction involving either or both of New COMEX, NYMEX or any successor of either of them, the Board of Directors and the officers of New COMEX, NYMEX or any successor corporation, shall operate as fiduciaries with respect to owners of COMEX Division regular memberships. Notwithstanding anything in these By-Laws to the contrary, the fiduciary duties set forth in this paragraph shall not (i) require an extension of any of the time periods specified in Section 157(A) of these By-Laws, (ii) prohibit any transaction involving NYMEX or the Initial Surviving Corporation (as defined in the Merger Agreement) which does not alter or diminish the contractual rights of the owners of COMEX Division regular memberships under these By-Laws, the Rules, the Merger Agreement, the Notes issued in connection with the Merger Agreement or the Note Agreement with respect to such Notes or (iii) prohibit the liquidation, dissolution or winding up of the Initial Surviving Corporation in the event that the aggregate amount of Losses exceeds the total Merger Consideration (as defined in the Merger Agreement) as set forth in the first proviso of Section 104(A) of these By-Laws.

"(B) The number of COMEX Division regular memberships is limited to 772. Except as provided in Section 157(B) and Sections 2.60, 2.80 and 2.90 of the Rules, the Board may not, without the vote of the owners of 66 2/3% of the COMEX Division regular memberships entitled to vote and voting at a meeting, grant to any other person all or any of the rights and privileges specified under Section 157(A)(1) of these By-Laws or, without the vote of the owners of a majority of the COMEX Division regular memberships entitled to vote and voting at a meeting, grant to any other person all or any of the rights and privileges specified under Section 157(A)(2) of these By-Laws."

1.18 New COMEX By-Law Section 103. Section 103 of the New COMEX By-Laws is hereby amended and restated in its entirety as follows:

"Sec. 103. DUES

The Board may assess such dues as it determines only upon the consent of the COMEX Governors Committee, except that the Board may assess, from time to time, to the extent and on terms it deems appropriate, dues on the owners of COMEX Division regular memberships without the consent of the COMEX Governors Committee in an aggregate amount equal to the sum of all Losses, Other Losses or Dispute Expenses. The Board may waive the payment of dues by all owners of COMEX Division regular memberships or, other than dues imposed with respect to Losses, Other Losses or Dispute Expenses, by individual owners of COMEX Division regular memberships as it shall determine. Dues assessed on COMEX Division regular members shall be applied pro rata among all owners of COMEX Division regular memberships on the basis of the number of regular memberships held, including, for these purposes, regular memberships purchased after January 28, 1994 and held by the Exchange or its Affiliates, and are payable by the owner of the COMEX Division regular membership in whose name the membership is registered."

1.19 New COMEX By-Law Section 104(C). Section 104(C) of the New COMEX By-Laws is hereby amended and restated in its entirety as follows:

"(C) All assessments are due and payable at such time as the Board may determine. All assessments on COMEX Division regular members will be applied pro rata (based on the number of COMEX Division regular memberships owned, including, for these purposes, memberships purchased after January 28, 1994

and held by the Exchange or its Affiliates) among all owners of COMEX Division regular memberships and will be payable by the owner of a COMEX Division Membership in whose name the membership is registered."

1.20 New COMEX By-Law Section 105(C). Section 105(C) of the New COMEX By-Laws is hereby amended and restated in its entirety as follows:

"(C) Transaction and clearing fees charged to non-members for transactions in contracts traded on the COMEX Division or executed by owners of COMEX Division regular memberships will not exceed the amounts of such fees charged to non-members for transactions in contracts traded on the NYMEX Division or executed by owners of NYMEX Division memberships."

1.21 New COMEX By-Law Section 105. Section 105 of the New COMEX By-Laws is hereby amended by adding to such Section 105 a new subsection (E) as follows:

"(E) Fees for owners of COMEX Division regular memberships trading on NYMEX ACCESS (other than trading pursuant to Section 157(A)(7) of these By-Laws) shall be equal to (i) the clearing and transaction fees established by the Board subject to this By-Law Section 105 plus (ii) a NYMEX ACCESS fee equal to the NYMEX ACCESS fee charged to NYMEX Division Members for trading NYMEX Division contracts on NYMEX ACCESS;".

1.22 New COMEX By-Law Section 157(A)(1). Section 157(A)(1) of the New COMEX By-Laws is hereby amended and restated in its entirety as follows:

"(1) trading in the gold, silver, copper and Eurotop 100 contracts that are traded on Commodity Exchange, Inc. immediately prior to January 28, 1994 and any replacement contracts for such contracts ("COMEX Division Replacement Contracts"), including trading such contracts through NYMEX ACCESS, if such contracts are listed thereon for trading;".

1.23 New COMEX By-Law Section 157(A)(2). Section 157(A)(2) of the New COMEX By-Laws is hereby amended and restated in its entirety as follows:

"(2) trading all "New Metals Contracts," defined as all contracts approved for trading after January 28, 1994 on any part of the Exchange, other than COMEX Division Replacement Contracts, for which the underlying commodity is one or more metals or alloys, other than platinum, palladium or an alloy containing one or more of those metals approved for trading on the Exchange at any time ("Platinum / Palladium Contracts"), including trading such contracts through NYMEX ACCESS, if such contracts are listed thereon for trading;".

1.24 New COMEX By-Law Section 157(A)(3). Section 157(A)(3) of the New COMEX By-laws is hereby amended and restated in its entirety to read as follows:

"(3) Proprietary trading in each contract approved for trading after January 28, 1994 on any part of the Exchange, including through NYMEX ACCESS if such contract is listed thereon for trading, for which the underlying commodity is a hydrocarbon, fossil fuel or other energy source or other energy source derived from another energy source ("New Energy Contract") for a period of two years (unless extended by the Board in its sole discretion) after the date such contract commences trading on the Exchange, provided that for this purpose "New Energy Contracts" does not

include contracts introduced as replacements for other contracts previously traded on the Exchange ("Replacement Contracts") regardless of whether permit programs on such contracts are implemented;".

1.25 New COMEX By-Law Section 157(A)(4). Section 157(A)(4) of the New COMEX By-laws is hereby amended and restated in its entirety as follows:

" (4) trading in each contract approved for trading on any part of the Exchange, after January 28, 1994, including through NYMEX ACCESS if such contract is listed thereon for trading, which is not a New Energy Contract, a Replacement Contract or a New Metals Contract, for period of two years after the date the contract commences trading on the Exchange;".

1.26 New COMEX By-Law Section 157(A)(5). Section 157(A)(5) of the New COMEX By-Laws is hereby amended and restated in its entirety as follows:

"(5) Proprietary trading in each contract approved for trading on any part of the Exchange, after January 28, 1994, including through NYMEX ACCESS if such contract is listed thereon for trading, which is not a New Energy Contract, a Replacement Contract or a New Metals Contract, provided that such limited trading privileges will be non-transferable and will be available as to any particular contract only to COMEX Division Members who are individual owners of COMEX Division Regular Memberships as of the date six months prior to the date trading in that contract commences, and will continue as to that contract only for so long as that COMEX Division Member continues to own a COMEX Division Regular Membership;".

1.27 New COMEX By-Law Section 157(A)(6). Section 157(A)(6) of the New COMEX By-Laws is hereby amended and restated in its entirety as follows:

"(6) Proprietary trading in Platinum/Palladium Contracts, including through NYMEX ACCESS if such contract is listed thereon for trading; and".

1.28 New COMEX By-Law Section 157(B). Section 157(B) of the New COMEX By-Laws is hereby amended by adding after the second word in such Section the word "Regular".

1.29 New COMEX By-Law Section 157(B)(3). Section 157(B)(3) of the New COMEX By-Laws is hereby amended to add at the end of such section the phrase "including through NYMEX ACCESS if such contract is listed thereon for trading".

1.30 New COMEX By-Law Section 157(H). Section 157(H) of the New COMEX By-Laws is hereby amended and restated in its entirety as follows:

"Neither New COMEX nor its Affiliates will approve for trading any contracts which provide for future delivery (by actual delivery or cash settlement) of (i) gold, (ii) silver, (iii) copper, (iv) a basket of securities which comprise the Eurotop 100 Stock Index (as constituted from time to time, the "Eurotop Index"), (v) a combination of commodities which includes, or index which includes as one of its components, the value of gold, silver, copper or the Eurotop Index or (vi) an alloy which contains gold, silver or copper."

1.31 New COMEX By-Law Section 205(A). Section 205(A) of the New COMEX By-Laws is hereby amended and restated in its entirety to read as follows:

"Except as otherwise provided in the Merger Agreement or the New COMEX By-Laws, only the owner of the NYMEX Membership shall be entitled to vote. NYMEX Division Member Directors, the Chairman and the Vice Chairman shall be elected at a meeting of NYMEX."

1.32 New COMEX By-Law Section 205(B). Section 205(B) of the New COMEX By-Laws is hereby amended by deleting from the fourth line of Section 205(B) the words "paragraph (D) or and replacing them with the words "the Merger Agreement or".

1.33 New COMEX By-Law Section 205(D)(5). Section 205(D)(5) of the New COMEX By-Laws is hereby amended and restated as follows:

"(5) Any action taken by the Exchange to delist a gold, silver or copper contract from NYMEX ACCESS if such contract has traded an average of at least 10 contracts per day during the previous six months; provided, however, that the foregoing provision with respect to average trading volume shall not be applicable to any contract prior to the 12-month anniversary of the initial listing of such contract on NYMEX ACCESS."

1.34 New COMEX By-Law Section 205(H). A new subsection 205(H) is hereby added to Section 205 of the By-Laws as follows:

"(H) If all trading of NYMEX Division contracts on NYMEX ACCESS is terminated, then, notwithstanding the provisions of Sections 157(A) and 205(D)(5) of these By-Laws, NYMEX may terminate all trading on NYMEX ACCESS; provided, however, that if any NYMEX contract is thereafter listed for trading on NYMEX ACCESS then the gold, silver and copper contracts, to the extent listed for trading on NYMEX ACCESS at the time all trading on NYMEX ACCESS stopped, shall be relisted for trading on NYMEX ACCESS and the proviso of Section 205(D)(5) shall not be applicable until the 12-month anniversary of such relisting."

1.35 New COMEX By-Law Section 301 (A). Section 301(A) of the New COMEX By-Laws is hereby amended and restated in its entirety as follows:

"(A) Subject to paragraph (D) of this Section and Sections 205(D) and 205(G) of these By-Laws, the COMEX Division shall be managed by a Board of Directors which is vested with all powers necessary and proper for the government of the COMEX Division, the regulation and conduct of Members and Member Firms, and for the promotion of the welfare, objects and purposes of the COMEX Division. Subject to paragraph (D) of this Section and Sections 205(D) and 205(G) of these By-Laws and the other powers and rights specifically granted to the COMEX Governors Committee under the New COMEX By-laws and the Merger Agreement, the Board shall have control over and management of, the property, business and finances of the COMEX Division. Subject to paragraph (D) of this Section and Sections 205(D) and 205(G) of these By-Laws, the Board may also adopt, amend, rescind or interpret the Rules of the COMEX Division as it deems necessary and appropriate."

1.36 New COMEX By-Law Section 301(D). Section 301(D) of the New COMEX By-Laws is hereby amended and restated in its entirety as follows:

"(D) No action taken by the Board of Directors with respect to any Special Matter shall be effective without either (i) the prior consent of the COMEX Governors Committee as provided in Section 205 of these By-Laws

which shall be subject to the veto rights of the COMEX Division Members provided for in Section 205(D) or (ii) the prior approval of COMEX Division Members in accordance with the provisions of Section 205(D)."

1.37 New COMEX By-Law Section 400A(C). Section 400A(C) of the New COMEX By-Laws is hereby amended by inserting immediately after the third sentence of Section 400A(C) the following sentence:

"The representative of the NYMEX Division Member who is not required to be a Director then in office shall be a member of the NYMEX Division other than a Commercial Associate Member."

1.38 New COMEX By-Law Section 858(C). Section 858(C) of the New COMEX By-Laws is hereby amended and restated in its entirety as follows:

"In the event that any claim is disputed, the validity of such claim shall be determined by arbitration in accordance with the Rules. The arbitration shall proceed as if the objecting Member has filed a Demand for Arbitration. The objecting Member shall pay the fee prescribed in the Rules. The arbitrators shall determine whether and to what extent such claim is valid, and to what extent a claimant is entitled to participate in the proceeds of a sale of the membership of such suspended Member."

1.39 New COMEX By-Law Section 860(A). Section 860(A) of the New COMEX By-Laws is hereby amended to delete the phrase "of the Board of Directors" that follows "Arbitration Committee."

1.40 New COMEX By-Law Section 907. Section 907 of the New COMEX By-Laws is hereby amended and restated in its entirety as follows:

"The term "COMEX Division Members" shall mean Members of the COMEX Division of the Exchange and Member Firms, but shall not, except in Articles 7 and 8 of these By-Laws, include COMEX Option Members or Aluminum Members or Member Firms upon which membership privileges have been conferred by Option Member(s) or Aluminum Member(s)."

1.41 New COMEX By-Law Section 907 A. The New COMEX By-Laws are hereby amended to include therein a new Section 907A to read as follows:

"907A. COMEX DIVISION MEMBERSHIPS

The term "COMEX Division Regular Memberships" shall mean the COMEX Trading Privileges (as defined in the Merger Agreement), as converted by the Merger Agreement into solely the rights and privileges to trade futures, futures options contracts and similar instruments on the Exchange in accordance with and specifically as set forth in the provisions of these By-Laws and the Rules and such other rights and privileges as are set forth in the Merger Agreement, these By-Laws and the Rules."

1.42 New COMEX By-Law Section 911 A. Section 911A of the New COMEX By-Laws is hereby amended by inserting the phrase "and Section 9.4 (Expenses)" following the phrase "Section 8.7 (Disputes as to Claims)".

1.43 New COMEX By-Law Section 919B. Section 919B of the New COMEX By-Laws is hereby amended by deleting therefrom the number "2.30" and replacing it with "2.32".

1.44 New COMEX By-Law Section 920. Section 920 of the New COMEX By-Laws is hereby amended and restated in its entirety as follows:

"The term "Member Firm" shall mean any firm upon which membership privileges on the COMEX Division have been conferred by one or more Member(s) of the COMEX Division. The rights and privileges of each Member Firm shall be limited by the scope of the rights and privileges held by its conferring Member(s) and as otherwise limited by the By-Laws or Rules."

1.45 New COMEX By-Law Section 921C(1). The New COMEX By-Laws are hereby amended to include therein a new Section 921C(1) to read as follows:

"Sec. 921C(1). NYMEX DIVISION REGULAR MEMBER."

"The term 'NYMEX Division Regular Member' shall mean a holder of record of one of the 900 authorized NYMEX regular memberships."

1.46 New COMEX Rule 2.90. Rule 2.90(c) of the New COMEX Rules is hereby amended by inserting in such Rule 2.90 the word "regular" before the word "member."

1.47 NYMEX Committee Rule 3.00. Rule 3.00 of the NYMEX Rules, which are part of the New COMEX Rules, is hereby amended by adding to the end of such Rule 3.00 the following:

"(F) With respect to committees for which there is no specifically designated percentage of NYMEX Division and COMEX Division representation, the Chairman and the Board will consider appointment recommendations made by the COMEX Governors Committee."

1.48 New COMEX Rule 7.10. Rule 7.10 of the New COMEX Rules is hereby amended and restated in its entirety as follows:

"Rules 7.01, 7.02, 7.03 and 7.04 shall be Term Sheet Rules as defined in the By-Laws of Commodity Exchange, Inc. for a period of five years commencing on January 28, 1994 and shall be Term Sheet Divergence Rules as defined in the By-Laws of Commodity Exchange, Inc. after the fifth anniversary of the date of closing. Rule 7.09 shall be a Term Sheet Rule as defined in the By-Laws of Commodity Exchange, Inc."

ARTICLE II

MISCELLANEOUS

2.1 Entire Amendment No. 1. This Amendment No. 1 constitutes the entire agreement among the parties hereto, and no party shall be liable or bound to the other in any manner except as specifically set forth herein.

2.2 Titles and Subtitles. The titles and subtitles used in this Amendment No. 1 are for convenience only and are not to be considered in construing such documents.

2.3 Remainder of Original Agreement. Except as expressly amended hereby, the Original Agreement is in all respects ratified and confirmed and the terms thereof shall remain in full force and effect, except as expressly provided herein, and no waiver or modification of the terms or conditions thereof is intended or to be inferred.

2.4 Expenses.

(a) Each party to this Amendment No. 1 shall bear its own expenses incurred in connection with the negotiation, preparation, execution and consummation of this Amendment No. 1, including the fees, expenses and disbursements of its respective legal counsel incurred in connection herewith.

(b) If any proceeding is brought for the enforcement of this Amendment No. 1 or because of an alleged dispute, breach or default in connection with any of the provisions of this Amendment No. 1, the successful or prevailing party or parties shall be entitled to recover from the unsuccessful party or parties all costs and expenses, including attorneys' fees and disbursements, incurred in connection with such proceeding, in addition to any other relief to which it or they may be entitled.

2.5 Governing Law. This Amendment No. 1 will be governed by, and construed under, the laws of the State of New York without regard to its conflict of laws principles.

2.6 Counterparts. This Amendment No. 1 may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement.

NYMEX HOLDINGS, INC.
2006 OMNIBUS LONG-TERM INCENTIVE PLAN

NYMEX Holdings, Inc., a Delaware corporation (the "Company"), sets forth herein the terms of its 2006 Omnibus Long-Term Incentive Plan (the "Plan"), as follows:

1. PURPOSE

The Plan is intended to enhance the Company's and its Affiliates' (as defined herein) ability to attract and retain highly qualified officers, directors, key employees, and other persons, and to motivate such officers, directors, key employees, and other persons to serve the Company and its Affiliates and to expend maximum effort to improve the business results and earnings of the Company, by providing to such persons an opportunity to acquire or increase a direct proprietary interest in the operations and future success of the Company. To this end, the Plan provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, unrestricted stock and cash awards. Any of these awards may, but need not, be made as performance incentives to reward attainment of annual or long-term performance goals in accordance with the terms hereof. Stock options granted under the Plan may be non-qualified stock options or incentive stock options, as provided herein.

2. DEFINITIONS

For purposes of interpreting the Plan and related documents (including Award Agreements), the following definitions shall apply:

2.1. "Affiliate" means any company or other trade or business that "controls," is "controlled by" or is "under common control" with the Company within the meaning of Rule 405 of Regulation C under the Securities Act, including, without limitation, any Subsidiary.

2.2. "Annual Incentive Award" means an Award made subject to attainment of performance goals (as described in Section 13) over a performance period of a duration as specified by the Committee.

2.3. "Award" means a grant of an Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit or cash award under the Plan.

2.4. "Award Agreement" means a written agreement between the Company and a Grantee, or notice from the Company to a Grantee, that evidences and sets out the terms and conditions of an Award.

2.5. "Board" means the Board of Directors of the Company.

2.6. "Cause" means, as determined by the Board and unless otherwise provided in an applicable agreement with the Company or an Affiliate at or before the Grant Date: (i) engaging in any act, or failing to act, or misconduct that is injurious to the Company or its Affiliates; (ii) gross negligence or willful misconduct in connection with the performance of duties; (iii) conviction of a criminal offense (other than minor traffic offenses); (iv) fraud, embezzlement or misappropriation of funds or property of the Company or an Affiliate; (v) material breach of any term of any employment, consulting or other services, confidentiality, intellectual property or non-competition agreements, if any, between the Service Provider and the Company or an Affiliate; (vi) the entry of an order duly issued by any regulatory agency (including federal, state and local regulatory agencies and self-regulatory bodies) having jurisdiction over the Company or an Affiliate requiring the removal from any office held by the Service Provider with the Company or prohibiting a Service Provider from participating in the business or affairs of the Company or any Affiliate; or (vii) the revocation or threatened

revocation of any of the Company's or an Affiliate's government licenses, permits or approvals, which is primarily due to the Service Provider's action or inaction and such revocation or threatened revocation would be alleviated or mitigated in any material respect by the termination of the Service Provider's Services.

2.7. "Change in Control" shall have the meaning set forth in Section 15.2.

2.8. "Code" means the Internal Revenue Code of 1986, as now in effect or as hereafter amended.

2.9. "Committee" means the Compensation Committee of the Board, or such other committee as determined by the Board. The Compensation Committee of the Board may, in its discretion, designate a subcommittee of its members to serve as the Committee (to the extent the Board has not designated another person, committee or entity as the Committee) or to cause the Committee to (i) consist solely of persons who are "Nonemployee Directors" as defined in Rule 16b-3 issued under the Exchange Act, (ii) consist solely of persons who are Outside Directors, or (iii) satisfy the applicable requirements of any stock exchange on which the Common Stock may then be listed.

2.10. "Company" means NYMEX Holdings, Inc., a Delaware corporation, or any successor corporation.

2.11. "Common Stock" or "Stock" means share of common stock of the Company, par value $0.01 per share.

2.12. "Covered Employee" means a Grantee who is a "covered employee" within the meaning of Section 162(m)(3) of the Code as qualified by Section 13.4 herein.

2.13. "Disability" means the Grantee is unable to perform each of the essential duties of such Grantee's position by reason of a medically determinable physical or mental impairment which is potentially permanent in character or which can be expected to last for a continuous period of not less than 12 months; *provided*, *however*, that, with respect to rules regarding expiration of an Incentive Stock Option following termination of the Grantee's Service, Disability has the meaning as set forth in Section 22(e)(3) of the Code.

2.14. "Effective Date" means , 2006.

2.15. "Exchange Act" means the Securities Exchange Act of 1934, as now in effect or as hereafter amended.

2.16. "Fair Market Value" of a share of Common Stock as of a particular date shall mean (1) the closing sale price reported for such share on the national securities exchange or national market system on which such stock is principally traded on the last day preceding such date on which a sale was reported, or (2) if the shares of Common Stock are not then listed on a national securities exchange or national market system, or the value of such shares is not otherwise determinable, such value as determined by the Board in good faith in its sole discretion (but in any event not less than fair market value within the meaning of Section 409A); notwithstanding the foregoing, the Fair Market Value of a share of Common Stock for purposes of Awards with a Grant Date as of the Company's initial public offering shall be the price per share of Common Stock in such initial public offering, as determined by the Board.

2.17. "Family Member" means a person who is a spouse, former spouse, child, stepchild, grandchild, parent, stepparent, grandparent, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother, sister, brother-in-law, or sister-in-law, including adoptive relationships, of the applicable individual, any person sharing the applicable individual's household (other than a tenant or employee), a trust in which any one or more of these persons have more than fifty percent of the beneficial interest, a foundation in which any one or more of these persons (or the applicable individual) control the management of assets, and any other entity in which one or more of these persons (or the applicable individual) own more than fifty percent of the voting interests.

2.18. "Grant Date" means, as determined by the Board, the latest to occur of (i) the date as of which the Board approves an Award, (ii) the date on which the recipient of an Award first becomes eligible to receive an Award under Section 6 hereof, or (iii) such other date as may be specified by the Board in the Award Agreement.

2.19. "Grantee" means a person who receives or holds an Award under the Plan.

2.20. "Incentive Stock Option" means an "incentive stock option" within the meaning of Section 422 of the Code, or the corresponding provision of any subsequently enacted tax statute, as amended from time to time.

2.21. "Non-qualified Stock Option" means an Option that is not an Incentive Stock Option.

2.22. "Option" means an option to purchase one or more shares of Stock pursuant to the Plan.

2.23. "Option Price" means the exercise price for each share of Stock subject to an Option.

2.24. "Outside Director" means a member of the Board who is not an officer or employee of the Company or an Affiliate, determined in accordance with the requirements of Section 162(m) of the Code.

2.25. "Performance Award" means an Award made subject to the attainment of performance goals (as described in Section 13) over a performance period of up to ten (10) years.

2.26. "Plan" means this **NYMEX Holdings, Inc. 2006 Omnibus Long-Term Incentive Plan**.

2.27. "Purchase Price" means the purchase price for each share of Stock pursuant to a grant of Restricted Stock.

2.28. "Reporting Person" means a person who is required to file reports under Section 16(a) of the Exchange Act.

2.29. "Restricted Stock" means shares of Stock, awarded to a Grantee pursuant to Section 10 hereof.

2.30. "Restricted Stock Unit" means a bookkeeping entry representing the equivalent of shares of Stock, awarded to a Grantee pursuant to Section 10 hereof.

2.31. "SAR Exercise Price" means the per share exercise price of a SAR granted to a Grantee under Section 9 hereof.

2.32. "Section 409A" shall mean Section 409A of the Code and all formal guidance and regulations promulgated thereunder.

2.33. "Securities Act" means the Securities Act of 1933, as now in effect or as hereafter amended.

2.34. "Separation from Service" means a termination of Service by a Service Provider, as determined by the Board, which determination shall be final, binding and conclusive; provided if any Award governed by Section 409A is to be distributed on a Separation from Service, then the definition of Separation from Service for such purposes shall comply with the definition provided in Section 409A.

2.35. "Service" means service as a Service Provider to the Company or an Affiliate. Unless otherwise stated in the applicable Award Agreement, a Grantee's change in position or duties shall not result in interrupted or terminated Service, so long as such Grantee continues to be a Service Provider to the Company or an Affiliate.

2.36. "Service Provider" means an employee, officer or director of the Company or an Affiliate.

2.37. "**Stock Appreciation Right" or "SAR"** means a right granted to a Grantee under Section 9 hereof.

2.38. "Subsidiary" means any "subsidiary corporation" of the Company within the meaning of Section 424(f) of the Code.

2.39. "Termination Date" means the date upon which an Option shall terminate or expire, as set forth in Section 8.3 hereof.

2.40. "Ten Percent Stockholder" means an individual who owns more than ten percent (10%) of the total combined voting power of all classes of outstanding stock of the Company, its parent or any of its Subsidiaries. In determining stock ownership, the attribution rules of Section 424(d) of the Code shall be applied.

3. ADMINISTRATION OF THE PLAN

3.1. General.

The Board shall have such powers and authorities related to the administration of the Plan as are consistent with the Company's certificate of incorporation and bylaws and applicable law. The Board shall have the power and authority to delegate its responsibilities hereunder to the Committee, which shall have full authority to act in accordance with its charter, and with respect to the authority of the Board to act hereunder, all references to the Board shall be deemed to include a reference to the Committee, to the extent such power or responsibilities have been delegated. Except as specifically provided in **Section 13** or as otherwise may be required by applicable law, regulatory requirement or the certificate of incorporation or the bylaws of the Company, the Board shall have full power and authority to take all actions and to make all determinations required or provided for under the Plan, any Award or any Award Agreement, and shall have full power and authority to take all such other actions and make all such other determinations not inconsistent with the specific terms and provisions of the Plan that the Board deems to be necessary or appropriate to the administration of the Plan. The interpretation and construction by the Board of any provision of the Plan, any Award or any Award Agreement shall be final, binding and conclusive. Without limitation, the Board shall have full and final authority, subject to the other terms and conditions of the Plan, to:

(i) designate Grantees;

(ii) determine the type or types of Awards to be made to a Grantee;

(iii) determine the number of shares of Stock to be subject to an Award;

(iv) establish the terms and conditions of each Award (including, but not limited to, the Option Price of any Option, the nature and duration of any restriction or condition (or provision for lapse thereof) relating to the vesting, exercise, transfer, or forfeiture of an Award or the shares of Stock subject thereto, and any terms or conditions that may be necessary to qualify Options as Incentive Stock Options);

(v) prescribe the form of each Award Agreement; and

(vi) amend, modify, or supplement the terms of any outstanding Award including the authority, in order to effectuate the purposes of the Plan, to modify Awards to foreign nationals or individuals who are employed outside the United States to recognize differences in local law, tax policy, or custom.

Notwithstanding the foregoing, no amendment or modification may be made to an outstanding Option or SAR that (i) causes the Option or SAR to become subject to Section 409A, (ii) reduces the Option Price or SAR Exercise Price, either by lowering the Option Price or SAR Exercise Price or by canceling the outstanding Option or SAR and granting a replacement Option or SAR with a lower Option Price or SAR Exercise Price or (iii) would be treated as a repricing under the rules of the exchange upon which the Company's Stock trades,

without, with respect to item (i), the Grantee's written prior approval, and with respect to items (ii) and (iii), without the approval of the stockholders of the Company, provided, that, appropriate adjustments may be made to outstanding Options and SARs pursuant to **Section 15**.

The Company may retain the right in an Award Agreement to cause a forfeiture of the gain realized by a Grantee on account of actions taken by the Grantee in violation or breach of or in conflict with any employment agreement, non-competition agreement, any agreement prohibiting solicitation of employees or clients of the Company or any Affiliate thereof or any confidentiality obligation with respect to the Company or any Affiliate thereof or otherwise in competition with the Company or any Affiliate thereof, to the extent specified in such Award Agreement applicable to the Grantee. Furthermore, the Company may annul an Award if the Grantee is terminated for Cause as defined in the applicable Award Agreement or the Plan, as applicable. The grant of any Award may be contingent upon the Grantee executing the appropriate Award Agreement.

3.2. Deferral Arrangement.

The Board may permit or require the deferral of any Award payment into a deferred compensation arrangement, subject to such rules and procedures as it may establish and in accordance with Section 409A, which may include provisions for the payment or crediting of interest or dividend equivalents, including converting such credits into deferred Stock units.

3.3. No Liability.

No member of the Board or of the Committee shall be liable for any action or determination made in good faith with respect to the Plan, any Award or Award Agreement.

3.4. Book Entry.

Notwithstanding any other provision of this Plan to the contrary, the Company may elect to satisfy any requirement under this Plan for the delivery of stock certificates through the use of book-entry.

4. STOCK SUBJECT TO THE PLAN

Subject to adjustment as provided in **Section 15** hereof, the maximum number of shares of Stock available for issuance under the Plan shall be 4,300,000. All such shares of Stock available for issuance under the Plan shall be available for issuance pursuant to Incentive Stock Options. Notwithstanding any provision to the contrary, no more than 1,433,333 shares of Stock available for issuance under the Plan shall be available for issuance as Restricted Stock or Restricted Stock Units. Stock issued or to be issued under the Plan shall be authorized but unissued shares; or, to the extent permitted by applicable law, issued shares that have been reacquired by the Company.

The Board may adopt reasonable counting procedures to ensure appropriate counting, avoid double counting (as, for example, in the case of tandem or substitute awards) and make adjustments in accordance with **Section 15**. If the Option Price of any Option granted under the Plan, or if pursuant to **Section 16.3** the withholding obligation of any Grantee with respect to an Option or other Award, is satisfied by tendering shares of Stock to the Company (by either actual delivery or by attestation) or by withholding shares of Stock, the number of shares of Stock issued net of the shares of Stock tendered or withheld shall be deemed delivered for purposes of determining the maximum number of shares of Stock available for delivery under the Plan. To the extent that an Award under the Plan is canceled, expired, forfeited, settled in cash, settled by issuance of fewer shares than the number underlying the Award, or otherwise terminated without delivery of shares to the Grantee, the shares retained by or returned to the Company will be available under the Plan; and shares that are withheld from such an Award or separately surrendered by the Grantee in payment of any exercise price or taxes relating to such an Award shall be deemed to constitute shares not delivered to the Grantee and will be available under

the Plan. In addition, in the case of any Award granted in assumption of or in substitution for an award of a company or business acquired by the Company or a Subsidiary or Affiliate or with which the Company or a Subsidiary or Affiliate combines, shares issued or issuable in connection with such substitute Award shall not be counted against the number of shares reserved under the Plan.

5. EFFECTIVE DATE, DURATION AND AMENDMENTS

5.1. Term.

The Plan shall be effective as of the Effective Date and shall terminate automatically as of the first meeting of stockholders at which directors are to be elected that occurs after the close of the third calendar year following the calendar year in which the initial public offering occurs unless the Plan is approved by the stockholders of the Company prior to such meeting but subsequent to the Effective Date. In the event that the Plan is approved by the stockholders during the time prescribed in the preceding sentence, then the Plan shall terminate automatically on the ten (10) year anniversary of the Effective Date and may be terminated on any earlier date as provided in **Section 5.2**.

5.2. Amendment and Termination of the Plan.

The Board may, at any time and from time to time, amend, suspend, or terminate the Plan as to any Awards which have not been made. An amendment shall be contingent on approval of the Company's stockholders to the extent stated by the Board, required by applicable law or required by applicable stock exchange listing requirements. No Awards shall be made after termination of the Plan. No amendment, suspension, or termination of the Plan shall, without the consent of the Grantee, impair rights or obligations under any Award theretofore awarded.

6. AWARD ELIGIBILITY AND LIMITATIONS

6.1. Service Providers.

Subject to this **Section 6**, Awards may be made to: (i) any Service Provider, including any Service Provider who is an officer or director of the Company or of any Affiliate, as the Board shall determine and designate from time to time in its discretion and (ii) any Outside Director.

6.2. Successive Awards.

An eligible person may receive more than one Award, subject to such restrictions as are provided herein.

6.3. Stand-Alone, Additional, Tandem, and Substitute Awards.

Awards may, in the discretion of the Board, be granted either alone or in addition to, in tandem with, or in substitution or exchange for, any other Award or any award granted under another plan of the Company, any Affiliate, or any business entity to be acquired by the Company or an Affiliate, or any other right of a Grantee to receive payment from the Company or any Affiliate. Such additional, tandem, and substitute or exchange Awards may be granted at any time. If an Award is granted in substitution or exchange for another Award, the Board shall have the right to require the surrender of such other Award in consideration for the grant of the new Award. The Board shall have the right, in its discretion, to make Awards in substitution or exchange for any other award under another plan of the Company, any Affiliate, or any business entity to be acquired by the Company or an Affiliate. In addition, Awards may be granted in lieu of cash compensation, including in lieu of cash amounts payable under other plans of the Company or any Affiliate, in which the value of Stock subject to the Award is equivalent in value to the cash compensation (for example, Restricted Stock Units or Restricted Stock).

7. AWARD AGREEMENT

Each Award shall be evidenced by an Award Agreement, in such form or forms as the Board shall from time to time determine. Without limiting the foregoing, an Award Agreement may be provided in the form of a

notice which provides that acceptance of the Award constitutes acceptance of all terms of the Plan and the notice. Award Agreements granted from time to time or at the same time need not contain similar provisions but shall be consistent with the terms of the Plan. Each Award Agreement evidencing an Award of Options shall specify whether such Options are intended to be Non-qualified Stock Options or Incentive Stock Options, and in the absence of such specification such options shall be deemed Non-qualified Stock Options.

8. TERMS AND CONDITIONS OF OPTIONS

8.1. Option Price.

The Option Price of each Option shall be fixed by the Board and stated in the related Award Agreement. The Option Price of each Option shall be at least the Fair Market Value on the Grant Date of a share of Stock; *provided*, *however*, that (a) in the event that a Grantee is a Ten Percent Stockholder as of the Grant Date, the Option Price of an Option granted to such Grantee that is intended to be an Incentive Stock Option shall be not less than 110 percent of the Fair Market Value of a share of Stock on the Grant Date, and (b) with respect to Awards made in substitution for or in exchange for awards made by an entity acquired by the Company or an Affiliate, the Option Price does not need to be at least the Fair Market Value on the Grant Date. In no case shall the Option Price of any Option be less than the par value of a share of Stock.

8.2. Vesting.

Subject to **Section 8.3** hereof, each Option shall become exercisable at such times and under such conditions (including without limitation performance requirements) as shall be determined by the Board and stated in the Award Agreement. For purposes of this **Section 8.2**, fractional numbers of shares of Stock subject to an Option shall be rounded down to the next nearest whole number.

8.3. Term.

Each Option shall terminate, and all rights to purchase shares of Stock thereunder shall cease, upon the expiration of eight years from the Grant Date, or under such circumstances and on such date prior thereto as is set forth in the Plan or as may be fixed by the Board and stated in the related Award Agreement (the "Termination Date"); *provided*, *however*, that in the event that the Grantee is a Ten Percent Stockholder, an Option granted to such Grantee that is intended to be an Incentive Stock Option at the Grant Date shall not be exercisable after the expiration of five years from its Grant Date.

8.4. Separation from Service.

Except as otherwise provided in an Award Agreement, if a Grantee's employment with or service as a director of the Company or Affiliate terminates for any reason other than Cause, (i) Options granted to such Grantee, to the extent that they are exercisable at the time of such termination, shall remain exercisable for a period of not more than 90 days after such termination (one year in the case of termination by reason of death or Disability), on which date they shall expire, and (ii) Options granted to such Grantee, to the extent that they were not exercisable at the time of such termination, shall expire on the date of such termination. In the event of the termination of a Grantee's employment or service for Cause, all outstanding Options granted to such Grantee shall expire on the date of such termination. Notwithstanding the foregoing, no Option shall be exercisable after the expiration of its term.

8.5. Limitations on Exercise of Option.

Notwithstanding any other provision of the Plan, in no event may any Option be exercised, in whole or in part, (i) prior to the date the Plan is approved by the stockholders of the Company as provided herein or (ii) after the occurrence of an event referred to in **Section 15** hereof which results in termination of the Option.

8.6. Method of Exercise.

An Option that is exercisable may be exercised by the Grantee's delivery to the Company of written notice of exercise on any business day, at the Company's principal office, on the form specified by the Company. Such notice shall specify the number of shares of Stock with respect to which the Option is being exercised and shall be accompanied by payment in full of the Option Price of the shares for which the Option is being exercised plus the amount (if any) of federal and/or other taxes which the Company may, in its judgment, be required to withhold with respect to an Award. The minimum number of shares of Stock with respect to which an Option may be exercised, in whole or in part, at any time shall be the lesser of (i) the number set forth in the related Award Agreement and (ii) the maximum number of shares available for purchase under the Option at the time of exercise. Notwithstanding anything contained herein to the contrary, the Board may, solely in its discretion, approve payment in whole or in part by an alternative method, including (i) by means of any cashless exercise procedure approved by the Board, (ii) in the form of unrestricted shares of Stock already owned by the Grantee (for at least six months) on the date of surrender to the extent the shares of Stock have a Fair Market Value on the date of surrender equal to the aggregate Option Price of the shares as to which such Option shall be exercised, *provided* that, in the case of an Incentive Stock Option, the right to make payment in the form of already owned shares of Stock may be authorized only at the time of grant, or (iii) any combination of the foregoing.

8.7. Rights of Holders of Options.

Unless otherwise stated in the related Award Agreement, an individual holding or exercising an Option shall have none of the rights of a stockholder (for example, the right to receive cash or dividend payments or distributions attributable to the subject shares of Stock or to direct the voting of the subject shares of Stock) until the shares of Stock covered thereby are fully paid and issued to him. Except as provided in **Section 15** hereof, no adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date of such issuance.

8.8. Delivery of Stock Certificates.

Promptly after the exercise of an Option by a Grantee and the payment in full of the Option Price, such Grantee shall be entitled to the issuance of a stock certificate or certificates evidencing his or her ownership of the shares of Stock subject to the Option.

8.9. Transferability of Options.

Except as provided in **Section 8.10**, during the lifetime of a Grantee, only the Grantee (or, in the event of legal incapacity or incompetence, the Grantee's guardian or legal representative) may exercise an Option. Except as provided in **Section 8.10**, no Option shall be assignable or transferable by the Grantee to whom it is granted, other than by will or the laws of descent and distribution.

8.10. Family Transfers.

If authorized in the applicable Award Agreement, a Grantee may transfer, not for value, all or part of an Option which is not an Incentive Stock Option to any Family Member. For the purpose of this **Section 8.10**, a "not for value" transfer is a transfer which is (i) a gift, (ii) a transfer under a domestic relations order in settlement of marital property rights; or (iii) a transfer to an entity in which more than fifty percent of the voting interests are owned by Family Members (or the Grantee) in exchange for an interest in that entity. Following a transfer under this **Section 8.10**, any such Option shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer. Subsequent transfers of transferred Options are prohibited except to Family Members of the original Grantee in accordance with this **Section 8.10** or by will or the laws of descent and distribution. Notwithstanding the foregoing, the Board may also provide that Options may be transferred to persons other than Family Members. The events of termination of Service of **Section 8.4** hereof shall continue to be applied with respect to the original Grantee, following which the Option shall be exercisable by the transferee only to the extent, and for the periods specified, in **Section 8.4**.

8.11. Limitations on Incentive Stock Options.

An Option shall constitute an Incentive Stock Option only (i) if the Grantee of such Option is an employee of the Company or any Subsidiary of the Company; (ii) to the extent specifically provided in the related Award Agreement; and (iii) to the extent that the aggregate Fair Market Value (determined at the time the Option is granted) of the shares of Stock with respect to which all Incentive Stock Options held by such Grantee become exercisable for the first time during any calendar year (under the Plan and all other plans of the Grantee's employer and its Affiliates) does not exceed $100,000. This limitation shall be applied by taking Options into account in the order in which they were granted.

9. TERMS AND CONDITIONS OF STOCK APPRECIATION RIGHTS

9.1. Right to Payment.

A SAR shall confer on the Grantee a right to receive, upon exercise thereof, the excess of (i) the Fair Market Value of one share of Stock on the date of exercise over (ii) the SAR Exercise Price, as determined by the Board. The Award Agreement for an SAR shall specify the SAR Exercise Price, which shall be fixed at the Fair Market Value of a share of Stock on the Grant Date. SARs may be granted alone or in conjunction with all or part of an Option or at any subsequent time during the term of such Option or in conjunction with all or part of any other Award. A SAR granted in tandem with an outstanding Option following the Grant Date of such Option shall have a grant price that is equal to the Option Price; *provided*, *however*, that the SAR's grant price may not be less than the Fair Market Value of a share of Stock on the Grant Date of the SAR.

9.2. Other Terms.

The Board shall determine at the Grant Date or thereafter, the time or times at which and the circumstances under which an SAR may be exercised in whole or in part (including based on achievement of performance goals and/or future service requirements), the time or times at which SARs shall cease to be or become exercisable following termination of Service or upon other conditions, the method of exercise, whether or not a SAR shall be in tandem or in combination with any other Award, and any other terms and conditions of any SAR.

9.3. Term of SARs. The term of a SAR granted under the Plan shall be determined by the Board, in its sole discretion; provided, however, that such term shall not exceed ten (10) years.

9.4. Payment of SAR Amount. Upon exercise of a SAR, a Grantee shall be entitled to receive payment from the Company in an amount determined by multiplying:

(i) the difference between the Fair Market Value of a Share on the date of exercise over the SAR Exercise Price; by

(ii) the number of Shares with respect to which the SAR is exercised.

10. TERMS AND CONDITIONS OF RESTRICTED STOCK AND RESTRICTED STOCK UNITS

10.1. Restrictions.

At the time of grant, the Board may, in its sole discretion, establish a period of time (a "restricted period") and any additional restrictions including the satisfaction of corporate or individual performance objectives applicable to an Award of Restricted Stock or Restricted Stock Units in accordance with **Section 13.1** and **13.2**. Each Award of Restricted Stock or Restricted Stock Units may be subject to a different restricted period and additional restrictions. Neither Restricted Stock nor Restricted Stock Units may be sold, transferred, assigned, pledged or otherwise encumbered or disposed of during the restricted period or prior to the satisfaction of any other applicable restrictions.

10.2. Restricted Stock Certificates.

The Company shall issue stock, in the name of each Grantee to whom Restricted Stock has been granted, stock certificates or other evidence of ownership representing the total number of shares of Restricted Stock

granted to the Grantee, as soon as reasonably practicable after the Grant Date. The Board may provide in an Award Agreement that either (i) the Secretary of the Company shall hold such certificates for the Grantee's benefit until such time as the Restricted Stock is forfeited to the Company or the restrictions lapse, or (ii) such certificates shall be delivered to the Grantee, *provided*, *however*, that such certificates shall bear a legend or legends that comply with the applicable securities laws and regulations and makes appropriate reference to the restrictions imposed under the Plan and the Award Agreement.

10.3. Rights of Holders of Restricted Stock.

Unless the Board otherwise provides in an Award Agreement, holders of Restricted Stock shall have no rights as stockholders of the Company.

10.4. Rights of Holders of Restricted Stock Units.

10.4.1. Settlement of Restricted Stock Units.

Restricted Stock Units may be settled in cash or Stock, as determined by the Board and set forth in the Award Agreement. The Award Agreement shall also set forth whether the Restricted Stock Units shall be settled (i) within the time period specified in **Section 16.9.1** for short term deferrals or (ii) otherwise within the requirements of Section 409A, in which case the Award Agreement shall specify upon which events such Restricted Stock Units shall be settled.

10.4.2. Voting and Dividend Rights.

Holders of Restricted Stock Units shall have no rights as stockholders of the Company. The Board may provide in an Award Agreement that the holder of such Restricted Stock Units shall be entitled to receive, upon the Company's payment of a cash dividend on its outstanding Stock, a cash payment for each Restricted Stock Unit held equal to the per-share dividend paid on the Stock, which may be deemed reinvested in additional Restricted Stock Units at a price per unit equal to the Fair Market Value of a share of Stock on the date that such dividend is paid to shareholders.

10.4.3. Creditor's Rights.

A holder of Restricted Stock Units shall have no rights other than those of a general creditor of the Company. Restricted Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Award Agreement.

10.5. Termination of Service.

Unless the Board otherwise provides in an Award Agreement or in writing after the Award Agreement is issued, upon the termination of a Grantee's Service, any Restricted Stock or Restricted Stock Units held by such Grantee that have not vested, or with respect to which all applicable restrictions and conditions have not lapsed, shall immediately be deemed forfeited, and the Grantee shall have no further rights with respect to such Award.

10.6. Purchase of Restricted Stock.

The Grantee shall be required, to the extent required by applicable law, to purchase the Restricted Stock from the Company at a Purchase Price equal to the greater of (i) the aggregate par value of the shares of Stock represented by such Restricted Stock or (ii) the Purchase Price, if any, specified in the related Award Agreement.

If specified in the Award Agreement, the Purchase Price may be deemed paid by Services already rendered. The Purchase Price shall be payable in a form described in **Section 12** or, in the discretion of the Board, in consideration for past Services rendered.

10.7. Delivery of Stock.

Upon the expiration or termination of any restricted period and the satisfaction of any other conditions prescribed by the Board, the restrictions applicable to shares of Restricted Stock or Restricted Stock Units settled in Stock shall lapse, and, unless otherwise provided in the Award Agreement, a stock certificate for such shares shall be delivered, free of all such restrictions, to the Grantee or the Grantee's beneficiary or estate, as the case may be.

11. [RESERVED]

12. FORM OF PAYMENT FOR OPTIONS AND RESTRICTED STOCK

12.1. General Rule.

Payment of the Option Price for the shares purchased pursuant to the exercise of an Option or the Purchase Price for Restricted Stock shall be made in cash or in cash equivalents acceptable to the Company, except as provided in this **Section 12**.

12.2. Surrender of Stock.

To the extent the Award Agreement so provides, payment of the Option Price for shares purchased pursuant to the exercise of an Option or the Purchase Price for Restricted Stock may be made all or in part through the tender to the Company of shares of Stock, which shares, if acquired from the Company and if so required by the Company, shall have been held for at least six months at the time of tender and which shall be valued, for purposes of determining the extent to which the Option Price or Purchase Price has been paid thereby, at their Fair Market Value on the date of exercise or surrender.

12.3. Cashless Exercise.

With respect to an Option only (and not with respect to Restricted Stock), to the extent permitted by law and to the extent the Award Agreement so provides, payment of the Option Price may be made all or in part by delivery (on a form acceptable to the Board) of an irrevocable direction to a licensed securities broker acceptable to the Company to sell shares of Stock and to deliver all or part of the sales proceeds to the Company in payment of the Option Price and any withholding taxes described in **Section 16.3**.

12.4. Other Forms of Payment.

To the extent the Award Agreement so provides, payment of the Option Price or the Purchase Price may be made in any other form that is consistent with applicable laws, regulations and rules.

13. TERMS AND CONDITIONS OF PERFORMANCE AND ANNUAL INCENTIVE AWARDS

13.1. Performance Conditions.

The right of a Grantee to exercise or receive a grant or settlement of any Award, and the timing thereof, may be subject to such performance conditions as may be specified by the Committee. The Committee may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance conditions, and may exercise its discretion to reduce the amounts payable under any Award subject to performance conditions, except as limited under **Sections 13.2** hereof in the case of a Performance Award or Annual Incentive Award intended to qualify under Code Section 162(m).

13.2. Performance or Annual Incentive Awards Granted to Designated Covered Employees.

If and to the extent that the Committee determines that a Performance or Annual Incentive Award to be granted to a Grantee who is designated by the Committee as likely to be a Covered Employee should qualify as "performance-based compensation" for purposes of Code Section 162(m)**,** the grant, exercise and/or settlement of such Performance or Annual Incentive Award shall be contingent upon achievement of pre-established performance goals and other terms set forth in this **Section 13.2**.

13.2.1. Performance Goals Generally.

The performance goals for such Performance or Annual Incentive Awards shall consist of one or more business criteria and a targeted level or levels of performance with respect to each of such criteria, as specified by the Committee consistent with this **Section 13.2**. Performance goals shall be objective and shall otherwise meet the requirements of Code Section 162(m) and regulations thereunder including the requirement that the level or levels of performance targeted by the Committee result in the achievement of performance goals being "substantially uncertain." The Committee may determine that such Performance or Annual Incentive Awards shall be granted, exercised and/or settled upon achievement of any one performance goal or that two or more of the performance goals must be achieved as a condition to grant, exercise and/or settlement of such Performance or Annual Incentive Awards. Performance goals may differ for Performance or Annual Incentive Awards granted to any one Grantee or to different Grantees.

13.2.2. Business Criteria.

One or more of the following business criteria for the Company, on a consolidated basis, and/or specified subsidiaries or business units of the Company (except with respect to the total stockholder return and earnings per share criteria), shall be used exclusively by the Committee in establishing performance goals for such Performance or Annual Incentive Awards: (i) total stockholder return; (ii) such total stockholder return as compared to total return (on a comparable basis) of a publicly available index such as, but not limited to, the Standard & Poor's 500 Stock Index; (iii) net income; (iv) pretax earnings; (v) earnings before interest expense, taxes, depreciation and amortization; (vi) pretax operating earnings after interest expense and before bonuses, service fees, and extraordinary or special items; (vii) operating margin; (viii) earnings per share; (ix) return on equity; (x) return on capital; (xi) return on investment; (xii) operating earnings; (xiii) working capital; (xiv) ratio of debt to stockholders' equity and (xv) revenue.

13.2.3. Timing for Establishing Performance Goals.

Performance goals shall be established not later than 90 days after the beginning of any performance period applicable to such Performance or Annual Incentive Awards, or at such other date as may be required or permitted for "performance-based compensation" under Code Section 162(m).

13.2.4. Settlement of Performance or Annual Incentive Awards; Other Terms.

Settlement of such Performance or Annual Incentive Awards shall be in cash, Stock, other Awards or other property, in the discretion of the Committee. The Committee may, in its discretion, reduce the amount of a settlement otherwise to be made in connection with such Performance or Annual Incentive Awards. The Committee shall specify the circumstances in which such Performance or Annual Incentive Awards shall be paid or forfeited in the event of termination of Service by the Grantee prior to the end of a performance period or settlement of Performance Awards.

13.3. Written Determinations.

All determinations by the Committee as to the establishment of performance goals, the amount of any Performance Award pool or potential individual Performance Awards and as to the achievement of performance

goals relating to Performance Awards, and the amount of any Annual Incentive Award pool or potential individual Annual Incentive Awards and the amount of final Annual Incentive Awards, shall be made in writing in the case of any Award intended to qualify under Code Section 162(m). To the extent permitted by Code Section 162(m), the Committee may delegate any responsibility relating to such Performance Awards or Annual Incentive Awards.

13.4. Status of Section 13.2 Awards Under Code Section 162(m).

It is the intent of the Company that Performance Awards and Annual Incentive Awards under **Section 13.2** hereof granted to persons who are designated by the Committee as likely to be Covered Employees within the meaning of Code Section 162(m) and regulations thereunder shall, if so designated by the Committee, constitute "qualified performance-based compensation" within the meaning of Code Section 162(m) and regulations thereunder. Accordingly, the terms of **Section 13.2**, including the definitions of Covered Employee and other terms used therein, shall be interpreted in a manner consistent with Code Section 162(m) and regulations thereunder. The foregoing notwithstanding, because the Committee cannot determine with certainty whether a given Grantee will be a Covered Employee with respect to a fiscal year that has not yet been completed, the term Covered Employee as used herein shall mean only a person designated by the Committee, at the time of grant of Performance Awards or an Annual Incentive Award, as likely to be a Covered Employee with respect to that fiscal year. If any provision of the Plan or any agreement relating to such Performance Awards or Annual Incentive Awards does not comply or is inconsistent with the requirements of Code Section 162(m) or regulations thereunder, such provision shall be construed or deemed amended to the extent necessary to conform to such requirements.

14. REQUIREMENTS OF LAW

14.1. General.

The Company shall not be required to sell or issue any shares of Stock under any Award if the sale or issuance of such shares would constitute a violation by the Grantee, any other individual exercising an Option, or the Company of any provision of any law or regulation of any governmental authority, including without limitation any federal or state securities laws or regulations. If at any time the Company shall determine, in its discretion, that the listing, registration or qualification of any shares subject to an Award upon any securities exchange or under any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the issuance or purchase of shares hereunder, no shares of Stock may be issued or sold to the Grantee or any other individual exercising an Option pursuant to such Award unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Company, and any delay caused thereby shall in no way affect the date of termination of the Award. Specifically, in connection with the Securities Act, upon the exercise of any Option or the delivery of any shares of Stock underlying an Award, unless a registration statement under such Act is in effect with respect to the shares of Stock covered by such Award, the Company shall not be required to sell or issue such shares unless the Board has received evidence satisfactory to it that the Grantee or any other individual exercising an Option may acquire such shares pursuant to an exemption from registration under the Securities Act. Any determination in this connection by the Board shall be final, binding, and conclusive. The Company may, but shall in no event be obligated to, register any securities covered hereby pursuant to the Securities Act. The Company shall not be obligated to take any affirmative action in order to cause the exercise of an Option or the issuance of shares of Stock pursuant to the Plan to comply with any law or regulation of any governmental authority. As to any jurisdiction that expressly imposes the requirement that an Option shall not be exercisable until the shares of Stock covered by such Option are registered or are exempt from registration, the exercise of such Option (under circumstances in which the laws of such jurisdiction apply) shall be deemed conditioned upon the effectiveness of such registration or the availability of such an exemption.

14.2. Rule 16b-3.

During any time when the Company has a class of equity security registered under Section 12 of the Exchange Act, it is the intent of the Company that Awards and the exercise of Options granted hereunder will

qualify for the exemption provided by Rule 16b-3 under the Exchange Act. To the extent that any provision of the Plan or action by the Board or Committee does not comply with the requirements of Rule 16b-3, it shall be deemed inoperative to the extent permitted by law and deemed advisable by the Board, and shall not affect the validity of the Plan. In the event that Rule 16b-3 is revised or replaced, the Board may exercise its discretion to modify this Plan in any respect necessary to satisfy the requirements of, or to take advantage of any features of, the revised exemption or its replacement.

15. EFFECT OF CHANGES IN CAPITALIZATION

15.1. Changes in Stock.

If the number of outstanding shares of Stock is increased or decreased or the shares of Stock are changed into or exchanged for a different number or kind of shares or other securities of the Company on account of any recapitalization, reclassification, stock split, reverse split, combination of shares, exchange of shares, stock dividend or other distribution payable in capital stock, or other increase or decrease in such shares effected without receipt of consideration by the Company occurring after the Effective Date, the number and kinds of shares for which grants of Options and other Awards may be made under the Plan shall be adjusted proportionately and accordingly by the Company; provided that any such adjustment shall comply with Section 409A. In addition, the number and kind of shares for which Awards are outstanding shall be adjusted proportionately and accordingly so that the proportionate interest of the Grantee immediately following such event shall, to the extent practicable, be the same as immediately before such event. Any such adjustment in outstanding Options or SARs shall not change the aggregate Option Price or SAR Exercise Price payable with respect to shares that are subject to the unexercised portion of an outstanding Option or SAR, as applicable, but shall include a corresponding proportionate adjustment in the Option Price or SAR Exercise Price per share. The conversion of any convertible securities of the Company shall not be treated as an increase in shares effected without receipt of consideration. Notwithstanding the foregoing, in the event of any distribution to the Company's stockholders of securities of any other entity or other assets (including an extraordinary cash dividend but excluding a non-extraordinary dividend payable in cash or in stock of the Company) without receipt of consideration by the Company, the Company may, in its sole discretion and in such manner as the Company deems appropriate, adjust (i) the number and kind of shares subject to outstanding Awards and/or (ii) the exercise price of outstanding Options and Stock Appreciation Rights to reflect such distribution.

15.2. Definition of Change in Control.

"Change in Control" shall mean the occurrence of any of the following:

i. Any 'person' (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the 'beneficial owner' (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total voting power represented by the Company's then-outstanding voting securities, provided, however, that a Change in Control shall not be deemed to occur if an employee benefit plan (or a trust forming a part thereof) maintained by the Company, directly or indirectly, becomes the beneficial owner of more than fifty percent (50%) of the then-outstanding voting securities of the Company after such acquisition;

ii. The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in (a) the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving entity) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or (b) the directors of the Company immediately prior thereto continuing to represent at least fifty percent (50%) of the directors of the Company or such surviving entity immediately after such merger or consolidation; or

iii. The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets.

Notwithstanding the foregoing, the Company will not be deemed to have undergone a Change in Control unless the Company is deemed to have undergone a change in control pursuant to the definition in Section 409A.

15.3. Effect of Change in Control

The Board shall determine the effect of a Change in Control upon Awards, and such effect may be set forth in the appropriate Award Agreement. Without limiting the foregoing, the Board may provide in the Award Agreements at the time of grant, or any time thereafter with the consent of the Grantee, the actions that will be taken upon the occurrence of a Change in Control, including, but not limited to, accelerated vesting, termination or assumption. The Board may also provide in the Award Agreements at the time of grant, or any time thereafter with the consent of the Grantee, for different provisions to apply to an Award in place of those described in **Sections 15.1** and **15.2**.

15.4. Reorganization Which Does Not Constitute a Change in Control.

If the Company undergoes any reorganization, merger, or consolidation of the Company with one or more other entities which does not constitute a Change in Control, any Option or SAR theretofore granted pursuant to the Plan shall pertain to and apply to the securities to which a holder of the number of shares of Stock subject to such Option or SAR would have been entitled immediately following such reorganization, merger, or consolidation, with a corresponding proportionate adjustment of the Option Price or SAR Exercise Price per share so that the aggregate Option Price or SAR Exercise Price thereafter shall be the same as the aggregate Option Price or SAR Exercise Price of the shares remaining subject to the Option or SAR immediately prior to such reorganization, merger, or consolidation. Subject to any contrary language in an Award Agreement, any restrictions applicable to such Award shall apply as well to any replacement shares received by the Grantee as a result of the reorganization, merger or consolidation.

15.5. Adjustments.

Adjustments under this **Section 15** related to shares of Stock or securities of the Company shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. No fractional shares or other securities shall be issued pursuant to any such adjustment, and any fractions resulting from any such adjustment shall be eliminated in each case by rounding downward to the nearest whole share.

15.6. No Limitations on Company.

The making of Awards pursuant to the Plan shall not affect or limit in any way the right or power of the Company to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure or to merge, consolidate, dissolve, or liquidate, or to sell or transfer all or any part of its business or assets.

16. GENERAL PROVISIONS

16.1. Disclaimer of Rights.

No provision in the Plan or in any Award Agreement shall be construed to confer upon any individual the right to remain in the employ or service of the Company or any Affiliate, or to interfere in any way with any contractual or other right or authority of the Company either to increase or decrease the compensation or other payments to any individual at any time, or to terminate any employment or other relationship between any individual and the Company. In addition, notwithstanding anything contained in the Plan to the contrary, unless otherwise stated in the applicable Award Agreement, no Award granted under the Plan shall be affected by any change of duties or position of the Grantee, so long as such Grantee continues to be a Service Provider, if applicable. The obligation of the Company to pay any benefits pursuant to this Plan shall be interpreted as a contractual obligation to pay only those amounts described herein, in the manner and under the conditions prescribed herein. The Plan shall in no way be interpreted to require the Company to transfer any amounts to a third party trustee or otherwise hold any amounts in trust or escrow for payment to any Grantee or beneficiary under the terms of the Plan.

16.2. Nonexclusivity of the Plan.

Neither the adoption of the Plan nor the submission of the Plan to the stockholders of the Company for approval shall be construed as creating any limitations upon the right and authority of the Board to adopt such other incentive compensation arrangements (which arrangements may be applicable either generally to a class or classes of individuals or specifically to a particular individual or particular individuals), including, without limitation, the granting of stock options as the Board in its discretion determines desirable.

16.3. Withholding Taxes.

The Company or an Affiliate, as the case may be, shall have the right to deduct from payments of any kind otherwise due to a Grantee any federal, state, or local taxes of any kind required by law to be withheld (i) with respect to the vesting of or other lapse of restrictions applicable to an Award, (ii) upon the issuance of any shares of Stock upon the exercise of an Option, or (iii) pursuant to an Award. At the time of such vesting, lapse, or exercise, the Grantee shall pay to the Company or the Affiliate, as the case may be, any amount that the Company or the Affiliate may reasonably determine to be necessary to satisfy such withholding obligation. Subject to the prior approval of the Company or the Affiliate, which may be withheld by the Company or the Affiliate, as the case may be, in its sole discretion, the Grantee may elect to satisfy such obligations, in whole or in part, (i) by causing the Company or the Affiliate to withhold shares of Stock otherwise issuable to the Grantee or (ii) by delivering to the Company or the Affiliate shares of Stock already owned by the Grantee. The shares of Stock so delivered or withheld shall have an aggregate Fair Market Value equal to such withholding obligations. The Fair Market Value of the shares of Stock used to satisfy such withholding obligation shall be determined by the Company or the Affiliate as of the date that the amount of tax to be withheld is to be determined. A Grantee who has made an election pursuant to this **Section 16.3** may satisfy his or her withholding obligation only with shares of Stock that are not subject to any repurchase, forfeiture, unfulfilled vesting, or other similar requirements.

16.4. Captions.

The use of captions in this Plan or any Award Agreement is for the convenience of reference only and shall not affect the meaning of any provision of the Plan or any Award Agreement.

16.5. Other Provisions.

Each Award Agreement may contain such other terms and conditions not inconsistent with the Plan as may be determined by the Board, in its sole discretion.

16.6. Number and Gender.

With respect to words used in this Plan, the singular form shall include the plural form, the masculine gender shall include the feminine gender, etc., as the context requires.

16.7. Severability.

If any provision of the Plan or any Award Agreement shall be determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions hereof and thereof shall be severable and enforceable in accordance with their terms, and all provisions shall remain enforceable in any other jurisdiction.

16.8. Governing Law.

The validity and construction of this Plan and the instruments evidencing the Award hereunder shall be governed by the laws of the State of New York, other than any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Plan and the instruments evidencing the Awards granted hereunder to the substantive laws of any other jurisdiction.

16.9. Section 409A.

16.9.1. Short-Term Deferrals.

For each Award intended to comply with the short-term deferral exception provided for under Section 409A, the related Award Agreement shall provide that such Award shall be paid out by the later of (i) the 15th day of the third month following the Grantee's first taxable year in which the Award is no longer subject to a substantial risk of forfeiture or (ii) the 15th day of the third month following the end of the Company's first taxable year in which the Award is no longer subject to a substantial risk of forfeiture.

16.9.2. Adjustments.

To the extent that the Board determines that a Grantee would be subject to the additional 20% tax imposed on certain deferred compensation arrangements pursuant to Section 409A as a result of any provision of any Award, to the extent permitted by Section 409A, such provision shall be deemed amended to the minimum extent necessary to avoid application of such additional tax. The Board shall determine the nature and scope of such amendment.

16.10. Stockholder Approval; Effective Date of Plan.

The Plan shall be effective as of the Effective Date. Any Option that is designated as an Incentive Stock Option shall be a Nonqualified Stock Option if the Plan is not approved by the shareholders of the Company within twelve (12) months after the Effective Date of the Plan. No award that is intended to qualify as performance-based compensation within the meaning of section 162(m) of the Code shall be effective unless and until the Plan is approved by the stockholders of the Company.

NYMEX HOLDINGS, INC.

By: _____

Title: _____

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
NYMEX Holdings, Inc.:

We consent to the inclusion in this registration statement on Form S-1 of NYMEX Holdings, Inc. of our reports dated March 7, 2006, with respect to the consolidated balance sheets of NYMEX Holdings, Inc. as of December 31, 2005 and 2004, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2005, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2005, included herein and to the reference to our firm under the heading "Experts" in the registration statement.

/s/ KPMG LLP

New York, New York
July 12, 2006

[Letterhead of Skadden, Arps, Slate, Meagher & Flom LLP]

July 14, 2006

VIA EDGAR TRANSMITTAL

Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Re: NYMEX Holdings, Inc.
Registration Statement on Form S-1

Ladies and Gentlemen:

At the request of NYMEX Holdings, Inc. (the "Company"), transmitted herewith for filing under the Securities Act of 1933, as amended, please find the Company's Registration Statement on Form S-1 (the "Registration Statement").

Please note that the amount of $26,750 has been sent by wire transfer to the Securities and Exchange Commission in payment of the applicable registration fee.

In the event that the Staff has any questions or comments with respect to the Registration Statement, please do not hesitate to contact Eric Friedman at (212) 735-2204 or by telecopy at (917) 777-2204 or the undersigned at (212) 735-3259 or by telecopy at (917) 777-3259.

Very truly yours,

/s/ Michael J. Zeidel

Michael J. Zeidel

Attachments