

## Global Emission Reduction (GER) Future

ITEM	SPECIFICATION
<b>Contract Description</b>	Physically delivered offsets based on a basket of the following carbon offset sub-contracts: Base Carbon Contract (BCC), Forestry Carbon Contract (FCC), Prime Carbon Contract (PCC), and Carbon Capture Contract (CCC), where weightings are calculated and determined by the GER Supervisory Committee (GERSC), in accordance with the GER Governance and Methodology Protocol posted at <a href="http://www.nodalexchange.com">http://www.nodalexchange.com</a> .
<b>Contract Code</b>	GERE
<b>Settlement Method</b>	Physical Delivery
<b>Hours of Trading</b>	As defined at <a href="http://www.nodalexchange.com">http://www.nodalexchange.com</a>
<b>Unit of Trading</b>	1 lot
<b>Lot Size</b>	1,000 Metric Tons (MTs) representing 1,000 Offsets
<b>Currency</b>	US Dollars
<b>Minimum Tick</b>	\$0.01 per MT
<b>Settlement Price Precision</b>	\$0.01 per MT
<b>Last Trading Day</b>	Three Business Days prior to the last Business Day of the delivery month
<b>Delivery Day</b>	Three Business Days after the Last Trading Day (Last Business Day of the delivery month)
<b>Contract Series</b>	Monthly expirations for the current year, and the following two years. Annual December contracts for up to additional 7 years. The Exchange may list any other calendar month contract set off the standard listing cycle.
<b>Deliverable Product</b>	<p>Offsets eligible for delivery under each sub-contract are as below. The denomination of each subcontract is 1 metric ton of CO<sub>2</sub> or equivalent.</p> <p><del><b>Base Carbon Contract (BCC)</b> – BCC covers carbon offsets for the entire spectrum of carbon reduction projects except for 1) Hydroelectric power production project activities with a generating capacity exceeding 20 MW, 2) Projects involving the destruction of nitrous oxide (N<sub>2</sub>O) from adipic acid production, and 3) Projects involving the destruction of trifluoromethane (HFC-23). <b>Base Carbon Contract (BCC)</b> – BCC covers offsets for the entire spectrum of carbon reduction offsets projects except for 1) Large hydropower above 20 MW and nuclear in the Energy Industries sector, 2) projects involving recovery and destruction of industrial gases (Ozone Depletion Substances, HFC-23 and N<sub>2</sub>O). Large Hydro projects (&gt;20MW capacity) in eligible credits must be registered in any of the following registries: Gold Standard or Verra.</del></p> <p><b>Forestry Carbon Contract (FCC)</b> – FCC covers carbon offsets generated by nature-based (AFOLU) projects. Eligible <del>credits, offsets and certifications</del> are: 1) Verra Registry – Verified Carbon Standard (VCS) with either Climate, Community and</p>

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	<p><del>Biodiversity (CCB), Social Carbon, or credits issued under Sustainable Development Verified Impact Standard (SD VISta) program accompanied by at least 3 SDGs certifications;</del></p> <p><del>1) Verified Carbon Standard (VCS) - Carbon Emission Units from an approved VCS registry project verified under Agriculture, Forestry and Other Land Use (AFOLU) sector program methodologies accompanied by :</del></p> <p><del>eEither Climate, Community and Biodiversity (CCB) Certification or Social Carbon certification or certifications issued under Verra’s Sustainable Development Verified Impact Standard (SD VISta) program for at least 3 SDGs (including SDG 13: Climate Action)</del></p> <p><del>2) Gold Standard (GS) Registry – nature-based offset credits with at least 3 registry-approved SDGs contributions.2) Gold Standard (GS) – Carbon Emission Units from an approved GS registry project verified under GS Land Use &amp; Forestry Requirements (including Agriculture &amp; Afforestation/Reforestation projects) accompanied by any one of the following :</del></p> <p><del>Certification(s) issued under GS’s SDG Impact Quantification Methodologies</del></p> <p><del>Registry-approved SDG contributions for at least 3 SDGs (including SDG 13: Climate Action) under GS’s Gold Standard for the Global Goals (GS4GG)</del></p> <p><b>Prime Carbon Contract (PCC)</b> – PCC covers carbon offsets issued with additional certifications for <u>Sustainable Development Goal (SDG) co-benefits</u>. Eligible <del>credits and certifications</del><u>offsets</u> are: 1) <del>Verra Registry – credits issued under SD VISta program accompanied by at least 3 SDGs certifications;</del> 2) <del>Gold Standard (GS) Registry – registry-approved credits accompanied by at least 3 SDG certifications.</del></p> <p><del>1) Verified Carbon Standard (VCS) – Carbon Emission Units from an approved VCS registry project accompanied by certifications issued under Verra’s Sustainable Development Verified Impact Standard (SD VISta) program for at least 3 SDGs (including SDG 13: Climate Action)</del></p> <p><del>2) Gold Standard (GS) – Carbon Emission Units from an approved GS registry project accompanied by registry-approved SDG contributions for at least 3 SDGs (including SDG 13: Climate Action) under GS’s Gold Standard for the Global Goals (GS4GG)</del></p> <p><b>Carbon Capture Contract (CCC)</b> - CCC initially represents one European Union Allowance (EUA), being the tradable unit under the European Union Emissions Trading Scheme (EU ETS). In the future, each CCC is expected to represent either</p> <ol style="list-style-type: none"> <li>1) such number of EUAs as the GER Supervisory Committee (GERSC) may determine, or</li> <li>2) a Carbon Emission Unit generated by a qualifying type of carbon removal project as determined by the GERSC.</li> </ol> <p>Delivery eligibility criteria for each subcontract is further defined in GER Governance and Methodology Protocol.</p> <p>GERSC will provide independent governance and review, monitor ongoing</p>

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	<p>development, and conduct necessary amendment on the eligible deliverable products and registries in accordance with GER Governance and Methodology Protocol.</p> <p>The weightings of GER sub-contracts are calculated and determined by GERSC annually through the annual review in February of each review year. The amendment to the weightings will take effect in April of the review year, applicable from the April expiry of the review year to the March expiry of the following year.</p> <p>Current Weightings (Effective from June 2022 to March 2023):            Base Carbon Contract (BCC) – 38.3%            Forestry Carbon Contract (FCC) – 38.7%            Prime Carbon Contract (PCC) – 22.0%            Carbon Capture Contract (CCC) – 1%</p> <p>Eligible vintage <del>years are for start in January 1st,</del> 2013 and later.</p>
<b>Registry</b>	<p>Any offset must be registered in any of the following registries: <del>The</del> Gold Standard <a href="#">Impact Registry</a>, Verra <a href="#">Registry</a>, or European Union Emission Trading System Union Registry.</p> <p>GER Supervisory Committee (GERSC) will provide independent governance and review, monitor ongoing development, and conduct necessary amendment on the eligible deliverable products and registries in accordance with GER Governance and Methodology Protocol.</p>
<b>Daily Settlement Price</b>	Determined by the Exchange based on exchange activity, other market data, and extrapolation to traded contracts, as appropriate
<b>Final Settlement Price</b>	The Daily Settlement Price on the Last Trading Day
<b>Delivery</b>	On the Last Trading Day, the Exchange will provide the Clearing House with information identifying the Participants with delivery obligations for the purpose of issuing Tender and invoice notices in accordance with Section IX (Physical Delivery and Settlement) of the Clearing House Rulebook.
<b>Final Settlement (Payment) Date</b>	Three or four Business Days after the Last Trading Day on the successful delivery of the underlying instruments (if the delivery confirmation is available by 11:30am on the third Business Day after the Last Trading Day, the payment will be made on the same day during the Midday Margin Cycle; if it is available after 11:30am, the payment will be made on the next Margin Cycle which will be the next Business Day)
<b>Position Limit</b>	Spot Month: 30000 lots, Single Month Accountability Level: 30000 lots, All Month Accountability Level: 30000 lots
<b>Margin Unit</b>	US Dollars

*\* The GER Contracts have been licensed for use by Nodal Exchange. Neither Net Zero Markets, the GERSC, or any of their officers, members, employees or affiliates (as the case may be) make any representation, warranty, condition, undertaking or term, whether express, implied or statutory, regarding or relating to:(i)the GER Contracts or to the truth, accuracy, completeness, up-to-dateness or otherwise of any of the data,*

information, documentation, or materials taken into account (or not taken into account) by the GERSC in making any decision, or taking any action (or refraining from taking any action), whether such data, information, documentation, or materials was prepared by or on behalf of the GERSC (including, without limitation, by Net Zero Markets or its advisors), constituted or was based on publicly available information (or was derived therefrom) or was provided to the GERSC or to Net Zero Markets (as the case may be) by one or more third parties; and (ii) the design, terms or functionality of the GER Contracts (or any of them) or their merchantability or fitness for any particular purpose. Neither Net Zero Markets, the GERSC, nor any of their respective officers, members, employees, affiliates or advisors (each, a **Relevant Person**) shall be liable to any such Exchange's members or any other third party, whether in contract (including under any indemnity), in tort (including negligence), under a warranty (express or implied), under statute or otherwise, in respect of any loss or damage suffered by any such Exchange, member or other third party arising in respect of, or in connection with (including reliance on) any act or omission of any of the foregoing comprising or in respect of any amendment, decision, judgement, conclusion, opinion, exercise of discretion, announcement, notice or publication made, reached or formulated in the course of carrying out their obligations or duties hereunder or in the course of exercising any discretion hereunder, except where such loss or damage is directly caused by the Relevant Person's ~~willful~~ **willful** misconduct or fraud. In any event, Net Zero Market's liability to an Exchange's members under or in connection with this Protocol will not exceed the net fees it receives from such Exchange directly in connection with the GER Contracts in the calendar year in which its liability is determined or agreed. Without prejudice to the foregoing, neither Net Zero Markets, the GERSC, nor any of their respective officers, members, employees, affiliates or advisors shall be liable to any such Exchange's members or any other third party under any circumstances arising from contract (including under any indemnity), in tort (including negligence), under any warranty (express or implied) under statute or otherwise in each case for any indirect, incidental, exemplary, special or consequential punitive losses or damages arising under this Protocol or GER Contracts amended (or not amended) pursuant to this Protocol, including loss of profits, regardless of whether such damages could have been foreseen or prevented. Neither Net Zero Markets nor the GERSC makes any warranty that the members of any Exchange listing any GER Contract will be able to use such GER Contract (or any carbon credits incorporated within it) for offsetting purposes or to meet any compliance or regulatory requirement, statutory obligation or the requirements under any other applicable law, regulation or scheme. Such Exchange members are required to make, and rely upon, their own enquiries.