

Taiwan Carbon Solution Exchange Corporation
Trading Rules for International Carbon Credits
Non-recognized under the Climate Change Response Act

Chapter I General Principles

Article 1

These Trading Rules are prescribed in accordance with Article 8 Paragraph 3 of the Operating Rules of Taiwan Carbon Solution Exchange Corporation (hereinafter “TCX”).

Article 2

The subject of transactions under these Trading Rules refers to credits listed on the Trading Platform by a Seller in accordance with the “Taiwan Carbon Solution Exchange Corporation Operating Procedures for Listing of International Carbon Credits Non-recognized under the Climate Change Response Act” (hereinafter the “Operating Procedures”).

The “Trading Platform” under these Trading Rules refers to the credit trading platform established by TCX for handling the transactions mentioned in the foregoing paragraph.

“Buyer” under these Trading Rules refers to the member who places a buy order on the Trading Platform.

“Seller” under these Trading Rules refers to the member who sells credits on the Trading Platform.

Article 3

Participants in the trading of credits on the Trading Platform are limited to those who have signed the membership agreements with TCX and are registered as a Buyer or Seller.

The qualifications for Buyer and Seller are as follows:

- (1) Buyer: limited to domestic juridical persons.
- (2) Seller: may be foreign or domestic juridical persons.

The application form and the membership agreement required to register as Buyer or Seller may be provided by TCX through online registration on the Trading Platform or via electronic transmission.

TCX may charge members a platform registration fee and platform usage fee for the Trading Platform and may require members to pay a set amount of security deposit.

Article 4

TCX shall open a dedicated Buyer account or Seller account for each member.

Article 5

Buyer's exploitation of the credit in the member account shall be limited to the following actions:

- (1) Continue to hold in the member account.
- (2) Apply to TCX to retire the credit in the name of Buyer, except if Buyer retires the credit for the benefit of a reporting corporation included into its consolidated financial statements, the Buyer may apply to retire the credit in the name of the reporting corporation included in the consolidated financial statements.
- (3) Apply to TCX to transfer the credit to the Buyer's account in the registry approved by TCX (hereinafter the "Registry").

Seller's exploitation of the credit in the member account shall be limited to the following actions:

- (1) Continue to sell in the member account.
- (2) Apply to TCX to transfer the credit to the Seller's account in the Registry.

Article 6

TCX shall handle the retirement stipulated in Paragraph 1 Item 2 of the preceding article for the Buyer in accordance with the regulations of each Registry. TCX shall provide the Buyer with a credit retirement certificate and report the credit retirement record in accordance with the regulations of the Registry.

TCX shall handle the transfer stipulated in Paragraph 1 Item 3 and Paragraph 2 Item 2 of the preceding article for members in accordance with the regulations of each Registry, and name of the member's Registry account shall be identical to the name of the member's TCX member account.

TCX may charge administrative fees for handling the retirement for members stipulated in Paragraph 1 Item 2 of the preceding article, or for handling the transfer stipulated in Paragraph 1 Item 3 and Paragraph 2 and Item 2 of the preceding article.

Chapter II Trading of Credits

Article 7

Unless otherwise specified in these Trading Rules, trading of credits shall have the same holidays as domestic banks.

Article 8

Unless otherwise specified in these Trading Rules, the trading hours shall be from 9:00 AM to 3:30 PM.

Article 9

The trading quantity of credits shall be one tonne of carbon dioxide equivalent or its integer multiples.

Article 10

The credits on the Trading Platform are marked at a price per tonne of carbon dioxide equivalent and are priced in US dollars, rounded to the second decimal place.

The price of the credit trading is set by the Seller. However, if the Buyer plans to buy credits up to a certain quantity or amount, the price may be negotiated by the Buyer and the Seller on the Trading Platform.

For trades pursuant to the provision in the preceding paragraph, the certain quantity or amount, and procedures for payment and transfer of credits may be stipulated in the membership agreements or be negotiated with Buyer and Seller by TCX. The provisions of the Article 7 Paragraph 2 of the Operating Procedures and Articles 13 to 15 of these Trading Rules do not apply.

Article 11

After the credits are listed, the price and listing quantity of the credits may be adjusted once each day pursuant to an application, and other vintages of credits for project already listed may also be added pursuant to an application. The application method shall be handled in accordance with the provisions of the Operating Procedures.

The information on tradable projects, project ID, quantities, prices, etc. on the Trading Platform for each trading day shall be confirmed by TCX and made into a main data file after trading hours in the preceding business day.

Article 12

After a transaction is completed, TCX may charge members a transaction fee.

The fees charged by TCX to members under Article 3 Paragraph 4, Article 6 Paragraph 3, Article 12 Paragraph 1, and Article 17 Paragraph 2 shall be handled in accordance with the Taiwan Carbon Solution Exchange Corporation Fee Schedule for Trading of International Carbon Credits Non-recognized under the Climate Change Response Act.

Article 13

Before placing a buy order, Buyer shall deposit the pre-funding amount into the trust bank account designated by TCX. The transaction price shall include taxes, transaction fees, costs and expenses arising from payment. Buyer may only place a buy order within the amount actually received by the TCX's trust bank account.

If pre-funding amount is not fully used for payment, Buyer may apply to return the remaining amount to the bank account designated by Buyer. TCX shall, within two business days after confirmation, deduct the costs and expenses derived from the refund and return the remaining amount to Buyer's bank account.

Article 14

TCX shall send a verification code after Buyer places a buy order. Buyer shall complete the transaction verification within five minutes for the trade to be established. If the verification is not completed within the time limit or the verification fails, the transaction will not be established.

Article 15

TCX shall transfer the credits to Buyer's account and issue an invoice within two business days after the trade is established. After deducting from the Buyer's payment the transaction fee, tax payable by the Seller, and costs and expenses arising from payment, TCX shall remit the balance to the bank account designated by Seller.

Article 16

Under special circumstances where Seller fails to transfer sufficient credits or Buyer fails to deposit sufficient pre-funding amount to TCX, causing TCX to be unable to execute the transaction within the time limit set forth in Article 15, a breach shall be deemed to have occurred.

Article 17

TCX may, for itself or the benefit of third parties, legally engage in the business of credit trading. The provisions of Articles 5 and 6 of these Trading Rule shall apply *mutatis mutandis*; provided however that, if TCX trades credits for the benefit of a third party, and the third party principal later applies for membership in accordance with Article 3, TCX may transfer the credits to the principal's member account.

Where TCX acts in the benefit of a third party to engage in the credit trading mentioned in the preceding paragraph, it may charge the third party principal an administrative fee at its discretion.

Chapter III Consequence of Breach

Article 18

Where Article 16 applies in respect of Buyer or Seller, TCX shall send a notice of breach to both Buyer and Seller, and may suspend the use of the applicable member account for one month to one year on a case-by-case basis, and may (additionally) impose a penalty of TWD 10,000 to TWD 1 million.

Article 19

Buyer or Seller who is penalized by the TCX shall pay the fines to TCX within 30 days after receiving the notice from TCX.

Chapter IV Supplemental Provisions

Article 20

The trading of credits shall be conducted in accordance with the provisions of these Trading Rules. Where these Trading Rules are silent, the relevant provisions of the TCX's rules and regulations shall apply.

Article 21

These Trading Rules and any amendments thereto shall come into effect upon approval by the Board of Directors.