

### 3. Bank offering its clients to trade individually

#### Case

A bank wishes to offer to their clients the possibility to trade EUAs on Climex without the client having to become a member.

#### IM-Function

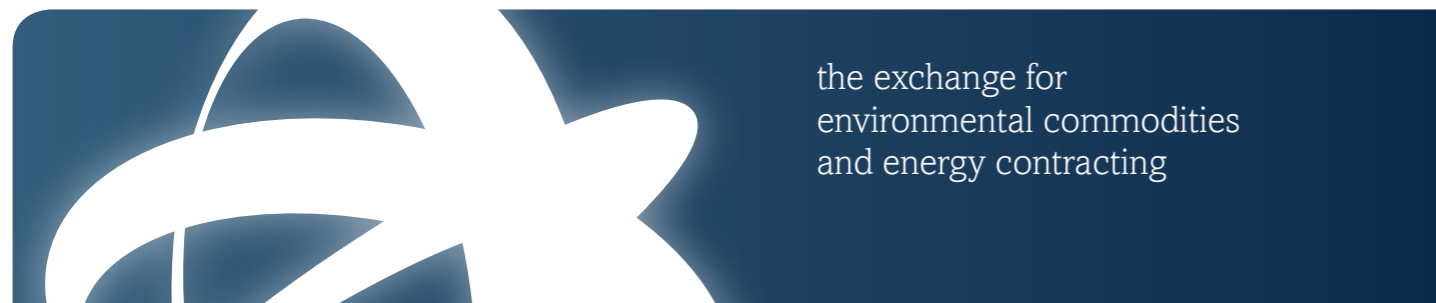
In this situation the bank becomes a Climex member and opens subaccounts for all its clients. A subaccount will have equal characteristics to the main account of the proprietor: e.g. the main account's country of residence, VAT percentages applying to the main account, the confirmation e-mail address (although specific e-mail addresses for the subaccount may be added!) etc. By providing the client with a login and password, the bank authorises the client to trade on the subaccount. 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 of Climex. APX will update the main account on the Climex platform. The bank puts the EUAs and the client's money on the subaccount of that client. From the subaccount, the client is able to trade. After a trade has been completed, the bank can transfer money and EUAs back to the client. The client receives a user id and password to be able to: trade from his subaccount, enter orders, conduct transactions and view the information related to his individual subaccount only.

### Contact Information

For more information,  
please visit [www.climex.com](http://www.climex.com)  
or contact our Customer Service Desk.

Climex Customer Service Desk  
T: +31 30 291 9940  
E: [csdesk@climex.com](mailto:csdesk@climex.com)  
[www.climex.com](http://www.climex.com)



# Get organised with the Climex Intermediary Function

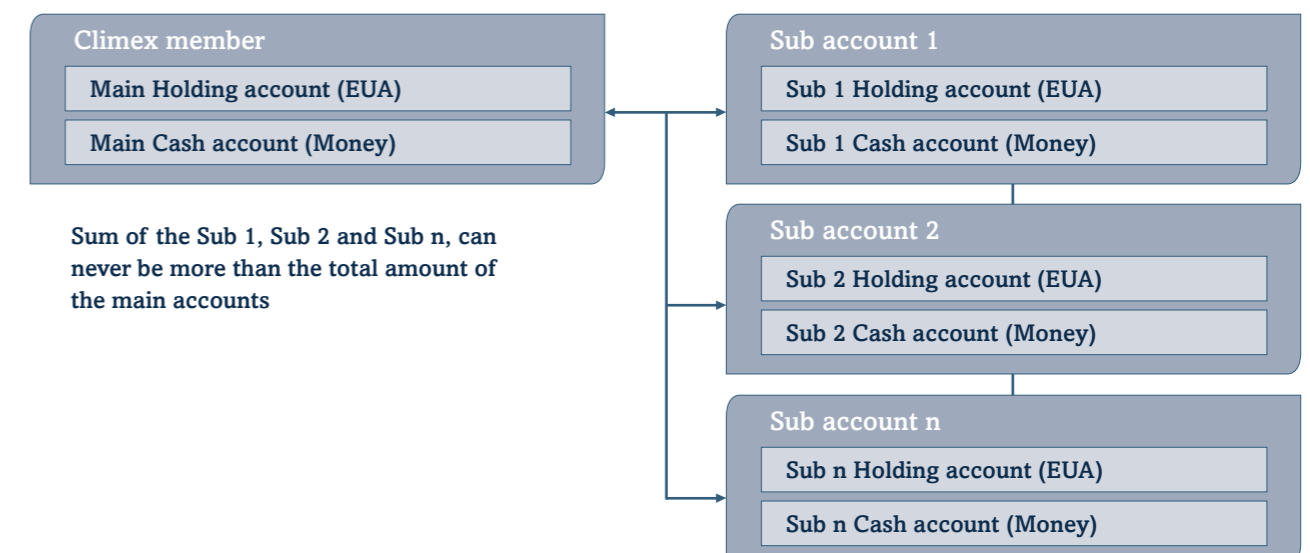
## The Intermediary Function

The Climex Intermediary Function (IM function) gives industries and traders the option to centralise or decentralise their trading and still manage, administer and control all EUA and CER spot trading. The IM function was especially built for:

- Industries having one trader trade on behalf of all their outlets and wishing to keep track of all 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.

## In a nutshell

All members of Climex can use the IM function after signing the special addendum to their participation agreement. All that needs to be done is to open a sub account for cash and credits (EUAs and CERs) on the Climex Platform and transfer cash and credits from your main account into these subaccounts. All members that have signed the addendum can undertake these actions by themselves. It is possible to trade and use all trading functionalities on the subaccount. This also means that all settings and functionalities, such as VAT, use-related fees and language etc, as defined for the main account, are equally applicable to the sub account(s).



## Frequently asked questions

### Who can trade on a sub account?

Who is allowed to trade on a subaccount?  
In principle, a subaccount may be used by all authorised users who have user access rights to 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 under an individual subaccount. In the second case, the user can also only see information related to and relevant to this single subaccount only.

### What about the counterparty risk?

The clearing rules applicable to a main account also apply to subaccounts: you can only trade when money and credits are available upfront. Subaccounts receive their money and credits from the main account holder. This money and/or credits is/are then no longer available for trading on the main account or on other subaccounts; it is blocked or reserved for the subaccount it was transferred into. Of course, the main account holder can always transfer the money and/or credits back into the main account and have it available for his personal trades again (or make it available to another subaccount). Central counterparty to all the main accounts is the APX Group. Main account holders are responsible for their subaccounts and users, as well as the orders and transactions created on the subaccount. Main accounts will be charged the use-related fees and settlement will be initiated for trading on a subaccount to the main account only.

### Can subaccounts that are linked to the same main account trade with each other?

Yes this is possible, cross trading is allowed.

### 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 subaccount, he can also manage it. That means: transfer money or credits from and into subaccounts; create users, orders and transactions for and on behalf of the subaccount.

### Can a subaccount holder see what has been traded on other subaccounts or the main account?

No. A subaccount holder can only see what has been traded on his own subaccount, not what has been traded on other subaccounts or on the main account.

### Who will receive e-mail confirmations of transactions on subaccounts?

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

### How is VAT handled?

A subaccount holder has ("inherits") the same characteristics as the main account holder. All trades are cleared with APX BV in the Netherlands or with APX Commodities Ltd. in the UK. Rule of thumb is if the central counterparty and the main account holder is in the same country, then the VAT Laws of that country apply. If the main account holder is not in the same country as the central clearing party, then the transaction is seen as an international transaction and no VAT will be charged. If for example the main account holder is outside the Netherlands and the central counterparty is APX, then the transactions conducted on a subaccount are seen as international transactions and no VAT will be charged by APX. When the main account holder is a Dutch national and the central counterparty is APX, then transactions conducted on a subaccount, are seen as national transactions and Dutch VAT Laws apply.

### Can I transfer money and credits directly from Climex to the outlets who have a subaccount?

No, from a main account you can only transfer money and Credits into one bank account and (personal) holding Account, as stated in the participation agreement. The main account holder can transfer money and EUAs to its outlets only from his own bank and register account.

### What does the IM function cost?

The IM functionality can be used at no additional charges. For all transactions conducted by and/or for subaccounts the same trading fees apply as would have been charged to the holder of the main account (1 ct, 3 ct or 5 ct per tonne EUA/CER traded; see [www.climex.com](http://www.climex.com)).

### Where can I get more information?

Call Climex Customer Service at +31 30 291 9940. Or send an e-mail to [csdesk@climex.com](mailto:csdesk@climex.com).

## Examples

### 1. Industries with several outlets and centralised trading for all outlets

#### Case

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

#### IM function

In this situation, head office becomes a Climex member and opens subaccounts for all its outlets. A subaccount will have similar characteristics to the main account of the proprietor: e.g. the main account's country of residence, VAT percentages, the confirmation e-mail address (but specific e-mail addresses for the subaccount 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. Climex updates the main account. The main account holder transfers the EUAs (on the Climex platform) into the subaccount. If they wish to buy, money has to be transferred into the cash account of the APX head office, the central counterparty for Climex. APX will update the main account on the Climex platform. Head office transfers the money of an outlet into the subaccount of that specific outlet. The trader of head office is able to trade using the subaccount. 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 administration. Climex is able to provide all the details to both main account holder and subaccount holder to enable this.

### 2. Broker who trades on behalf of clients

#### Case

A broker trades on behalf of his clients. He wants to inform his clients automatically of the trades and wants to be able to transfer money and credits from Climex into his clients accounts.

#### IM Function

In this situation the broker becomes a Climex member and opens subaccounts for all his clients. A subaccount will have similar characteristics to the main account of the proprietor: e.g. the main account's country of residence, VAT percentages, the confirmation e-mail address (but specific e-mail addresses for the subaccount may be added) etc. If a client wants to sell EUAs or CERs, he transfers the credits for sale into the registry of the holding account of head office. 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 credits and the client's money on the subaccount of the client. The trader of head office is able to trade from the subaccount. After completion of the trade, head office can transfer money and credits back to his client.