

PRODUCT GOVERNANCE POLICY

Target Market Assessment and Product Oversight

NIHAO CARBON CERTIFICATES

Version 1.0

Effective Date: January 1, 2024

Classification: CONFIDENTIAL

1. Purpose

This policy establishes the framework for product governance in accordance with MiFID II requirements, ensuring products are designed to meet the needs of identified target markets.

2. Target Market Definition

Criterion	Target Market
Client Type	Professional Clients, Eligible Counterparties
Knowledge	Advanced knowledge of carbon markets
Financial Situation	Ability to bear losses; min EUR 10M funding
Risk Tolerance	High; accepts significant price volatility
Objectives	EU ETS compliance, hedging, speculative trading

2.2 Negative Target Market

- Clients seeking capital preservation
- Clients with no knowledge of carbon markets
- Clients who cannot afford to lose their investment
- Retail clients (except with enhanced protections)

3. Distribution Strategy

- Direct institutional sales
- Electronic trading platform (access-controlled)
- Approved third-party intermediaries

4. Product Review

Products reviewed annually or whenever material changes occur to ensure they meet identified target market.