

**EMSTRADEPOINT
PRODUCT SUPPLEMENT - CARBON**

Version 1

effective 17 March 2020

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PART I: INTRODUCTION AND DEFINITIONS

2. INTRODUCTION

2.1 Commodity: The Commodity for this Product Supplement is Units.

2.2 Scope of Product Supplement: This Product Supplement, together with the Core Rules and Protocols, sets out the terms under which emsTradepoint makes available and operates the Trading System for Participants to trade in the physical sale and purchase of Units.

3. DEFINITIONS

3.1 Defined Terms: In this Product Supplement, unless the context indicates otherwise:

Buyer Amount Owing has the meaning given in rule 8.3(a);

Buyer Delivery Day means, for a Trade, the next Business Day after the Seller Delivery Day for the Trade, or as extended under rule 10.2(b);

CCRA means the Climate Change Response Act 2002;

Deliver means to transfer Units from the transferor's Holding Account to the transferee's Holding Account and for that transfer to be registered in accordance with section 22 of the CCRA;

Delivery Default has the meaning given in rule 9.1;

Escrow Account means the emsTradepoint Holding Account Notified by emsTradepoint from time to time as the Holding Account it uses for Receiving Units from an Escrow Participant under rule 13.2. The Escrow Account must not be the same Holding Account as the Settlement Account;

Escrow Breach means, for an Escrow Participant, that the Escrow Participant has incurred a Total Delivery Obligation in excess of the number of the Escrow Participant's Escrow Units;

Escrow Participant has the meaning given in rule 13.1(a);

Escrow Units means, for an Escrow Participant, the Units from time to time held in the Escrow Account that were Delivered to the Escrow Account by the Escrow Participant (and have not already been used to settle a Trade under rule 7.2(b));

Holding Account means a holding account as defined in the CCRA;

Late Settlement Off-Exchange Trade has the meaning given in clause 12.1;

Liquidated Damages has the meaning given in rule 9.2(d);

Off-Exchange Buyer Delivery Day means, for an Off-Exchange Trade, the next Business Day after the Off-Exchange Seller Delivery Day for the Off-Exchange Trade, or as extended under rule 10.2(b);

Off-Exchange Seller Delivery Day means, for an Off-Exchange Trade, the Day specified as the Delivery Period for the Off-Exchange Trade in the Off-Exchange Notice, or as extended under rule 9.2(b);

Prudential Settled Trade has the meaning given in rule 10.2(c)(i)(B);

Receive means to receive Units into the transferee's Holding Account that have been transferred from the transferor's Holding Account and for that transfer to be registered in accordance with section 22 of the CCRA;

Seller Delivery Day means, for a Trade, the next Business Day after emsTradepoint sends the Seller the Trade Confirmation for the Trade, or as extended under rule 9.2(b);

Settlement Account means the emsTradepoint Holding Account Notified by emsTradepoint from time to time as the Holding Account it uses for Receiving Units from a Seller under rule 7.1(a). The Settlement Account must not be the same Holding Account as the Escrow Account;

Total Delivery Obligation means, for an Escrow Participant:

A + B

where:

A is the Escrow Participant's total potential Delivery obligation (in terms of number of Units) under the Escrow Participant's Live Offers in respect of potential Seller Trade Legs; and

B is the Escrow Participant's total Delivery obligation (in terms of number of Units) under unsettled Seller Trade Legs.

Trading Fees means Fees a Participant becomes liable to pay when a Trade to which it is a party forms; and

Unit means a New Zealand unit, as defined in the CCRA, that is held in a Holding Account and is capable of being transferred to another Holding Account.

PART II: RULES GOVERNING ACCESS TO THE MARKET

4. PARTICIPANTS

4.1 Application Procedure: An Applicant must submit to emsTradepoint evidence satisfactory to emsTradepoint that:

- (a) the Applicant is the account holder or joint account holder of a Holding Account; and
- (b) if the Applicant is a joint account holder, the Applicant has full authority to operate the Holding Account for the purposes of physically settling Trades and Trade Legs to which it may become a party.

4.2 Market Access Criteria: The Market Access Criteria include:

- (a) for Bidding Participants, the Participant is the account holder or joint account holder of a Holding Account;
- (b) for Offering Participants, the Participant is the account holder or joint account holder of a Holding Account and has full authority to authorise the Delivery of Units from the Holding Account in connection with Trades and Trade Legs to which it is or may become a party; and
- (c) for Escrow Participants, the Participant is not in Escrow Breach.

5. PARTICIPANT'S WARRANTIES

5.1 Clear Title: Each Participant warrants that, where it is a Seller:

- (a) it has good title to and the right to sell the Units it sells; and
- (b) the Units will be Delivered free of all liens, encumbrances or adverse claims (as to title or otherwise).

5.2 Buyer's Holding Account: Each Participant warrants that, where it is a Buyer, the Holding Account for Receipt of Units by the Buyer is:

- (a) the Holding Account it has recorded in its Participant Agreement; or
- (b) the Holding Account it has last Notified to emsTradepoint.

The Buyer acknowledges that Delivery of Units by emsTradepoint to such Holding Account is effective Delivery.

PART III: RULES GOVERNING THE OPERATION OF THE MARKET

6. TRADES

6.1 Delivery Period: The Delivery Period for an Order, Trade or Trade Leg is always a Day, being:

- (a) for an Offer or the Seller's obligation to Deliver the Units to emsTradepoint under rule 7.1(a), the Seller Delivery Day; and
- (b) for a Bid or the Buyer's obligation to Receive the Units from emsTradepoint under rule 7.1(b), the Buyer Delivery Day.

6.2 Trade Leg Terms: For the avoidance of doubt, the Trade Terms of a Principal Trade applying to:

- (a) the Seller Trade Leg are the Product, the Product Code, the Trade Quantity, the Trade Price and the Seller Delivery Day; and
- (b) the Buyer Trade Leg are the Product, the Product Code, the Trade Quantity, the Trade Price and the Buyer Delivery Day.

7. PHYSICAL SETTLEMENT

7.1 Physical Settlement Required: For a Trade:

- (a) subject to rule 7.2(a), the Seller must Deliver the Trade Quantity of Units to the Settlement Account on or before 16:00 on the Seller Delivery Day, in accordance with the Trade Leg Terms between the Seller and emsTradepoint, and emsTradepoint must Receive the Trade Quantity of Units from the Seller accordingly; and
- (b) the Buyer must Receive the Trade Quantity of Units from emsTradepoint on or before 16:00 on the Buyer Delivery Day, in accordance with the Trade Leg Terms between the Buyer and emsTradepoint, and emsTradepoint must Deliver the Trade Quantity of Units to the Buyer accordingly.

7.2 Escrow Account Settlement: For a Trade, if the Seller is an Escrow Participant:

- (a) rule 7.1(a) does not apply to the Trade; and
- (b) emsTradepoint must use the Seller's Escrow Units to settle the Trade under rule 7.1(b), provided there are sufficient Seller's Escrow Units to do so.

For the avoidance of doubt, any failure by emsTradepoint to comply with rule (b) does not put the Seller in Delivery Default.

7.3 Title: Title to and every risk in a Trade Quantity of Units is deemed to pass:

- (a) from the Seller to emsTradepoint when the Units are Delivered by the Seller to emsTradepoint in accordance with rule 7.1(a); and
- (b) from emsTradepoint to the Buyer when the Units are Received by the Buyer from emsTradepoint in accordance with rule 7.1(b),

in each case free of any lien, charge, encumbrance or adverse claim (as to title or otherwise).

7.4 Unascertained Goods: Sections 143 to 145 (inclusive) of the Contract and Commercial Law Act 2017 (relating to appropriation of unascertained goods) do not apply to the sale and purchase of Units under a Trade or Trade Leg.

8. FINANCIAL SETTLEMENT

8.1 Invoices to Buyer: On the Seller Delivery Day for a Trade, emsTradepoint will:

- (a) issue a Tax Invoice to the Buyer for emsTradepoint's supply of the Units to the Buyer under the Buyer Trade Leg. The amount of the Tax Invoice will be the Trade Value; and
- (b) issue a Tax Invoice to the Buyer for emsTradepoint's supply of Services in respect of the Trade to the Buyer. The amount of the Tax Invoice will be the Trading Fees the Buyer became liable to pay for the Trade.

8.2 Invoices to Seller: On the Buyer Delivery Day for a Trade, emsTradepoint will:

- (a) issue a Buyer-Created Tax Invoice to the Seller for the Seller's supply of the Units to emsTradepoint under the Seller Trade Leg. The amount of the Buyer-Created Tax Invoice will be the Trade Value; and
- (b) issue a Tax Invoice to the Seller for emsTradepoint's supply of Services in respect of the Trade to the Seller. The amount of the Tax Invoice will be the Trading Fees the Seller became liable to pay for the Trade.

8.3 Payment: For a Trade:

- (a) the Buyer must pay emsTradepoint the Trade Value and Buyer's Trading Fees invoiced under rule 8.1(a) and 8.1(b) (together, the **Buyer Amount Owning**) in cleared funds on or before 8:00 on the Buyer Delivery Day; and
- (b) emsTradepoint must pay the Seller:
 - (i) the Trade Value amount invoiced under rule 8.2(a); less
 - (ii) any Liquidated Damages the Seller incurred for the Trade; less
 - (iii) the Seller's Trading Fees invoiced under rule 8.1(b),

in cleared funds on or before 16:00 on the Buyer Delivery Day, provided the Buyer is not in Payment Default for the Trade.

8.4 Errors and adjustments: Where:

- (a) emsTradepoint is Notified (and agrees with the Notification) or otherwise discovers that a Tax Invoice or Buyer-Created Tax Invoice contains an error or omission that affects the amount owed to or owed by emsTradepoint, emsTradepoint will reverse the Tax Invoice or Buyer-Created Tax Invoice and provide the Participant with a corrected Tax Invoice or Buyer-Created Tax Invoice (as the case may be) as soon as practically possible. The corrected Tax Invoice or Buyer-Created Tax Invoice will replace the original Tax Invoice or Buyer-Created Tax Invoice; or

- (b) there is an agreed change to the terms or nature of the supply covered by a Tax Invoice or Buyer-Created Tax Invoice or some other event referred to in section 25(1) of the GST Act, emsTradepoint will provide the Participant with a debit note or credit note (as the case may be) that complies with the GST Act as soon as practically possible.

8.5 Delay in Invoice: No delay by emsTradepoint in issuing a Tax Invoice or Buyer-Created Tax Invoice will affect the Participant's liability for the amounts payable once the Tax Invoice or Buyer-Created Tax Invoice is issued, except that the due date for payment will be extended by one Business Day for every Business Day by which the Tax Invoice or Buyer-Created Tax Invoice is late in being issued.

8.6 Disputes: Subject to rule 8.4, each Tax Invoice or Buyer-Created Tax Invoice is final and binding as to the amount payable under it. Participants may not withhold or reduce payment as a result of any unresolved dispute as to any item set out in any Tax Invoice or Buyer-Created Tax Invoice. A Participant must Notify emsTradepoint as soon as practicable, but at least within 5 Business Days following the date of issue of the Tax Invoice or Buyer-Created Tax Invoice, if it disputes any item contained in the Tax Invoice or Buyer-Created Tax Invoice. Any subsequent payment following agreement or settlement of a dispute will be paid by the relevant party as soon as reasonably practicable.

8.7 No Set Off: Amounts payable by Participants or emsTradepoint under this Product Supplement must be paid:

- (a) free and clear of any restriction, reservation or condition; and
- (b) subject to rule 14.3 of the Core Rules, without deduction or withholding in respect of tax or on account of any amount due or to become due to the paying Party, whether by way of set off, counterclaim or otherwise or on any other basis.

9. DELIVERY DEFAULT

9.1 Delivery Default: If, for a Trade, the Seller fails to Deliver the Units to emsTradepoint in accordance with rule 7.1(a), the Seller is in **Delivery Default**.

9.2 Consequences of Delivery Default: This rule applies if, for a Trade, the Seller is in Delivery Default:

- (a) emsTradepoint must Notify the Seller and Buyer that the Seller is in Delivery Default;
- (b) emsTradepoint may contact the Seller and Buyer (separately) and attempt to negotiate an extension to the Seller Delivery Day and/or the time on the Seller Delivery Day by which the Units must be Delivered to emsTradepoint. Any such extension must be agreed by the Seller, Buyer and emsTradepoint (at their absolute discretion) before the end of the original Seller Delivery Day. If the parties agree an extension, the Seller will cease to be in Delivery Default unless the Seller fails to Deliver the Units to emsTradepoint on or before the extended Seller Delivery Day or time on the Seller Delivery Day, in which case the Seller will again be in Delivery Default.
- (c) While the Seller is in Delivery Default, emsTradepoint:
 - (i) may cancel the Trade; and

- (ii) must cancel the Trade if the Buyer Notifies emsTradepoint that it requires the Trade to be cancelled.
- (d) The Seller will incur liquidated damages calculated in accordance with rule 14.2 of the Core Rules, based on the Trade Value and Seller's Trading Fees for the Trade, from and including the day after the original Seller Delivery Day until:
 - (i) the Units are Delivered to emsTradepoint; or
 - (ii) the Trade is cancelled,

(Liquidated Damages).

9.3 Other Consequences: For the avoidance of doubt, rule 9.2 does not limit or affect any other consequence under the Market Rules if the Seller is in Delivery Default, including emsTradepoint's discretion to issue the Seller with a Suspension Notice.

9.4 Liquidated Damages: If a Seller has incurred Liquidated Damages for a Trade, emsTradepoint will refund the Liquidated Damages to the Buyer, provided that:

- (a) if the Trade was cancelled, the Buyer was not in Payment Default when the Trade was cancelled; and
- (b) emsTradepoint has received payment of the Liquidated Damages from the Seller, which may have been by way of set-off against the Trade Value under rule 8.3(b).

emsTradepoint will issue such Tax Invoices, Buyer-Created Tax Invoices and credit notes that comply with the GST Act as may be required to give effect to this rule.

10. PAYMENT DEFAULT

10.1 Payment Default: For the avoidance of doubt, if, for a Trade, the Buyer fails to pay the Buyer Amount Owing to emsTradepoint in accordance with rule 8.3(a), the Buyer is in Payment Default.

10.2 Consequences of Payment Default: This rule applies if, for a Trade, the Buyer is in Payment Default:

- (a) emsTradepoint must Notify the Seller and Buyer that the Buyer is in Payment Default;
- (b) emsTradepoint may contact the Seller and Buyer (separately) and attempt to negotiate an extension to the Buyer Delivery Day and/or the time on the Buyer Delivery Day by which the Buyer Amount Owing must be paid to emsTradepoint. Any such extension must be agreed by the Seller, Buyer and emsTradepoint (at their absolute discretion) before the end of the original Buyer Delivery Day. If the parties agree an extension, the Buyer will cease to be in Payment Default unless and until the Buyer fails to pay the Buyer Amount Owing to emsTradepoint on or before the extended Buyer Delivery Day or time on the Buyer Delivery Day.
- (c) While the Buyer is in Payment Default, emsTradepoint:
 - (i) may:

- (A) cancel the Trade; or
 - (B) have recourse to the Buyer's Prudential Assurance to financially settle the Trade in accordance with rule 4.4 of the Core Rules, in which case the Trade will be a **Prudential Settled Trade**; and
- (ii) must cancel the Trade if, at any time before the Trade becomes a Prudential Settled Trade, the Seller Notifies emsTradepoint that it requires the Trade to be cancelled.
- (d) The Buyer will incur default interest on the Buyer Amount Owing in accordance with rule 14.2 of the Core Rules from and including the day after the original Buyer Delivery Day until:
 - (i) the Buyer Amount Owing is paid to emsTradepoint;
 - (ii) the Trade becomes a Prudential Settled Trade; or
 - (iii) the Trade is cancelled.

10.3 Other Consequences: For the avoidance of doubt, rule 10.2 does not limit or affect any other consequence under the Market Rules if the Buyer is in Payment Default, including emsTradepoint's discretion to issue the Buyer with a Suspension Notice.

10.4 Default Interest: If a Buyer has incurred default interest for a Trade, emsTradepoint will pay the accrued default interest to the Seller, provided that:

- (a) if the Trade was cancelled, the Seller was not in Delivery Default when the Trade was cancelled; and
- (b) emsTradepoint has received payment of the default interest from the Seller.

emsTradepoint will issue such Tax Invoices, Buyer-Created Tax Invoices and credit notes that comply with the GST Act as may be required to give effect to this rule.

11. CANCELLATION

11.1 Method and Effect: Any cancellation of a Trade under rule 9.2(c) or 10.2(c) must be effected by emsTradepoint Notifying the cancellation to the Seller and Buyer. A Trade cancelled under rule 9.2(c) or 10.2(c) is Void.

11.2 Trading Fees, Liquidated Damages and Default Interest Payable:

- (a) If a Trade is cancelled under rule 9.2(c):
 - (i) the Seller must still pay emsTradepoint the Seller's Trading Fee and any Liquidated Damages incurred by the Seller for the Trade;
 - (ii) the Buyer must still pay emsTradepoint any default interest incurred by the Buyer for the Trade; and
 - (iii) the Buyer only owes emsTradepoint the Buyer's Trading Fee for the Trade if the Buyer was in Payment Default when the Trade was cancelled.

- (b) If a Trade is cancelled under rule 10.2(c):
 - (i) the Buyer must still pay emsTradepoint the Buyer's Trading Fee and any default interest incurred by the Buyer for the Trade;
 - (ii) the Seller must still pay emsTradepoint any Liquidated Damages incurred by the Seller for the Trade; and
 - (iii) the Seller only owes emsTradepoint the Seller's Trading Fee for the Trade if the Seller was in Delivery Default when the Trade was cancelled.

12. OFF-EXCHANGE TRADES

12.1 Late Settlement Off-Exchange Trades: Despite rule 6.1, an Off-Exchange Trade may have a Delivery Period that is the Seller Delivery Day or a later Day. If the Delivery Period is a later Day then the Off-Exchange Trade is a **Late-Settlement Off-Exchange Trade**.

12.2 Seller Delivery Day: For a Late Settlement Off-Exchange Trade, the references to "Seller Delivery Day" in the following rules are to be read as references to the Off-Exchange Seller Delivery Day for the Late Settlement Off-Exchange Trade:

- (a) rule 6.1(a) (Delivery Period);
- (b) rule 6.2(a) (Trade Leg Terms);
- (c) rule 7.1(a) (Physical Settlement Required); and
- (d) rules 9.2(b) and 9.2(d) (Consequences of Delivery Default).

12.3 Buyer Delivery Day: For a Late Settlement Off-Exchange Trade, the references to "Buyer Delivery Day" in the following rules are to be read as references to the Off-Exchange Buyer Delivery Day for the Late Settlement Off-Exchange Trade:

- (a) rule 6.1(b) (Delivery Period);
- (b) rule 6.2(b) (Trade Leg Terms);
- (c) rule 7.1(b) (Physical Settlement Required);
- (d) rule 8.3(a) (Payment by Buyer to emsTradepoint), for the Trade Value only;
- (e) rule 8.3(b) (Payment by emsTradepoint to Seller); and
- (f) rules 10.2(b) and 10.2(d) (Consequences of Payment Default).

12.4 Trading Fees: Despite rules 8.2 and 8.3(b):

- (a) emsTradepoint will issue invoices to the Seller for a Late Settlement Off-Exchange Trade on the Seller Delivery Day for the Late Settlement Off-Exchange Trade;
- (b) the Seller must pay emsTradepoint the Seller's Trading Fees for the Late Settlement Off-Exchange Trade in cleared funds on or before 8:00 on the Buyer Delivery Day for the Late Settlement Off-Exchange Trade; and

- (c) emsTradepoint will not deduct the Seller's Trading Fees for the Late Settlement Off-Exchange Trade under rule 8.3(b)(iii) unless the Seller has not paid the Seller's Trading Fees to emsTradepoint before emsTradepoint makes payment under rule 8.3(b) for the Late Settlement Off-Exchange Trade.

13. ESCROW

13.1 Escrow Participant: emsTradepoint may, at its discretion:

- (a) designate any new or existing Offering Participant as being subject to this rule 12 (an **Escrow Participant**) on Notice to the Offering Participant; and
- (b) remove any Escrow Participant's designation as an Escrow Participant on Notice to the Escrow Participant.

13.2 Escrow a Condition: An Escrow Participant must Deliver Units to the Escrow Account, free of any lien, encumbrance or adverse claim (as to title or otherwise), and emsTradepoint must Receive the Units from the Escrow Participant accordingly, as a condition of the Escrow Participant making Offers or being party to Trades. Rules 5.1 and 7.3(a) apply to the Escrow Participant's transfer of Units to the Escrow Account as if the Units were being sold and the Escrow Participant were the Seller.

13.3 emsTradepoint Holds as Trustee: emsTradepoint holds an Escrow Participant's Escrow Units as bare trustee for the Escrow Participant to settle Trades to which the Escrow Participant is a party (and for no other purpose).

13.4 Transfer Back: emsTradepoint must Deliver an Escrow Participant's Escrow Units back to the Escrow Participant as soon as reasonably practicable after:

- (a) the Escrow Participant Notifies emsTradepoint that it requires the Escrow Units to be transferred back, provided that emsTradepoint is entitled to retain a sufficient number of the Escrow Participant's Escrow Units to settle any unsettled Trades the Escrow Participant is party to at the time of the Escrow Participant's Notice; or
- (b) emsTradepoint removes the Escrow Participant's designation as an Escrow Participant under rule 13.1(b),

and the Escrow Participant must Receive the Escrow Units from emsTradepoint accordingly. Rule 7.3(b) applies to emsTradepoint's transfer back of Escrow Units as if the Escrow Units were being sold and the Escrow Participant were the Buyer.

13.5 emsTradepoint will Reject Offers and Off-Exchange Trades: emsTradepoint will reject:

- (a) an Offer made by an Escrow Participant if the Escrow Participant would be in Escrow Breach if the Offer became a Live Offer; and
- (b) an Off-Exchange Trade to which an Escrow Participant is a party if the Escrow Participant would be in Escrow Breach if the Off-Exchange Trade were entered into the Trading System.

13.6 emsTradepoint may Remove Live Offers and Trades: emsTradepoint may remove an Escrow Participant's Live Offers or Trades to which the Escrow Participant is party if the Escrow Participant is in Escrow Breach, but may only remove a Trade if first removing

all of the Escrow Participant's Live Offers does not cure the Escrow Breach. Such removed Trades and resulting Trade Legs will be deemed to be Void.

14. COMMINGLING OF UNITS

Participants acknowledge that Units will be commingled in the Settlement Account and Escrow Account. Accordingly:

- (a)** when emsTradepoint settles a Trade under rule 7.1(b), the Units Received by the Buyer may not be the identical Units Delivered by the Seller to the Settlement Account or Escrow Account; and
- (b)** when emsTradepoint transfers back Escrow Units under rule 13.4, the Units Received by the Escrow Participant may not be the identical Units Delivered by the Escrow Participant to the Escrow Account.

SCHEDULE 1 – PARTICIPANT AGREEMENT - CARBON

Parties

1. emsTradePoint Limited (**emsTradePoint**); and

2. Name of Company: _____

Address for Service: _____

(The address for service must be a New Zealand address)

Company Address: New Zealand

(If different from the address for service)

Country: _____

Facsimile Number: _____

Email Address: _____

(This is the email address that electronic communications will be sent to (other than those electronic communications transmitted through the Trading System)

Telephone Numbers and name of relevant representative:

Name: _____

Telephone Number: _____

(These are the telephone numbers for telephone communications under the Market Rules. A maximum of three numbers may be provided.)

Registered Company (or other body corporate) number: _____

Holding Account number: _____

(Participant)

together, **Parties**

Background

A. emsTradePoint operates and maintains the Market to enable Participants to trade Units (and other Commodities) through the Trading System in accordance with the Market Rules.

B. The Participant has read the Market Rules (and all relevant supporting documentation) and wishes to participate in the Market.

Interpretation

1. The capitalised terms used in this Participant Agreement have the meaning given to those capitalised terms in the Market Rules.

2. The rules of interpretation in the Market Rules apply to the interpretation of this Participant Agreement unless otherwise indicated in this Participant Agreement.
3. Subject to the rights of any successor or permitted assigns of the Parties, no provision of this Participant Agreement creates any rights enforceable by a third party. All third party rights enforceable or implied by law are, to the extent permissible by law, excluded from this Participant Agreement.
4. References in this Participant Agreement to rules are references to rules of the Market Rules.
5. The provisions of the Market Rules that apply to or affect Participant Agreements are deemed to be incorporated into this Participant Agreement.

Access to the Market

6. emsTradepoint grants the Participant the right to access the Trading System and use the Service and the Data, in accordance with the Market Rules for the Product designated as CP-NZU and such other Products agreed between the Participant and emsTradepoint by variation to this Participant Agreement from time to time.
7. Notwithstanding clause 6, the Participant is a *(please tick the applicable box)*:
 - Bidding Participant only
 - Offering Participant only
 - Bidding Participant and an Offering Participant
 - View-Only Participant
8. The Participant will only:
 - (a) make Bids if it is a Bidding Participant; and
 - (b) make Offers if it is an Offering Participant.

Rights and Obligations of the Participant

9. The Participant has **attached** to this Participant Agreement any information required by emsTradepoint and will provide emsTradepoint with updates as soon as said information changes.
10. The Participant agrees to act in accordance with this Participant Agreement, Associated Documents and Market Rules (as amended from time to time), and to comply with its obligations under, arising out of, or in connection with any of them.
11. The Participant warrants that it meets all the Market Access Criteria (or will be able to meet all the Market Access Criteria immediately upon becoming a Participant), and will continue to do so throughout the term of this Participant Agreement.

Termination

12. This Participant Agreement may be terminated in accordance with the Market Rules.

Applicable Law and Competent Court

- 13. This Participant Agreement is governed exclusively by the laws of New Zealand.
- 14. All disputes between emsTradepoint and the Participant which may arise out of or in connection with this Participant Agreement and/or the Market Rules will be settled in accordance with the relevant provisions in the Market Rules.

Agreed and signed in duplicate and initialled on all pages by authorised representatives of the Participant and emsTradepoint:

SIGNED on behalf of **EMSTRADEPOINT LIMITED** by:

SIGNED on behalf of **[PARTICIPANT NAME]** by:

Signature of authorised representative

Signature of authorised representative

Name of authorised representative

Name of authorised representative

Date: _____

Date: _____

*Applicant who wishes to become a Bidding Participant and/or Offering Participant to **attach**:*

- *Names of the persons who will be responsible for managing the Applicant's trading of Units through the Trading System if the Applicant becomes a Participant*
- *Sufficient information to enable emsTradepoint to determine whether the Applicant meets (or will be able to meet all the Market Access Criteria immediately upon becoming a Participant)*

*Applicant who wishes to become a Bidding Participant to **attach** (in addition):*

- *Proposed Collateral Limit (subject to emsTradepoint acceptance)*
- *Bank Guarantee (or alternative means of satisfying Prudential Assurance as required by emsTradepoint)*

*All Applicants to **attach**:*

- *Any other information required by emsTradepoint at the time of application to become a Participant (without prejudice to emsTradepoint's right to request further information after application)*

SCHEDULE 2 – PRODUCT SPECIFICATION - CARBON

Product	Carbon Physical – New Zealand Units
Product Code	CP-NZU
Commodity	Units
Venue	emsTradepoint Trading System
Trading Hours	Market Open: 0930
	Market Close: 1730
Contract Unit	1 Unit
Pricing Quotation	New Zealand dollars and cents per Unit
Lot Size	1 Unit
Tick Size	\$0.01 (1.0¢) per Unit
Maximum Contract Price	None
Minimum Contract Price	\$0.01 (1.0¢)
Delivery	Delivery by transfer to Holding Account pursuant to the CCRA
Receipt	Receipt by transfer into Holding Account pursuant to the CCRA
Contract Window	Next Business Day
Settlement Type	Physical only.
Market Rules	This Product is subject to the Market Rules of emsTradepoint, as amended from time to time.

SCHEDULE 3 – STATEMENT OF CHARGES

1 Fees

Type of Fee	Fee
Trading Fee	\$0.04 per Unit
Prudential Assurance Review Fee	As per 2.4 below

2. Terms

- 2.1** All Fees are subject to the provisions of the Market Rules and are stated exclusive of GST.
- 2.2** A Participant must pay the Trading Fee per Trade to which the Participant is a party.
- 2.3** The Participant becomes liable to pay the Trading Fee for a Trade on the Day the Trade is formed.
- 2.4** If an Applicant or Participant wishes emsTradePoint to consider a form of Prudential Assurance that differs from the bank guarantee set out in Schedule 1 of the Core Rules, if required by emsTradePoint, the Applicant or Participant must pay a Fee to cover emsTradePoint's costs in considering this. emsTradePoint will obtain an estimate of such costs on request by the Applicant or Participant. The Participant will become liable to pay the Fee on the Day emsTradePoint makes its decision whether or not to accept the form of Prudential Assurance.
- 2.5** Subject to the Market Rules, no Fees will be refunded if the Participant's Participant Agreement is terminated, for any reason.