

# SUITABILITY AND APPROPRIATENESS POLICY

Client Assessment Framework

## NIHAO CARBON CERTIFICATES

**Version 1.0**

Effective Date: January 1, 2024

Classification: CONFIDENTIAL

## 1. Purpose

This policy establishes the framework for assessing suitability and appropriateness of investment services for clients per MiFID II Articles 25(2) and 25(3).

## 2. When Assessment is Required

Service Type	Assessment	Applicable To
Investment Advice	<b>Full Suitability</b>	All Clients
Portfolio Management	<b>Full Suitability</b>	All Clients
Execution-Only (Complex)	<b>Appropriateness</b>	Retail, Professional

## 3. Suitability Assessment

1. **Knowledge and Experience:** Understanding of carbon markets
2. **Financial Situation:** Source of wealth, ability to bear losses
3. **Investment Objectives:** Time horizon, risk appetite, purpose

## 4. Appropriateness Assessment

- Client's knowledge and experience with carbon markets
- Understanding of specific product features and risks
- Previous trading experience and frequency

## 5. Warnings and Documentation

5.1 If a product is assessed as not appropriate, the client receives a warning before any transaction.

5.2 If client provides insufficient information, they are warned that appropriateness cannot be assessed.

5.3 All assessments and warnings are documented and retained for 5 years.