
Terms of Use

Verified Carbon Standard Association

Offset Project Registry

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Title **Terms of Use**

Parties **Verified Carbon Standard Association** of 1730 Rhode Island Avenue, NW Suite 803, Washington, DC 20036 (**VCSA**)

You (User)

Recitals

- A These Terms of Use set out the terms on which VCSA offers to make the Verified Carbon Standard Offset Project Registry (**VCS Registry**) available to the user.
- B The VCS Registry serves as a California Air Resources Board (**ARB**) approved Offset Project Registry that meets the requirements of California Code of Regulations section 95986 and lists offset projects, collects Offset Project Data Reports, facilitates verification of Offset Project Data Reports, and issues Registry Offset Credits (ROCs) for offset projects being implemented using ARB approved Compliance Offset Protocols.
- C The User wishes to use the VCS Registry on the terms and conditions of this Agreement, as amended from time to time.

Operative provisions

1. General Terms of Use

- 1.1 The User acknowledges and agrees that when using the VCS Registry, the User will be subject to, and must comply with, these Terms of Use as modified from time to time in accordance with the terms hereof.
 - 1.2 Where there is any inconsistency between these Terms of Use and the ARB Offset Program Rules and Requirements, the ARB Offset Program Rules and Requirements will prevail over these Terms of Use.
 - 1.3 In addition, the User agrees to comply with any and all applicable ARB Offset Program Rules and Requirements, as ARB may impose and update from time to time.
 - 1.4 If the User does not agree to these Terms of Use, the User may not access or otherwise use the VCS Registry.
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2. Term

- 2.1 These Terms of Use commence on the date on which the User indicates on the VCS Registry website that the User agrees with and accepts the Terms of Use (**Commencement Date**), and these Terms of Use shall continue in effect until terminated in accordance with clause 14 (**End Date**).
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3. Services

- 3.1 The VCSA, through the VCS Registry, provides an electronic platform to list projects that follow ARB Compliance Offset Protocols and record the issuance, transfer, retirement and cancellation of ROCs within the VCS Registry.

- 3.2 The VCS Registry lists projects and issues ROCs in accordance with the ARB Offset Program Rules and Requirements. Accordingly, before a project can be listed or a ROC issued, the User must provide the VCSA with appropriate documentation for its approval in accordance with the procedures set out by the VCSA including any user guidelines.
 - 3.3 The User is responsible for providing and maintaining all communications lines, telephone/transmission services, and all equipment and technology, necessary for the User to access and use the VCS Registry, and all costs and expenses associated with its accessing and using the VCS Registry.
 - 3.4 The User shall take all appropriate steps and precautions to safeguard and protect the access, use, and security of the VCS Registry and the User's access information from unauthorized users.
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4. Opening an Account

- 4.1 A User may request that the VCSA open a VCS Account in the VCS Registry for that User in accordance with the procedures set out by the VCSA including any user guidelines.
 - 4.2 The VCSA will only open a VCS Account for a User if:
 - (a) the User has indicated their acceptance of these Terms of Use; and
 - (b) the User has provided sufficient identification information including satisfying any relevant KYC or other background check requirements in accordance with the procedures set out by the VCSA including any user guidelines.
 - 4.3 The VCSA may, in its absolute discretion, refuse to open a VCS Account on the VCS Registry for a User.
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5. Listing a Project

- 5.1 Once the User has opened a VCS Account in the VCS Registry, the User may request that the VCSA list a Project in accordance with the procedures set out by the VCSA including any user guidelines.
- 5.2 The VCSA will require any User who intends to list a Project to provide all documentation and information as required by the ARB Offset Program Rules and Requirements.
- 5.3 The VCSA will only list a Project if:
 - (a) the User has registered with the ARB and submitted all necessary information to the ARB in accordance with the Cap-and-Trade Regulation;
 - (b) the User has confirmed that it is not subject to any holding account restrictions in accordance with the Cap-and-Trade Regulation;
 - (c) the User has complied with all relevant laws in relation to the Project; and
 - (d) the User has complied with any other requirements specified in the ARB Offset Program Rules and Requirements or by the ARB or by VCSA from time to time.
- 5.4 The VCSA may, in its absolute discretion, refuse to list any Project in the VCS Registry.

6. Issuance of Registry Offset Credits

- 6.1 A User may request that the VCSA issue ROCs to its VCS Registry Account in accordance with the ARB Offset Program Rules and Requirements.
- 6.2 The VCSA will require any User who intends to issue ROCs in the VCS Registry to provide all documentation, attestations and information as required by the ARB Offset Program Rules and Requirements.
- 6.3 VCSA will only issue ROCs if:
- (a) the User has submitted complete and signed original or certified electronic versions of all attestations and documentation required under the ARB Offset Program Rules and Requirements or the ARB, these Terms of Use or the procedures set out by the VCSA including any user guidelines;
 - (b) VCSA is satisfied (based solely on the information provided by the User and third parties) that the project for which ROCs are to be issued meets the ARB Offset Program Rules and Requirements;
 - (c) the User complies with all relevant laws; and
 - (d) the User has complied with any other requirements specified in the ARB Offset Program Rules and Requirements or by the ARB or by VCSA from time to time.
- 6.4 The User acknowledges and understands that the VCSA's issuance of Registry Offset Credits is no guarantee of ARB's issuance of ARBOCs, and that ARB may determine, pursuant to the ARB Offset Program Rules and Requirements, that fewer or no ARBOCs will be issued relative to the quantity of ROCs issued by the VCSA. In such instances, the VCSA maintains the right to cancel the quantity of ROCs that it issued in excess of the number of ARBOCs issued by ARB or take other action that it deems appropriate, in light of the circumstances and facts available to the VCSA.
- 6.5 The User acknowledges and agrees that in the event that the VCSA or ARB determines that GHG reductions or removals for a project were incorrectly quantified or reported, such that the number of ROCs issued to the User was in excess of the correct number according to the requirements of the applicable ARB Compliance Offset Protocol, it is the User's responsibility to compensate for the over-issuance of ROCs, irrespective of whether the ROCs are still held by the User.
- 6.6 The obligation to compensate for any over-issuance of ROCs survives the End Date.
- 6.7 The VCSA may, in its absolute discretion, refuse to issue ROCs to the User's VCS Account in the VCS Registry.

7. Recording the Transfer of Registry Offset Credits within the VCS Registry

- 7.1 Upon receiving notification from the User or a Financial Market Settlement System that there has been an erroneous or fraudulent dealing related to ROCs in the VCS Registry, the VCSA may at its total discretion reverse the transaction or movement of ROCs or remove any ROCs being held in a VCS Account in accordance with any instructions received from the User or the relevant Financial Market Settlement System.

- 7.2 Upon receiving any written instruction from the ARB in relation to any dealing with ROCs in the VCSA Registry, the VCSA may at its total discretion reverse any transaction or movement of ROCs or remove any ROCs being held in a VCS Account in accordance with any written instructions received from the ARB.
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8. Cancellation and Retirement of Registry Offset Credits

- 8.1 The User may request that VCSA cancel or retire ROCs in accordance with the ARB Offset Program Rules and Requirements s and the procedures set out by the VCSA including any user guidelines.
- 8.2 The User acknowledges and agrees that if the User wishes VCSA to cancel or retire ROCs:
- (a) all legal and beneficial title in such ROCs will be extinguished and to the extent that any legal or beneficial title remains, the User will transfer its remaining interest and title to the VCSA subject to any limitations or requirements as may be imposed from time to time by the ARB Offset Program Rules and Requirements, these Terms of Use or the procedures set out by the VCSA including any user guidelines;
 - (b) neither it nor any third party will have any further rights to take the benefit of such ROCs nor the underlying Environmental Benefits corresponding to such ROCs; and
 - (c) it will procure that all relevant third parties enter into such agreements as are necessary to ensure that neither the User nor any third parties have any further rights to take the benefit of such ROCs nor the underlying Environmental Benefits corresponding to such ROCs.
- 8.3 Subject to clauses 11.4(o) and 11.4(p) , any instruction by the User to the VCSA to cancel or retire ROCs in accordance with this clause 8 is irrevocable, and the User acknowledges that any such instruction will not be reversed.
- 8.4 VCSA acknowledges and agrees that, once the User has complied with this clause 8 and VCSA has cancelled or retired the ROCs, the VCSA will not take any action to exercise or purport to exercise any right or interest, or deal with or otherwise use, the cancelled or retired ROCs or the underlying Environmental Benefits corresponding to such ROCs and considers that no person has any further rights to take the benefit of the cancelled or retired ROCs or the underlying Environmental Benefits corresponding to such ROCs.
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9. Legal Title to Registry Offset Credits

- 9.1 Notwithstanding anything in clause 6, the User acknowledges and agrees that the VCSA does not in any way guarantee legal title to the ROCs and the User relies on any content obtained through the VCS Registry at its own risk.
- 9.2 For the avoidance of doubt, the VCSA is under no obligation to verify or otherwise enquire into the validity of, or legal title to, the ROCs.
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10. Fees and Charges

- 10.1 Fees payable for use of the VCS Registry will be published by VCSA from time to time.
- 10.2 The User shall provide User's billing information prior to opening a User Account with the VCS Registry. Invoices will be sent to User by email. All payments made to the VCSA should be made by wire transfer of immediately available funds in United States dollars to the

VCSA Account. For the avoidance of doubt, all costs associated with the User's payment of fees shall be borne by the User.

Late Payment

- 10.3 If User fails to pay when due any fees, costs or other amounts which User is obligated to pay under these Terms of Use, such amounts will be deemed delinquent and will accrue interest at the Interest Rate, such interest to be calculated from and including the due date to, but excluding, the date on which the delinquent amount is paid in full.
- 10.4 Acceptance of late payment of any such amounts or of any interest accrued thereon shall not constitute a waiver by the VCSA of the User's default with respect to such late payment, nor prevent the VCSA from exercising any other rights or remedies available to it under these Terms of Use or any applicable law.
- 10.5 If delinquent fees are not paid by the User within thirty (30) days of the Due Date, the VCSA maintains the right to freeze the User's access to its VCSA Registry User Account until such time as User pays all outstanding fees, inclusive of interest.
- 10.6 The VCSA shall bear no liability to the User or any third party in connection with VCSA's exercise of its rights and remedies hereunder.

Changes in Fees and Costs

- 10.7 The VCSA may, upon thirty (30) days' notice to User and in its sole discretion, increase or decrease any or all of the fees and costs payable hereunder at any time. In no event shall any portion of such fees and costs be prorated or refunded to User upon termination of these Terms of Use or termination or suspension of User's access to the VCS Registry.
- 10.8 Any use of the VCS Registry by the User after the effective date set forth in the notice shall be deemed to constitute acceptance of such changes to the fees and costs payable hereunder.

Taxes and Other Charges

- 10.9 User shall be responsible for all taxes and charges imposed by a governmental authority related to the use of the VCS Registry and all related hardware, software, and services, and any other costs the User incurs in connection with the purchase, sale, posting, or transfer of ROCs or any other use of the VCS Registry.
- 10.10 For the purposes of these Terms of Use, "taxes" includes, but is not limited to, any or all ad valorem, property, occupation, severance, first use, conservation, gross receipts, privilege, sales, use, consumption, excise, lease, and transaction taxes, and any other taxes and governmental charges, fees, and assessments, or increases therein, other than taxes based on the VCSA's net income or net worth.

11. Representations, Warranties and Covenants

- 11.1 On the Commencement Date and throughout the term of these Terms of Use, the User represents and warrants to the VCSA that:
 - (a) it is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its formation;
 - (b) it has all corporate and other authority and all regulatory and other consents, approvals and authorizations necessary for it to legally:

- (i) enter into and perform its obligations under these Terms of Use and the associated procedures set out by the VCSA including any user guidelines; and
 - (ii) engage in all of its activity (including the creation, receipt and transfer of ROCs) on or relating to the VCS Registry,
- (c) the person indicating the User's acceptance of these Terms of Use through a website maintained by the VCSA has the authority to enter into these Terms of Use on behalf of the User, and these Terms of Use are binding on the User and enforceable against the User in accordance with their terms;
 - (d) it has examined and is familiar with the statements and other data and information submitted by it or on its behalf to the VCSA, and, to the best of its knowledge and belief, such statements and information are true, accurate, and complete;
 - (e) any ROCs issued by the VCS Registry have been created and verified in accordance with the ARB Offset Program Rules and Requirements;
 - (f) all legal title to and all Beneficial Ownership Rights in each ROCs held, retired or cancelled in any VCS Account held by the User are held by the User;
 - (g) all rights, title and interest in all data and other information provided to the VCSA or input into the VCS Registry by the User are held by the User, and all such data and other information are true and correct in all material respects; and
 - (h) any other representation, warranty, attestation or certification made to the VCSA by or on behalf of the User, whether prior to, on or following the Commencement Date is true and correct in all respects.

Covenants of User

11.2 On the Commencement Date and throughout the term of these Terms of Use, the User covenants to the VCSA that:

- (a) it will maintain its user ID and password in strict confidence, will allow only its employees and other representatives access to its VCS Account(s) and will promptly notify the VCSA of any suspected unauthorized use of the VCS Registry or other breach of security; and
- (b) it will comply at all times with the ARB Offset Program Rules and Requirements as applicable, these Terms of Use, the procedures set out by the VCSA including any user guidelines, and all laws applicable to its use of the VCSA.

Representations and Warranties of the VCSA

11.3 On the Commencement Date and throughout the term of these Terms of Use, the VCSA represents and warrants to User that:

- (a) to the VCSA's knowledge:
 - (i) the VCS Registry, the procedures set out by the VCSA including any user guidelines and these Terms of Use comply in all material respects with any applicable laws, regulations and orders to which they may be subject; and
 - (ii) the VCSA possess any applicable licenses, authorizations, permits, consents and approvals of any governmental entity or other governmental authority that may be required to be possessed by the VCSA in connection with the operation of the VCSA and the VCSA Registry; and

- (iii) to the VCSA's knowledge, use of the VCS Registry by User in accordance with the provisions of these Terms of Use does not and will not infringe the intellectual property rights of any third party in the United States.

User Acknowledgements

- 11.4 User acknowledges and agrees that the VCSA is merely providing a service and, accordingly, acknowledges and agrees that:
- (a) neither the VCSA nor the VCS Registry Software Provider has any special or fiduciary relationship to the User or any other user of the VCS Registry;
 - (b) neither the VCS Registry nor the VCS Registry Software Provider is the User's agent or advisor;
 - (c) these Terms of Use create no relationship of partnership, joint venture, employment, franchise, or agency between the VCSA or the VCS Registry Software Provider and the User;
 - (d) all ROC transactions shall be performed or settled by it and any third party in accordance with such separate agreements as may exist between the User and the relevant third party;
 - (e) neither the VCS Registry nor the VCS Registry Software Provider assumes any responsibility for the performance or settlement of any transactions;
 - (f) the VCSA is not in any way involved with ARB's CITSS process and has no control over the disbursement of ARBOCs on the CITSS system;
 - (g) it shall perform or settle any ARBOC transactions in accordance with such separate agreements as may exist between User and any third party(ies);
 - (h) the VCSA makes no representations as to the achievement of the underlying Environmental Benefits of any ROCs;
 - (i) the VCSA does not warrant that the VCS Registry software is free of bugs or errors;
 - (j) the VCSA does not warrant that the information provided by Users and uploaded on the VCS Registry is true and correct at any point in time;
 - (k) neither the VCSA or the VCS Registry Software Provider acts as a buyer or seller, or holds title to any product listed on the VCS Registry;
 - (l) once project information has been uploaded or posted to the VCS Registry; such project information cannot and shall not be deleted, removed, expunged or altered, except in accordance with the VCSA's normal operating procedures or as required by the ARB. Any subsequent changes or additions to information previously posted shall be posted as an update/amendment, but shall not replace the original posting;
 - (m) the VCSA and the VCS Registry do not and will not provide any matching services whereby Users will be matched with any potential buyer or seller of ROCs or services related to the aggregation, verification or certification of emissions data;
 - (n) in the event that a User does enter into a ROCs transaction or an aggregation, verification or certification arrangement with any third party using the VCS Registry, the VCSA does not guarantee and shall not be responsible for any obligation arising out of such transaction or arrangement or provide any assurance or guaranty that any such transaction or arrangement ultimately will be consummated;

- (o) the VCSA has the authority and power to reverse any transaction or movement of ROCs upon instruction from ARB or a Financial Market Settlement System without the authorisation of the User. If a transaction or movement of ROCs is reversed in accordance with this clause 11.4(o), the User will have no claim against the VCSA for any remedy;
 - (p) the User has the right and the obligation to instruct the VCSA to correct any incorrect or inaccurate information held in the VCSA Registry and inform the VCSA in writing of any changes to that information; and
 - (q) the VCSA may, in its sole discretion, with or without cause or prior notice to the User:
 - (i) temporarily or permanently cease to operate the VCS Registry;
 - (ii) temporarily or permanently cease to make ROC issuances or other services described hereunder available; or
 - (iii) terminate or suspend the User's access to the VCS Registry.
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12. Limitation of Liability and Indemnification

Limitation of Liability

- 12.1 The User assumes full responsibility and risk of loss resulting from its use of the VCS Registry and will have no claim whatsoever against the VCSA or its independent contractors (including, without limitation, the VCS Registry Software Provider), other than where liabilities are determined by final adjudication to have been caused by the VCSA's or its independent contractors' wilful misconduct.
- 12.2 The VCSA's sole liability relating in any way, whether directly or indirectly, to the VCS Registry or these Terms of Use (including without limitation the performance or non-performance by the VCSA of its obligations), whether caused by the negligence of the VCSA or otherwise, and regardless of whether any claim for damages is based on contract, tort, strict liability or otherwise, is limited to an aggregate amount equal to the fees paid by the User to the VCSA during the one-year period immediately preceding the earliest date on which any such claim(s) are made by the User.
- 12.3 In no event shall the VCSA or the VCSA Registry Software Provider be liable for any:
- (a) consequential, incidental, special, exemplary, punitive or indirect damages;
 - (b) economic or commercial loss; or
 - (c) any loss of use, loss of data, loss of business, personal injuries, or property damages, sustained by the User or any third-parties.

Even if the VCSA has been advised by the User or any third-party of the possibility of such damages, the User hereby releases and discharges the VCSA, any wholly owned subsidiaries of the VCSA, any other corporate affiliates of the VCSA, their successors and assigns, agents, directors, officers, employees, contractors, service providers and vendors from any and all liability with respect to any damage or injuries incurred by the User as relation to the VCS Registry.

No Counterparty Liability

12.4 The VCSA shall not be liable:

- (a) for the acceptability of or for any action or omission of any counterparty to or other third party involved in any transaction or arrangement that relates to ROCs or that is entered into or consummated with the use of the VCS Registry (including without limitation any ROC provider or buyer and any verification or certification provider); or
- (b) for the enforceability of or for any loss, expense or other liability arising from any such transaction or arrangement.

Indemnification

12.5 To the fullest extent permitted by law, the User agrees to indemnify, defend, and hold harmless the VCSA and its independent contractors (including, without limitation, the VCS Registry Software Provider) and their respective officers, directors, owners, employees, agents, affiliates, successors and assigns (collectively, the **Indemnified Party**) against and from any losses, liabilities, damages, judgments, awards, fines, penalties, actions, claims, costs, and expenses, including, without limitation, any amounts paid in settlement or compromise and any fees and costs of counsel and experts, (collectively, **Losses**) incurred, directly or indirectly, in connection with or by reason of, or in any way relating to or arising out of:

- (a) the User's use of the VCS Registry or the VCSA's website and/or any violation of any law, rule, or regulation arising from such use;
- (b) any breach of any representation or warranty set forth in, and any failure to perform any covenant, obligation or agreement under, these Terms of Use by User, or any violation by User of these Terms of Use or the procedures set out by the VCSA including any user guidelines;
- (c) any claim, action or proceeding asserted or brought by a third party arising out of any actual or alleged act or omission of the User;
- (d) any failure of any ROC posted or transferred by the User on the VCS Registry to conform with the VCSA's or ARB's requirements;
- (e) any information supplied by or through User, any transaction or arrangement entered into by User with any third party, or any misuse or improper disclosure of any information by User;
- (f) any dispute between User and any third party with respect to any ROCs (including, without limitation, any such dispute arising from or relating to any transaction between User and a third party with respect to the purchase, sale, or exchange of ROCs, or to the aggregation, verification or certification of emissions data);
- (g) any loss suffered by or other harm to any person or property (including, without limitation, any personal injuries or death of any third person) in any way relating to or caused in whole or in part by the posting, purchase, sale or exchange of ROCs by the User or any other activity of User conducted using the VCS Registry;
- (h) any action (including, without limitation, any message, request to transfer, buy, offer to sell, bid to buy, and request for new suppliers) taken by any third person through the User's VCS Account or using the User's password on the VCS Registry, whether

or not such third person gains access to such VCS Account or password as the result of any negligence or lack of vigilance by the User; and

- (i) the enforcement of the release, indemnity and other obligations referred to in this clause 12.5,

in any case, except to the extent that such Losses result from the Indemnified Party's fraudulent conduct or wilful misconduct.

13. Limited Warranty; Disclaimer of Warranty

- 13.1 The data contained in the VCS Registry has been gathered by the VCSA from sources believed by the VCSA to be reliable. However, neither the VCSA nor the VCS Registry Software Provider warrants that the information in the VCS Registry is correct, complete, current, or accurate, or that the software programs used in the VCS Registry will be error or bug-free, secure or free from service disruption.
- 13.2 The User acknowledges, understands and accepts that the VCS Registry is provided on an "As Is" basis at the User's sole Risk. Neither the VCSA nor the Registry Software Provider makes any representations, or warranties, express or implied, with respect to these Terms of Use, the procedures set out by the VCSA including any user guidelines or compliance with the ARB Offset Program Rules and Requirements, or the adequacy or performance of the VCS Registry.
- 13.3 The VCSA and the VCS Registry Software Provider hereby disclaim any such warranties, including but not limited to warranties of merchantability, non-infringement or fitness for a particular purpose, and any implied warranties arising from any course of dealing, usage, or trade practice.
- 13.4 The User acknowledges that service or maintenance disruptions may occur from time to time. The VCSA and the VCS Registry Software Provider further disclaim liability for:
 - (a) errors, omissions or other inaccuracies in any party of the VCS Registry, or the reports, ROCs or other information compiled or produced by or from or input into the VCS Registry;
 - (b) any delays, omissions or interruptions therein, and
 - (c) for the acts or omissions of any broker or agent authorized within the VCS Registry by the User to utilize the VCS Registry services on behalf of the User.
- 13.5 The VCSA and the VCS Registry Software Provider are not responsible for the acts or omissions of parties who aggregate, input, verify or certify data for the VCS Registry or from whom data is obtained for inclusion in the VCS Registry, nor is the VCSA or the VCS Registry Software Provider responsible for any obligation of any User to provide or deliver a product or service or to pay any User for a product or service.
- 13.6 Neither the VCSA nor the VCS Registry Software Provider assumes any responsibility for, and neither shall be liable for, any damages to, or viruses that may infect, the User's equipment or other property on VCS Account of the User's access to and use of the VCS Registry.
- 13.7 The User is solely responsible for the protection, security, and management of its computer network and of all usage thereof. Neither the VCSA nor the VCS Registry Software Provider will compensate the User for damages incurred due to violations of the security of the User's

computer network, nor shall the User make deductions or set offs of any kind from or against fees due to the VCSA in respect of any such damages.

14. Termination and Suspension

Termination

- 14.1 The VCSA may terminate these Terms of Use by giving 10 Business Days notice to the User except in the event of a breach of the Terms of Use in which case the VCSA may terminate these Terms of Use immediately. For the avoidance of doubt, the power to terminate these Terms of Use in this clause 14.1 can be exercised immediately.
- 14.2 The User may terminate these Terms of Use and its use of the VCS Registry by providing thirty (30) Business Days written notice to the VCSA.
- 14.3 If these Terms of Use are terminated, the following provisions shall survive termination: 7 (Recording the Transfer of Registry Offset Credits within the VCS Registry), 8 (Cancellation and Retirement of Registry Offset Credits), 16 (Confidentiality), 10 (Fees and Charges), 12 (Limitation of Liability and Indemnification), 17 (Intellectual Property), and 19 (Dispute Resolution).

Suspension

- 14.4 The VCSA may suspend the User's access to the VCS Registry and the User's VCS Registry User Account at any time with or without cause and without prior notice to the User. Without limiting any other remedies or limiting the foregoing, the VCSA may suspend the User's access to the VCS Registry if:
- (a) the VCSA reasonably suspects that the User has engaged in fraudulent, unethical or illegal activity in connection with the VCS Registry, the VCSA or its website;
 - (b) it has received instructions to do so from the ARB;
 - (c) the User has failed to pay any fees, costs or other amounts required to be paid under these Terms of Use within five (5) Business Days of the applicable due date;
 - (d) the User has breached any representation, warranty, covenant or agreement contained herein, or otherwise failed to abide by these Terms of Use, the procedures set out by the VCSA including any user guidelines, or the ARB Offset Program Rules and Requirements;
 - (e) accreditation or approval for any ROCs listed by or on behalf of the User is withdrawn or threatened to be withdrawn for any reason other than such units having been issued in error;
 - (f) any ROCs listed by or on behalf of the User are the subject of, or become the subject of, a Dispute, other than to an issue of erroneous issuance; or
 - (g) if the User is acting as an Agent, any authorisation to act in that capacity has been revoked by the Principal.
- 14.5 The VCSA shall provide the User with written notice via email of any suspect circumstances affected under this section within fifteen (15) Business Days following such suspension.
- 14.6 While a User's access to the VCS Registry and/or VCS Registry User Account is temporarily suspended, the User will have no right to deal with any listed ROCs in the VCS Registry and

any instruction by the User to the VCS to list, record the transfer of, retire or cancel ROCs in the VCS Registry will be declined.

- 14.7 When the VCSA forms a reasonable belief in accordance with clause 14.4(a), the VCSA may exercise one or more of the following rights:
- (a) a notation may be made in the VCS Registry and / or the VCS website indicating the temporary suspension and indicating the Disputed ROCs; and
 - (b) where the dispute concerns ROCs transferred, or purportedly transferred, by the User to another VCS Registry User Account in accordance with clause 7, the VCSA may require the User to supply replacement ROCs of a quality and quantity specified by the VCSA.
- 14.8 Upon notification by the VCSA of temporary suspension, the User will have ten Business Days to:
- (a) show cause in writing as to why the User should not be permanently suspended from the VCS Registry and why the serial numbers of the Disputed ROCs should not be cancelled and
 - (b) where requested by the VCSA in accordance with clause 14.7(b), supply to the VCSA, replacement ROCs of a quality and quantity specified by the VCSA.
- 14.9 If within the ten Business Day period, the User fails, to the satisfaction of the VCSA, to show cause and/or provide replacement ROCs, the VCSA may exercise one or more of the following rights:
- (a) permanently suspend the User from the VCS Registry;
 - (b) close the User's VCS Account(s) in the VCS Registry (in which case the provisions of clause 15 shall apply);
 - (c) record the serial numbers of the Disputed ROCs into the VCS Cancellation Account; and / or
 - (d) terminate these Terms of Use under clause 14.1.
- 14.10 For the avoidance of doubt, in the event that a listing or a transaction on the VCS Registry is found to be fraudulent or illegal, the VCSA reserves the right to refer the matter to the appropriate Governmental and legal authorities.

15. Closing an Account

- 15.1 The User may close a VCS Account at any time by providing written notice to the VCSA in accordance with the procedures set out by the VCSA including any user guidelines.
- 15.2 In the event of the User providing written notice to the VCSA in accordance with clause 15.1, the User will retain access to its other accounts on the VCS Registry (if any) and these Terms of Use will continue to apply until terminated under clause 14.
- 15.3 Upon receiving notification under clause 15.1, or carrying out its powers under clause 14, the VCSA will record the serial number of the ROCs listed in the relevant VCS Account(s) of that User (if any) in VCSA's Cancellation Account.

16. Confidentiality

- 16.1 The VCSA agrees to use and maintain Confidential Information provided by User in accordance with the procedures set out by the VCSA including any user guidelines and the ARB Offset Program Rules and Requirements, except as may be otherwise required or permitted under clause 16.4(a), or as requested by ARB pursuant to its Offset Program Rules and Requirements.
- 16.2 The User acknowledges that the VCSA will relay Confidential Information to the Registry Software Provider for the purpose of maintaining the VCS Registry and consents to and authorizes data sharing between the VCSA and the Registry Software Provider.
- 16.3 The VCSA and User shall each use commercially reasonable efforts to protect any Confidential Information of the other party from unauthorized disclosure or use, using at least the same level of care as it uses to protect its own Confidential Information.
- 16.4 The VCSA and the User each agree not to use or disclose Confidential Information of the other party except to the extent that such use or disclosure is:
- (a) reasonably necessary to perform under the procedures set out by the VCSA including any user guidelines, the ARB Offset Program Rules and Requirements, or these Terms of Use (including, without limitation, in connection with the production of reports or information requested and required by ARB); or
 - (b) authorized in writing by the other party.
- 16.5 Neither the VCSA nor the User shall be deemed to have breached these Terms of Use on account of the use or disclosure of any Confidential Information of the other party if:
- (a) such use or disclosure is reasonably necessary to comply with any applicable law, regulation, order or other legally enforceable requirement, or any request by any governmental authority having jurisdiction (including the ARB) over the VCSA; and
 - (b) the party using or disclosing such Confidential Information provides to the other party, as soon as reasonably practicable and, in any event, in advance of such use or disclosure, written notice of such use or disclosure so that the other party may seek a protective order or other appropriate remedy.
- With respect to requests from ARB for Confidential Information relating to a particular offset project in connection with ARB's review or crediting of that project, the VCSA may disclose User information to ARB without providing written disclosure to User.
- 16.6 If a User cancels or retires one or more ROCs, notwithstanding anything to the contrary in these Terms of Use, the following information related to such cancellation or retirement shall be subject to public disclosure by or at the direction of the VCSA, in such manner (including, without limitation, by inclusion in one or more reports posted on the VCSA's website) and at such times as the VCSA may determine in its sole discretion:
- (a) the name of User;
 - (b) the number of cancelled or retired ROCs;
 - (c) the vintage and serial numbers of the cancelled or retired ROCs;
 - (d) the date of such cancellation or retirement;

- (e) the name, type and identification number of the project and the location of the project site associated with the cancelled or retired ROCs;
- (f) if applicable, a statement to the effect that the cancellation or retirement was effected on behalf of another person or organization; and
- (g) any information not covered by the preceding clause 16.6(f) voluntarily disclosed by User to the VCSA regarding the reason for such cancellation or retirement.

16.7 If User obtains access to data in the VCS Registry that:

- (a) is not data provided or owned by User;
- (b) is not part of a publicly available VCS Registry report; and
- (c) the User is not otherwise authorized to use, then, regardless of whether such data is otherwise considered information subject to the provisions of this clause 16, the User shall:
 - (i) immediately notify the VCSA that the User has obtained such access; and
 - (ii) not disclose, disseminate, copy, or use any such information.

16.8 The VCSA and the User will each be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, the obligations of the other party under this clause 16.

17. Intellectual Property

17.1 The User hereby grants to the VCSA and the VCS Registry Software Provider, a perpetual, royalty-free license to:

- (a) use, reproduce, distribute, display and prepare derivative works from data provided by the User (**User Data**) and Confidential Information provided by the User; and
- (b) grant sublicenses to such User Data and Confidential Information to subcontractors and other third parties,

in each case to the extent reasonably necessary to perform any obligations of the VCSA under these Terms of Use, the procedures set out by the VCSA including any user guidelines, and the ARB Offset Program Rules and Requirements , and to fulfil the purposes of the VCS Registry.

17.2 The rights and obligations of these Terms of Use shall run to the named parties and their successors in interest and permitted assigns. User shall ensure that any of its owners, trustees, members, officers, directors, employees and agents to whom it has provided access to the VCS Registry agree to be bound by these Terms of Use.

17.3 The User acknowledges and agrees that the rights and licenses provided to User under these Terms of Use and the procedures set out by the VCSA including any user guidelines are solely for the benefit of the User and are to be exercised only in connection with the User's use of the VCS Registry. The User may not transfer, assign or sublicense its rights, licenses or VCS Registry User Account, or any portion thereof, to any third party without the prior written consent of the VCSA, which consent the VCSA may withhold in its sole discretion.

17.4 The User acknowledges that:

- (a) the VCSA is and shall remain the sole owner of all aggregated data embodied in the VCS Registry, and of the selection, arrangement and compilation of such aggregated data;
 - (b) the VCS Registry Software Provider has granted the VCSA a limited license to the VCS Registry operating system, including any components, modifications, adaptations and copies thereof (the **System**), and the software used in providing, accessing (other than commercially available third party internet browsers) or using the VCS Registry (**Software**); and
- 17.5 the VCS Registry Software Provider is the sole owner of the System and the Software.
- 17.6 Other than with the VCSA's written permission, reproduction of part or all of the contents in any form of the VCS Registry is prohibited other than for individual use only and may not be copied and shared with a third party. The permission to copy by an individual does not allow for incorporation of material or any part of it in any work or publication, whether in hard copy, electronic, or any other form.
- 17.7 Unless otherwise noted, all materials in the VCS Registry are protected as the Intellectual Property Rights owned by the VCSA or by other parties that have licensed their material to the VCSA.
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18. Privacy and User Information

- 18.1 Personal information about any individual will be maintained in accordance with the Privacy Policy.
- 18.2 The User acknowledges that the VCSA may be required by law to conduct background checks on the User.
- 18.3 The User agrees to use its best endeavours to assist the VCSA in carrying out any such legal obligations.
- 18.4 The User will review any communication issued by the VCSA in connection with the VCS Registry and will immediately notify the VCSA in writing if any information contained in the communication is inaccurate or incorrect.
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19. Dispute Resolution

Governing Law

- 19.1 These Terms of Use shall be governed by the laws of the District of Columbia without regard to its rules on conflicts of laws.

Dispute Resolution

- 19.2 In the event of any claim or controversy arising out of or relating to these Terms of Use, or the breach thereof, or any other claim or controversy between the parties (any such claim or controversy, a **Dispute**), the parties first shall attempt to settle such claim or controversy by mediation administered by JAMS, which mediation shall take place in Washington, DC.
- 19.3 Either party may commence mediation by providing to JAMS and the other party a written request for mediation, setting forth the subject of the dispute and the relief requested, including the amount sought in the dispute.

- 19.4 The parties will cooperate with JAMS and one another in selecting a mediator from the JAMS panel of neutrals and in scheduling the mediation proceedings. The parties agree that they will participate in the mediation in good faith and that they will share equally its costs. At least fifteen (15) days prior to the commencement of the mediation, the party seeking to mediate (the **Demanding Party**) shall give the other party all documents available to the Demanding Party that support its position in the Dispute.
- 19.5 All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator or any JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation.
- 19.6 Any Dispute that has not been resolved by mediation as provided herein within thirty (30) days after commencement of the mediation shall be finally resolved by arbitration administered by JAMS and all proceedings shall be held in Washington, DC. The arbitration will be conducted in accordance with the provisions of JAMS's Comprehensive Arbitration Rules and Procedures in effect at the time of filing of the demand for arbitration. The parties will cooperate with JAMS and with one another in selecting an arbitrator from JAMS panel of neutrals, and in scheduling the arbitration proceedings. The parties shall participate in the arbitration in good faith and shall share equally in its costs.
- 19.7 The provisions of this clause 19 may be enforced by any court of competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all costs, fees, and expenses, including attorney fees, to be paid by the party against whom enforcement is ordered.
- 19.8 The parties shall continue to perform their respective obligations under these Terms of Use during the pendency of dispute resolution proceedings, including mediation and arbitration.
- 19.9 Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any Dispute.
- 19.10 Except as otherwise provided herein, each party shall be responsible for the payment of all of its costs associated with the resolution of any Dispute, whether in mediation, arbitration or before a court of law, including but not limited to any filing fees, mediator or arbitrator fees, its reasonable attorneys' fees, and other costs incurred in such proceeding, provided that if a Dispute is initiated in bad faith, as determined by the mediator, arbitrator or court, the party initiating the Dispute shall be responsible for all of the other party's defense costs.
- 19.11 The parties agree that neither may bring a claim nor assert a cause of action against the other, in any forum or manner, more than one (1) year after the later of:
- (a) the date on which the claim or cause of action accrued; and
 - (b) the earliest date on which the aggrieved party could have reasonably discovered the wrong giving rise to the claim or cause of action.

20. Force Majeure

- 20.1 To the extent the VCSA is prevented by Force Majeure from fully performing any of its obligations under the ARB Offset Program Rules and Requirements, the procedures set out by the VCSA including any user guidelines or these Terms of Use, then the VCSA shall be excused from the performance of such obligations for as long as the Force Majeure event is continuing.

- 20.2 The VCSA shall seek to remedy the Force Majeure using commercially reasonable efforts.
- 20.3 The User shall not be required to perform or resume performance of its obligations under the ARB Offset Program Rules and Requirements, the procedures set out by the VCSA including any user guidelines or these Terms of Use corresponding to the obligations of the VCSA excused by Force Majeure.
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21. General

Assignment

- 21.1 The User shall not assign these Terms of Use or any of its rights, benefits, duties, and obligations hereunder without the prior written consent of the VCSA, which consent the VCSA may withhold in its sole discretion. These Terms of Use shall be binding upon and inure to the benefit of the respective parties and their respective successors and permitted assigns.

No Third Party Beneficiaries

- 21.2 Except as set forth elsewhere in these Terms of Use, these Terms of Use confer no rights whatsoever upon any person other than the parties and shall not impose, or be interpreted as imposing, any standard of care, duty, or liability upon any person other than a party.

Severability

- 21.3 If any term or provision of these Terms of Use is held to be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Terms of Use shall not in any way be affected or impaired thereby.

Audit

- 21.4 The VCSA has the right, at its sole expense, upon reasonable notice and during normal working hours, to examine, audit, and obtain copies of the records of User to the extent reasonably necessary to verify:
- (a) the accuracy of any representation, warranty or attestation made by User to the VCSA; and
 - (b) the User's performance during the prior (12) month period of its obligations under the procedures set out by the VCSA including any user guidelines or, as applicable, the ARB Offset Program Rules and Requirements, and these Terms of Use.

This right to examine, audit, and obtain copies shall not be available with respect to any information that is not directly relevant to the subject matter of the procedures set out by the VCSA including any user guidelines or, as applicable, the ARB Offset Program Rules and Requirements, or these Terms of Use.

Notices

- 21.5 All notices and other communications under these Terms of Use must be in writing and will be duly given hereunder:
- (a) upon delivery, if personally delivered, delivered by email or facsimile, or delivered by overnight courier with confirmation of delivery; and
 - (b) on the fourth business day after the postmark date, if mailed by certified or registered mail with postage prepaid.

- 21.6 Street and email addresses and facsimile numbers of each party are as indicated below or as subsequently modified by written notice to the other party.

If to the VCSA:

Verified Carbon Standard Association
Attn: VCS Offset Project Registry Administrator
1730 Rhode Island Ave., NW, Suite 803
Washington, DC 20036
Facsimile: 202-360-4257
Email: secretariat@v-c-s.org

If to the User:

To the address provided at the time of registration, as updated by the User from time to time.

Injunctive Relief

- 21.7 The User acknowledges that money damages would not adequately compensate the VCSA and the VCS Registry Software Provider in the event of a breach by the User of its obligations hereunder and that injunctive relief may be essential for the VCSA and the VCS Registry Software Provider to adequately protect themselves hereunder. Accordingly, the User agrees that, in addition to any other remedies available to the VCSA and the VCS Registry Software Provider or at law or in equity, including but not limited to any monetary damages, the VCSA and the VCS Registry Software Provider shall be entitled to seek injunctive relief in the event of any breach by User of any covenant, agreement, representation or warranty contained herein or in the procedures set out by the VCSA including any user guidelines.

Rights Cumulative

- 21.8 The rights, remedies and powers of the parties under these Terms of Use are cumulative and do not exclude any other rights, remedies or powers.

Schedule 1

Definitions

Agent means any User of the VCS Registry who does so in the capacity as a broker, agent or representative of any kind on behalf of a Principal for the purposes of utilising the VCS Registry services.

Agreement means these Terms of Use.

ARB Cap and Trade Regulation means Article 10 of the California Code of Regulations adopted by the California Air Resources Board, (ARB) and which may be amended from time to time.

ARB Compliance Offset Protocols means an offset protocol adopted by ARB.

ARB Offset Credit or ARBOC means a credit issued by ARB for a greenhouse gas (GHG) reduction or GHG removal enhancement of one metric ton of carbon dioxide equivalent, pursuant to a Compliance Offset Protocol or an Early Action Offset Protocol.

ARB Offset Program Rules and Requirements means those rules and requirements adopted by the California ARB, and set forth in the Cap and Trade Regulation, ARB's formal guidance documents, and any additional direction provided by ARB as part of its implementation of the Cap and Trade Program.

Beneficial Ownership Rights, with respect to any Registry Offset Credit (ROC), means any contractual or other right to direct or control the sale or other disposition of, or the retirement of, such ROC.

Business Day means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m. Eastern Prevailing Time.

Cancellation Account means an account in the VCS Registry that lists the serial numbers of disputed ROCs, ROCs transferred to third parties without accounts in the VCS Registry and ROCs held by Users that have exited the VCS Registry.

CITSS means the ARB's Compliance Instrument Tracking System Service.

Commencement Date means the date on which User indicated User's acceptance of these Terms of Use through a website maintained by the VCSA.

Compliance Offset Protocols means those standardized methodologies adopted by ARB.

Confidential Information shall mean:

- (a) all information:
 - (i) to which User, the VCSA or the VCS Registry Software Provider, or any third party (to the extent such third party owes a duty of confidence to User, the VCSA or the VCS Registry Software Provider) has rights; and
 - (ii) which is marked to expressly indicate its confidential, restricted, or proprietary nature by the party having rights in the same, or which, under all of the circumstances, a reasonable business person should know to treat as confidential, restricted, and/or proprietary; and
- (b) all information that, at the applicable time, is deemed to be Confidential Information pursuant to clause 16.

- (c) Notwithstanding the foregoing and any provision of clause 16, Confidential Information does not include information:
- (i) that is, as of the time of its disclosure, or thereafter becomes, part of the public domain through a source other than the receiving party;
 - (ii) that was known to the receiving party as of the time of its disclosure;
 - (iii) that is independently developed by the receiving party without reference to the Confidential Information of the disclosing party;
 - (iv) that subsequent to its disclosure, is received by the receiving party from a third party not subject to an obligation of confidentiality with respect to the information disclosed; or
 - (v) with respect to which the disclosing party provides to the receiving party in accordance with clause 16 or through an electronic interface comprising part of the VCS Registry an express waiver of any confidentiality protection under these Terms of Use.

Demanding Party has the meaning given to it in clause 19.3.

Dispute means any disagreement, claim, allegation, concerning the generation, creation, ownership, issuance, validity, legality or registration of any ROCs that may arise between the User and any third party including the VCSA.

Disputed ROCs means ROCs subject to a suspension notice in accordance with clause 14.5.

Due Date means the date at which any Fees charged and invoiced under this Agreement must be paid, which is no later than 30 days after the date of the relevant invoice.

Early Action Offset Protocol means one of those quantification methodologies listed in Section 95990(c)(5) of the Cap and Trade Regulation.

End Date means the date these Terms of Use are terminated in accordance with clause 14.

Environmental Benefit(s) means all legal and equitable right, title, interest and benefit arising from or associated with (i) the protection, conservation or enhancement of the environment and/or biodiversity, or (ii) GHG Reductions, or (iii) any other legal and equitable right, title, interest or benefit relating to the environmental benefit as approved by the VCSA.

Financial Market Settlement System means an exchange, clearing house, central counterparty or other settlement system (as determined by the VCSA) that acts on settlement instructions to settle transactions.

Force Majeure means an event or circumstance which prevents the VCSA from performing its obligations under these Terms of Use, which event or circumstance was not anticipated as of the date these Terms of Use were agreed to, which is not within the reasonable control of, or the result of the negligence of, the VCSA, and which, by the exercise of reasonable commercial efforts, the VCSA is unable to overcome or avoid or cause to be avoided.

Intellectual Property Rights means all rights in any patent, copyright, database rights, registered design or other design right, utility model, trade mark (whether registered or not and including any rights in get up or trade dress), brand name, service mark, trade name, eligible layout right, chip topography right and any other rights of a proprietary nature in or to the results of intellectual activity in the industrial, commercial, scientific, literary or artistic fields, whether registrable or not and wherever existing in the world, including all renewals, extensions and revivals of, and all rights to

apply for, any of the foregoing rights owned, used, or intended to be used, by a party whether or not registered, registrable or patentable.

Interest Rate means, for any date, the per annum rate of interest equal to the prime lending rate published in The Wall Street Journal on such day (or if not published on such day, on the most recent preceding day on which published), plus two percent (2%).

Principal means a third party who owns ROCs or wishes to utilise the VCS Registry services and who has appointed an Agent to act on its behalf for the purposes of using the VCS Registry services.

Privacy Policy means the VCS Registry Privacy Policy available on the VCS Registry website, as amended from time to time.

Registry Offset Credit or ROC means a credit issued by the VCSA as an Offset Project Registry for a GHG reduction or GHG removal enhancement of one metric ton of carbon dioxide equivalent, pursuant to an ARB Compliance Offset Protocol.

State means any state of the United States of America.

System has the meaning given to it in clause 17.4(b).

VCS Account means an account held by the User in the VCS Registry in accordance with the procedures set out by the VCSA including any user guidelines.

VCS Registry Account means the account on the VCS Registry held by the User.

VCS Registry Software Provider means the Markit Group Ltd.