

Parhelion Product Comparison

	<u>Compliance Buyers, Project Developers and Suppliers</u>	<u>Investors</u>	<u>ERPA Master Policy</u>	<u>Project Financiers</u>	<u>Carbon Fund Managers</u>	<u>Project Company</u>
<u>Insured</u>	Compliance Buyer, Project Developer or Supplier	Investor	Named beneficiaries (Project Company is lead name under “Master Policy”)	Project Financier	Carbon Fund Manager	Project Company
<u>Beneficiary</u>	Compliance Buyer, Project Developer Supplier and/or third parties	Investor	Third parties with limited involvement in project development e.g. traders	Project Financier	Carbon Fund Manager and/or fund investors	Project Company
<u>Perils covered</u> (refer to wording for precise definitions/limits)	Price, physical, regulatory and political, technology, contract frustration and insolvency	Price, physical, regulatory and political, technology, contract frustration and insolvency	Price, physical, regulatory and political, technology, contract frustration and insolvency	Price, physical, regulatory and political, technology, contract frustration and in some cases insolvency	Price, physical, regulatory and political, technology, contract frustration and insolvency	Price, physical, some regulatory
<u>Basis of indemnity</u>	Fixed value, market value or replacement ER's; pre-registration and post 2012: initial ER purchase price					Fixed value, market value or replacement ER's
<u>Premium normally paid by</u>	Compliance Buyer, Project Developer or Supplier	Investor	Project Company and/or Traders	Project Financier	Carbon Fund Manager	Project Company
<u>Rep's and Warranties required from:</u>	Depending on circumstances, the Insured and/or Project Company	Depending on circumstances, the Insured	The Project Company and/or its owners	Depending on circumstances, the Project Company and/or its owners	No	No
<u>Policy assignable?</u>	No; loss payee permitted	No; loss payee permitted	Yes (subject to status)	No	No; loss payee permitted	No; loss payee permitted
<u>Benefits</u>	<ul style="list-style-type: none"> • Greater certainty of ER delivery • Better prospects for payment (Supplier) • More funds available to Project Company reduces stress on project cash flows 	<ul style="list-style-type: none"> • Better prospects for investment • More funds available to Project Company reduces stress on project cash flows 	<ul style="list-style-type: none"> • Ability to sell ER's in advance of issuance • Ability of Insureds to trade ER entitlements prior to issuance 	<ul style="list-style-type: none"> • Greater certainty of ER delivery • Able to offer higher level of funding • Reduced stress on project cash flows 	<ul style="list-style-type: none"> • Greater certainty of ER delivery 	<ul style="list-style-type: none"> • Greater certainty of ER delivery