

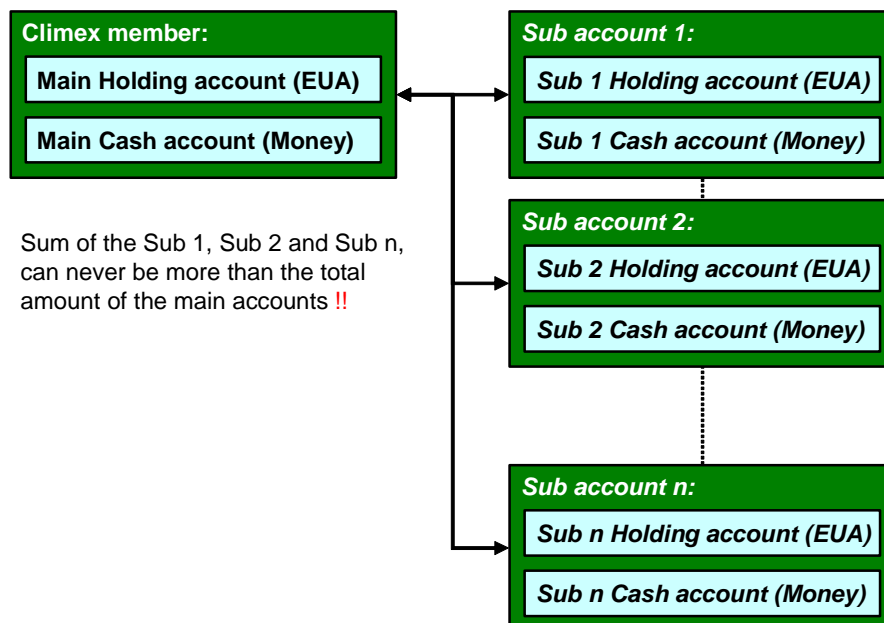
Get organised with the Climex intermediary function

New Values introduces the intermediary function (the IM function) on her trading platform Climex. The IM function was especially built for:

- Industries where one trader trades on behalf of all his outlets and wants to keep track of the trades and account balances per outlet individually;
- Traders who trade for different clients and want to keep track of the trades and account balances executed per client;
- Traders who want to give their clients the possibility to trade by themselves without the need for those clients to become a direct member of Climex.

How does it work?

All members of Climex can use the IM function after signing the applicable addendum to their participation agreement. All that needs to be done is to open a sub account for cash and EUAs on the Climex Platform and transfer cash and EUAs from their main account into these sub accounts. It is possible to trade and use all trading functionalities on the sub account. This also means that all settings and functionalities, such as VAT, use-related fee and language etc, as defined for the main account, are equally applicable to the sub account(s). The sum of the Sub 1, Sub 2 and Sub n accounts (see figure below), can never be more than the total amount or total volume on the main Cash or Holding account respectively (please note that it is possible that the sum of all sub accounts is less than the total amount or total volume on the main Cash or Holding account respectively).



Who can trade on a sub account?

A sub account may initially be used by all authorised users who have user access rights for the main account, plus everyone to whom the holder of the main account gives the permission to do so. So the holder of the main account can either trade himself or he can allow someone to trade on behalf of an individual sub account only. In this second case, the user can also only see information related to and relevant for this one sub account only.

What about the counterparty risk?

The clearing rules that are applicable to a main account are also applicable to the sub accounts: you can only trade when money and EUAs are available up front. Sub accounts receive their money and EUAs from the main account holder. This money and/or EUAs is/are then no longer available for trading on the main account or on another sub account; it is blocked or reserved for the sub account it is booked to. Of course, the main account holder can always book the money and/or EUAs back to the main account and have it available for his own trading again (or make it available for another sub account). Central counterparty for all main accounts is the APX Group. Main account holders are responsible for their sub accounts and all users, orders and transactions created for the sub account. Main accounts will be charged the use-related fee and settlement will be initiated for trading over a sub account to the main account only.

Can a main account holder see what has been traded on a sub account?

Yes of course. The main account holder can not only see what happens on a sub account, he can also manage it. That means transfer money or EUAs from and into a sub account and create users, orders and transactions.

Can a sub account holder see what has been traded on other sub accounts or the main account?

No! A sub account holder can only see what has been traded on his sub account, not what has been traded on other sub accounts or on the main account.

Who will get the e-mail confirmation of transactions of sub accounts?

The sub account holder (when applicable) and the main account holder only.

Does the OTC trading tool also works for sub accounts?

Yes. The OTC trading tool does also work on a sub account. With the OTC Trading tool it is possible to clear & settle a bilateral trade on Climex. The OTC Trading tool functions only when both parties are Climex members.

What does the IM function cost?

The IM functionality can be used at no additional charges. For all transactions conducted by and/or for sub accounts the same trading fees apply as would have been charged to the holder of the main account (1 ct, or 3 ct or 5 ct per ton EUA traded; see www.newvalues.net)

Where can I get more information?

Call the New Values Customer Service at +31 (0)20 -305 4073
send an e-mail to csdesk@newvalues.net or
look at www.newvalues.net.

Examples.

Industries with several outlets and centralised trading for all outlets

Question: A big industry has several outlets throughout Europe. All these outlets have EUA allocations. The administration of EUAs is carried out at every outlet separately. The main office trades centrally. VAT must be dealt with per outlet.

Answer: In this situation, head office becomes a Climex member and opens sub accounts for all its outlets. A sub account will have equal characteristics to the main account of the proprietor: e.g. the main account's country of residence, VAT percentages applying to the main account, the confirmation e-mail address (but specific e-mail addresses for the sub account may be added!) etc.

If the outlet wants to sell EUAs, the outlet management transfers the EUAs for sale into the registry of the holding account of the head office. The New Values organisation updates Climex regarding the main account. The main account holder transfers the EUAs (on the Climex platform) into the sub account. If they wish to buy, money has to be transferred into the cash account of the head office with APX, the central counterparty for Climex. APX will update the main account on the Climex platform. The head office transfers the money of an outlet into the sub account of that outlet.

The trader of the head office is able to trade from the sub account, (but not with a sister sub account under the same main account). After completion of the trade, the head office can transfer money and EUAs back into the outlet.

Any differences in fee structure or VAT percentages, need additional registration. Climex is able to provide all the details to both main account holder and sub account holder to enable this

Broker who trades on behalf of clients

Question: A broker trades on behalf of his clients. He wants to automatically inform his clients of the trades and wants to be able to transfer money and EUAs from Climex to his clients.

Answer: In this situation the broker becomes a Climex member and opens sub accounts for all his clients. A sub account will have equal characteristics to the main account of the proprietor: e.g. the main account's country of residence, VAT percentages applying to the main account, the confirmation e-mail address (but specific e-mail addresses for the sub account may be added!) etc.

If a client wants to sell EUAs, he transfers the EUAs for sale into the registry of the holding account of the head office. The New Values organisation updates this on Climex. If he wants to buy, he transfers money into the cash account of the APX, the central counterparty for Climex. APX will update the main account on the Climex platform. The broker puts the EUAs and the client's money on the sub account of the client. The trader of the head office is able to trade from the sub account, (but not with a sister sub account under the same main account). After completion of the trade, the head office can transfer money and EUAs back to his client.

Bank offering its clients to trade individually

Question: A bank wants to offer its clients to trade EUAs on Climex without the client having to become a member of Climex.

Answer: In this situation the bank becomes a Climex member and opens sub accounts for all its clients. A sub account will have equal characteristics to the main account of the proprietor: e.g. the main account's country of residence, VAT percentages applying to the main account, the confirmation e-mail address (but specific e-mail addresses for the sub account may be added!) etc.. By giving his client a login and password, the bank authorises this client to trade on the sub account. If a client wants to sell his EUAs, he transfers the EUAs he wants to sell into the registry of the holding account of the head office. The New Values organisation updates this on Climex. If he wants to buy, he transfers money into the cash account of the APX, the central counterparty for Climex. APX will update the main account on the Climex platform. The bank puts the EUAs and the client's money on the sub account of that client. From the sub account, the client is able to trade (but not with a sister sub account under the same main account). After a trade has been completed, the bank can transfer money and EUAs back to his client.