

Taiwan Carbon Solution Exchange Corporation
Operating Procedures for Listing of International Carbon Credits
Non-recognized under the Climate Change Response Act

Chapter I General Principles

Article 1

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

Article 2

When used in these Operating Procedures, “credit(s)” refers to international carbon credits not covered under Article 27, Paragraph 1 of the Climate Change Response Act; and “project(s)” refers to international emission reduction projects that, after its implementation, may generate credits.

When used in these Operating Procedures, “Trading Platform”, “Buyer(s)”, and “Seller(s)” shall have the same meaning as those defined in the Trading Rules of International Carbon Credits Non-recognized under the Climate Change Response Act of TCX.

Article 3

Regarding listing of credits, unless otherwise stipulated by laws and regulations, it shall be handled in accordance with these Operating Procedures. If there are changes in the provisions on which the relevant regulations are based, they shall be handled in accordance with the new provisions.

Chapter II Listing Criteria

Article 4

Credits listed on the TCX’s Trading Platform shall be issued by a registry that possesses an effective management framework ensuring transparency, a registration mechanism that can effectively track credit transfers, rigorous third party independent validation and verification procedures, and rules for public disclosure of project and credit information, and shall be approved by TCX.

For the registries approved by TCX, please refer to Appendix 1.

Article 5

The projects for the credits listed on the TCX’s Trading Platform shall meet the following criteria:

- (1) Recognized by the registry mentioned in the preceding article as meeting the principles of measurement, reporting and verification (MRV) of greenhouse gas (GHG) mitigation, and has additionality, conservativeness, permanence, and shall avoid environmental hazards and double counting.
- (2) Compliant with at least three United Nations Sustainable Development Goals.
- (3) Having no other circumstances that TCX deems unsuitable for listing.

Article 6

The projects screened according to the criteria of the preceding article represent only that, according to public information, their credits meet the eligibility for listing, and do not constitute any guarantee on the quality of the credits, nor replace the functions and status of registries, validation and verification bodies, etc.

In the event of concealment, deception, error, falsehood or violation of laws and regulations and the provisions of the TCX's relevant rules and regulations in the public information of the Seller, the registry, or validation and verification bodies, each such party shall bear full responsibility under the relevant laws.

TCX may, where deemed necessary by it pursuant to its business needs, request Sellers to provide relevant information, documents, and explanations regarding their projects.

Chapter III Credit Listing

Article 7

The Seller shall enter the listing information on the Trading Platform and apply for listing with TCX at least five business days prior to the scheduled listing date. Upon acceptance by TCX, Seller shall confirm the listing at least three business days before the listing date.

Except in special circumstances, Seller shall transfer the credit to be listed to the TCX's registry account at least two business days before the listing date, and TCX shall make a listing announcement after Seller completes the credit transfer.

If any of the following circumstances are discovered by TCX after Seller's application for credit listing and before the listing date, TCX may reject the listing application:

- (1) Incomplete input content by Seller.
- (2) Failure to transfer credits within the time limit specified in the preceding paragraph.
- (3) Failure to make corrections within a specified deadline by TCX, or failure to meet the criteria even after corrections.
- (4) Non-compliance with the provisions of Article 5 and Article 8 Paragraph 2 of

these Operating Procedures.

(5) Credits have been used or retired.

(6) Suspension or termination of access to the Seller's Trading Platform account by TCX.

(7) Other circumstances deemed by TCX as inappropriate for listing.

Article 8

Seller may apply to list credits from more than one vintage of a project.

The vintage in the preceding paragraph shall not exceed five years from the year of Seller's application for listing.

The provisions of Article 7 shall apply *mutatis mutandis* to the application procedures for listing of credits of other vintages of a project that has already been listed.

Article 9

Seller may, on a business day, apply to change the quantity or adjust the price of the credits that have been listed but not traded. If the application is submitted before 4:30 PM on the application day, the change will take effect on the next business day; if the time of application is later than 4:30 PM, the change will take effect on the second business day thereafter.

If the change in the preceding paragraph involves an increase in the quantity of credits, except in special circumstances, the credits shall be transferred to the TCX's registry account before 6:30 PM on the business day before the change takes effect. If the change involves a reduction in the quantity of credits, TCX shall return the reduced credits to Seller's registry account on the effective date of the change.

After Seller applies with TCX for a change in accordance with the provisions of this article, if TCX finds concrete evidence that the change is inappropriate before the effective date of the change, TCX may reject the application.

Article 10

If Seller applies to delist all vintages of credits, resulting in the project having no credits listed for trading on the TCX's Trading Platform, the provisions of Article 7 shall apply *mutatis mutandis* to the reapplication for listing credits under the same project.

Article 11

In the event of any of the following circumstances concerning listed credits, TCX may notify Seller to delist within a specified period, and the credits shall be returned to Seller's registry account on the delisting date:

- (1) The vintage of the credits exceeds ten years.
- (2) Other circumstances deemed by TCX as inappropriate for continued listing.

Chapter IV Consequence of Breach

Article 12

If Buyer or Seller violates any laws or regulation, or conceals or misrepresents any fact, and thereby causes significantly harm to the rights and interests of the other party, TCX may, depending on the circumstances of the case, suspend the use of his member account for a period of one month to one year, and may (additionally) impose a penalty of TWD 10,000 to TWD 1 million.

Article 13

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

Chapter V Supplemental Provisions

Article 14

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

Appendix I Approved Registry

1. Gold Standard Foundation
2. Verra