



APX Contracts™

Integrity and Structure for Carbon Forwards and OTC Markets

The forward contracts market for carbon offsets and allowances is dynamic and growing rapidly. Yet there has been little structure and transparency in these markets. Market participants have had few tools to manage or reduce risks that can come from delivery failure, purchase of double sold credits or “at risk” credits, and potential project or contractual defaults. Buyers need to know that their offset credits are from a legitimate, authorized, credit-worthy seller.

APX Contracts addresses this need by providing the first central service to register, track, and manage carbon forward contracts and other contract types. It offers buyers of forward contracts an efficient way to verify ownership and access to an auditable chain of custody.

APX Contracts is part of the **APX Environmental Management Account™**, our complete suite of services for environmental asset and risk management in the new carbon economy. It begins with the projects and programs that create environmental credits and allowances, and extends to the underlying portfolio and transaction services that are essential in managing an asset acquisition strategy.



Why APX Contracts?

Whether you are a supplier, buyer, investor, or otherwise involved with forward contracts, transparency, performance and risk management are critical.

For Buyers: Buyers of forward emission reductions use APX Contracts to confirm title and ownership, and to gain unsurpassed access to project and program data necessary to properly evaluate purchases and assess delivery risk. The service also enables chain of custody tracking for Contracts.

In addition, the use of a consolidated project list from major voluntary and mandatory carbon registries helps reduce the risk associated with the double registering of projects in multiple GHG programs and double selling of forward credits. This global project information is provided by **APX Project Track™**, also a component of the APX Environmental Management Account.

APX Environmental Management Account™



For Project Developers and Owners: The use of APX Project Track and APX Contracts to register projects and forward contracts for emission reductions provides developers and owners with the ability to easily, securely, and selectively share key project information (including credits available for sale) and documentation with prospective buyers or investors – using a “Dataroom” view. The Dataroom provides a concise summary of information for each registered project that can be selectively shared at the discretion of the project owner, or made fully public.

This information can be used to jumpstart sales discussions, alleviate buyer concerns, or simply to provide all parties with access to project information. It also establishes a higher quality bar for projects that use APX Contracts – that may improve the economics and desirability of projects for the marketplace.

APX Contracts is designed for use by all market participants from project developers and owners to brokers, investors and corporate buyers, in order to provide transparency and integrity to forward carbon markets.

Benefits Include:

- Determine clear title and an auditable chain of custody for forward contracts
- Ensure that forward contracts are supported by real projects
- Gain early knowledge of “at risk” forward contracts
- Reduce chance of double counting/selling of projects and forward contracts
- Selectively share carbon project information with buyers and investors in a controlled, managed way
- Use central source to list key ownership, insurance, and other contractual data and documentation
- Provide greater assurance to the public and (potentially) regulatory authorities regarding the integrity of OTC markets
- Reduce in-house software, maintenance and administration expenses



APX Contracts™ includes:

- Central repository for registering environmental assets and forward contracts across all environmental commodities regimes
- Rules engine that calculates, tracks, and displays account holders' salable instruments associated with a portfolio of project assets and/or forward contracts
- White label option for project developers and sellers to attract potential buyers and offer real time information on available forward credits
- Dataroom to make public or selectively share project information
- Position reporting of all sold and purchased contracts
- Chain-of-custody risk alerts due to certain project and account holder events
- Official project data imported from and linked to project records listed on the CDM website and registries supported by APX
- Drill down capabilities for details on underlying projects of forward contracts
- Wizards that track key attributes of forward contracts; help account holders organize, track, and display structured transactions; track the sale of forward contracts
- Flexible on-line reporting and analytics
- 24x7 help desk support and on-line inquiry tracking and resolution

Proven, Trusted Market Infrastructure

The APX Environmental Management Account is powered by the most widely used, highest volume, and technically advanced environmental market infrastructure, that has been developed over nearly a decade.

With more than 2 billion certificates under management and 1300 worldwide firms as account holders, APX market infrastructure sets the standard for ensuring integrity in environmental markets. As an independent and trusted provider of infrastructure solutions, APX is fully committed to the highest market transparency and a level playing field for all market participants and stakeholders. We do not make markets or take principal positions in environmental transactions, and are not a bank, brokerage or marketer.

Look to the Leader

APX Inc. is the leading infrastructure provider for environmental and energy markets in renewable energy and greenhouse gases including renewable energy certificates (RECs), energy efficiency and conservation certificates, carbon offset certificates such as voluntary emissions reductions (VERs), and greenhouse gas emission allowances. With a singular focus on providing trust, transparency, and integrity for environmental markets, the company is the solution of choice for every major renewable energy market in North America and greenhouse gas markets worldwide. APX has major office locations in New York, Washington, DC and California.

For more information please visit www.apx.com or contact 201.222.1422