



***TRAFIGURA ENVIRONMENTAL
SOLUTIONS SARL (TRAFIGURA)
TERMS OF BUSINESS (TOB)
FOR EMISSIONS SERVICES
AND TRADING***



These ToB are applicable to spot, forward and option carbon credit transactions entered into by you and Trafigura that refer to these ToB. These ToB and the relevant Confirmation together constitute the Agreement. These ToB set out the terms and conditions upon and subject to which you will be a counterparty of Trafigura, subject to the terms of the relevant Confirmation.

tradable units in respect of those emissions, and the ongoing verification of those GHG Reductions, as the same is specified in the relevant Confirmation

Confidential Information means the terms of this Agreement and any information disclosed by a party under this Agreement that is marked as confidential or which might reasonably be expected to be confidential in nature

Confirmation means the written confirmation of the Transaction or Option Transaction, which shall be substantially in the form set out in Schedule 3 or Schedule 4, as applicable

Credit Support Document means a parent company guarantee, standby letter of credit, bank guarantee or advance payment which is in a form and substance acceptable to the requesting Party and issued by a company or first class international bank (as the case may be) acceptable to the requesting Party

Credit Support Provider mean the issuer of any Credit Support Document

Default Rate means an annual rate equal to four (4) per cent above 30-Day Average SOFR

Defaulting Party has the meaning given in clause 8

Deliver means (A) if the Transaction is for the Retirement of Units, the completed transfer of the applicable Volume of Units to a retirement sub-account of the Delivering Party if available, or otherwise the Retirement of the applicable Volume of Units in the Delivering Party's Registry Account with a notation that the Retirement is for the benefit of the Receiving Party, or (B) the completed transfer of the applicable Volume of Units to a Registry Account of the Receiving Party, in each case, under and in accordance with the Registry Rules, and **Delivered** is to be construed accordingly

Delivering Party means the Party Delivering Units under the Transaction

Delivery Date means the date on which the Units are required to be Delivered, as set out in the relevant Confirmation, provided that, if the date so specified is not a Business Day, the Delivery Date shall be deemed to be the next Business Day after the specified date

Dispute has the meaning given in clause 15

Early Termination Date has the meaning given in clause 9

European Option means a style of Option that may be exercised only during an Exercise Period that consists of one day

Event has the meaning given in clause 12.1

Event of Default means any of the events of default specified in clause 8

1 Definitions

1.1 Unless the context otherwise requires, the following words and expressions shall have the following meanings:

Abandonment of Standard has the meaning given in clause 13

Affected Party has the meaning given in clause 12.1

Affected Unit means a Unit which is or is alleged to have been the subject of an Unauthorised Transfer (as confirmed by an Appropriate Source)

Affiliate means a company which directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with a Party. For this purpose, control means the direct or indirect ownership of, in aggregate, fifty (50) per cent or more of voting capital

Agreement means these ToB (including the Schedules) and the relevant Confirmation (which constitutes a supplement to and forms a part hereof)

American Option means a style of Option that may be exercised at any point during an Exercise Period that consists of more than one day

Appropriate Source means any authority or entity having power in law to block, suspend, refuse, reject, cancel or otherwise affect the Delivery (whether in whole or part) of Units or any law enforcement or Tax authority of competent jurisdiction

Bermudan Option means a style of Option that may be exercised on certain days during an Exercise Period that consists of more than one day

Business Day means a day on which commercial banks are open for business in the location specified in the Confirmation

Buyer has the meaning given in Schedule 2

Call Option means an Option Transaction entitling (but not obliging) the Buyer upon exercise to purchase Units from the Seller at the Strike Price per Unit

Carbon Standard means the body, organization, or voluntary or legislative scheme for the establishment of projects generating GHG Reductions, the award of

Exercise Period means (A) in respect of an American Option, the period from and including 0900 hours to and including 1700 hours (or, in the case of the Expiration Date, to and including the Expiration Time) on all Business Days from and including the Transaction Date to and including the Expiration Date; (B) in respect of a Bermudan Option, the period from and including 0900 hours to and including 1700 hours on any Potential Exercise Day (or, in the case of the Expiration Date, to and including the Expiration Time); and (C) in respect of a European Option, the period from and including 0700 hours on the Expiration Date to and including the relevant Expiration Time

Expiration Date means the date on which an Option expires

Expiration Time means the time on an Expiration Date at which the Option expires, which will be 1700 hours

GHG Reductions means the removal, limitation, reduction, avoidance, sequestration or mitigation of emissions of greenhouse gases

Insolvency Event means an event whereby a Party (i) makes a general assignment for the benefit of its creditors, (ii) commences a proceeding under applicable bankruptcy law or other law for the relief of debtors, (iii) files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganisation (other than a voluntary reorganisation), winding-up, or composition or readjustment of debts, (iv) has a trustee, receiver or similar official appointed for it, or for a substantial part of its property; (v) becomes insolvent or is unable to pay its debts as they become due; or (vi) has instituted against it any involuntary bankruptcy, reorganisation, debt arrangement, or other proceeding under any applicable bankruptcy, insolvency or other similar law for the relief of debtors or any dissolution or liquidation proceeding

laws means the applicable laws, rules, regulations, decrees, agreements, concessions and arrangements in effect on the date hereof with governments, government instrumentalities or public authorities affecting the Units sold hereunder insofar as such laws affect either Party's ability to perform its obligations under this Agreement

No Encumbrance Representation has the meaning given in paragraph 9 of Schedule 1

Option means a right but not an obligation to enter into a Transaction, which is given to a Buyer by way of an Option Transaction to enter into a Transaction in consideration of the payment of a Premium to the Seller, which Option may be an American Option, a Bermudan Option, or a European Option

Option Transaction means a transaction between the Parties to enter into an Option and is identified in the related Confirmation as an Option Transaction

Party means either of Trafigura or the Counterparty, and **Parties** means Trafigura and the Counterparty jointly

Payment Date means the date specified in the Confirmation, provided that, if the date so specified is not a Business Day, the Payment Date shall be deemed to be the next Business Day after the specified date

Potential Exercise Day means, in respect of a Bermudan Option, each day that the Parties agree to be a day on which the Buyer may exercise the Option, each such date if not a Business Day, the next following day that is a Business Day, and the Expiration Date

Premium means the price (if any) to be paid by the Buyer in respect of the Option Transaction exclusive of VAT and other applicable Tax

Premium Payment Date means the payment date for the Premium as agreed in respect of an Option Transaction and set out in the relevant Confirmation, provided that, if the date so specified is not a Business Day, the Payment Date shall be deemed to be the next Business Day after the specified date

Price means the price per Unit specified in, or otherwise as determined in or pursuant to, the relevant Confirmation

Put Option means an Option Transaction entitling (but not obliging) the Buyer upon exercise to sell Units to the Seller at the Strike Price per Unit

Receiving Party means the Party receiving Units from the other Party under the Transaction or, in respect of a Retirement, the Party that will receive the benefit of the Retirement as the beneficial owner of the Units

Reference Price means the price or formula agreed between the Parties as the reference price for the relevant type of Units and, if no such price or formula is specified, then the average of a quotation from each of three leading traders in the trading market for the relevant type of Units, as selected by the Buyer in good faith

Registry means the registry established under applicable laws or under the applicable Standard which is specified in the relevant Confirmation

Registry Account means the account of each Party that is established and maintained in the relevant Registry and that will be used for the Delivery of Units, as specified in the relevant Confirmation

Registry Rules means the Registry laws (as applicable), rules and procedures which are specified in the relevant Confirmation

Relevant Authority has the meaning given in the relevant Confirmation

Retirement means the completed transfer of the applicable Volume of Units to the retirement sub-account (or similar) of the Delivering Party if available, or otherwise the cancellation of the applicable Volume of Units in the Delivering Party's Registry Account with a notation that the cancellation is for the benefit of the Receiving Party, as further specified in paragraphs 4, 5 and 6 of Schedule 1, and **Retires** is to be construed accordingly

Seller has the meaning given in Schedule 2

Settlement Amount means (i) following an Event of Default, an amount that the non-Defaulting Party determines, or (ii) following a Settlement Disruption Event or a Suspension Event, an amount that the Unaffected Party determines, in each case, in good faith and in a commercially reasonable manner, to be its resulting total losses and costs (or gain, in which case expressed as a negative number) including its loss of bargain (which may be, where a market price can be established, based on the difference between the contract price and the market price), cost of funding (based on the actual costs of such Party whether or not greater than market costs) or, without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or re-establishing any related trading position (or any gain resulting from any of them). The Settlement Amount shall include reasonable legal fees and out-of-pocket expenses arising out of any enforcement of this Agreement. Where the Event of Default is a breach of the No Encumbrance Representation by the Defaulting Party caused by the transfer of an Affected Unit, the Receiving Party shall be entitled to include in the Settlement Amount any losses arising out of or in connection with any claim, demand, action or proceeding brought against the Receiving Party by a third party consequent upon the transfer to it by the Receiving Party of an Affected Unit

Settlement Disruption Event means an event or circumstance beyond the reasonable control of the Party affected that cannot, after the use of all reasonable efforts, be overcome and which makes it impossible for that Party to perform its obligations either to Deliver or to accept Units in accordance with the terms of the Transaction, provided that:

- (a) the inability of the Delivering Party to Deliver Units as a result of insufficient Units in the relevant Registry Account whether caused by the low or non-allocation of Units by the Standard, or the failure of a Party to procure sufficient Units to meet its Delivery

obligations under and in accordance with the Transaction shall not constitute a Settlement Disruption Event; and

- (b) if an event or circumstance which would otherwise constitute or give rise to a Settlement Disruption Event also constitutes a Suspension Event or Abandonment of Standard, it will be treated as a Suspension Event or Abandonment of Standard, as the case may be, and will not constitute a Settlement Disruption Event

Standard means the Carbon Standard specified in the relevant Confirmation and the Quality Standard (if specified as applicable in the relevant Confirmation), in each case managed by the specified Relevant Authority

Standard Rules means the laws (as applicable), rules and procedures of the Carbon Standard and if a Quality Standard is specified as applicable in the relevant Confirmation the rules and procedures of that Quality Standard (in each case, as amended from time to time)

Strike Price means, in respect of an Option Transaction, the price per Unit specified or otherwise as determined in or pursuant to the relevant Confirmation

Suspension Event means a failure of the central systems or processes either established under the Standard Rules for the Carbon Standard, or established under the Registry Rules for the Registry, such that a Party's ability to Deliver Units or perform its obligations under this Agreement is made impossible

Tax means any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority in respect of any payment under this Agreement, other than a stamp, registration, documentation or similar tax

Termination Payment has the meaning given in clause 9.2

Termination Payment Currency means United States dollars, the lawful currency of the United States (unless an alternative Termination Payment currency is specified in the relevant Confirmation)

ToB has the meaning given to it in the recitals above

30-Day Average SOFR means the Federal Reserve Bank of New York (or a successor administrator) published 30-day compounded average of the Secured Overnight Financing Rate (**SOFR**) at 08:00 US Eastern Time on the day that is five (5) days prior to the date when payment of the sum due is made, as

published on the Federal Reserve Bank of New York's Website (<https://apps.newyorkfed.org/markets/autorates/sofr-avg-ind>), or by any other person which takes over the publication of that rate. If the 30-day average is not published on any such day, the rate appearing at 08:00 US Eastern Time for the immediately preceding publication date shall be used. If the SOFR rate is negative for any calculation period, it shall be treated as zero for such period.

If SOFR is not available, then a benchmark rate which has been formally designated, nominated or recommended as the replacement for SOFR by any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of any of them shall replace SOFR, provided that if no such replacement rate is available, the Parties shall agree on another reasonably comparable interest rate or publication

Transaction means a physically-settled transaction under this Agreement between the Parties

Transaction Currency means the currency of the Transaction and/or Option Transaction which is specified in the Confirmation

Transaction Date means the date a Transaction or Option Transaction is entered into

Unaffected Party has the meaning given in clause 12.1

Unauthorised Transfer means the transfer by debiting of any Unit from an account holder's account and the crediting of an account of another person, where such transfer is not initiated by the relevant authorised representative or additional authorised representative of the first account holder

Unit means a unit issued or (where applicable) to be issued in accordance with the Carbon Standard in respect of GHG Reductions recognised by the Carbon Standard, as further specified in the relevant Confirmation

Unpaid Amounts means any unpaid amounts due and payable under this Agreement, whether due prior to or after any Early Termination Date (but excluding any Settlement Amount under clause 9) and any amounts which would be payable but for any conditions specified in clause 5

Value Added Tax or **VAT** means (a) any value added Tax, or (b) any replacement or other Tax levied by reference to value added to a transaction

Volume means the volume of Units agreed to be Delivered pursuant to the Transaction, as specified in the relevant Confirmation.

- 1.2 In this Agreement: (a) reference to any law or statute includes any amendment to, consolidation, re-enactment or replacement of such law or statute; (b) any reference to a clause or Schedule is a reference to a clause of or the Schedules to these ToB; (c) words in the singular are to be interpreted as including the plural, and vice versa, to the extent the context permits or requires; (d) the terms including and in particular are used for illustration or emphasis only and not to limit the generality of any preceding words, whether or not non-limiting language (such as without limitation, but not limited to and similar expressions) is used with reference to them; and (e) any reference to time is to Central European Time.

2 Subject of Agreement

- 2.1 This Agreement will govern the Transaction and/or Option Transaction entered into between the Parties which is stated in the relevant Confirmation, and each Transaction and Option Transaction entered into shall be confirmed by a Confirmation. In the event of any inconsistency between the provisions of these ToB and the provisions of any Confirmation, the Confirmation will prevail.
- 2.2 The Transaction or Option Transaction will be entered into upon the agreement of the Parties and the Parties intend to be legally bound by the terms of the Transaction or Option Transaction from the moment they agree to those terms (whether orally or otherwise).

3 Confirmations

- 3.1 Unless otherwise agreed, the Delivering Party (or in the context of an Option Transaction, the Seller) (hereafter in this clause referred to as **X**) shall send to the Receiving Party (or in the context of an Option Transaction, the Buyer) (hereafter in this clause referred to as **Y**) by email or facsimile, a Confirmation, which shall be substantially in the form set out in Schedule 3 or a Confirmation promptly after the agreement of an Option Transaction which shall be substantially in the form set out in Schedule 4, recording the details of the Transaction within three (3) Business Days of the Transaction having been entered into.
- 3.2 If Y is satisfied that the Confirmation accurately reflects the terms of the Transaction, Y shall countersign and return the Confirmation to X by email or facsimile within three (3) Business Days of receipt of the Confirmation from X.

- 3.3 If Y is not satisfied that the Confirmation accurately reflects the terms of the Transaction, Y shall inform X of any inaccuracies within three (3) Business Days of receipt of the Confirmation. If X agrees that the Confirmation is inaccurate, X shall issue a new Confirmation, and the provisions of clauses 3.1 and 3.2 above will apply with all necessary changes.
- 3.4 If Y fails to countersign and return the Confirmation to X within seven (7) Business Days, Y shall be deemed to accept the Confirmation.
- 3.5 If Y has not received a Confirmation from X within three (3) Business Days of the Transaction having been entered into, Y shall send to X a Confirmation. Clauses 3.2, 3.3 and 3.4 above shall apply in relation to any such Confirmation by replacing all references to Y with X and all references to X with Y.
- 4 Representations and Warranties**
- 4.1 Each Party represents and warrants to the other that:
- (a) it is fully and properly established under the laws of its jurisdiction of incorporation and has the power, authority and regulatory status to enter into and perform its obligations under this Agreement and the Transaction and/or Option Transaction;
 - (b) this Agreement constitutes the legal valid and binding obligations of the Party, enforceable in accordance with its terms;
 - (c) all licences, permits, authorisations, consents, contracts and other approvals (if any) that are required to enable it to fulfil any of its obligations under this Agreement have been (or will be, when required) obtained and are (or will be, once received) in full force and effect, and all conditions of any approvals have been (or will be, once received) complied with;
 - (d) there are no claims, actions, proceedings or investigations pending or, so far as it is aware, threatened against it before any competent authority which may adversely affect its financial condition or its ability to perform its obligations under this Agreement;
 - (e) the execution and delivery of, and the performance of its obligations under, this Agreement do not violate or conflict with any law or statute applicable to it, including any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets, or any contractual restriction binding on or affecting it or any of its assets;
- (f) it is entering into this Agreement and the Transaction and/or Option Transaction pursuant to this Agreement in good faith and for the purpose of carrying on its business to its benefit;
 - (g) it is not relying upon any representations from the other Party except those expressly set out in this Agreement;
 - (h) it has negotiated, entered into and executed this Agreement as principal (and not as agent or in any other capacity, fiduciary or otherwise);
 - (i) its decisions with respect to this Agreement and the Transaction and/or Option Transaction have been as a result of arm's length, individual negotiations between the Parties;
 - (j) it is entering into this Agreement after a full opportunity to review its terms and conditions, has a full understanding of those terms and conditions, and is capable of and willing to assume any risks in relation thereto;
 - (k) it has consulted with its own legal, regulatory, tax, business, investments, financial and accounting advisers to the extent that it has deemed necessary, and it has made its own investment and trading decisions based on its own judgement and upon any advice from such advisers as it has deemed necessary and not upon any view expressed by the other Party; and
 - (l) no Event of Default, or event that with notice or lapse of time or both would constitute an Event of Default, has occurred with respect to it and no such event would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.
- 4.2 The Delivering Party represents and warrants to the Receiving Party that all information provided to the Receiving Party or to any third party (including the Relevant Authority), in

- relation to the subject matter of this Agreement or the issuance and Delivery of Units is, as of the date it is provided, true, accurate and complete in every material respect.
- 5 Invoicing and payments**
- 5.1 As soon as practicable after the Transaction Date or the Delivery Date (as applicable), the Delivering Party (or the Seller in respect of an Option Transaction) shall send an invoice to the Receiving Party (or the Buyer in respect of an Option Transaction). The invoice shall show:
- (a) the Payment Date;
 - (b) the Volume, the Price per Unit and, if an Option Transaction, the Premium;
 - (c) the number of to be Delivered/ Delivered Units and the relevant Delivery Date;
 - (d) any amount owing from one Party to the other under this Agreement;
 - (e) the net amount payable from one Party to the other after taking into account all the matters set out above; and
 - (f) any applicable VAT and any other amount payable under clause 6 .
- 5.2 Each payment due in connection with a Transaction and/or Option Transaction will be made in the Transaction Currency via wire transfer in immediately available funds on the relevant Payment Date to the Delivering Party's specified bank account. Payment shall be made without any deduction, discount, set-off, withholding or counterclaim whatsoever and free of all bank fees or charges. All bank charges incurred at the Delivering Party's bank shall be for the Delivering Party's account while all bank charges incurred at the Receiving Party's bank shall be for the Receiving Party's account.
- 5.3 Any amounts not paid when due shall accrue interest daily from the day immediately after the due date until paid in full at the Default Rate on the basis of the actual number of days elapsed.
- 5.4 If a Party disputes in good faith any sum shown in a valid invoice as being payable by that Party, it shall give notice to the other Party of the amount in dispute and the reasons for the dispute within the period specified in clause 5.7, and shall pay the undisputed amount invoiced by no later than the Payment Date.
- 5.5 The Parties shall seek to settle the disputed amount as soon as reasonably possible but no later than sixty (60) days after the date a Party first notifies the other Party of such a dispute.
- 5.6 Any adjustment payment required to be made in accordance with the resolution of a dispute shall be made, with interest payable in accordance with the Default Rate, within three (3) Business Days of that resolution.
- 5.7 All invoices shall be paid within three (3) Business Days (unless a different date is specified in the Confirmation). All invoices prepared in accordance with this Agreement are conclusively presumed final and accurate unless objected to in writing, with adequate explanation and documentation, within three (3) Business Days after the Business Day the invoice was received, or should have been received, by the Receiving Party.
- 5.8 Any obligation to make payments under this Agreement in the Transaction Currency or the Termination Payment Currency (as applicable, the **Required Currency**) will not be discharged or satisfied by any tender in any other currency.
- 6 Taxes**
- 6.1 All amounts or values of consideration provided for in this Agreement are exclusive of VAT or a similar Tax chargeable on the supply or supplies for which such amounts form the whole or part of the consideration for VAT purposes. The VAT treatment of any Delivery shall be determined pursuant to the VAT law of the jurisdiction where a taxable transaction for VAT purposes is deemed to have taken place. If VAT is properly chargeable on any such supply or supplies, the Receiving Party shall pay to the Delivering Party an amount equal to the VAT, if any; provided, however, that:
- (a) such amount shall only be required to be paid once the Delivering Party provides the Receiving Party with a valid VAT invoice in relation to that amount; and
 - (b) the Receiving Party shall be under no obligation to make any payment to the Delivering Party in respect of VAT which the Receiving Party must self-assess under the reverse charge rule or any similar system in the Receiving Party's jurisdiction.

Each Party shall to the extent permitted by law provide the other with any additional valid VAT invoices as required for the purposes of this Agreement and, to the extent required by law, shall correctly account for any VAT properly due in its jurisdiction.

6.2 Subject to each Party's obligations relating to VAT or similar Taxes, each Party shall cause all Taxes legally payable by that Party arising in connection with this Agreement to be paid. In the event that a Party (the **Paying Party**) is required by law to pay any Tax which is properly for the account of the other Party, the other Party shall promptly indemnify or reimburse the Paying Party in respect of such Tax. If the Paying Party is the Receiving Party, the Receiving Party may deduct the amount of any such Tax from the sums due to the Delivering Party under this Agreement and the Delivering Party shall promptly indemnify or reimburse the Receiving Party in respect of any such Tax not so deducted.

7 Credit support

7.1 The Credit Support Document requirements (if any) for each Transaction are set out in the relevant Confirmation.

7.2 Notwithstanding whether any Credit Support Document is specified in the relevant Confirmation, a Party (Party X) shall have the right, on giving the other Party (Party Y) notice of not less than 2 Business Days to that effect, to require a Credit Support Document or additional credit support of a type acceptable to Party X to be provided in an amount and by the time specified in Party X's notice aforesaid.

8 Events of Default

An event of default (**Event of Default**) shall mean, with respect to a Party (**Defaulting Party**), any of the following:

- 8.1 subject to clause 12 and clause 13 :
- (a) a failure to Deliver or accept Units in accordance with this Agreement, and such failure is not cured within five (5) Business Days (or such longer period as may be acceptable to the non-Defaulting Party) after written notice is given to the Defaulting Party;
 - (b) a failure to make when due any payment required under this Agreement (or any other agreement with the Non-Defaulting Party or any of its Affiliate) if such failure is not remedied within three (3) Business Days after written notice of default has been given to the Defaulting Party; or

(c) the material breach of any obligation set out in this Agreement or any Credit Support Document (other than obligations constituting a separate Event of Default under this clause 8), which is not cured within five (5) Business Days (or such longer period as may be acceptable to the non-Defaulting Party) after written notice is given to the Defaulting Party;

8.2 any representation or warranty made in this Agreement or any Credit Support Document (including for the No Encumbrance Representation) shall prove to have been false or misleading in any material respect and (if capable of being remedied) it is not remedied within three (3) Business Days of notice being provided to the Defaulting Party;

8.3 the occurrence of an Insolvency Event in relation to the Defaulting Party, any of its Affiliates, its parent company or a party which has issued any Credit Support Document; or

8.4 failure to provide a Credit Support Document in accordance with clause 7, or the expiration, termination or lapsing of any Credit Support Document given on behalf of a Party before satisfaction of all obligations of such Party in relation to the Transaction.

9 Remedies

9.1 If an Event of Default has occurred and is continuing, the non-Defaulting Party may, in its sole discretion, designate a day no earlier than the day such notice is effective as an early termination date (**Early Termination Date**).

9.2 On the Early Termination Date, all obligations due on or after the Early Termination Date under the Transaction and/or Option Transaction shall be terminated. If an Early Termination Date has been designated, the non-Defaulting Party shall calculate the Settlement Amount as of the Early Termination Date (or as soon after as is reasonably practicable). The non-Defaulting Party shall aggregate the amounts due between the Parties into a single net amount in the Termination Payment Currency (**Termination Payment**) by calculating the Settlement Amount and:

- (a) adding all the Termination Payment Currency equivalent of the Unpaid Amounts owed to the non-Defaulting Party; and
- (b) subtracting all the Termination Payment Currency equivalent of the Unpaid Amounts owed to the Defaulting Party.

- 9.3 The non-Defaulting Party shall notify the Defaulting Party in writing of the amount of the Termination Payment and whether the Termination Payment is due to or from the Defaulting Party. The Party owing the Termination Payment shall make payment of the Termination Payment to the other Party in the Termination Payment Currency within two (2) Business Days after the effective date of such notice, with interest thereon at the Default Rate from the day immediately after the date that the Termination Payment is due until the date that the Termination Payment has been paid in full.
- 10 **No Consequential Losses**
- Except to the extent included in any amount payable under clauses 9.2 or 12.3, no Party shall be liable to the other Party in respect of a claim in connection with this Agreement in contract, tort (including negligence) or otherwise for any indirect or consequential loss or for any loss of revenue, profits, goodwill, business or anticipated business, anticipated savings or for any business interruption, loss of data, or other indirect or consequential loss or damage whether or not that loss was, or ought to have been, contemplated by the Party in breach.
- 11 **Set-Off**
- Without prejudice to any right of set-off, combination of accounts, lien or other right (whether by operation of law or otherwise), upon the occurrence of an Early Termination Date, the non-Defaulting Party shall be entitled at its option to set-off any amount payable by the non-Defaulting Party to the Defaulting Party under this Agreement or any other agreements, instruments or undertakings between the Parties against any amounts payable by the Defaulting Party to the non-Defaulting Party under this Agreement or any other agreements, instruments or undertakings between the Parties. If an obligation is unascertained, the non-Defaulting Party may in good faith estimate that obligation and set-off in respect of that estimate, subject to the non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. In the event an overpayment was made as a result of such estimate, the overpaid sums shall be returned to the Defaulting Party within three (3) Business Days of the aforesaid accounting.
- 12 **Settlement Disruption Event and Suspension Event**
- 12.1 Upon the occurrence of a Settlement Disruption Event or Suspension Event (each shall be known as an **Event** in this clause 12), either Party may notify the other Party in writing of the commencement of the Event.
- Where the notification is from the Party affected by the Event (in this clause, the **Affected Party**), it must also provide reasonable details of the Event and an estimate of the extent and the expected duration of the Event to the other Party (in this clause, the **Unaffected Party**). The obligations of both Parties under this Agreement with respect to the Transaction and/or Option Transaction will be suspended for the duration of the Event. During the continuation of the Event, the Affected Party shall use all reasonable endeavours to overcome the Event.
- 12.2 Upon the Event being overcome or it ceasing to subsist, both Parties will, as soon as reasonably practicable, resume full performance of their obligations under this Agreement with respect to the Transaction and/or Option Transaction.
- 12.3 Where the Event continues for a period of nine (9) consecutive Business Days, the Unaffected Party may, by written notice to the Affected Party, terminate the Transaction or Option Transaction. Upon termination under this clause, the Parties' corresponding Delivery obligations shall be released and discharged and the Unaffected Party shall calculate the Settlement Amount in the Termination Payment Currency. The Party owing the Settlement Amount shall pay that amount to the other Party within two (2) Business Days after the date on which the amount is agreed in the Termination Payment Currency, with interest at the Default Rate from the day immediately after the date that the Settlement Amount is due until the date that the Settlement Amount is paid in full. If the Parties fail to agree the Settlement Amount within five (5) Business Days after termination under this clause 12.3, clause 15 shall apply.
- 13 **Abandonment of Standard**
- 13.1 Without prejudice to clause 12, if at any time the Carbon Standard against which GHG Reductions are to be verified or Units issued is discontinued, terminated, abolished or replaced by another Carbon Standard and, as a result of any of these, the trading or transferal of Units is eliminated, abolished or made impossible in the reasonable opinion of either Party (**Abandonment of Standard**) on or prior to any Delivery Date, then either Party shall have the option to request renegotiation of such terms of this Agreement which have been affected by the Abandonment of Standard. This option may be exercised by such Party at any time after the Abandonment of Standard has occurred by giving written notice of desire to renegotiate.

- 13.2 If the Parties do not agree upon new terms satisfactory to both within thirty (30) days after a Party gives such notice, the Party giving notice pursuant to this provision shall have the right to terminate this Agreement on sixty (60) days' notice. Any Units sold and Delivered during such sixty (60) day period, to the extent such sale is possible, shall be sold and purchased at the Price and on the terms applying to the relevant Confirmation without any adjustment.
- 13.3 Notwithstanding the renegotiation provided under clause 13.1, if an Abandonment of Standard occurs in the period prior to an Option Exercise Date and, as a result, an Option cannot be exercised, the Option Transaction will be deemed to be terminated. No refund of Premium will be made.
- 14 Governing Law**
- This Agreement, and any non-contractual obligations arising out of or in connection with this Agreement, shall be governed by and is to be construed in accordance with English law.
- 15 Arbitration**
- 15.1 Any dispute, claim, difference or controversy arising out of, relating to or having any connection with this Agreement, including any dispute as to its existence, validity, interpretation, performance, breach or termination or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of or in connection with it (a **Dispute**), shall be referred to and finally resolved by arbitration. The arbitration shall be conducted in accordance with the rules of the London Court of International Arbitration (**LCIA**).
- 15.2 The arbitration shall be conducted before three (3) arbitrators to be agreed upon by the Parties. If the Parties fail to agree on and appoint the arbitrators within twenty-one (21) days of the service by one Party upon the other of a notice of arbitration requiring the other Party to agree on the arbitrators, then on the application of either Party the arbitrator shall be appointed by the LCIA.
- 15.3 The seat, or legal place of arbitration, shall be London. The language used in the arbitral proceedings shall be English.
- 16 Assignment**
- 16.1 Except as permitted by clause 16.2, neither Party may assign or otherwise transfer its rights or obligations under this Agreement in whole or in part without the prior written consent of the other Party (which consent shall not be unreasonably withheld or delayed).
- 16.2 Trafigura may assign, without obtaining prior written consent from the Counterparty, partially or in full, its right to receive and obtain payment (including payment of Premium) under a Transaction or an Options Transaction when this assignment is in connection with Trafigura's securitisation or funding arrangements. Such assignment will not impact Trafigura's obligations under this Agreement, a Transactions or an Option Transaction.
- 17 Confidentiality**
- 17.1 Except as permitted by this clause or unless specifically authorised in writing by the other Party, each Party shall keep the other Party's Confidential Information confidential and shall not disclose such Confidential Information to any person that is not an Affiliate or use such Confidential Information for any purpose other than the purpose of this Agreement, and the Transaction and/or Option Transaction under it.
- 17.2 Notwithstanding clause 17.1, any Party may disclose any Confidential Information:
- (a) to its professional advisers, auditors or bankers on a need to know basis; or
 - (b) if and to the extent disclosure is required by law, or the rules of any registered securities exchange upon which the Party's securities are listed, provided that Party gives the other Party notice of the requirement as soon as practicable before such disclosure is made; or
 - (c) if and to the extent the information is obtained or developed independently of the information disclosed by the disclosing Party.
- 18 Miscellaneous**
- 18.1 This Agreement contains the entire agreement between the Parties and supersedes all prior oral or written communications or agreements relating to the subject matter.
- 18.2 No amendment to this Agreement or a Transaction, Option Transaction or Confirmation shall be made otherwise than by an instrument in writing executed by the Parties.
- 18.3 The failure of a Party at any time to require performance of any of the provisions

- contained in this Agreement shall in no way affect the right of that Party to require any performance which may be due thereafter pursuant to such provision; nor shall the waiver by a Party of any breach of any provision of this Agreement be taken or held to be a waiver of any subsequent breach of such provision.
- 18.4 In the event any one or more of the provisions contained in this Agreement should be held to be invalid, illegal or unenforceable in any respect under the law of any jurisdiction, the validity, legality and enforceability of the remaining provisions contained in this Agreement under the law of such jurisdiction, and the validity, legality and enforceability of such and any other provisions under the law of any other jurisdiction shall not in any way be affected or impaired thereby. The Parties hereto shall endeavour in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.
- 18.5 This Agreement (including any Confirmations) may be executed in any number of counterparts and by different Parties in separate counterparts, any of which when so executed shall be deemed to be an original and all of which when taken together shall constitute the one and same Agreement.
- 18.6 All notices to be given under a Transaction and/or Option Transaction by one Party to the other shall be in writing in English and sent to the address specified in the relevant Confirmation. A notice shall be deemed to have been received by a Party if sent by courier, when received by the Party to which the notice is directed and, if sent by email or facsimile, when actually received by the intended recipient in a readable form. If the date of deemed receipt is not a working day in the place of receipt, the notice is deemed to have been received at the commencement of the next Business Day in that place.
- 18.7 Each Party is entitled to record telephone conversations held in connection with a Transaction, Option Transaction or this Agreement, and to use the same as evidence. Each Party waives any further notice of such recording and acknowledges that it has obtained all necessary consents of its officers and employees to such recording.
- 18.8 Nothing in this Agreement shall be considered or construed as conferring any right or benefit on a person not a party to this Agreement, and the Parties do not intend that any term of this Agreement should be enforceable, by virtue of the Contracts (Rights of Third Parties) Act 1999 (as amended) or otherwise, by any person who is not a party to this Agreement.
- 19 Sanctions, change in law and anti-bribery & corruption**
- 19.1 In this clause, **Sanctions** means economic or financial sanctions or trade embargoes or similar or equivalent restrictive measures imposed, administered, enacted or enforced from time to time by the United Nations, the European Union, the United Kingdom, the United States of America or other applicable sanctions authority.
- 19.2 It is agreed that all activities contemplated by the Parties pursuant to this Agreement will be performed in conformity with and shall not be prohibited by Sanctions and/or laws if and to the extent applicable. A Party shall not be required to do anything under this Agreement which constitutes a violation of, or would be in contravention of, any Sanction applicable to it.
- 19.3 If, at any time during the term of this Agreement any laws are changed, or new laws become effective (including a Suspension Event or Abandonment of Standard), or Sanctions or other trade restrictions are imposed, or there is a change in the interpretation of laws or Sanctions which would:
- (a) expose it to the risk of designation or to other punitive measures by a Sanctions authority;
 - (b) materially affect a Party's performance of this Agreement, including its ability to take or make delivery or make or receive any payments as may be required in the performance of this Agreement; or
 - (c) make it impossible for a Party to perform its obligations or enforce material rights under this Agreement;
- (each a **Trade Restrictions and Change of Laws Event**); or
- (c) a Trade Restrictions and Change of Laws Event causes (i) a curtailment, reduction in, interference with, failure or cessation of issuance of, Units or (ii) a refusal to issue such Units,
- then notwithstanding any clause or provision to the contrary in this Agreement, such Party may, by written notice to the other Party, (i) suspend performance until such time as the notifying Party may lawfully perform this Agreement and/or (ii) terminate this Agreement, in each event, without any further

obligation or liability by either Party, save for any accrued rights and remedies.

19.4 Each Party warrants and undertakes to the other Party that, in connection with this Agreement:

(a) it has implemented adequate internal procedures designed to ensure it shall not authorise the giving or offering of any financial or other advantage with the intention of inducing or rewarding an individual or entity to improperly perform an activity undertaken in the course of an individual's employment or connected to an entity's business activities (the **Anti-Corruption Laws**); and

(b) it has not authorised and it will not authorise, in connection with the performance of this Agreement, any financial or other advantage or the offering thereof, to or for the benefit of: public official, civil servant, political party, political party official, candidate for office, or any other public or private individual or entity where such authorisation would violate the Anti-Corruption Laws.

19.5 In the event of any breach of the warranties and undertakings in sub-clauses 19.4(a) and 18.4(b), the non-breaching Party may terminate this Agreement with immediate effect upon written Notice to the other Party. This shall be the sole remedy available under this Agreement for a breach of those sub-clauses.

**Schedule 1
Delivery of Units**

Delivery obligation

- 1 In relation to the Transaction, the Delivering Party agrees to sell and Deliver, and the Receiving Party agrees to purchase and accept the relevant Volume on the relevant Delivery Date, in accordance with the agreed terms of the Transaction, the terms and conditions of this Agreement, the Standard Rules and the Registry Rules. A Delivery (or part of a Delivery) shall be considered to be completed for the purposes of this Agreement when the relevant Volume of Units is received at the relevant Receiving Party's Registry Account (or in respect of Retirement at the Delivering Party's retirement sub-account if available, or otherwise when the applicable Volume of Units has been Retired in the Delivering Party's Registry Account with a notation that the Retirement is for the benefit of the Receiving Party), provided that, if the Delivering Party is unable to Deliver the Volume of Units on the Delivery Date because of a Settlement Disruption Event or a Suspension Event, the Delivery Date will be the next Business Day on which the Settlement Disruption Event or the Suspension Event no longer prevails.
- 2 The Parties agree to co-operate with each other in relation to each Transaction and to do such things and procure that such things are done as are necessary in accordance with and as required by the Standard Rules and the Registry Rules in order to Deliver the relevant Volume of Units by the relevant Delivery Date (and to refrain from doing such things as would impede or would reasonably be expected to impede such Delivery).

Transfer to the Receiving Party's Account

- 3 The Delivering Party shall take all necessary steps to Deliver (or procure the Delivery of) the relevant Volume of Units to the Receiving Party's Registry Account by the relevant Delivery Date and shall notify the Receiving Party once it has taken all such necessary steps. The Receiving Party shall procure that all steps required to be taken to enable Delivery of the Volume of Units into the Receiving Party's Registry Account are taken by the Delivery Date or, if not possible under the Registry Rules, as soon as reasonably possible thereafter.

Retirement

- 4 Where the Delivering Party Retires Units on behalf of the Receiving Party in accordance with this Agreement, the Receiving Party shall promptly provide to the Receiving Party the confirmation or other record provided by the

Registry in connection with the Retirement of the Volume of Units, including evidence of the change in status in connection with the relevant Units in the Registry from "issued" to "retired" or "cancelled".

- 5 In connection with any Units which are Retired pursuant to this Agreement, if the Registry includes the option to specify a "beneficial owner" or other comment in connection with the relevant Units, the Delivering Party shall, on the Receiving Party's written request, specify the Receiving Party as such "beneficial owner" or otherwise indicate the reason for Retirement as requested by the Receiving Party.
- 6 Retirement of a Volume of Units shall be considered to be complete and irreversible once it is completed in accordance with the Standard Rules and the Registry Rules (as applicable).

Title transfer

- 7 The Delivering Party shall convey and properly deliver to the Receiving Party all of the Delivering Party's rights, title and interest in the Units (together with the GHG Reductions associated with such Units) comprising the relevant Volume of Units on the Delivery Date.
- 8 Upon Delivery of each Volume of Units, all of the Units are deemed to be delivered by the Delivering Party with full title guarantee and all legal and beneficial rights, interests and title in each Unit and all corresponding GHG Reductions are deemed to be delivered to the Receiving Party.

No Encumbrance Representation

- 9 The Delivering Party represents and warrants to the Receiving Party that, on the relevant Delivery Date, the Delivering Party has full legal and beneficial title to the Units and GHG Reductions associated with each such Unit and, at the time of Delivery of the Unit, the Receiving Party shall receive all legal and beneficial right, interest and title, with full title guarantee, in each such Unit and associated GHG Reductions free and clear of all liens, security interests, claims and encumbrances or any interest in or to them by any person (the **No Encumbrance Representation**).

Amendments to the Registry Account

- 10 Either Party may, from time to time, amend the details of the Registry Account and/or nominate an additional Registry Account



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provided that such Party shall notify the other Party in writing of such amendment and/or addition (including the provision of the relevant account details) no less than thirty

(30) days prior to the next Delivery Date and provided further that the other Party consents to such changes within five (5) Business Days of receiving such notice from such Party.

Schedule 2
Specific requirements for Option Transactions

- 1 This Schedule 2 shall apply to all Option Transactions. For the purposes of this Agreement, **Buyer** means, in respect of an Option Transaction which is (A) a Call Option, the Receiving Party, or (B) a Put Option, the Delivering Party, and **Seller** means, in respect of an Option Transaction which is (A) a Call Option, the Delivering Party, or (B) a Put Option, the Receiving Party.
 - (c) any) in the Exercise Period or, in the alternative, on the Expiration Date.
 - (c) The Buyer will, within three Business Day of exercising such Option by giving notice orally, confirm such exercise by written notice to the Seller in accordance with clause 18.6. Any failure by the Buyer to send such written notice and/or any failure by the Seller to inform the Buyer of any inaccuracies in such written notice will not: (A) affect the validity or enforceability of the exercise of such Option or of the Transaction deemed to be entered into pursuant to this Agreement; or (B) be a material breach of obligations under this Agreement under clause 8.
- 2 The Premium in respect of the purchase of an Option shall be paid by the Buyer to the Seller on the Premium Payment Date for the Option Transaction and such Premium shall be paid in accordance with clauses 5 and 6.
- 3 Options may be exercised as set out below:
 - (a) The Buyer may provide a notice of exercise within the Exercise Period for the relevant Option Transaction:
 - (i) in writing to the Seller in accordance with clause 18.6; or
 - (ii) orally to a representative of the Seller on a recorded telephone line (but not by a message left on a voicemail or other messaging system).
 - (b) Unless otherwise agreed by the Parties, a notice of exercise is effective in the case of an American Option, (A) if received by the Seller at or prior to 1700 hours on any Business Day in the Exercise Period other than the Expiration Date, or (B) if received by the Seller at or prior to the Expiration Time on the Expiration Date, or (C) if received by the Seller after 1700 hours on any Business Day other than the Expiration Date, as of 0900 hours on the next following Business Day (if
 - 4 Where the Option is not exercised in accordance with this Schedule 2 by the Buyer at or prior to the Expiration Time on the Expiration Date, it will expire unexercised (except that any outstanding Premium will remain payable by the Buyer in accordance with clauses 5 and 6).
 - 5 Upon the Buyer exercising an Option in accordance with this Schedule:
 - (a) the relevant Option Transaction will be terminated to the extent it relates to the Option (but without prejudice to any claim that the Seller may have in respect of any unpaid Premium or other amount relating to such Option Transaction); and
 - (b) the Parties will be deemed to have entered into a Transaction evidenced by and on the terms relating to the relevant Option that are set out in the part of the relevant Confirmation for such Option Transaction that relates to such Transaction.



**Schedule 3
Form of Transaction Confirmation**

From: **TRAFIGURA ENVIRONMENTAL SOLUTIONS SÀRL**

Contact:

Email:

Telephone:

Facsimile:

Trade Reference:

CONFIRMATION

This Confirmation evidences the terms of the binding agreement regarding the Transaction described below and entered into under the ToB.

This Confirmation describes the additional terms applicable to this Transaction and supplements the ToB which apply to this Confirmation except as amended below. In the case of any inconsistency or conflict between this Confirmation and the ToB, the terms of this Confirmation shall prevail for the purpose of this Transaction.

Delivering Party and contact person:	[●]
Receiving Party and contact person:	[●]
Transaction Date:	[●]
Business Day:	[●]
Unit type:	[Verified Carbon Units (VCUs) / GS Voluntary Emission Reductions (GS-VERs)/ other to specify here]
Carbon Standard:	[Verified Carbon Standard / Gold Standard/ other to specify here]
[Quality Standard:	[●]]
Standard Rules:	All rules issued by the Relevant Authority in respect of the Carbon Standard[, including [●]]
Registry:	[Verra Registry / Gold Standard Registry/ other to specify here]
Registry Rules:	[Verra Registry Terms of Use / Gold Standard Registry Terms of Use/ other to specify here]
Relevant Authority:	[Verified Carbon Standard / Gold Standard Foundation/ other to specify here]
Registry Account:	[●]
Volume:	[●]
Delivery Date(s):	[●]
Price per Unit (excluding tax):	[●]
Total Purchase Price:	[●]
Payment Date:	[●]



Name of Broker (if applicable):	[●]
Transaction Currency:	[●]
Bank details:	Trafigura: Account Name: Account Number: Bank Name: Bank Address: Bank BIC (Swift Code): Counterparty: Account Name: Account Number: Bank Name: Bank Address: Bank BIC (Swift Code):
Credit Support Document:	Trafigura: [none / Parent Company Guarantee / other to be specified] Counterparty: [none / Parent Company Guarantee / other to be specified]
Credit Support Provider:	Trafigura: [not applicable / name of CSP] Counterparty: [not applicable / name of CSP]
Notice details:	Trafigura: [●] Attention: [●] Email address: [●] Counterparty: [●] Attention: [●] Email address: [●]
Special Conditions:	[●]

Please confirm that the foregoing correctly sets forth the terms of our agreement regarding this Transaction by either executing this Confirmation and returning it to us, or by sending us a form substantially similar to this Confirmation which sets forth the material terms of the Transaction to which this Confirmation relates and indicates your agreement to these terms as set out herein.

By signing this Transaction Confirmation, you agree to the terms of the Agreement.

TRAFIGURA ENVIRONMENTAL SOLUTIONS SÀRL

[COUNTERPARTY]

Name:

Name:

Title:

Title:



**Schedule 4
Form of Option Transaction Confirmation**

From: **TRAFIGURA ENVIRONMENTAL SOLUTIONS SÀRL**

Contact:

Email:

Telephone:

Facsimile:

Trade Reference:

CONFIRMATION

This Confirmation evidences the terms of the binding agreement regarding the Option Transaction described below and entered into under the ToB.

This Confirmation describes the additional terms applicable to this Option Transaction and supplements the ToB which apply to this Confirmation except as amended below. In the case of any inconsistency or conflict between this Confirmation and the ToB, the terms of this Confirmation shall prevail for the purpose of this Transaction.

Part 1

Seller and contact person:	[●]
Buyer and contact person:	[●]
Transaction Date:	[●]
Business Day:	[●]
Option style:	American / Bermudan / European
Option type:	Put / Call
Expiration Date(s):	[●]
Expiration Time:	[XX:XX in 24-hour format]
Potential Exercise Dates (Bermudan Options Only)	[●]
Premium:	[●]
Premium Payment Date:	[●]
Reference Price:	[●]

Part 2

Unit type:	[Verified Carbon Units (VCUs) / GS Voluntary Emission Reductions (GS-VERs)]
Carbon Standard:	[Verified Carbon Standard / Gold Standard]
[Quality Standard:	[●]]

Standard Rules:	All rules issued by the Relevant Authority in respect of the Carbon Standard[, including [●]]
Registry:	[Verra Registry / Gold Standard Registry]
Registry Rules:	[VerraRegistry Terms of Use / Gold Standard Registry Terms of Use]
Registry Account:	[●]
Volume:	[●]
Delivery Date(s):	[●]
Price per Unit:	[●]
Total Purchase Price:	[●]
Payment Date:	[●]
Name of Broker (if applicable):	[●]
Transaction Currency:	[●]
Bank details:	<p>Trafigura: Account Name: Account Number: Bank Name: Bank Address: Bank BIC (Swift Code):</p> <p>Counterparty: Account Name: Account Number: Bank Name: Bank Address: Bank BIC (Swift Code):</p>
Credit Support Document:	<p>Trafigura: [none / Parent Company Guarantee / other to be specified]</p> <p>Counterparty: [none / Parent Company Guarantee / other to be specified]</p>
Credit Support Provider:	<p>Trafigura: [not applicable / name of CSP]</p> <p>Counterparty: [not applicable / name of CSP]</p>
Notice details:	<p>Trafigura: [●] Attention: [●] Email address: [●]</p> <p>Counterparty: [●] Attention: [●]</p>



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	Email address: [●]
Special Conditions:	[●]

Please confirm that the foregoing correctly sets forth the terms of our agreement regarding this Option Transaction by either executing this Confirmation and returning it to us, or by sending us a form which sets forth the material terms of the Option Transaction to which this Confirmation relates and indicates your agreement to these terms as set out herein.

By signing this Transaction Confirmation, you agree to the terms of the Agreement.

TRAFIGURA ENVIRONMENTAL SOLUTIONS SÀRL

[COUNTERPARTY]

Name:

Name:

Title:

Title: