

(Reference Translation)

**Terms and Conditions for Participation
in The Carbon Credit Market**

October 2023

Tokyo Stock Exchange, Inc.

(Reference Translation)

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Chapter1 Market Operations

Article 1. Purpose

1. The purpose of these terms and conditions for participation in the Carbon Credit Market (hereinafter referred to as the "Terms and Conditions") is to stipulate the necessary items for trading and settlements in the Carbon Credit Market (hereinafter referred to as the "Market") established by Tokyo Stock Exchange, Inc. (TSE)
2. TSE may establish supplementary rules for the items specified by TSE in the Terms and Conditions.

Article 2. Fair Price Formation

1. Carbon Credit Market participants (meaning Carbon Credit Market participants as described in Article 5) shall endeavor to ensure fair price formation and secure settlements on the Market, thereby improving the efficacy of carbon pricing.
2. To ensure fair price formation and smooth settlements, TSE shall monitor the status of orders, trades, and settlements of Carbon Credit Market participants in the Market in accordance with TSE's regulations.

Article 3. Items Eligible for Trading

1. The Market will be for the trading of carbon credit (used here to mean carbon dioxide equivalent quotas and similar frameworks). Trading shall be conducted in accordance with the J-Credit Scheme, the domestic scheme for certifying quantities of emission reductions and sequestration (hereinafter referred to as "J-Credits") under the jurisdiction of the Ministry of Economy, Trade and Industry (METI), the Ministry of the Environment (MOE), and the Ministry of Agriculture, Forestry and Fisheries (MAFF).
2. J-Credits include credits transferred from the previous Domestic Credit and Offset Credit (J-VER; Japan's verified emissions reduction) Schemes, regional J-Credits, and those not yet transferred from the J-VER, regional J-VER, and Domestic Credit schemes.

Article 4. Trading Method

Trading will be conducted by auction.

Chapter2 Carbon Credit Market Participants

Section 1 General Provisions

Article 5. Carbon Credit Market Participants

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A carbon credit market participant (hereinafter referred to as a "Participant") is a person registered with TSE as a person who is permitted to trade and settle on the Market.

Article 6. Agency

Participants may not act as agents for orders from others in the Market.

Section 2 Participant Registration

Article 7. Registration Requirements

Applicants must meet the following (1) through (6) to register as a Participant.

- (1) Being a corporation, government or local government, or voluntary organization ("*nin-i dantai*" under Japanese law)
- (2) Having a system in place to ensure stable operations
- (3) Having sound management, including having sufficient social credibility to be a TSE trading Participant and not being subject to the control or influence of any party lacking social credibility or any other party considered inappropriate in light of the objectives of TSE and its operation of the markets
- (4) Not being insolvent
- (5) Fulfill the criteria stipulated by TSE for settlements in the Market
- (6) Not having representatives, directors, or important employees that fall under any of the following items:
 - a. A person who does not have the appropriate recognition, judgement, or two-way communication abilities that are needed to carry out their business due to a mental disorder;
 - b. A person for whom a decision of commencement of bankruptcy proceedings has been made and who has not obtained restoration of rights, or a person who is treated in the same manner under foreign laws and regulations; or
 - c. A person who has been sentenced to a punishment at least as severe as imprisonment (including equivalent punishment under foreign laws and regulations), or fines under the provisions of the Commodity Derivatives Transaction Act or equivalent foreign laws and regulations (including equivalent punishment under foreign laws and regulations), where less than five years have passed since the date of completion or cancellation of said punishment.

Article 8. Application for Registration

Application for registration as a Participant shall be made by submitting to TSE the application form and documents prescribed by TSE.

Article 9. Payment of Registration Fee and Registration

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1. An applicant for registration (hereinafter referred to as the "Applicant") shall pay the registration fee to TSE as specified by TSE.
2. Upon the Applicant's payment of the registration fee prescribed in the preceding paragraph and the deposit of the security money prescribed in Article 11, Paragraph 1, TSE shall register the Applicant as a Participant. However, TSE may not register the Applicant in any of the following cases:
 - (1) The Applicant does not meet the requirements listed in each item of Article 7
 - (2) The Applicant has made a false declaration with respect to any of the requirements listed in the items of Article 7
 - (3) If the Applicant submits an application form as described in the preceding article or documents containing false information
 - (4) If the Applicant is likely to violate the Terms and Conditions
 - (5) If the application is from a party who has violated the Terms and Conditions in the past
 - (6) In any other case where TSE deems the Applicant's participation to be inappropriate
3. In the event of a registration falling under any of the items in the preceding paragraph, TSE shall notify the Applicant to that effect.
4. TSE shall disclose the names of registered Participants.
5. If an Applicant fails to pay the registration fee prescribed in Paragraph 1 or the deposit prescribed in Article 11, Paragraph 1, the Applicant shall be deemed to have withdrawn its application for registration.

Section 3 Obligations of Participants

Article 10. Payment of Fees Related to Market Participation

Participants must pay to TSE fees for market participation as stipulated by TSE.

Article 11. Deposit of Participant's Security Money

1. To ensure that Participants fulfill their obligations prescribed in the previous article TSE may require Participants to deposit the necessary participant security money as determined by TSE.
2. If deemed necessary due to market conditions, in addition to the provisions of the preceding paragraph, TSE may require Participants to deposit collateral necessary to ensure the fulfillment of settlements.

Article 12. Items to Be Notified

A Participant shall notify TSE without delay of any change in its registration details by stating the required items on the prescribed notification of change form.

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Article 13. Items to Be Reported

A Participant shall immediately report to TSE the following events by stating the necessary items in the prescribed report form

- (1) If any of the requirements listed in each item of Article 7 is no longer satisfied
- (2) If a Participant falls under Item 3 or Item 4 of Paragraph 1 of Article 17, or if any event occurs that makes it difficult for the Participant to continue business
- (3) If the Participant defaults on a settlement as prescribed in the items of Article 45, or if the Participant violates or is likely to violate any other item of the Terms and Conditions.
- (4) If the Participant has been subjected to disciplinary action or punished pursuant to the provisions of laws and regulations, or if a hearing or a vindication opportunity pertaining to regulatory disposition as prescribed by laws and regulations is given, or if an improvement order has been received from an administrative agency in regard to the disciplinary action or punishment.

Article 14. Investigation

1. If TSE deems it necessary based on trade monitoring or the operation of the Market as described in Article 2, Paragraph 2, TSE may request a Participant to submit reports or documents that provide information on trading or settlements in the Market of the Participant or its operations or assets pertaining to carbon credit.
2. Upon receiving a request pursuant to the preceding paragraph, a Participant shall submit reports or documents without delay.

Section 4 Cancellation of Participant Registration

Article 15. Cancellation of Participant Registration

1. When a Participant wishes to cancel its registration, it shall submit the prescribed cancellation notice to TSE by the date specified by TSE.
2. TSE shall cancel the registration of the Participant on the date specified by the Participant. However, if TSE deems the date specified by the Participant to be inappropriate, the date may be changed.
3. In the event of cancellation of registration pursuant to the preceding paragraph, TSE shall notify the relevant Participant to that effect.

Article 16. Refund of Participant's Security Money

If a Participant cancels its registration in accordance with the preceding Article or its registration is canceled in accordance with the following Article, TSE shall return the participant security money to the Participant after deducting the trading participant fees prescribed in Article 10 owed by the Participant to TSE.

Section 5 Disciplinary Actions and Sanctions against Participants

Article 17. Disciplinary Actions and Sanctions against Participants

1. In cases where a Participant falls under any of the following items, TSE may, after requesting an explanation from the Participant as necessary, suspend or restrict trading, cancel the registration (hereinafter referred to as a Trading Halt), or request improvements.
 - (1) If a Participant no longer satisfies any of the requirements listed in the items of Article 7
 - (2) If a Participant is registered by fraudulent means
 - (3) If the Participant becomes insolvent or ceases to make payments, or is the subject of a petition for bankruptcy, corporate reorganization proceedings, civil rehabilitation proceedings, or other legal liquidation proceedings, or receives such a petition, or files such a petition on its own behalf
 - (4) The Participant is expected to cease to exist due to merger, dissolution, etc.
 - (5) If the Participant defaults on a settlement as prescribed in the items of Article 45
 - (6) If TSE recognizes that the Participant has violated or is likely to violate the Terms and Conditions.
 - (7) If TSE deems that the Participant has acted or is likely to act in a manner that inappropriately interferes with the operation of the Market
 - (8) The Participant fails to pay the set market Participant fees to TSE as prescribed in Article 10, or fails to deposit the trading participant security money or other security requested by TSE as prescribed in Article 11
 - (9) If the Participant has been subjected to disciplinary action or punished pursuant to the provisions of laws and regulations, or if a hearing or a vindication opportunity pertaining to regulatory disposition as prescribed by laws and regulations is given, or if an improvement order has been received from an administrative agency in regard to the disciplinary action or punishment.
2. When TSE implements a Trading Halt or issues an improvement order as prescribed in the preceding paragraph, TSE shall notify the Participant to that effect.
3. In the event of a Trading Halt or request for improvement as prescribed in Paragraph 1, TSE may make a public announcement to that effect.
4. The Trading Halt under Paragraph 1 shall take effect on the day when TSE issues the notice under Paragraph 2. However, if TSE has issued a notice specifying the date on which the Trading Halt under Paragraph 1 will take effect, it will take effect on the said date.
5. A Participant who has been subject to a Trading Halt pursuant to the provisions of Paragraph 1 may continue to settle only those transactions that were executed before the said Trading Halt took effect. However, this shall not apply when the Trading Halt falls under Article 45 Paragraph 4.
6. If a Participant incurs costs or damages as a result of a Trading Halt or a request for improvement pursuant to Paragraph 1, TSE shall not be liable to the Participant for any damages caused thereby.

Article 18. Regulatory Actions Against Defaulting Participants

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If a Participant has defaulted on a settlement as prescribed in the items of Article 45 which led to the cancellation of a transaction (including those who have not fulfilled obligations of restitution set forth in Article 49), TSE will request a report on the cause of the default, its analysis, and measures taken to prevent recurrence.

Chapter3 Trading during Trading Session

Article 19. Carbon Credit Market System

Trading sessions shall be conducted through the Carbon Credit Market System (hereinafter referred to as the "System"), which is a computer-based system established by TSE.

Article 20. Trading Hours

Trading hours for trading sessions shall be determined by TSE.

Article 21. Order Acceptance Period

The order acceptance period for the Market shall be determined by TSE.

Article 22. Non-business Days

1. The following days shall be non-business days on TSE

(1) Sundays

(2) National holidays

(3) When a national holiday falls on a Sunday, the next working day after that Sunday

(4) A day on which the preceding or following day is a national holiday

(5) Saturdays

(6) The first three days of the New Year

(7) December 31

2. TSE may establish non-regular non-business days when it deems necessary.

3. Trading sessions and any other business shall not be conducted on non-business days.

Article 23. Non-regular Market Closures, Non-regular Trading Halts, and Non-regular Conducting of Trading Sessions

1. In the event of a failure of the System or the electronic ledger established by the system operator to manage and record carbon credits (hereinafter referred to as the "Credit Registry"), TSE may temporarily close the Market or suspend all or part of the trading of carbon credits.

2. In addition to the preceding paragraph, TSE may, when it deems necessary, hold a non-regular

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market closures or temporarily suspend all or part of the trading or conduct an additional temporary trading session.

3. During non-regular market closures, trading sessions and all other operations related to the Market shall not be conducted.

Article 24. Notice of Non-regular Non-business Days, etc. and Exemption from Liability

1. When TSE has set a non-regular non-business day as prescribed in Article 22, Paragraph 2, or non-regular market closure or Trading Halt as prescribed in the preceding article, or conducts a non-regular trading session as set forth in the preceding article, TSE shall notify Participants of such an event in advance.
2. TSE shall not be liable to any Participant for any costs or damages incurred by the Participant as a result of a non-business day as prescribed in Article 22, Paragraph 2 or extraordinary non-business days, a temporary Trading Halt, or the conducting of a temporary trading session as set forth in the preceding articles.

Article 25. Settlement Dates for Transactions

Settlement of an executed transaction shall be made on the sixth business day after the day on which the contract is executed (excluding non-business days, non-regular non-business days, and non-regular market closures. The same shall apply to the calculation of the number of days below.)

Article 26. Auction Trading

1. Trading through trading sessions shall be conducted through auction.
2. The order of priority for bids and offers in auctions shall be as follows
 - (1) A lower offer shall have precedence over higher offers, and a higher bid shall have precedence over lower bids.
 - (2) Where two or more bids or offers are made at the same price, precedence shall be determined in the order of the time at which such bids or offers were made: i.e., an earlier bid or offer shall have precedence over later bids or offers. In such cases, if the conditions of a. or b. below apply, the following provisions shall apply.
 - a. If an amendment reduces the volume of an order, time precedence will be based on the pre-amendment order.
 - b. If an amendment changes the price and the volume of an order, time precedence will be based on the post-amendment order.

Article 27. Trading Categories

1. TSE shall establish standardized trading categories based on the properties and other conditions

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of carbon credits on the Market, taking into consideration price formation and supply and demand for carbon credits.

2. The trading categories referred to in the preceding paragraph shall be set by TSE.

Article 28. Execution by *Itayose* Method

1. For each of the trading sections referred to in the preceding article, when the total volume of bids and offers listed in the following items converge at a particular price through competition among offers, competition among bids, or competitive matching of bids and offers, TSE shall set the execution price, and trades shall be effected between corresponding bids and offers in accordance with the precedence of bids and offers as prescribed in Article 26, Paragraph 2.

(1) The total volume of all offers lower than the matching price and the total volume of all bids higher than the matching price.

(2) For bids and offers at the matching price, the total volume of all bids or all offers.

2. In the cases prescribed in the preceding paragraph, when there are two or more prices at which the total volume of offers and the total volume of bids match, the execution price shall be the base price determined by TSE (hereinafter in this paragraph referred to as the "base price"). If there is no price identical to the base price, the price closest to the base price shall be used. However, if TSE deems it inappropriate to use the base price, the price shall be determined by TSE on a case-by-case basis.

Article 29. Bids and Offers

1. A Participant shall make a bid or offer when it intends to conduct auction trading. Participants shall make clear the following matters to TSE when making bids or offers:

(1) Category of trading

(2) Whether the order is a sale or a purchase

(3) If a sale, the credit certification number of the carbon credits to be transferred if said sale is executed

(4) Order quantity

(5) Order price

2. Only orders at specified prices will be accepted

3. In any of the following cases, orders shall cease to be valid.

(1) If a Participant who has placed an order cancels the order

(2) If the price of the order becomes lower than the lower limit of the price limits on orders stipulated in Article 31 or higher than the upper limit of the price limits on orders stipulated in the same Article.

4. In addition to the preceding paragraph, TSE may remove the validity of an order if it deems it

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necessary.

Article 30. Tick Sizes and Trading Units

The tick sizes and trading units in the Market shall be determined by TSE.

Article 31. Price Limits on Bids and Offers

Orders which exceed the price limits on bids and offers will not be placed.

Article 32. Regulatory measures for trading, etc.

1. TSE may, when deemed necessary for ensuring stability in the operation of the market, take regulatory actions regarding transactions or settlements that TSE deems appropriate such as the following.

(1) Restrictions on the total selling quantity or total buying quantity

(2) Restrictions on the quantity or value per order

(3) Restrictions on the number of orders able to be placed by one Participant
or by all Participants

(4) Restrictions on the designation of credit certification numbers or on the transfer of credit in settlement

(5) Postponement or bringing forward of the settlement date or settlement time

2. If a Participant incurs costs or damages as a result of the regulatory actions described in the preceding paragraph, TSE shall not be liable to the Participant for any damages caused thereby.

Chapter4 Settlement

Article 33. Settlement Method

For settlement of trades executed on the Market, the following shall be conducted in a manner prescribed by TSE in accordance with the provisions of this chapter separately for each execution determined through the method specified in Article 28 (hereinafter referred to as a "settlement unit")

a. the transfer of carbon credits that are in the same trading category prescribed in Article 27 and equivalent to the quantity of the relevant executed trade

b. delivery/receipt of the amount of money equivalent to the trading value of said executed trade (that is, the amount equivalent to the total of trading value and related consumption tax (including local consumption tax; the same shall apply hereinafter. This amount is calculated using the execution price multiplied by the executed quantity as a tax calculation base; any amount less than JPY 1 shall be rounded down)).

Article 34. Qualified Invoices

TSE will conduct the administrative work related to the qualified Invoice (meaning a qualified invoice as defined in the Consumption Tax Law (Shōhizeihō, Law No. 108, 1988)) for the settlement of the trading contracts executed in the Market in accordance with the special provisions for intermediary delivery (meaning a special exception for the delivery of qualified invoices by an intermediary as stipulated in Article 70-12 of the Enforcement Order of the Consumption Tax Law (Cabinet Order No. 360 of 1988))

Article 35. Notification for Settlement Units

After a trading contract is executed, TSE shall notify the Participants involved in the trade of the quantity of carbon credits, credit certification number, trading value, etc. for each settlement unit through the System.

Article 36. Notice of error in credit certification numbers, etc.

1. A selling Participant shall check the notification prescribed in the preceding Article against the credits it holds (including credits held and transferable by the date and time stipulated in Article 39), and if there is an error in credit certification number designated pursuant to Article 29, Paragraph 1, Item 3, or if the quantity of carbon credits specified in Article 35 cannot be transferred, it shall immediately report this fact and the following matters to TSE in accordance with TSE's regulations
 - (1) If said Participant holds separate carbon credits of at least the same volume as the relevant executed trade and relating to a different credit certification number in the same trading category, and wishes to settle said trade with these credits, this fact and the credit certification number of the new credits
 - (2) If said Participant does not hold separate carbon credits of at least the same volume as the relevant executed trade and relating to a different credit certification number in the same trading category, or does hold these but does not wish to settle said trade with them, that they will not be able to transfer all or some of the Credits for Delivery.
2. If a selling Participant reports the information in (1) above, the relevant executed trade shall be settled using the carbon credits related to the new credit certification number.

Article 37. Amounts to Be Transferred in Settlements

1. The amount to be transferred for a funds settlement by a Participant shall be in accordance with the following categories, as specified in each of the following items
 - a. Funds for Delivery

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The total amount of trading value for carbon credit purchases on a single day for each Participant (in the case where a Participant has multiple bank accounts, each such account shall be considered as a single Participant. The same shall apply hereinafter).

b. Funds for Receipt

The total amount of trading value for carbon credit sales on a single day for each Participant.

2. For the payment and receipt specified in the items of the preceding paragraph, funds for payment and for receipt for the same Participant will not be offset.

Article 38. Carbon Credits to be Transferred in Settlements

1. The carbon credits to be transferred by a Participant in settlement of carbon credits shall be in accordance with the following categories, as specified in each of the following items

(1) Credits for Delivery

The total amount of carbon credits for each selling Participant and credit certification number as specified in Article 29, Paragraph 1, Item 3, of the carbon credits which have been executed in a single day.

(2) Credit for Receipt

The total amount of carbon credits for each buying Participant and credit certification number as specified in Article 29, Paragraph 1, Item 3, of the carbon credits which have been executed in a single day.

2. If the same Participant sells and purchases credits which have the same certification number, there will be no netting with respect to credits for delivery and receipt specified in each item of the preceding paragraph.

Article 39. Pre-transfer of Carbon Credits from Selling Participant to TSE

1. A selling Participant shall transfer credits for delivery to TSE from its account (an account opened by the Participant in the credit registry system to hold carbon credits) to a credit account in the name of TSE in the Credit Registry by 11:00 a.m. of the trading day preceding the settlement date.
2. TSE shall hold the transferred carbon credits as prescribed in the preceding item on behalf of the selling Participant until the buying Participant pays the funds for delivery as prescribed in the following article.

Article 40. Payment of Funds for Delivery by a Buying Participant

1. A buying Participant shall pay Funds for Delivery to TSE on the settlement date, and no later than 11:00 a.m., by depositing them into a bank account in the name of TSE (hereinafter referred to as "TSE's Fund Account") at a financial institution designated by TSE (hereinafter referred to as "Fund Settlement Bank") by 11:00 a.m. on the settlement date. However, if TSE approves, the funds may

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be transferred from a deposit or savings account approved by TSE.

2. If the funds are transferred to TSE's Fund Account prior to the settlement date, TSE will return them to the buying Participant.
3. TSE shall receive the funds transferred in accordance with item 1 for the benefit of the selling Participant. Upon receipt of such Funds for Delivery by TSE, the selling Participant shall be deemed to have received the Funds for Delivery from the buying Participant and may not thereafter claim Funds for Delivery from the buying Participant.
4. When TSE confirms that the Funds for Delivery have been transferred to TSE's Fund Account, TSE shall notify the Participants involved in the trading contract to that effect through the System.

Article 41. Hold and Transfer of Carbon Credits by TSE

From the point that TSE receives Funds for Delivery as described in the preceding article (only when the full amount has been transferred) carbon credits linked to the settlement units covered by said Funds for Delivery which are held by TSE on behalf of a selling Participant as indicated in Article 39, Paragraph 2 shall then be deemed to be held on behalf of the Participant who bought said settlement units.

Article 42. Payment of Funds for Receipt to Selling Participant

1. Starting at 11:00 a.m. on the settlement date, for settlement of executed trades for which TSE has confirmed payment of Funds for Delivery as indicated in Article 40, Paragraph 4, TSE shall transfer the Funds for Receipt to the selling Participant.
2. Notwithstanding the provisions of the preceding item, TSE may transfer the Funds for Receipt on or after the day following the settlement date, depending on the conditions of the settlement and other factors. In such a case, TSE shall notify the selling Participant to whom the Funds for Receipt will be transferred to that effect.

Article 43. Transfer of Carbon Credits to Buying Participants

1. After confirming payment of Funds for Delivery, starting at 11:00 a.m. on the settlement date, TSE shall transfer the Credits for Receipt transferred pursuant to Article 39, Paragraph 1 to the buying Participant on the same day.
2. Depending on settlement conditions and other factors, TSE may conduct the transfer described in the preceding item by a different unit from the settlement unit.
3. Notwithstanding the provisions of the item 1, TSE may transfer Credits for Receipt on or after the day following the settlement date, depending on the conditions of the settlement and other factors. In such a case, TSE shall notify the buying Participant to whom the Credits for Receipt will be transferred to that effect.

Article 44. Deferral of Settlement Date in the Event of System Failure, etc.

1. In the event that the operation of a system installed by TSE or an organization other than TSE, which is necessary for the settlement of transactions, is disrupted, or for any other unavoidable reason, TSE deems it impossible or difficult to settle transactions using those systems, TSE may defer the settlement date for all or part of the settlement to the day following the settlement date or later. In such cases, TSE shall notify the Participant to that effect in advance.
2. Necessary matters concerning the deferral of the settlement date as prescribed in the preceding item shall be determined by TSE on a case-by-case basis.

Article 45. Cancellation of a Trade due to Default on Settlement, etc.

In the event that a market Participant fails to settle a trade execution, or falls under any of the following cases where it is difficult to execute such settlement, the execution will be cancelled, no further procedures pertaining to settlement will be conducted, and settlements that have taken place will be reversed.

- (1) When a report as prescribed in Article 36, Paragraph 1, Item 2 has been made
 - a. TSE shall cancel the execution for the relevant Credits for Delivery.
 - b. TSE shall notify the buying Participant of such cancellation promptly after the cancellation described in a. and no later than 4:00 p.m. two days prior to the settlement date.
- (2) When a selling Participant fails to transfer all or part of the Credits for Delivery prescribed in Article 38, Paragraph 1.
 - a. If the Credits for Delivery have not been transferred in full, TSE shall cancel the execution related to those credits.
 - b. If the Credits for Delivery have been only partially transferred, settlements pertaining to the credit certification number of the credits that were only partially transferred will be carried out in ascending order from the one with the fewest carbon credits (or by lottery if the numbers are equal), the execution of settlement units not covered by the amount of credits received by TSE will be cancelled.
 - c. If a settlement is cancelled as prescribed in a. or b., TSE shall promptly notify the buying Participant of the cancellation after the cancellation.
 - d. If TSE holds a portion of the carbon credits of the settlement unit for the cancelled execution, TSE shall return the carbon credits to the selling Participant.
- (3) When a buying Participant fails to pay the Funds for Delivery prescribed in Article 40, Paragraph 1
 - a. TSE shall cancel all executions in which such Participant is the buying Participant.
 - b. TSE shall promptly notify the selling Participant of such cancellation after the cancellation described in a, and return the carbon credits pertaining to such cancellation that have been

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transferred by TSE pursuant to Article 39, Paragraph 1.

- c. If the buying Participant has already transferred a portion of the Funds for Delivery to TSE's fund account, TSE shall return the funds to the buying Participant.
- (4) If a Participant has been subject to a Trading Halt pursuant to Article 17, Paragraph 1, and TSE deems that it is difficult for the Participant to settle trades that were executed before the Trading Halt came into effect
- a. TSE shall cancel all executions to which the Participant is a party.
 - b. TSE shall promptly notify the counterparty of a cancellation as prescribed in a. after the cancellation.
 - c. Before the cancellation is finalized, the carbon credits pertaining to said cancellation that were transferred to TSE on the trading day prior to the settlement date as indicated in Article 39, Paragraph 1 shall be returned to the selling Participant

Article 46. Cancellation of Execution due to Natural Disasters and Other Unavoidable Circumstances

When TSE deems it difficult to execute a settlement due to a natural disaster or other unavoidable circumstances, TSE may cancel all or part of the trade.

Article 47. Result of a Cancellation of an Execution

If TSE cancels an execution pursuant to the provisions of the preceding two articles, the trade shall be deemed to have never been executed from the beginning.

Article 48. Disclaimer Regarding Settlement of Transactions

1. TSE shall not be liable for any costs or damages incurred by a Participant as a result of a transfer of funds or carbon credits executed by TSE after the settlement date due to the provisions of Article 42, Paragraph 2 or 43, Paragraph 3 or for any other reason.
2. If there is an error in the fund or credit account designated by a Participant, any transfer of funds or carbon credits made by TSE based on such account information shall be deemed to have been validly made.
3. TSE shall not be liable for any costs or damages incurred by a Participant in the event that the settlement date is deferred pursuant to Article 44.
4. If a Participant suffers damages as a result of TSE cancelling an execution, the Participant may not claim compensation from TSE or the Participant who caused the cancellation of the execution pursuant to Article 45 or 46.
5. If a Participant suffers damages due to modification or amendment of the rights by the system operator of the carbon credits after the carbon credits traded on the Market, the Participant may

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not claim compensation from TSE or the counterparty to the execution for carbon credits traded on the market.

Article 49. Obligation to Return Carbon Credits Transferred or Funds Received due to an Error, etc.

1. If TSE informs a Participant that carbon credits have been transferred or funds have been received due to an error by TSE in the Credit Registry in the settlement of an execution in the Market, the Participant shall promptly return those carbon credits or funds to TSE after confirming the details of such transfer or receipt.
2. For the transfer of carbon credits as stipulated in Article 43 or the return of carbon credits as stipulated in Article 45, Paragraph 1 (2)d., (3)b., or (4)c., if TSE is unable to transfer or return carbon credits to the buying or selling Participant due to its intention or error, notwithstanding the provisions of Article 56, TSE shall transfer or return other carbon credits in the same quantity and in the same trading category as the trade of said carbon credits, or compensate the buying and selling Participant for any damages incurred up to the amount of the price of the trade of said carbon credits.

Chapter5 Miscellaneous Provisions

Article 50. Handling of Sales of Government-held Credits

If the government sells credits which it holds on the Market, TSE may, if it deems necessary, handle such credits differently than prescribed in the Terms and Conditions.

Article 51. Publication of Execution Price

1. When a transaction is executed, TSE shall publish the execution price and trading volume in accordance with the rules and regulations of TSE.
2. A Participant shall not publish, reprint, or do any other similar act with respect to its own orders, executions, settlements, and all execution prices and trading volume for each trading session without the written permission of TSE.

Article 52. Reference Time

The Market shall be based on Japan Standard Time (JST).

Article 53. Exclusion of Anti-social Forces

1. Each Participant shall declare to TSE that it will have no relationship with anti-social forces, and

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shall understand the significance of such declaration and cooperate with TSE to realize such declaration.

2. Anti-Social Forces in these the Terms and Conditions shall refer to any of the following

- (1) An organized criminal group;
- (2) A member of any organized criminal group;
- (3) A person or entity (including its officers (regardless of their titles such as advisor and counselor; the same shall apply hereinafter), its employees, and any other constituent members; the same shall apply hereinafter) that has close relationships with any organized criminal group or any member of an organized criminal group;
- (4) A corporate extortionist;
- (5) A person or entity which has made unreasonable demands to citizens or enterprises in the name of social activism, human rights movements, or political activism, etc.;
- (6) A person or entity which commits any act which undermines social order or civic safety, etc.; or
- (7) A person or entity which is deemed to have a relationship subject to social criticism with any person/entity enumerated in any of the above six items.

3. The Participant shall pledge that any person or entity enumerated in the following items does not fall under Anti-Social Forces:

- (1) The Participant, its shareholders (limited to those that have de facto participation in the management of the Customer), its officers, or its employees; or
- (2) A person or entity that is an agent or intermediary of the Participant with regard to transactions with TSE.

4. The Participant shall, as needed, in relation to surveys on whether or not a person or entity enumerated in the items of the preceding paragraph or the following items falls under Anti-Social Forces, and submit materials, etc. requested by TSE.

5. If a Participant falls under any of the following items, TSE may immediately take such regulatory actions as cancellation of registration and prohibition of access to the System without any notice, and the Participant may not make any objection thereto. In addition, TSE shall not be liable to the Participant for any loss or damage incurred by the Participant as a result of such regulatory action.

- (1) Where the Participant has, by itself or by means of a third party, committed acts such as violence, fraud, threatening statement, and obstruction of the conduct of business;
- (2) Where the Participant has committed, or is likely to commit, by itself or by means of a third party, an act which undermines the reputation of or trust in TSE;
- (3) Where any of the entities enumerated in 2(3) of this article is found to fall under Anti-Social Forces;
- (4) Where the Participant does not cooperate with TSE on the survey prescribed in the preceding paragraph nor submit materials, etc. requested by TSE without reasonable grounds; or

(Reference Translation)

(5) Where the Participant has violated Article 21 or 24 of the "Tokyo Metropolitan Ordinance for Eliminating Organized Crime Groups" (Tokyo Metropolitan Government Ordinance No. 54) or similar provisions of prefectural or municipal ordinances, etc. enacted by any prefecture, city, special ward, town, or village.

Article 54. Handling of Personal Information and Transaction Information

1. TSE shall handle personal information of Participants obtained in connection with the operation of the Market in accordance with the following items as stipulated by TSE.

(1) Handling of Personal Information

<https://www.jpx.co.jp/english/corporate/governance/security/personal-information/index.html>

(2) Privacy Policy

<https://www.jpx.co.jp/english/corporate/governance/security/privacy-policy/index.html>

2. In addition to the personal information specified in the preceding paragraph, TSE shall handle order information, execution information, and other trade-related information (hereinafter referred to as "Trade Information") in the TSE market.

3. The Participant will agree in advance that TSE may provide the personal information and Trade Information obtained pursuant to the provisions of the preceding two paragraphs to the Financial Services Agency or other administrative agencies for the purpose of ascertaining the trading conditions, etc. in the Market.

Article 55. Exemption from Liability

1. TSE shall not be liable for any loss or damage incurred by a Participant in the event that TSE is unable to provide all or part of the services pertaining to the Market due to an earthquake, fire, tsunami, flood, war, riot, civil commotion, terrorist activity, cyber-attack, strike, lockout, or any other force majeure beyond the control of TSE.

2. TSE does not guarantee the accuracy, completeness, or usefulness of information it shares regarding market conditions and the operation of the Market, and shall not be liable for any loss or damage incurred by Participants due to the use of such information.

Article 56. Damages

1. As well as being exempted from liability as stipulated in the Terms and Conditions, TSE shall not be liable for any loss or damage arising out of or in connection with the suspension of the Market, system amendments, terminations, Trading Halts, or any other actions (including omissions) taken by TSE in connection with the regulatory dispositions under the Terms and Conditions or the operation of the Market, unless such damages are caused by the willful misconduct or gross negligence of TSE.

(Reference Translation)

2. Except as otherwise stipulated in the Terms and Conditions, if a Participant causes damage to TSE by any act in violation of the Terms and Conditions or any other act while using the Market, the Participant shall indemnify TSE for such damage (including any direct or indirect special damage (whether foreseeable or not), lost profits and reasonable attorney fees).
3. If TSE is liable to a Participant for damages, etc., the liability of TSE shall be limited to direct and ordinary damages actually incurred by the Participant, regardless of whether the claim is based on default, tort, or any other cause of claim.

Article 57. Dispute Resolution

1. If a dispute arises between Participants in relation to any aspect of trading and settlement in the Market, TSE shall, in principle, allow the parties concerned to settle the dispute among themselves.
2. The parties shall report to TSE the details of the dispute in writing or by electromagnetic means, and TSE may report such reports to the Financial Services Agency or other administrative agencies.

Article 58. Court of Jurisdiction

The Tokyo District Court shall have exclusive jurisdiction in the first instance over any litigation relating to the Terms and Conditions.

Article 59. Governing law

The Terms and Conditions shall be governed by the laws of Japan.

Article 60. Misinterpretation

In the event of any ambiguity in the interpretation of the Terms and Conditions, or in the event that any extraordinary regulatory action is required with respect to any matter not expressly provided for in the Terms and Conditions, the decision of TSE shall prevail.

Article 61. Amendments of Terms and Conditions

1. TSE may amend the Terms and Conditions when it deems it necessary. In such cases, Participants shall comply with the Terms and Conditions as amended.
2. TSE shall give prior written or electronic notice of any amendment to the Terms and Conditions, the content of the amended terms and conditions, and the effective date of the amendment, or disseminate such information via the Internet or other appropriate means.

Supplementary Provisions

The Terms and Conditions shall come into effect on October 2, 2023 or any other date determined by TSE.