

# 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
<b>Client Type</b>	Professional Clients, Eligible Counterparties
<b>Knowledge</b>	Advanced knowledge of carbon markets
<b>Financial Situation</b>	Ability to bear losses; min EUR 10M funding
<b>Risk Tolerance</b>	High; accepts significant price volatility
<b>Objectives</b>	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.