

PARTICIPATION AGREEMENT CSS

THE UNDERSIGNED:

1. The private company with limited liability APX B.V., with registered seat at Amsterdam, represented in this by _____, and hereinafter referred to as "**Clearing House**" or "**APX-ENDEX**" as the case may be;

and

2. _____ (name Participant)
_____ (address with postal code)
_____, (registration with trade register)
Banking / finance, (nature of business),
hereinafter referred to as "**Participant**",

jointly or separately as the case may be, and also referred to as "Parties" or "Party" respectively,

TAKING INTO CONSIDERATION:

- Climex operates the Climex Trading Platform for the trade in Carbon Emission Rights;
- Climex has contracted APX-ENDEX in order to facilitate the Clearing and Settlement of Spot Transactions traded by Participants on the Climex Trading Platform by means of the Climex Settlement System;
- Participant has successfully passed the Accession Procedure CSS and has been admitted and has entered into a Climex Participation Contract with Climex;
- Participant wishes to participate in the Climex Settlement System with observance of this Participation Agreement CSS;

HAVE AGREED AS FOLLOWS:

DEFINITIONS

"**Accession Procedure CSS**" means a uniform procedure, which regulates the requirements, which an Applicant must meet, and a Participant must continue to meet, in order to be admitted to participate in the Climex Settlement System as a Participant (Appendix A to the Participation Agreement CSS).

"**Accession Requirements**" means the requirements, which an Applicant must meet, and a Participant must continue to meet, in order to, at the sole discretion of the Clearing House, become and continue to be a Participant to the Climex Settlement System.

"**Carbon Emission Rights**" means for the purposes of: (i) a Spot Transaction EU Allowances, ERUs and/or CERs, which carbon emissions rights are denominated in units of one (1) tonne of CO₂, held by the Clearing House in the Clearing House Holding Account and/or held by the Participants balance in its Climex Holding Account; or (ii) of Bilateral Forward Transactions means either or both EU Allowances, ERUs and/or CERs, which carbon emissions rights are denominated in units of one (1) tonne of CO₂, held by the Clearing House in the Clearing House Holding Account and/or held by the Participant in its Operator Holding Account or Person Holding Account, as tradable on the Climex Trading Platform from time to time.

"**CER**" or "**Certified Emission Reduction**" means a unit issued under the CDM mechanism pursuant to article 12 of the Kyoto Protocol and other relevant requirements and which is equal to one metric tonne of CO₂e and which meets (i) the requirements of the EU ETS Directive and (ii) EU Linking Directive for use in the EU Emissions Trading Scheme.

"**Clearing**" means the process whereby the Clearing House acts as counterparty for all the buyers and sellers of Spot Transactions and takes care of the Settlement of the Spot Transactions.

"**Clearing House Cash Account**" (*in Dutch: "inzake-rekening"*) means an account denominated in Euros in name of and owned by the Clearing House that the Clearing House opens on behalf of the Participant at a bank to be determined by the Clearing House, with respect to which the relevant conditions are contained in the Clearing House Documentation.

"**Clearing House Documentation**" means any documentation entered into by a Participant and the Clearing House (or applicable between them) with regard to the Clearing and Settlement of Spot Transactions including but not limited to the Participation Agreement CSS.

"**Clearing House Holding Account**" means a person holding account of the Clearing House, in name of the Clearing House and for its own account, held at a Local Registry.

"**Climex Cash Account**" means an account denominated in Euros that Climex opens for a Participant in the Climex Settlement System, in the name and on behalf of the Participant and funded by a Participant, for the purpose of holding cash for Collateral or Settlement which the Clearing House has disposal of, subject to the relevant conditions of the Clearing House Documentation.

"**Climex Holding Account**" means an account denominated in Carbon Emission Rights that Climex opens for a Participant in the Climex Settlement System, in the name and on behalf of the Participant and funded by a Participant, for the purpose of holding Carbon Emission Rights for Collateral or Settlement which the Clearing House has disposal of, subject to the relevant conditions of the Clearing House Documentation.

"**Climex Participation Contract**" means the participation contract entered into by Climex and the Participant.

"**Climex Settlement System**" means the Climex back office system used by the Clearing House to define the Climex Cash Account and the Climex Holding Account and to store the real-time trade balances for Participants in the Climex Trading Platform.

"**Climex Trading Platform**" means a trading platform provided by Climex that is accessible exclusively to Participants in order to trade Carbon Emission Rights.

"**Climex Trading Rules**" means the trading rules established by Climex that apply to the use of the Climex Trading Platform by the Participant.

"**Collateral**" means the balance of the Clearing House Cash Account pursuant to clause 3.1 of the Participation Agreement CSS and Appendix B of the Participation Agreement CSS.

"**CSS**" means Climex Settlement Services.

"**ERU**" or "**Emission Reduction Unit**" means a unit converted from either an assigned amount unit (AAU) or removal unit (RMU) and issued to project participants in a joint implementation project under Article 6 of the Kyoto Protocol and other relevant requirements and which is equal to one metric tonne

of CO₂e and which meets (i) the requirements of the EU ETS Directive and (ii) EU Linking Directive for use in the EU Emissions Trading Scheme.

"EU Allowance" means an "allowance" as defined in the EU ETS Directive that has been issued by a competent authority pursuant to Article 11(4) of the EU ETS Directive.

"EU ETS Directive" means Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC as amended from time to time.

"Local Registry" means the registry established by any Member State pursuant to the EU ETS Directive and the Registry Regulation, in order to ensure the accurate accounting of the issue, holding, transfer, acquisition, surrender, cancellation and replacement of Carbon Emission Rights.

"Operator Holding Account" the account of a Participant as described in Article 4 of the Registry Regulation upon which the Relevant Authority annually credits the Carbon Emission Rights in accordance with the relevant national allocation plan.

"Person Holding Account" an account of a Participant as described in Section 5 of the EU Commission Regulation No. 2216/2044 for a standardised and secured system of registries pursuant to Article 19(3) of Directive 2003/87/EC and Article 6(1) of Decision 280/2004/EC, held at a Local Registry.

"Purchase Order" means an Order to purchase Carbon Emission Rights on the Climex Trading Platform.

"Purchase Price" means the price agreed by the Participant for the sale and purchase of Traded Carbon Emission Rights.

"Sales Order" means an order for the sale of Carbon Emission Rights on the Climex Trading Platform.

"Settlement" means in respect of a Spot Transaction the payment to or from the Climex Cash Account and the delivery to or from the Climex Holding Account, between a Participant and Clearing House,.

"Spot Transaction" means a Transaction which is concluded and settled in accordance with article 4 of the Climex Trading Rules.

"Transaction" the acceptance of an Order by a Participant, resulting in the purchase and sale of Carbon Emission Rights in a Spot Transaction.

"Value Added Tax" or "VAT" means (a) any value added tax imposed by any Member State or (b) any replacement or other tax levied by reference to value added to a transaction.

"Workdays" Monday to Friday, with the exception of official holidays in the Netherlands, from 9 a.m. to 5 p.m. Central European Time, as specified and published on the Climex Trading Platform.

ARTICLE 1. OBLIGATIONS OF CLEARING HOUSE

- 1.1 The Clearing House will open a Clearing House Cash Account ("*inzake-rekening*") in the name of and owned by Clearing House, but on behalf of the Participant at a bank to be determined by Clearing House. Any reasonable costs involved with the opening and/or maintenance of the Clearing House Cash Account shall be, in all circumstances, borne by that Participant. Clearing House will check that Climex has opened a Climex Cash Account for the Participant.
- 1.2 Clearing House will open an Clearing House Holding Account in its own name, Clearing House will check that Climex has opened a Climex Holding Account in the Climex Settlement system in the name and on behalf of the Participant.
- 1.3 By signing this PA CSS Agreement, the Participant grants the Clearing House an irrevocable, unconditional, privative power of attorney in which (i) the Clearing House is authorised, for every Spot Transaction in which the Participant acts as a buyer of Carbon Emission Rights, to pay from the Climex Cash Account that the Participant maintains the amount that the Participant owes in relation to a Transaction for the purchase of the Carbon Emission Rights; (ii) the Clearing House is authorised, for every Transaction in which the Participant acts a seller of Carbon Emission Rights, to deliver from the Climex Holding Account that the Participant maintains the Carbon Emission Rights that the Participant sells in that Transaction; (iii) the Clearing House is authorised, for every Transaction in which the Participant acts as a buyer or a seller of Carbon Emission Rights, to pay Climex from the Climex Cash Account that the Participant maintains the use-related fee referred to in Article 9.1 that the Participant owes for the purchase or sale of Carbon Emission Rights to Climex and (iv) the Clearing House is authorised, for every Transaction in which the Participant acts as a buyer or a seller of Carbon Emission Rights, to pay Climex from the Climex Cash Account that the Participant maintains the Broker fee referred to in Article 9.3 that the Participant owes the Broker for entering the Transaction Data for the purchase or sale of Carbon Emission Rights to Climex. This power of attorney is irrevocable, unconditional and privative and shall remain in full force and effect until the date on which any termination of this Participation Agreement CSS becomes effective and cannot be amended by the Participant for the duration of this Participation Agreement CSS.
- 1.4 The Clearing House acts as a central counter party between the buying Participant and selling Participant for every Spot Transaction. For this purpose Spot Transactions executed or matched on the Climex Trading Platform in accordance with the Climex Trading Rules will be cleared and settled by the Clearing House in accordance with and subject to the Clearing House Documentation. Upon the matching of the Transaction as described in the Climex Trading Rules, Climex shall submit the Transaction to the Clearing House and the Clearing House will ensure that the Transaction will be registered in the Climex Settlement System forthwith unless otherwise provided under or pursuant to the Clearing House Documentation. All Transactions that are submitted to the Clearing House are registered in the name of the relevant buying Participant and selling Participant, but after acceptance of the Transaction by the Clearing House and upon registration in the Climex Settlement System novation occurs. As a result of novation, the Clearing House becomes counterparty to the relevant Participant. Submission by Climex of Transactions for clearing by the Clearing House signifies the acceptance by the relevant Participants of the novation. Novation takes place on a gross basis with respect to the original Transactions. The payment of funds and delivery of Carbon Emission Rights are linked so as to occur on a simultaneous basis. The Participant herewith grants the Clearing House a power of attorney to effectuate the Clearing and Settlement of every Spot Transaction, in accordance with Article 4 of the Climex Trading Rules as follows:

- i. When a Participant is acting as a seller of Carbon Emission Rights, for every Spot Transaction, the Clearing House shall deduct, within a period of 24 hours after conclusion of the Spot Transaction or so much sooner as the Clearing House, at its sole discretion without being obliged thereto, has been able to confirm the completion of the transaction by which the relevant Carbon Emission Rights were transferred into the Climex Holding Account, from the Climex Holding Account that the selling Participant maintains the Carbon Emission Rights pursuant to that Spot Transaction the Participant sells in that Spot Transaction.
 - ii. When a Participant is acting as a buyer of Carbon Emission Rights, for every Spot Transaction, the Clearing House shall add, within a period of 24 hours after conclusion of the Spot Transaction or so much sooner as the Clearing House, at its sole discretion without being obliged thereto, has been able to confirm the completion of the Transaction under (iii) above, to the Climex Holding Account that the buying Participant maintains the Carbon Emission Rights pursuant to that Spot Transaction the Participant buys in that Spot Transaction.
 - iii. When a Participant is acting as a seller of Carbon Emission Rights, for every Spot Transaction, the Clearing House shall add to the Clearing House Cash Account (in accordance with the stipulations of Article 1.6 hereafter) and every Workday to the Climex Cash Account that the selling Participant maintains (a) the Purchase Price payable pursuant to that Spot Transaction, (b) any VAT incurred pursuant to that Spot Transaction deducted by (c) the fee as referred to in Article 9 of the Climex General Terms and Conditions, and deducted by (d) any VAT relating to the fee (if any).
 - iv. When a Participant is acting as a buyer of Carbon Emission Rights, for every Spot Transaction, the Clearing House shall deduct from the Clearing House Cash Account (in accordance with the stipulations of Article 1.6 hereafter) and every Workday from the Climex Cash Account that the buying Participant maintains (a) the Purchase Price payable pursuant to that Spot Transaction, (b) the fee as referred to in Article 9 of the Climex General Terms and Conditions, (c) any VAT incurred pursuant to that Spot Transaction (if any) and (d) any VAT relating to the fee (if any).
 - v. The Clearing House is entitled, but not obliged, to retransfer (a) the funds as described under (iii) and (iv) above from the Clearing House Cash Account respectively the Climex Cash Account and/or (b) the Carbon Emission Rights as described under (i) and (ii) above from the Climex Holding Account, in the event that one or both of the transfers by which the Carbon Emission Rights are deducted respectively added as mentioned under (i) and (ii) above is/are uncompleted.
 - vi. Where VAT should have been charged on a Spot Transaction where it was not, for example further to rulings of the tax administration office in the country of the selling Participant, the Participant, the Clearing House and Climex shall use all reasonable endeavours to procure that the relevant VAT provisions are applied to the Spot Transaction afterwards, as the case may be through the issuance of valid VAT invoices.
 - vii. The Clearing House may inform the relevant Local Registry concerned of the volume of Carbon Emission Rights cleared and settled for the Participant. In the event a Local Registry should levy any costs or the Clearing House incurs any losses, the Clearing House shall charge these to the Participant.
- 1.5 The Clearing House will not clear and settle any Spot Transactions of the Participant in the event that the Collateral on the Clearing House Cash Account respectively the Carbon Emission Rights on the Climex Holding Account and Clearing House Holding Account relating to the Participant are insufficient for that Spot Transaction, or if the Clearing House, at its sole discretion without being obliged thereto, has not been able to confirm the completion of the transaction by which the relevant Carbon Emission Rights were transferred into the Climex Holding Account or the Clearing House Holding Account, including fee and VAT (if any). Such Spot Transactions shall be terminated in accordance with the Climex Trading Rules.

- 1.6 Every Workday the Clearing House will draw up an overview setting forth all financial and delivery obligations, VAT obligations and use-related fees ensuing from the Spot Transactions. This overview shall be sent to the Participant. Pursuant to the procedure as described in Appendix B to this Agreement the Clearing House will, if the balance of the Clearing House Cash Account exceeds the Required Collateral, credit the difference from the Clearing House Cash Account to Participant's corporate bank account. If the balance on the Clearing House Cash Account is insufficient to cover the Required Collateral the Clearing House will call for additional Collateral pursuant to the procedure as described in Appendix B and the respective amount is due to the Clearing House within one day and will be settled with Participants Collateral according to article 3.3.
- 1.7 The Clearing House shall comply with the obligations and duties imposed upon it pursuant to the Climex Documentation and the Participant shall comply with the obligations and duties imposed upon it pursuant to the Climex Trading Rules and the Clearing House Documentation.
- 1.8 The Clearing House does not provide specific or identified Carbon Emission Rights or specific numbers of Carbon Emission Rights and does not give any guarantee regarding the numbers of Carbon Emission Rights.
- 1.9 The Clearing House, on periodical basis as stated on the website of Climex, will transfer from the Clearing House Holding Account, provided that the Clearing House, at its sole discretion without being obliged thereto, has been able to confirm the completion of the transaction by which the relevant Carbon Emission Rights were transferred into the Clearing House Holding Account, an equal number of Carbon Emission Rights corresponding to the number as stated on the Climex Holding Account of that Participant, to a Person Holding Account or an Operator Holding Account of that Participant as designated by that Participant for that purpose unless Participant explicitly indicates to the contrary to the Clearing House, in which case the Clearing House waives all responsibility relating to the validity and the expiration of the Carbon Emission Rights to which that Participant may have any claim to. In addition hereto, the Participant can request the Clearing House to transfer from the Clearing House Holding Account an equal number of Carbon Emission Rights corresponding to an equal number as stated on its Climex Holding Account of that Participant, to a Person Holding Account or an Operator Holding Account of that Participant as designated by that Participant for that purpose.

ARTICLE 2. OBLIGATIONS OF PARTICIPANT

- 2.1 Participant shall fulfil all obligations, which have become due and payable towards the Clearing House, promptly, completely and at the moment the Clearing House so requires. If Participant does not promptly and completely fulfil its obligations towards the Clearing House at the agreed time, Participant will be in default without further notice from the Clearing House. Participant is not allowed to set off his obligations towards the Clearing House against obligations of the Clearing House.
- 2.2 Participant will act in conformity with the Clearing House Documentation and with the Climex Trading Rules and all applicable laws and regulations.
- 2.3 Participant warrants to the Clearing House that the transaction(s) by which the Carbon Emission Rights have been transferred to the Climex Holding Account are all complete and that the relevant Carbon Emission Rights are at its disposal. the Clearing House may fully rely on the forgoing warranty and the Participant shall fully indemnify and hold harmless the Clearing House for any damages incurred by the Clearing House as a consequence of this

reliance.

- 2.4 Participant will promptly comply with all requests made by the Clearing House regarding all matters related to the rules and regulations for the Climex Settlement System. Participant shall immediately inform the Clearing House in writing of any alteration in the information Participant submitted in respect of the Accession Procedure CSS and any other alterations relevant for the Clearing House. The Participant shall enable the upon its request Clearing House during Business Days to be in direct contact with (on of) its statutory director(s) and shall provide all answers and information as requested by the Clearing House as soon as possible.
- 2.5 Participant will continue to meet all Accession Requirements and will take all necessary steps regarding technical access to CSS.
- 2.6 Participant shall comply with those obligations that arise from the EU ETS Directive and Relevant Legislation, in so far as it is applicable to the Participant concerned, all other obligations stipulated by or on behalf of the national authorities and the technical rules defined by the relevant Local Registries and further requirements to be stipulated by the Clearing House. Participant shall be in possession of and comply with all necessary environmental and other relevant permits regarding its business, issued by the authorised government bodies (including, but not limited to the Relevant Legislation).
- 2.7 The Participant agrees that it cannot (i) vest any security rights on any balances on the Clearing House Cash Account and/or the Climex Cash Account and/or the Climex Holding Account, and (ii) assign any balances on the Clearing House Cash Account and/or the Climex Cash Account and/or the Climex Holding Account on to any third party.
- 2.8 The Participant acknowledges that it uses the Climex Trading Platform, places Orders and performs Transactions at its own risk and expense. Articles 7:420 and 7:424 of the Dutch Civil Code do not apply to Orders and Transactions.

ARTICLE 3. COLLATERAL

- 3.1 It is the sole responsibility of the Participant to ensure at all times that (i) the Clearing House Holding Account is funded with sufficient Carbon Emission Rights from a Person Holding Account or Operator Holding Account in the name of Participant, and (ii) the Clearing House Cash Account is funded with sufficient cash from a bank account in the name of Participant according to the respective requirements in the Clearing House Documentation.
- 3.2 The Clearing House will charge the bank costs in connection with the administrative processing of the Collateral. These costs will be determined and announced periodically.
- 3.3 If a Participant is in default to the Clearing House, the Clearing House shall without prior notice apply any and all Collateral as provided by Participant for Settlement, reasonable costs and damages, in satisfaction of all obligations of such Participant. No payment obtained by the Clearing House on the basis of a guarantee provided for by third parties shall relieve Participant in default from any of its obligations to the Clearing House. If, after having applied the Collateral, the Clearing House has received payment from the defaulting Participant, the Clearing House shall refund the collected Collateral to the guarantor, but not more than the amount obtained pursuant to calls upon its guarantee.

ARTICLE 4. CONFIDENTIALITY

- 4.1 Participant is under a duty to respect the confidentiality of Climex Settlement System information, *mutatis mutandis* on the terms and conditions of confidentiality obligation of the Climex General Terms and Conditions.
- 4.2 The Clearing House will not use confidential data or information of Participant for a purpose other than that for which they are intended. The Clearing House may use confidential information in order to fulfil its obligations towards Climex with regard to Carbon Emission Rights traded by the Participant and disclose such information to Climex for the purpose. The Clearing House may use confidential information in order to fulfil its obligations towards Local Registries with regard to Carbon Emission Rights traded by the Participant and disclose such information to a Local Registry for the purpose. The Clearing House will not make announcements to third parties with regard to the relationship, or individual Spot Transactions of Participant without the prior written permission of Participant.
- 4.3 The duty of confidentiality shall not apply in case it will restrict Parties from compliance with any law, regulation or governmental authority applicable to such Party requiring disclosure, or when any such information is already in the public domain or acquired from a third party who is not under any obligation of confidentiality or secrecy to the Clearing House or independently developed by Participant, on the terms and conditions of the Climex General Terms and Conditions.

ARTICLE 5. LIABILITY / FORCE MAJEURE

- 5.1 The liability of the Clearing House for any damages or losses that a Participant of the Climex Settlement System might suffer due to an act or omission committed by the Clearing House, is restricted to the damages and losses that are the immediate consequence of wilful misconduct or gross negligence of the Clearing House. The Clearing House shall never be liable for lost profit, loss of revenue, loss of use, loss of contract, loss of data, loss of goodwill, increased cost of working or any of the kind and/or indirect or consequential loss of a Participant. For the avoidance of doubt, The Clearing House assumes no liability for technical defects in the interface between the technical systems of the Clearing House and Climex, necessary for the Clearing House to perform Clearing and Settlement, nor will it assume liability for damages that can be attributed to Climex.
- 5.2 Without prejudice to the generality of the concept of force majeure and in addition to the Climex General Terms and Conditions, if as a result of any contingency, including (gross) negligence of the Clearing House or any wilful act or (gross) negligence of any person employed by or acting at the request of the Clearing House, or breakdown or not functioning of any equipment used by the Clearing House, the Clearing House is unable to, or does not, promptly and fully perform its obligations as provided in the Participation Agreement CSS and Appendices CASS, there shall be force majeure for the Clearing House; under these circumstances the Clearing House may fully or partially suspend the Clearing and Settlement under the Climex Settlement System and take whatever measures it deems necessary or appropriate, but no Participant shall be free from any of its obligations vis-à-vis the Clearing House. The Clearing House shall not be liable to a Participant for any loss or damages that a Participant might suffer due to temporary force majeure and any measures taken by the Clearing House in connection hereto.
- 5.3 Neither Party will be obliged to comply with any of its obligations if it is prevented from doing so as a result of force majeure.

- 5.4 If the situation of force majeure has continued for more than thirty (30) days, either Party will be entitled to terminate the Participation Agreement CSS extrajudicial, in which case all performances already rendered under this Participation Agreement CSS will be settled proportionally without the Parties owing each other anything further.
- 5.5 In any case, as far as liability is not already excluded by operation of the law or any provision in this Participation Agreement CSS, the Clearing House shall not be liable if a shortcoming of the Clearing House is the result of, but not limited to:
- international conflicts;
 - violent or armed actions, including terrorist acts;
 - measures taken by any domestic, foreign or international government authority;
 - measures taken by any supervisory authority;
 - boycotts;
 - labour disturbances among the staff of third parties or the Clearing House own staff;
 - power failures or breakdowns in communication links or equipment or software of the Clearing House or of third parties;
 - measures or shortcomings of a third party;
 - Climex in order to offset an unbalanced position;
 - actions of Local Registries, UN Registry (ITL) or EU Registry (CITL);
 - any inability – beyond the power of Clearing House, Climex and/or the Participant – to effectuate mutations on the Climex Holding Account, or Clearing House Holding Account, or the Climex Cash Account or the Clearing House Cash Account.

ARTICLE 6. TERM AND TERMINATION OF THE AGREEMENT

- 6.1 This Participation Agreement CSS is entered into for a period of one (1) year. Upon the lapse of the initial term, the Participation Agreement CSS will be automatically renewed, each time for a period of one (1) year, unless one of the Parties informs the other Party in writing, no later than one (1) month before the current term lapses, that it does not wish to renew the Participation Agreement CSS.
- 6.2 This Participation Agreement CSS shall automatically terminate in the event that (i) the Climex Participation Contract between Participant and Climex is being terminated or (ii) the service level agreement between the Clearing House and Climex is being terminated. The Clearing House and/or the Participant shall inform each other promptly in such event. Any Spot Transactions concluded prior to the termination as outlined in (ii) shall be cleared and settled in accordance with their respective terms.
- 6.3 Article 12.2 up to and including 12.5 of the Climex General Terms and Conditions shall apply *mutatis mutandis* in the contractual relationship between the Clearing House and the Participant.
- 6.4 Notwithstanding the content of Article 7, the Clearing House is entitled to terminate the Participation Agreement CSS subject to a notice period of one (1) month by sending a notice by registered mail to Participant, stating the reasons.
- 6.5 During fifteen (15) Workdays after having received the notice of the Clearing House by registered mail as referred to in Article 6.4, Participant may lodge an appeal with the Appeals Committee.
- 6.6 Termination will not release Participant from its obligations that have or will become due and payable.

- 6.7 Upon termination of the Participation Agreement CSS, the Clearing House shall remit to the Participant any monies held at the Clearing House Cash Account and any Carbon Emission Rights at the Clearing House Holding Account of the Participant, subject to the Climex Trading Rules.

ARTICLE 7. SUSPENSION OF THE PARTICIPANT

- 7.1 The Clearing House can with immediate effect suspend a Participant from the Climex Settlement System, if the Clearing House determines that Participant has not performed or has breached a condition of this Participation Agreement CSS or does no longer meet the Accession Criteria. Such suspension can apply for a maximum term of six months. Suspension from the Climex Settlement System will immediately result in non-acceptance of Transaction Data by the Clearing House and no Clearing and Settlement of any Transactions will be effected.
- 7.2 The Clearing House will immediately inform Participant of the suspension, setting out the reasons. If such notice is verbal, a confirmation by registered mail will follow as soon as possible. The Clearing House shall furthermore inform Climex immediately in such event.
- 7.3 During fifteen Workdays after having received such notice of the Clearing House by registered mail, Participant may lodge an appeal with the Appeals Committee. During the appeal period the Participant remains suspended.
- 7.4 A suspension will not relieve Participant from any or all of its obligations arising from the concluded Spot Transactions.

ARTICLE 8. NOTICES

- 8.1 All notices with regard to the Participation Agreement CSS and its Appendices shall be delivered, unless expressly provided otherwise, by email, facsimile or registered mail.
- 8.2 Any notices to be delivered by one Party to the other Party shall be delivered to that other Party at the address identified below and marked for the attention of the relevant person identified below and shall be deemed to have been received:
- in case of delivery by e-mail, at the day the e-mail was sent according to the delivery confirmation records of the Clearing House mail server;
 - in case of delivery by mail, five Workdays after deposit in the mail;
 - in case of any recognised express courier, one Workday after delivery to the courier.

Notices will be addressed as follows:

To Clearing House:

APX B.V.
Strawinskylaan 729
1077 XX Amsterdam
The Netherlands
Attn. Climex Settlement Operations
E-mail: carbonccs@apxgroup.com

or to such other address and/or marked for the attention of such other person as the Clearing House may from time to time notify in writing to Participant and which will come into force after seven Workdays after the date of notice.

To Participant:

[name]

[address]

[city]

[country]

[Attention of]

[E-mail]

or to such other address and/or marked for the attention of such other person as Participant may from time to time notify in writing to the Clearing House and which will come into force after seven Workdays after the date of notice.

- 8.3 All notices and correspondence shall be given in writing in the English or Dutch language.
- 8.4 Participant is liable for any disadvantage ensuing from the circumstance that Participant does not pass on information, or does not pass on information correctly or in full.

ARTICLE 9. COMPLAINTS OF THE PARTICIPANT

- 9.1 Participant can lodge a complaint with the Appeals Committee when Participant wishes to appeal against a decision made by the Clearing House with regard to the Climex Settlement System, within fifteen (15) Workdays after the date of the decision. The administration of the Clearing House serves as full and binding legal evidence in the event of disputes.

ARTICLE 10. CONDUCT

- 10.1 Articles 1, 2 and 3 of the Climex Rule Book shall apply *mutatis mutandis* in the relationship between the Participant and the Clearing House as to the use of the Climex Settlement System.

ARTICLE 11. GENERAL

- 11.1 Participant is not entitled to assign or otherwise transfer any of its rights and/or obligations under this Participation Agreement CSS without the prior written consent of the Clearing House, which consent shall not unreasonably be withheld or delayed.
- 11.2 The following Appendices to this Participation Agreement CSS form an integral part of the Participation Agreement CSS:
- A. the Accession Procedure CSS;
 - B. Guideline for bank payments and collateral handling;
 - C. Rules of Appeal.
- 11.3 In case of contradictions between the terms and conditions of the Participation Agreement CSS and the Appendices thereto, the follow order shall apply:
- this Participation Agreement CSS;
 - the form of acceptable collateral CSS;
 - Guideline for bank payments and collateral handling;
 - Other Appendices.

- 11.4 Should any provisions of this Participation Agreement CSS be held by a court of law to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions of this Participation Agreement CSS shall not be affected or impaired thereby.
- 11.5 The Clearing House is entitled to amend the Clearing House Documentation, in which case the amended Clearing House Documentation shall apply. The Clearing House will inform the Participant at least 14 Workdays prior to the time at which the amendment enters into force. If the Participant does not accept an amendment to the Clearing House Documentation, the Participant is entitled to terminate the Participation Agreement CSS as from the date on which the amendment enters into force. The Participant is not entitled to terminate the Participation Agreement CSS if the amendment is the result of amendments to the applicable law and regulations, unless the Participation Agreement CSS has been substantially amended.
- 11.6 This Participation Agreement CSS and its appendices represent the entire agreement between the Parties regarding the subject matter hereof and supersede all prior agreements and understandings, both written and oral, between the Parties in this regard.
- 11.7 The Participant declares that the following Authorised User(s) may perform Spot Transactions and are competent to trade on its behalf:

Name 1st authorised user

Function

Address

Postal Code/City

Country

Telephone/fax

E-mail

Signature Authorised User _____

Name 2nd Authorised User

Function

Address

Postal Code/City

Country

Telephone/fax

E-mail

Signature Authorised User _____

ARTICLE 12. APPLICABLE LAW AND JURISDICTION

- 12.1 The laws of The Netherlands shall govern this Participation Agreement CSS.
- 12.2 Disputes as referred to specifically in the Accession Procedure CSS and Articles 6.5 and 7.1 shall be settled by the Appeals Committee, and the decision of the Appeals Committee is final and binding upon both Parties. Any other disputes arising between the Parties in connection with this Participation Agreement CSS shall be settled by the competent court in Amsterdam, The Netherlands, subject to rights of appeal.

Participant

Place : _____

Date : _____

Name : _____

Title : _____

Signature of authorised representative of Participant : _____

APX B.V.

Authorised representative 1

Place : **Amsterdam**

Date : _____

Name : _____

Title : _____

Signature : _____

Authorised representative 2

Place : **Amsterdam**

Date : _____

Name : _____

Title : _____

Signature : _____

APPENDIX A THE ACCESSION PROCEDURE CSS

ARTICLE 1. PURPOSE OF THE ACCESSION PROCEDURE CSS

The purpose of the Accession Procedure CSS is to establish a uniform procedure for all Applicants which has the purpose to enable the Applicant (i) to provide clearness to the Clearing House about its identity and its activities, professional qualifications, financial position and (ii) to convince the Clearing House of its good intentions, reliability and expertise, which are relevant to the honour and good name of the Clearing House, the Climex Settlement System and all its Participants and necessary to avoid default risk, fraud, money-laundering and unreliability of Participants.

In general, the Clearing House must be satisfied that:

- the Applicant is in an actual good financial situation and has sound financial prospects;
- all those determining or sharing in the determination of the day-to-day policy of an Applicant have sufficient expertise to conclude Transactions on the Climex Trading Platform and access the Climex Settlement System;
- intended or past activities of any person or persons determining or co-determining the policy of the Applicant, or other facts or circumstances relating to these persons, will not represent a serious risk to the interests and/or reputation of the Clearing House, the Climex Trading Platform or other Participants.

ARTICLE 2. REQUIREMENTS FOR ACCESSION

2.1 **General Criteria:** the Applicant shall meet all of the following general criteria:

- Applicant shall not have a PO Box address or registered address at a trust: the Applicant shall inform the Clearing House of its office, location, branch where its "centre of main interest" is located. The "centre of main interest" should correspond to the place where the Applicant conducts the administration of his interest on a regular basis, where at least half of the Applicant's management board is resident, where all key management decisions are made, where the Applicants main bank account and its books and records are kept and where the Applicant must fulfil its tax filing obligations;
- Shareholder(s) or director(s) of the Applicant cannot solely be a trust company or an equivalent thereof;
- Applicant needs to provide written evidence of identity of the ultimate natural persons in charge of directing the company, to this effect legalized passport copies shall be provided to the Clearing House;
- Applicant needs to provide written evidence of identity of its ultimate beneficial owner, to this effect legalized passport copies shall be provided to the Clearing House;
- An original certified extract of the local Chamber of Commerce or the equivalent thereof shall be provided to the Clearing House;
- A copy of the articles of association of the Applicant shall be provided;
- During the Accession Procedure and any time thereafter the Clearing House can have direct contact with a director of the Applicant during Working Days;
- Applicant can be reached on a landline in the name of Applicant during the Accession Procedure and any time thereafter;

2.2 Additionally, Applicant shall fit into one of the following categories:

Category	Requirements
Category 1	<ol style="list-style-type: none"> 1. Applicant's corporate seat and "centre of main interest" shall be in a memberstate of the European Union, Norway or Switzerland 2. Applicant is a B.V. or N.V. under Dutch law or a similar legal entity with limited liability under the applicable jurisdiction 3. Applicant has an Operator Holding Account in its name or a license of a local Financial regulator (acknowledged by AFM (<i>the Netherlands authority for financial markets - Autoriteit Financiële Markten</i>) in the Netherlands or FSA (<i>the Financial Services Authority</i>) in the United Kingdom), proof of which is provided to the Clearing House 4. Applicant has a bank account in its name in Western-Europe (being for this purpose: UK, NL, GE, BE, LUX, FR, CH, AU, IT, ES, NO, SE, FI) 5. Applicant can provide: <ul style="list-style-type: none"> • The last adopted Annual Accounts which shall not be older than one calendar year, accompanied by a statement of a licenced public accountant (at minimum a review statement); or • Annual Accounts which shall not be older than one calendar year as deposited at a Chamber of Commerce or local equivalent; or • A copy of Applicant's tax return of the preceding fiscal year, including the fiscal balance sheet and profit-and-loss account, accompanied by a statement of a licenced tax advisor validating the tax returns as filed;
Category 2	<ol style="list-style-type: none"> 1. Applicant's corporate seat and "centre of main interest" shall be in a memberstate of the European Union, Norway or Switzerland or another country that rates higher than 5 on the Corruption Perception Index published and updated from time to time by Transparency International 2. Applicant is a B.V. or N.V. under Dutch law or a similar legal entity with limited liability under the applicable jurisdiction 3. Applicant has a Person Holding Account in its name, proof of which is provided to the Clearing House 4. Applicant has a bank account in its name in Western-Europe (being for this purpose: UK, NL, GE, BE, LUX, FR, CH, AU, IT, ES, NO, SE, FI) 6. Applicant can provide: <ul style="list-style-type: none"> • The last adopted Annual Accounts which shall not be older than one calendar year, accompanied by a statement of a licenced public accountant (at minimum a review statement); or • Annual Accounts which shall not be older than one calendar year as deposited at a Chamber of Commerce or local equivalent; or • A copy of Applicant's tax return of the preceding fiscal year, including the fiscal balance sheet and profit-and-loss account, accompanied by a statement of a licenced tax advisor validating the tax returns as filed; • Applicant can show its professionalism in the trading of Carbon Emission Rights, derivatives or spot products for a minimum period of three years prior to the date of application, such professionalism to be evidenced by a resume of the respective trader and/or director or other

<p>Category 3</p>	<p>written documentation.</p> <p>Applicant cannot meet the cumulative criteria of Categories 1 or 2, but can meet the following cumulative criteria:</p> <ol style="list-style-type: none"> 1. Applicant's corporate seat and "centre of main interest" shall be in a memberstate of the European Union, Norway or Switzerland or another country that rates higher than 5 on the Corruption Perception Index published and updated from time to time by Transparency International 2. Applicant is a B.V. or N.V. under Dutch law or a similar legal entity with limited liability under the applicable jurisdiction 3. Applicant has a Person Holding Account in its name, proof of which is provided 4. In case Applicant does not have a bank account in its name in Western-Europe (being for this purpose: UK, NL, GE, BE, LUX, FR, CH, AU, IT, ES, NO, SE, FI), it can provided a bank guarantee for a minimum amount of EUR 100,000 issued by a reputable international bank in one of the aforementioned countries 5. In case Applicant cannot provide: <ul style="list-style-type: none"> • The last adopted Annual Accounts which shall not be older than one calendar year, accompanied by a statement of a licenced public accountant (at minimum a review statement); or • Annual Accounts which shall not be older than one calendar year as deposited at a Chamber of Commerce or local equivalent; or • A copy of Applicant's tax return of the preceding fiscal year, including the fiscal balance sheet and profit-and-loss account, accompanied by a statement of a licenced tax advisor validating the tax returns as filed; <p>it should provide a bank guarantee for a minimum of EUR 100,000 provided by a reputable international bank in Western-Europe (being for this purpose: UK, NL, GE, BE, LUX, FR, CH, AU, IT, ES, NO, SE, FI) which criterion will be deemed fulfilled in case the criterion sub 4 is met.</p> 6. Applicant can show its professionalism in the trading of Carbon Emission Rights, derivatives or spot products for a minimum period of three years prior to the date of application, such professionalism to be evidenced by a resume of the respective trader and/or director or other written documentation.
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- 2.3 It is at the Clearing House's discretion to decide whether an Applicant meets, and continues to meet, the Accession Requirements.
- 2.4 Should the Applicant already be a member of another APX-ENDEX market, the Clearing House, at its sole discretion, may decide to deviate from the Accession Procedure as described in this Appendix A.

ARTICLE 3. ACCESSION PROCEDURE

- 3.1 The Clearing House will supply Applicant on his request with a set of the rules of the Accession Procedure CSS, the Participation Agreement CSS and the Appendices thereto.
- 3.2 The application will be made via the Application Form for Accession, as provided in the Annex hereto. The Application Form requires Applicant to fill in the requested information and to submit the required documents with the Application Form.
- 3.3 All documentation may be provided to the Clearing House in the Dutch, English or German language. For other languages translation costs will be charged to Applicant.
- 3.4 Applicant has to initialise all pages and sign the Participation Agreement CSS, which gives access to the Settlement System as a Participant and by which the Applicant agrees to act as a Participant and to observe all the regulations, instructions and directives of the Climex Settlement System applicable to it.
- 3.5 The Clearing House will notify the Applicant within 2 weeks in writing of its decision after receipt of full information and documentation. The Clearing House is able to extend this period.
- 3.6 After receipt of the written confirmation from the Clearing House regarding the Accession Procedure CSS, the Clearing House will, pursuant to the Clearing House Documentation, open an the Clearing House Cash account on behalf of Participant.
- 3.7 The Clearing House will sign and return the submitted Participation Agreement CSS only after the Clearing House has established the compliance of Applicant with all requirements of the Accession Procedure CSS.
- 3.8 At execution the Clearing House will note the Workday on which the Participation Agreement CSS will take effect.
- 3.9 Upon Accession of Applicant, the Clearing House may publish the name of the Participant on the APX-ENDEX web site unless the Participant explicitly requests not to do so.
- 3.10 An Applicant can lodge an Appeal with the Appeals Committee within 15 days of the rejection of Accession.
- 3.11 An Applicant that is already Participant to the Day Ahead Market of APX-ENDEX can upon its written request be exempted by the Clearing House at the sole discretion of the latter, from specific obligations and requirements in this Accession Procedure CSS.

ANNEX

APPLICATION FORM - FOR ACCESSION TO CARBON ALLOWANCES SETTLEMENT SYSTEM

Name Applicant :

Address :

City :

Country :

Name Contact person :

Telephone :

Applicant must be reachable during business hours.

Fax :

E-mail :

Nature of Company :

VAT Registration code :

Number of Bank Account :

Name and address of Bank :

In accordance with the Accession Procedure CSS, the undersigned hereby applies for accession to the Climex Settlement System of the Clearing House. Undersigned acknowledges that the sole remedy in case of rejection of his Application will be Appeal with the Appeals Committee.

Place :

Date : _____

Name :

Title :

Signature of authorised Representative of Applicant : _____

The following documents and information have to be submitted with this Application Form:

Category	Documents
Category 1	<ol style="list-style-type: none"> 1. an original certified extract of the local Chamber of Commerce or the equivalent thereof 2. notification of “centre of main interest”, being be in a member state of the European Union, Norway or Switzerland, if different than address on extract as mentioned under 1 3. legalized passport copies evidencing the identity of the ultimate natural persons in charge of directing the Applicant 4. legalized passport copies evidencing the identity of the Applicant’s ultimate beneficial owner 5. a copy of the articles of association 6. written evidence of an Operator Holding Account in the name of Applicant or a license of a local Financial regulator (acknowledged by AFM (<i>the Netherlands authority for financial markets - Autoriteit Financiële Markten</i>) in the Netherlands or FSA (<i>the Financial Services Authority</i>) in the United Kingdom 7. proof of bank account number in Applicant’s name in Western-Europe (being for this purpose: UK, NL GE, BE, LUX, FR, CH, AU, IT, ES, NO, SE, FI) 8. One of the following documents: <ul style="list-style-type: none"> • The last adopted Annual Accounts which shall not be older than one calendar year, accompanied by a statement of a licenced public accountant (at minimum a review statement); or • Annual Accounts which shall not be older than one calendar year as deposited at a Chamber of Commerce or local equivalent; or • A copy of Applicant’s tax return of the preceding fiscal year, including the fiscal balance sheet and profit-and-loss account, accompanied by a statement of a licenced tax advisor validating the tax returns as filed; 9. copy of contract with Climex 10. two signed copies of the PA CSS contract
Category 2	<ol style="list-style-type: none"> 1. an original certified extract of the local Chamber of Commerce or the equivalent thereof; 2. notification of “centre of main interest”, being be in a member state of the European Union, Norway or Switzerland or another country that rates higher than 5 on the Corruption Perception Index published and updated from time to time by Transparency International, if different than address on extract as mentioned under 1 3. legalized passport copies evidencing the identity of the ultimate natural persons in charge of directing the Applicant 4. legalized passport copies evidencing the identity of the Applicant’s ultimate beneficial owner 5. a copy of the articles of association 6. written evidence of a Person Holding Account 7. proof of bank account number in Applicant’s name in Western-Europe (being for this purpose: UK, NL GE, BE, LUX, FR, CH, AU, IT, ES, NO, SE, FI) 8. One of the following documents: <ul style="list-style-type: none"> • The last adopted Annual Accounts which shall not be older than one calendar year, accompanied by a statement of a licenced public accountant (at minimum a review statement); or

	<ul style="list-style-type: none"> • Annual Accounts which shall not be older than one calendar year as deposited at a Chamber of Commerce or local equivalent; or • A copy of Applicant's tax return of the preceding fiscal year, including the fiscal balance sheet and profit-and-loss account, accompanied by a statement of a licenced tax advisor validating the tax returns as filed; <p>9. resume of trader and/or director of Applicant or other written documentation evidencing professionalism in the trading of Carbon Emission Rights, derivatives or spot products for a minimum period of three years prior to the date of application;</p> <p>10. copy of contract with Climex</p> <p>11. two signed copies of the PA CSS contract</p>
<p>Category 3</p>	<p>1. an original certified extract of the local Chamber of Commerce or the equivalent thereof;</p> <p>2. notification of "centre of main interest", being be in a member state of the European Union, Norway or Switzerland or another country that rates higher than 5 on the Corruption Perception Index published and updated from time to time by Transparency International, if different than address on extract as mentioned under 1</p> <p>3. legalized passport copies evidencing the identity of the ultimate natural persons in charge of directing the Applicant</p> <p>4. legalized passport copies evidencing the identity of the Applicant's ultimate beneficial owner</p> <p>5. a copy of the articles of association</p> <p>6. written evidence of a Person Holding Account</p> <p>7. proof of bank account number in Applicant's name in Western-Europe (being for this purpose: UK, NL GE, BE, LUX, FR, CH, AU, IT, ES, NO, SE, FI) or a bank guarantee for a minimum amount of EUR 100,000 issued by a reputable international bank in one of the aforementioned countries</p> <p>8. one of the following:</p> <ul style="list-style-type: none"> • The last adopted Annual Accounts which shall not be older than one calendar year, accompanied by a statement of a licenced public accountant (at minimum a review statement); or • Annual Accounts which shall not be older than one calendar year as deposited at a Chamber of Commerce or local equivalent; or • A copy of Applicant's tax return of the preceding fiscal year, including the fiscal balance sheet and profit-and-loss account, accompanied by a statement of a licenced tax advisor validating the tax returns as filed; <p>9. OR: a bank guarantee for a minimum of EUR 100,000 provided by a reputable international bank in Western-Europe (being for this purpose: UK, NL, GE, BE, LUX, FR, CH, AU, IT, ES, NO, SE, FI)</p> <p>10. resume of trader and/or director of Applicant or other written documentation evidencing professionalism in the trading of Carbon Emission Rights, derivatives or spot products for a minimum period of three years prior to the date of application;</p> <p>10. copy of contract with Climex</p> <p>11. two signed copies of the PA CSS contract</p>

Any other documents as may be requested by the Clearing House in order to convince it of the Applicant's compliance with the Accession Procedure CSS.

In the event the Applicant has already provided certain of the abovementioned documents to Climex in respect of the application procedure of Climex, the Applicant will not have to provide these documents to the Clearing House. The Clearing House shall then rely on the documents provided to Climex.

In addition to the abovementioned documents, the Clearing House is - at its sole discretion - entitled to request the Applicant for additional information, in order to verify whether the Applicant fulfils all Accession Requirements.

APPENDIX B GUIDELINE

Guideline for bank payments and collateral handling, Carbon Emissions Rights deposits handling, securities, Bank and Carbon Emissions Rights accounts

1. Bank Payments and collateral handling

All times refer to CET/CEST on Workdays

Process	Activity	Time
Daily Settlement:	1. Settlement information, including invoice information of previous trade period available.	Daily
	2. New required collateral is determined. Intermediate adjustments can be requested any time, if the Clearing House deems such necessary.	Daily
	3. On Workdays, a Participant can transfer cash into its Clearing House Cash Account via electronic banking. Incoming transfers will be monitored by APX. An incoming transfer will be tested for being originated by the Participant in which name the Clearing House Cash Account is held and, if so, consequently added to the Climex Cash Account of the Participant.	Within 60 minutes after notice of origin of the transfer by the Bank. Processing times are indicative and on a best effort basis
	4. On Workdays, Participants can issue transfer requests for cash through the Climex Trading Platform. Transfer requests for cash will be processed once per day by APX. Cash shall only be transferred to a bank account in the name of Participant.	Transfer requests received before 11.00 CET will be processed the same day. This does not guarantee that funds are received by the bank of the respective.
	5. Clearing House Settlement is performed..	Daily from 11.00 for trades up to 11.00 and trades carried out the previous day after 11.00

NOTICE TO ALL PARTICIPANTS:

Please note that in case of specific events, for instance that a Dutch national bank holiday coincide with clearing and settlement processes, the Clearing House has the right to change the normal clearing day to another day. Non-Dutch bank holidays are not recognised as a special event.

2. Carbon Emission Rights deposits handling

Process	Activity	Time
Increase of Carbon Emission Rights deposits during the week	1. On Workdays, Participants can transfer Carbon Emission Rights into a Clearing House Holding Account. Incoming transfers will be monitored by APX. An incoming transfer will be tested for being originated by the Participant and, if so, consequently added to the Climex Holding Account of the Participant.	Within 60 minutes after notice of origin of transfer by the Register. Processing times are indicative and on a best effort basis
Decrease of Carbon Emission Rights deposits during the week. (Note: Decrease requests only apply to realised settlement amounts)	1. On Workdays, Participants can issue transfer requests for Carbon Emission Rights through the Climex Trading Platform. Carbon Emission Rights shall only be transferred to an account in the name of Participant.	Transfer requests for Carbon Emission Rights will be processed by APX five times a day during the following time windows: - 09.30 - 10.30 CET, for requests submitted prior to 09.30 - 11.30 - 12.30 CET, for requests submitted prior to 11.30 - 13.30 - 15.30 CET, for requests submitted prior to 13.30 - 15.30 – 16.30 CET, for requests submitted prior to 15.30 - 17.30 - 18.00 CET, for requests submitted prior to 17.30 Processing times are indicative and on a best effort basis

NOTICE TO ALL PARTICIPANTS:

Please note that in case of specific events, for instance that a Dutch public holiday coincide with clearing and settlement processes, the Clearing House has the right to change the clearing day to another day. Non-Dutch public holidays are not recognised as a special event.

3. Securities

Prior to trading Carbon Emission Rights, Participants are required to lodge collateral with the Clearing House for coverage of obligations and for recovery of costs and/or losses that could arise in case of non-performance by any Participant. This collateral must at any time fulfil a minimum amount, which is referred to as Required Collateral. Participant's ability to buy is restricted to the amount of collateral deposited after deduction of Initial Margin and settled obligations.

Participant's ability to sell is restricted to the number of Carbon Emission Rights transferred to the Clearing House's Holding Account after deduction of Carbon Emission Rights that have already been sold.

Prior to trading, the Clearing House and Participant will agree an initial amount of Required Collateral to maintain. The Clearing House is entitled to change the Required Collateral at any time if it deems such necessary.

The calculation of the Required Collateral is as follows:

- (a) Financial collateral Carbon Emission Rights; as described below in the table.
- (b) Physical collateral; the number of the Participants Carbon Emission Rights as reflected in a Sales Order in possession by the Clearing House.

For calculation of the financial Required Collateral, the following parameters apply:

Value	Explanation
QTY	Quantity; refers to the sum of the Carbon Emission Rights as reflected in a Purchase Order
P^H	Submitted maximum price as reflected in a Purchase Order denoted in €/ton and transaction fee, including VAT if any.
IM	The Initial Margin as set by the Clearing House to cover costs occurred such as costs for bank payments. The Initial Margin is set at EURO € 250,-
RC	The Required Collateral

The Required Collateral Formula:

The formula
$RC = IM + (QTY * P^H)$

Example Required Collateral:

Assume Participant intends to purchase 1500 ton in at the maximum price of € 22,10/ton.
For convenience VAT and fees are not considered in this example.

If:	
IM:	€ 250,-
QTY:	1500
P ^H :	€ 22,10
Then:	
$RC = IM + (QTY * P^H)$	
$RC = € 250 + (1500 * € 22,10)$	
$RC = € 33.400,-$	

4. Bank and Carbon Emissions accounts

Payments to the Clearing House concerning Carbon Emission Allowances trading and collaterals should be made to:	
<p>ABN AMRO BANK <i><Participant's cash account number></i> <i><Participant's name></i> Swiftcode: ABNANL2A Address bank: Gustav Mahlerlaan 10, Amsterdam</p>	
Orders for payment from your cash account to your corporate account can be faxed to:	
<p>APX-ENDEX Operational department Fax number: +31-(0)20-3054002 Stating <i><amount to be transferred></i> <i><account number to be transferred to></i> <i><signed by an authorised executive></i></p>	
Carbon Emission Allowances can be transferred to:	
<p>NEA (Dutch Register) Organisation name: APX Group Account ID: NL-121-220-0</p>	
<p>DEHST (German Register) Organisation name: APX B.V. Account ID: DE121.1969</p>	
<p>Swiss Emissions Trading Registry (CERs only) Organisation Name: APX BV Account ID: CH-100-59-0</p>	

NOTICE TO ALL PARTICIPANTS:

The Clearing House may open accounts for holding Carbon Emission Allowances with various registries for the purpose of Participants' convenience. Therefore, additional accounts may be announced from time to time.

APPENDIX C: RULES OF APPEAL

ARTICLE 1. DEFINITIONS

The terms used in these Rules of Appeal shall be interpreted as defined in the Participation Agreement CSS and the Climex Definitions; in addition the following definitions shall apply:

Dispute	A Dispute between the Clearing House and a Participant as referred to in the Accession Procedure and or the Participation Agreement;
Request	The written request to the Clearing House to submit a dispute between Applicants and/or Participants to the Panel of the Appeals Committee;
Panel	The members of the Appeals Committee who hear and decide an individual Dispute;
Petitioner	The Party submitting a Dispute;

ARTICLE 2. JURISDICTION

- 2.1 The Appeals Committee has exclusive authority to hear and decide Disputes.
- 2.2 The decision of the Appeals Committee is final and binding upon both Parties.
- 2.3 The administration of the Clearing House serves as full and binding legal evidence in the event of Disputes.

ARTICLE 3. COMPOSITION

- 3.1 The Appeals Committee shall be composed of at least six persons, i.e. the chairman, one or more deputy chairman and at least four other members.
- 3.2 Neither the chairman, the deputy chairman nor at least one half of the other members may be associated with the Clearing House or a Participant.
- 3.3 The chairman and deputy chairman shall satisfy the criteria of eligibility for appointment as a judge to a court in the country of their citizenship.
- 3.4 At least one half of the other members of the Appeals Committee shall be experts in energy or energy derivatives trading or in the settlement of transactions in energy or energy derivatives. At least one fourth of the other members shall satisfy the criteria for eligibility for appointment as a judge in a District Court.
- 3.5 No person who has attained the age of 72 shall qualify for appointment or reappointment. A member shall retire no later than in the year in which he attains the age of 72.
- 3.6 The Clearing House shall appoint members of the Appeals Committee. The Clearing House shall make its decision in consultation with the chairman.
- 3.7 Appointment shall be for a period of four years. Each member may be re-appointed with due observance of the provisions of in Articles 3.1 and 3.6.
- 3.8 The Clearing House may for good and sufficient reason prematurely dismiss any members of

the Appeals Committee. the Clearing House shall make its decision in consultation with the chairman, unless the decision concerns the chairman.

3.9 The Clearing House may pay members of the Appeals Committee for their services.

ARTICLE 4. OFFICIAL SECRETARY

4.1 In consultation with the chairman of the Appeals Committee, the Clearing House shall appoint a secretary, who may not be associated with the Clearing House or a Participant and shall be required to hold the degree of Master of Law (“Meester in de rechten”).

4.2 The Clearing House may, in consultation with the chairman of the Appeals Committee, dismiss the secretary.

4.3 The Clearing House may pay the secretary of the Appeals Committee for his services.

ARTICLE 5. PANEL

5.1 A Panel of five members, including the chairman shall hear any Dispute. The chairman may decide that a Panel consisting of only three members, including the chairman will decide an individual Dispute. The chairman shall elect the other members of the Panel.

5.2 The chairman of the Appeals Committee is authorised where necessary to interpret and supplement the procedure as established in these Rules of Appeal. No legal remedy shall be available against the exercise of this authority.

5.3 If the chairman of the Appeals Committee is absent or prevented from acting, a deputy chairman may act in his place.

ARTICLE 6. RIGHT OF CHALLENGE

6.1 The secretary shall notify each of the Parties to a Dispute of the composition of the Panel and draw their attention to the right of challenge as referred to in the following paragraphs.

6.2 During a period of one week from the date of the notification as referred to in Article 6.1 above, each of the Parties shall be entitled to inform the Panel by registered letter, with a copy for the other Party, that it wishes to challenge one or more of the members of the Panel, stating his reasons.

6.3 Each member of the Panel may be challenged on the grounds that facts or circumstances exist relating to him as a result of which his impartiality vis-à-vis the case being brought before the Panel for its consideration might be questioned. Each member shall have the right to be excused.

6.4 The Panel, excluding the member challenged, shall decide on a challenge as soon as possible. No legal remedy shall be available against its decision.

6.5 The secretary shall notify each of the parties of the decision taken in respect of a challenge, and where applicable of the name of the person who is to replace the member rejected.

6.6 The chairman may deviate from the provisions of Article 5.1, if and to the extent necessary for the application of the preceding paragraphs.

ARTICLE 7. SUBMITTANCE OF A DISPUTE

- 7.1 A Dispute shall be submitted by the petitioner by registered letter addressed to the Appeals Committee, which shall hear and decide the Dispute in accordance with these Rules of Appeal.
- 7.2 Any petition as referred to in Article 7.1 shall state the name and address of the Petitioner and the Petitioner's objections to the decision contested. The Petitioner shall submit a copy of a written decision by the Clearing House contested by him.
- 7.3 If a petition is submitted which fails to observe the provisions of Articles 7.1 and 7.2, the chairman may give the Petitioner the opportunity to remedy the failure within such period, as the chairman shall specify.
- 7.4 No petition shall be considered by the Appeals Committee which is not submitted in time or which, after the Petitioner has been given an opportunity to remedy any failure in the manner provided in Article 7.3, if applicable, does not fully satisfy the provisions of Articles 7.1 and 7.2.
- 7.5 Before deciding to hear a Dispute, the Appeals Committee may request the Petitioner to supply further written information of his petition within such period, as the Appeals Committee shall specify.
- 7.6 The Appeals Committee shall give the Clearing House written notice of its intention to hear a Dispute, accompanied by a copy of the petition and any other documents submitted to the Appeals Committee by the Petitioner.
- 7.7 The Appeals Committee shall give the Clearing House a period of one month from the notice referred to in Article 7.6 to respond in writing to the petition and any other documents furnished by the Petitioner. The Appeals Committee may extend the period mentioned in the preceding sentence at the reasonable request of the Clearing House.

ARTICLE 8. PROCEDURE

- 8.1 The Panel shall hear a Dispute at a sitting during which each of the parties shall be given an opportunity to explain its point of view. The Panel shall inform the parties to the Dispute of the time and place of the said sitting.
- 8.2 Either party may, if desired, be assisted by legal counsel, who shall have the right to speak for such party at the sitting as referred to in Article 8.1.
- 8.3 Each party that wishes a witness or expert to be heard at the sitting of the Panel shall give the Panel written notice to that effect within such period as the Panel shall set for this purpose. The Panel shall promptly send the other party a copy of any notice as referred to in the preceding sentence.
- 8.4 The Panel shall only make use of printed or written documents or other items of evidence after giving both parties an opportunity to take cognisance thereof and to react thereto in such manner as the Panel may determine.

ARTICLE 9. COMPETENCIES

- 9.1 The Panel may require the Parties to provide all such information as it may consider necessary. The Panel may also hear witnesses and experts, and require the production of books and records, or an audit of books and records by such registered accountant as it may nominate, or both.

- 9.2 Other Participants shall co-operate fully in the Panel's investigation, including testifying as a witness or giving an expert opinion.
- 9.3 The Panel shall be free to treat non-compliance with any requirement set out in Article 9.1 in such manner, as it deems fit.

ARTICLE 10. DECISION

- 10.1 The Panel shall make its decision by majority vote as soon as possible and in any event not later than one month after completion of its investigation of any Dispute.
- 10.2 Where the Panel finds a contested decision by the Clearing House was correct, such decision shall be upheld. Where the Panel finds a contested decision incorrect, it shall replace the contested decision by such decision as it deems fit.
- 10.3 In delivering judgement, the Panel may make an order against a Party found to be at fault or largely at fault for the costs of the hearing of the Dispute by the Panel, as well as for reasonable reimbursement of the cost of any legal assistance necessarily incurred by another party in connection with the Dispute, which party must pay such costs to the Panel or the other party, as the case may be, within such period as the Panel shall determine.
- 10.4 The members of the Panel shall judge according to Dutch law and shall judge honestly and fairly. Any decision by the Panel shall be binding on the Parties concerned.
- 10.5 Each decision by the Panel, which shall be recorded in writing, stating reasons, shall state that it was arrived at in accordance with the provision of these Rules. It shall further state the names of the parties concerned, the date of the decision, the names of the members of the Panel that made the decision and the name of the secretary, and shall be signed by the chairman and the secretary. The signed decision shall be deposited with the secretariat of the Appeals Committee.
- 10.6 The secretary shall promptly send a copy of the decision by registered letter to each of the Parties.
- 10.7 Any decision of the Panel or decision upheld by the Panel, as the case may be, may be put into effect as soon as it has been brought to the notice of both parties in accordance with the provision of this article.

ARTICLE 11. PUBLICATION OF DECISION

- 11.1 The Clearing House may publish all decisions of the Appeals Committee in such manner, as it deems fit.
- 11.2 After expiry of each calendar year, the Appeals Committee shall report to the Clearing House on the Disputes heard by it.

ARTICLE 12. CONFIDENTIALITY

- 12.1 The members of the Appeals Committee and the secretary shall hold confidential the deliberations of the Panel and any confidential information disclosed to them in connection with any Dispute proceedings.

ARTICLE 13. NOTIFICATIONS

13.1 Notifications sent to Participants under these Rules of Appeal may legally be addressed to the address of the Participant as recorded by the Clearing House in accordance with the Clearing House Documentation.

ARTICLE 14. RIGHT OF AMENDMENT

14.1 These Rules of Appeal have been drawn up by the Clearing House and may be amended by the Clearing House.