

CLIENT AGREEMENT

Terms of Business for Carbon Certificate Trading Services

NIHAO CARBON CERTIFICATES

Version 1.0

Effective Date: January 1, 2024

Classification: **CONFIDENTIAL**

1. Definitions and Interpretation

In this Agreement, the following terms shall have the meanings set out below:

- **"Platform"** means the Nihao Carbon Certificates electronic trading platform for EU ETS allowances and CER certificates.
- **"EUA"** means European Union Allowance under the EU Emissions Trading System.
- **"CER"** means Certified Emission Reduction under the Clean Development Mechanism.
- **"Carbon Certificates"** means EUAs, EUAAs, CERs, and any derivatives thereof.
- **"Client"** means the person or entity entering into this Agreement with Nihao Carbon Certificates.
- **"Transaction"** means any purchase, sale, transfer, or exchange of Carbon Certificates executed through the Platform.
- **"Business Day"** means any day on which banks are open for business in [JURISDICTION] and on which the EU ETS Registry is operational.

2. Services

2.1 Scope of Services

Nihao Carbon Certificates provides the following services to Clients:

- a) Reception and transmission of orders in relation to Carbon Certificates
- b) Execution of orders on behalf of Clients
- c) Dealing on own account in Carbon Certificates
- d) Safekeeping and administration of Carbon Certificates
- e) Market information and research services

2.2 Regulatory Status

Nihao Carbon Certificates is authorized and regulated by [NATIONAL COMPETENT AUTHORITY] under MiFID II (Directive 2014/65/EU) to provide investment services in financial instruments, including emission allowances classified under Section C(11) of Annex I to MiFID II.

3. Client Classification

3.1 Pursuant to MiFID II requirements, the Client has been classified as:

- ☐ Retail Client
- ☐ Professional Client
- ☐ Eligible Counterparty

3.2 The Client acknowledges that different levels of regulatory protection apply to each client category and that the Client may request a different classification, subject to meeting the applicable criteria.

4. Account Opening and Minimum Requirements

4.1 Account Activation

The Client's trading account shall only be activated upon:

1. Successful completion of all KYC/AML verification procedures
2. Execution of this Agreement and all required documentation
3. Approval by the Compliance Department
4. **Receipt of minimum initial funding of EUR 10,000,000 (ten million euros)**

4.2 Minimum Account Balance

IMPORTANT: The minimum account funding requirement of EUR 10,000,000 must be maintained at all times. Trading permissions will be suspended if the account balance falls below this threshold.

5. Orders and Execution

5.1 Order Types

The Platform accepts the following order types:

- **Market Orders** – executed at the best available price
- **Limit Orders** – executed at the specified price or better
- **Stop Orders** – triggered when market reaches specified price
- **Good Till Cancelled (GTC)** – remains active until executed or cancelled

5.2 Best Execution

Nihao Carbon Certificates is committed to taking all sufficient steps to obtain the best possible result for Clients when executing orders, taking into account price, costs, speed, likelihood of execution, settlement, size, nature, and any other relevant considerations.

6. Fees and Charges

Service	Fee
EUA Spot Transaction	[X]% of transaction value, min €[X]
CER Transaction	[X]% of transaction value, min €[X]
Derivatives (Futures/Options)	€[X] per contract
Registry Transfer Fee	€[X] per transfer
Account Maintenance (Monthly)	€[X]

7. Settlement and Delivery

7.1 Standard settlement for spot transactions is T+2 (two Business Days after trade date).

7.2 Carbon Certificates are delivered via transfer in the EU ETS Union Registry or relevant national registry.

7.3 The Client must maintain a valid registry account capable of receiving Carbon Certificates.

8. Risk Warnings

The Client acknowledges and accepts the following risks:

- **Market Risk:** Carbon Certificate prices are volatile and may fall as well as rise.
- **Regulatory Risk:** Changes to EU ETS regulations may materially affect Carbon Certificate values.

- **Liquidity Risk:** It may not always be possible to execute orders at desired prices.
- **Counterparty Risk:** Risk of counterparty default in OTC transactions.
- **Operational Risk:** System failures may prevent order execution.

9. Client Money

9.1 Client funds are held in segregated accounts with [BANK NAME], an EU credit institution, separate from Nihao Carbon Certificates' own funds in accordance with MiFID II client asset rules.

10. Confidentiality and Data Protection

10.1 Both parties agree to maintain confidentiality of all non-public information. Personal data is processed in accordance with the General Data Protection Regulation (GDPR) and our Privacy Policy.

11. Termination

11.1 Either party may terminate this Agreement by giving 30 days' written notice.

11.2 Nihao Carbon Certificates may terminate immediately if the Client breaches any material term or fails to meet regulatory requirements.

11.3 Upon termination, all outstanding positions must be closed or transferred within 30 days.

12. Governing Law and Jurisdiction

This Agreement is governed by the laws of [JURISDICTION]. Any disputes shall be subject to the exclusive jurisdiction of the courts of [JURISDICTION].

13. Signatures

FOR AND ON BEHALF OF THE CLIENT:

Company Name: _____

Authorized Signatory: _____

Title: _____

Signature: _____

Date: _____

FOR AND ON BEHALF OF NIHAO CARBON CERTIFICATES:

Authorized Signatory: _____

Title: _____

Signature: _____

Date: _____