Operating Procedures and Fee Schedule

Bursa Carbon Exchange

DOCUMENT VERSION CONTROL

Version	Effective Date	Key Changes
1.0	1 Sep 2023	New adoption.
1.1	12 Oct 2023	Inserted new clause 2.1.5 to provide level of assurance to applicants to participate in BCX that we will treat their information and/or documents with confidence and to assure them that we will only use it for BCX purposes.
1.2	18 Dec 2023	Extension of Fee Waiver (from Dec 2023 to Jun 2024) reflected in the BCX Fee Schedule (Refer Appendix 1)
1.3	20 May 2024	Extension of Fee Waiver (from Jun 2024 to Dec 2024) reflected in the BCX Fee Schedule (Refer Appendix 1)
1.4	21 Aug 2024	Introduction of REC, admission, withdrawal, redemption, expiry of REC processes
1.5	25 Sep 2024	RECs fee waiver from 75% to 100% until 31 Dec 2024.
1.6	04 Nov 2024	• Modified clause 4.1.5, 5.1.5 & New clause 4.1.7 & 5.1.7 to reflect admission of units process. • Appendix 1 – Fee schedule • Renamed title of Operating Procedure to include Fee Schedule
1.7	10 Dec 2024	• Appendix 1 – Fee schedule – Update on the REC Fee waiver 2024 • Appendix 1 – Fee schedule – Inclusion of Gold Standard Fees for Carbon Credits retirement and transfer • Appendix 1 – Fee Schedule – Update on quantity of carbon from “per 1,000tCO_2e” to “per 1tCO_2e” for carbon transfer and Carbon retirement • Appendix 1 – Fee Schedule – Update on RECs unit from “per REC” to “per MWh” • Appendix 1 – Fee Schedule - Added under remark "USD 2 cent/tCO_2e" under Carbon Transfer Fee and Carbon Retirement Fee
1.8	01 Jan 2025	• Appendix 1 – Fee Schedule – Update on fee waiver of 100% for carbon credits and RECs until 30 Jun 2025

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SECTION 1.0: INTRODUCTION

1.1	**Purpose**	1.1.1	This Operating Procedures form part of the Rules of Bursa Carbon Exchange (BCX Rules) and must be read together with the BCX Rules. The Operating Procedures describes the processes and procedures that all Participants in the Market must adhere to in performing their respective roles and responsibilities. The Operator may at any time issue further procedures or perform certain market actions in exercising its power to ensure a fair and orderly Market.
		1.1.2	BCX Rules and Operating Procedures can be accessed through the following link, under "Reference Documents": https://bcx.bursamalaysia.com/web/resources
1.2	**Ownership**	1.2.1	The owner of this Operating Procedures is Bursa Malaysia Carbon Market Sdn. Bhd. (Operator). The Operator reserves the right to make changes/revisions to this Operating Procedures periodically.
		1.2.2	This Operating Procedures is strictly intended for participation in the Bursa Carbon Exchange (BCX) and shall not be reproduced or employed for other purposes, without the prior written consent from the Operator.
1.3	**Definitions and Interpretation**	1.3.1	Unless otherwise defined in this Operating Procedures, the Definitions and Interpretation specified in Rule 1.01 and Rule 1.02 of the BCX Rules shall apply in interpreting this Operating Procedures.

SECTION 2.0: TERMS AND PARTICIPATION

2.1	**Participant Application and Assessment**	2.1.1	Pursuant to Rule 3.02 of the BCX Rules, the application form to be completed and submitted to become a Participant is available at https://bcx.bursamalaysia.com/web/resources
		2.1.2	The available categories of Participants currently open for application are: a) Trader; and b) Supplier.
		2.1.3	The application form must be completed, signed by a person duly authorised by a Directors' resolution to execute the BCX application form, and subsequently forwarded by the applicant to BCX via email at bcx@bursamalaysia.com, accompanied by the ensuing documents: **(A) <u>Non-SSM Registered Entity:</u>** (i) Certificate of Incorporation/Registration; (ii) Certificate of Change of Name (If Applicable); (iii) Register of Directors, Managers and Secretaries; (iv) Annual Return; (v) Return of Allotment; (vi) Or official government-issued documents that are equivalent to items (i) to (v); (vii) List of Ultimate Beneficial Owners (UBO) of the applicant, being any shareholder, partners or other person owns or controls (either directly or indirectly): a. Own denotes ownership (either directly or indirectly) of 25% or more of the entity; and b. Control denotes having the authority to make decisions for the entity, including matters relating to its financial affairs, financial relationships, operations, or other matters that may fundamentally affect the business or direction of the entity, and such powers may be attained as a result of, or by means of, trusts, agreements, arrangements, understandings, policies and practices, close and intimate family relationships or if a company defaults

		on certain payments; reflecting dominant influence to appoint or remove directors/senior management; having the power of attorney over the entity; owning stocks or rights over outstanding debts that are convertible into voting equity; or participating in the financing of the enterprise; (viii) Identification documents of every UBO, Director, Authorised Signatory and Designated User(s) (if unrecorded in the BCX Application Form); One of the following official government-issued photo identification documents: • Valid passport (non-Malaysian individuals); • National Registration Identity Card (NRIC); or • Government-issued driving license (ix) Directors' resolution or power of attorney authorising the application and the performance of the functions required under the BCX Rules and the specimen signature of the authorized signatory(ies); and verifying the due authority of each appointed Designated User and Authorised Signatory (this may be within the same resolution/document). (x) Redacted Bank Statement issued within the last three (3) months (Note: Applicants need not disclose their transaction activities) or a Bank Confirmation Letter. **(B) <u>SSM-Registered Entity:</u>** (i) Identification documents of every UBO, Authorised Signatory, and Designated User(s) (if unrecorded in the BCX Application Form); One of the following official government-issued photo identification documents: • Valid passport (non-Malaysian individuals); • National Registration Identity Card (NRIC); or • Government-issued driving license. (ii) Directors' resolution or power of attorney

		authorising the application and the performance of the functions required under the BCX Rules and the specimen signature of the authorized signatory(ies); and verifying the due authority of each appointed Designated User and Authorised Signatory (this may be within the same resolution/document). (iii) Redacted Bank Statement issued within the last three (3) months (Note: Applicants need not disclose their transaction activities) or a Bank Confirmation Letter **(C) <u>Exempted Entity:</u>** (i) Identification documents of every Authorised Signatory and Designated User(s) (if unrecorded in the BCX Application Form); One of the following official government-issued photo identification documents: • Valid passport (non-Malaysian individuals); • National Registration Identity Card (NRIC); or • Government-issued driving license. (ii) Directors' resolution or power of attorney authorising the application and the performance of the functions required under the BCX Rules and the specimen signature of the authorized signatory(ies); and verifying the due authority of each appointed Designated User and Authorised Signatory (this may be within the same resolution/document). (iii) Redacted Bank Statement issued within the last three (3) months (Note: Applicants need not disclose their transaction activities) or a Bank Confirmation Letter. (D) **<u>Below are the categories of exempted entities as declared by the applicant in the BCX Application Form:</u>** (i) Publicly listed company or corporation listed on Bursa Malaysia Securities Berhad; (ii) Foreign publicly listed company recognised by the World Federation of Exchanges; (iii) Foreign financial institution from a country that is a member of the Financial Action Task Force;

		(iv) An authorised person under the Financial Services Act 2013 and the Islamic Financial Services Act 2013 (i.e., any person that has been granted a licence or approval); (v) Persons licensed or registered under the Capital Markets and Services Act 2007; (vi) Licensed entity under the Labuan Financial Services and Securities Act 2010 and the Labuan Islamic Financial Services and Securities Act 2010; (vii) Prescribed institution under the Development Financial Institutions Act 2002; or (viii) Licensed entity under the Money Services Businesses Act 2012. 2.1.4 All supporting documents listed above must be certified as true copies by the company secretary, Advocate and Solicitor, Commissioner for Oaths or Notary Public. 2.1.5 Any confidential information and/or documents supplied by the applicant shall be kept confidential, subject to the provisions for disclosure under Rule 2.09 of the BCX Rules and used for the purposes of admission and participation on BCX. In addition to the disclosures that may be made under Rule 2.09, the Operator may also disclose information to party(ies) providing services to the Operator including, but not limited to parties providing custodian services, payment services, customer due diligence checks and AML/CFT screening and monitoring services. 2.1.6 Upon the receipt of a complete application, the Operator will review and assess each application and the eligibility of each applicant before notifying the applicant of its decision. The Operator's decision shall be final and binding with no obligation to furnish reasons for application rejections. 2.1.7 The Operator may grant approval subject to any terms and conditions deemed suitable by the Operator in its absolute discretion. 2.1.8 For purposes of Rule 3.03(c) of the BCX Rules, a Designated Bank Account denotes a bank account under the applicant's name with a bank licensed

			under the laws of Malaysia or any other bank acceptable to the Operator.
		2.1.9	In the event the applicant has been approved as a Participant, and intends to change the Designated Bank Account, a formal communication along with the requisite documents must be submitted to the Operator. The new Designated Bank Account details and its effective date should also be clearly specified in the application.
		2.1.10	Application for change in Designated User(s) should be submitted to the Operator via email at bcx@bursamalaysia.com. The application can be submitted by the existing appointed Designated User or any authorised person on behalf of the Participant.
		2.1.11	For the purposes of Rule 3.04(a), (c) and (d) of the BCX Rules, a Participant may notify the Operator of any changes by written notice to the Operator at bcx@bursamalaysia.com.
2.2	**User Account Creation**	2.2.1	Upon securing approval as a BCX Participant, an Account will be opened for the Participant. Each primary Designated User that is appointed by a Participant ("Primary Designated User") will receive a unique user identification (ID) and corresponding password, facilitating access to the Participant's account. The Primary Designated User will hold the master access to the Participant's Account.
		2.2.2	With the master access, the Primary Designated User holds the authority to generate user IDs for the other registered Designated Users. Subsequently, these Designated Users will be required to create their respective passwords to access the Participant's Account.
		2.2.3	A maximum number of three (3) Designated Users may be appointed to act on behalf of each Participant. However, the Participant is required to nominate only one (1) Designated User as the primary contact point. If the Participant wishes to appoint more than three (3) Designated Users, a formal written request should be submitted to the Operator via email at bcx@bursamalaysia.com.
		2.2.4	The Operator reserves the right to prescribe the maximum number of Designated Users for each

			Participant's Account.
		2.2.5	All Primary Designated User and Designated Users must register with any authentication service specified by the Operator, if any.
		2.2.6	The usernames and passwords are for the use of the relevant Designated Users only and must not be transferred to, provided, or shared with any other person or entity.
		2.2.7	The Designated User must complete the multi-factor authentication process, if any, to verify their identity whenever they access the Participant's Account.
		2.2.8	Each Designated User must maintain confidentiality and ensure at all times the proper and authorised use of any username and password associated with the Participant's Account and notify the Operator immediately if there is any unauthorised use of the Participant's Account or any other breach of security.
		2.2.9	The Operator holds no liability for any misuse of the Account or any failure, intentional or otherwise, on the part of the Participant or its Designated User.
2.3	**Payment of Fees and Taxes**	2.3.1	All pertinent fees associated with participation and transactions on BCX are detailed within the BCX Fee Schedule in **Appendix 1**.
		2.3.2	The onboarding fee is payable upon approval of an application to become a BCX Participant.
		2.3.3	All trade fees that are chargeable by the Operator shall be pre-emptively earmarked from the Participant's Account and deducted after a successful transaction. For Sellers, these fees will be deducted from their final sale proceeds.
		2.3.4	Fees or charges related to carbon unit withdrawals or retirement shall be pre-emptively earmarked from the Participant's cash account and deducted after a successful transaction.
		2.3.5	The Operator reserves the right to impose a late payment charge of 1.00% per annum on outstanding fee or charge.

		2.3.6	Transactions executed on the BCX platform that are subject to taxes (if applicable) will be earmarked during transaction placement and will be deducted upon the successful trade or transaction.
		2.3.7	Fees and taxes (if any) deducted upfront will be instantaneously returned to the Participant's Account balance in the event of an unsuccessful transaction.
		2.3.8	Any transaction fees incurred by BCX or the Cash or Unit Custodian in relation to cash or credits withdrawals on behalf of a Participant will be charged to the Participant's account (deducted from the wire transfer before payment disbursement).
2.4	**Resignation of Participant**	2.4.1	A Participant seeking to voluntarily resign from their participantship is required to furnish the Operator with a written notice, at least thirty (30) days in advance, specifying the proposed date of resignation. Such notification may be provided to the Operator via email to bcx@bursamalaysia.com. The Participant shall comply with all its obligations under the BCX Rules until the effective date of the resignation.

SECTION 3.0: MANAGEMENT OF CASH

3.1	**Depositing Cash**	3.1.1	To enter a buy order, a Buyer must maintain sufficient amount of funds (to cover any associated fees, taxes, and charges) in their Account required to fulfil the relevant order.
		3.1.2	In the event a Participant intends to transfer funds to the Cash Custodian's Bank Account, the Designated User must initiate a Deposit Request within the System. Subsequently, the Participant must transfer the stipulated funds from their Designated Bank Account to the Cash Custodian's Bank Account.
		3.1.3	Once the Operator confirms receipt of the funds within the System, the Participant's Account will be duly updated to reflect the transferred cash amount, held within the Cash Custodian's Bank Account.
		3.1.4	The Participant may cancel a Deposit Request through the System before receiving approval from the Operator.
		3.1.5	In the event any currency conversion is required: **(i)** The Participant shall bear bank transactional charges and any conversion gains or losses arising from the currency conversion; and **(ii)** Sufficient time must be allotted for the transaction to be cleared by the correspondent or agent bank, allowing for funds to be received within the Cash Custodian's Bank Account.
		3.1.6	Funds held in trust by the Cash Custodian on behalf of the Participant may be placed in the short-term deposit at the discretion of the Operator, through licensed Islamic financial institution(s) under the supervision of Bank Negara Malaysia.
		3.1.7	Accrued "profit" in accordance with Islamic principles (after deduction for administrative charges) on excess cash balances maintained by the Participant in the Cash Custodian's Bank Account shall be returned to the Participant's account.

3.1.8 In the event profit earned on the excess cash balances is subject to withholding tax for a non-Malaysian Participant, the equivalent tax amount will be deducted from the Participant's Account.

3.1.9 Accrued profit from the short-term deposit shall be calculated daily and reflected within the Participant's Account no later than the eighth (8th) market day of the following month.

3.1.10 Cash deposits that are successfully made to the Cash Custodian's account before 10:00 hours (Malaysian time) on a market day shall be updated in the Participant's Account on the same market day and will be eligible to receive profit.

3.1.11 Participants can view the profit reflected on their cash balances via their Account Statement, accessible within the System.

3.1.12 Below are the Operator's Cash Custodian's Bank Account Details:

Account Name	**Bursa Malaysia Carbon Market Nominees Sdn Bhd**
Account No	**564016-676047**
Beneficiary Bank	**Maybank Islamic Berhad**

3.2 Withdrawing of Cash

3.2.1 Participants intending to withdraw funds held in trust by the Cash Custodian to their Designated Bank Account must initiate a withdrawal request via the System ("Withdrawal Request") stating the precise amount of funds intended for withdrawal.

3.2.2 Each cash Withdrawal Request is subject to review and subsequent approval by the Operator, contingent upon the available cash balance within the Participant's Account.

3.2.3 A cash Withdrawal Request from a Participant:

(a) if submitted before 10:00 hours (Malaysian time) on a market day, processing and the fund remittance will occur as follows:

(i) for local banks, within the same market day via e-banking; or

		(ii) for foreign banks, in accordance with the recipient bank procedures. (b) If submitted after 10:00 hours (Malaysian time) on a market day, will be deemed as a subsequent day submission. Processing and fund remittance will occur as follows: **(i)** For local banks, within the next market day; or **(ii)** For foreign banks, in accordance with the recipient bank procedures. 3.2.4 The Cash Custodian is only obliged to remit the amount specified in the Withdrawal Request after deduction of applicable charges, fees or taxes to the Participant's Designated Bank Account, if there are sufficient funds within the Participant's Account.

SECTION 4.0: MANAGEMENT OF UNITS (CARBON CREDITS)

4.1	**Admission of Units (Carbon Credits)**	4.1.1 The Operator shall uphold an account with a duly approved Scheme Registry. Suppliers seeking to onboard Units must ensure they are from an Operator-approved Scheme Registry account. 4.1.2 A Supplier seeking to admit Units for trading on BCX are required to submit the following documents to the Operator: i) Admission of Units Form (Note: Requestable from the Operator); ii) Any additional document or information as requested by the Operator upon application submission or prior to its determination 4.1.3 The Operator shall review and assess each application and notify the applicant of its decision following the receipt of a complete application and verification that the Units satisfy the Contract Specifications of the standardised Contract selected. The Operator's decision remains final and binding, without any obligation to provide reasons for application rejections. Without prejudice to the generality of the foregoing, the Operator will not approve Units issued by any project: **(i)** that fail to fulfil know-your-customer and anti-money laundering, anti-bribery, anti-corruption and countering financing terrorism requirements, due diligence requirement, and checks against sanctions lists as undertaken by the Operator; **(ii)** subject to material negative public feedback or controversies, as deemed by the Operator. 4.1.4 The Operator reserves the right to approve an application subject to any terms and conditions which the Operator considers appropriate, in its absolute discretion. 4.1.5 If a Participant intends to offer Units from multiple projects, those Units from each project must be submitted separately through the Admission of Units Form to the Operator.

		4.1.6 Following the Operator's approval for Unit admission, the Participant may transfer the designated Units to the Unit Custodian Scheme Account of the relevant Scheme Registry. 4.1.7 Should a Participant wish to incorporate additional units from the same project that have already been admitted to BCX, the Participant must submit a request via email to bcx@bursamalaysia.com. This request should include the necessary details as outlined in PART D of the Admission of Units Form. 4.1.8 Below is the Unit Custodian Account held with the Scheme Registry: **Bursa Malaysia Carbon Market Nominees Sdn. Bhd. ID 5932 (Verra)** **Bursa Malaysia Carbon Market Nominees Sdn. Bhd. ID 1115148 (Gold Standard)**
4.2	**Withdrawal of Units (Carbon Credits)**	4.2.1 Participants intending to withdraw Units held in trust by the Unit Custodian shall initiate this by clicking the "withdraw" button via the System, stating the precise number of Units intended for withdrawal. 4.2.2 The System will earmark the selected Units, removing them from being available for trading or retirement. 4.2.3 The Operator will engage the Unit Custodian to facilitate the transfer of the selected Units to the Participant's Scheme Registry Account. 4.2.4 Following the withdrawal of the selected Units, the Operator will issue a Unit withdrawal confirmation to the Participant's Designated User via e-mail. 4.2.5 The Unit Custodian is only obliged to withdraw the specified Units to the Participant's Scheme Registry Account if there are sufficient Units in the Participant's Account, and sufficient cash reserves to cover the withdrawal fee and taxes (if any) imposed by the Operator.
4.3	**Retirement of Units (Carbon Credits)**	4.3.1 Should a Participant opt to retire Units held in trust by the Unit Custodian, the Participant is required to submit a request via their Account, specifying the name of the party in favour of which the Units are to be Retired ("Retirement Beneficiary"), and the total

		number of Units intended for Retirement ("Selected Retirement Units"). In the event the Retirement Beneficiary is not the Participant, the Participant agrees to indemnify and hold harmless the Operator and Unit Custodian from and against any claims by the Retirement Beneficiary or any third party, arising due to the Retirement request. 4.3.2 The System will earmark and restrict the Selected Retirement Units from being available for trading or withdrawal. 4.3.3 The Operator will procure the Unit Custodian to Retire the Selected Retirement Units with the Scheme Registry and either: **(i)** Obtain a certificate or such other confirmation of retirement from the Scheme Registry, verifying the unique serial numbers allocated to the Units retired and along with the designated recipient who benefit from the Units Retired ("Certificate"); or **(ii)** Facilitate the transmission of the Certificate directly from the Scheme Registry the designated recipient, with a copy sent to the Unit Custodian. 4.3.4 Following the successful Retirement of the selected Retirement Units, the Operator will send the Certificate to the Participant's Designated User via e-mail. 4.3.5 The Unit Custodian is only obliged to retire the Selected Retirement Units if there are sufficient Units in the Participant's Account, and sufficient funds to cover the Retirement fee imposed by the Operator.

SECTION 5.0: MANAGEMENT OF UNITS (REC)

5.1	**Admission of Units (RECs)**	5.1.1 The Operator shall uphold an account with a duly approved Scheme Registry. Suppliers seeking to onboard Units must ensure they are from an Operator-approved Scheme Registry account. 5.1.2 A Supplier seeking to admit Units for trading on BCX is required to submit the following documents to the Operator: i) Admission of Units Form (Note: Requestable from the Operator); ii) Any additional document or information as requested by the Operator upon application submission or prior to its determination. 5.1.3 The Operator shall review and assess each application and notify the applicant of its decision following the receipt of a complete application and verification that the Units satisfy the Contract Specifications of the standardised Contract selected. The Operator's decision remains final and binding, without any obligation to provide reasons for application rejections. Without prejudice to the generality of the foregoing, the Operator will not approve Units issued by any device: i) that fail to fulfil know-your-customer and anti-money laundering, anti-bribery, anti-corruption and countering financing terrorism requirements, due diligence requirement, and checks against sanctions lists as undertaken by the Operator; ii) subject to material negative public feedback or controversies, as deemed by the Operator. 5.1.4 The Operator reserves the right to approve an application subject to any terms and conditions which the Operator considers appropriate, in its absolute discretion. 5.1.5 If a Participant intends to offer REC Units from multiple projects, those REC Units from each project must be submitted separately through the Admission of Units Form to the operator. 5.1.6 Following the Operator's approval for Unit admission, the Participant may transfer the designated Units to the Operator Unit Custodian

			Scheme Account of the relevant Scheme Registry.
		5.1.7	Should a Participant wish to incorporate additional units from the same project that have already been admitted to BCX, the Participant must submit a request via email to bcx@bursamalaysia.com. This request should include the necessary details as outlined in PART D of the Admission of Units Form.
		5.1.8	Below is the Unit Custodian Account held with the Scheme Registry (Evident): **Name: BMCMN Customer Facing Trade Account** **Account No: C82VOHGR**
5.2	**Withdrawal of Units (RECs)**	5.2.1	Participants intending to withdraw Units held in trust by the Unit Custodian shall initiate this by clicking the "withdraw" button via the System, stating the precise number of Units intended for withdrawal.
		5.2.2	The System will earmark the selected Units, removing them from being available for trading or Redemption.
		5.2.3	The Operator will review and approve the transfer of the selected Units to the Participant's Scheme Registry Account.
		5.2.4	Following the withdrawal of the selected Units, the Operator will issue a Unit withdrawal confirmation to the Participant's Designated User via e-mail.
		5.2.5	The Unit Custodian is only obliged to withdraw the specified Units to the Participant's Scheme Registry Account if there are sufficient Units in the Participant's Account, and sufficient cash reserves to cover the withdrawal fee and taxes (if any) imposed by the Operator.
5.3	**Redemptions of Units (RECs)**	5.3.1	Should a Participant opt to redeem Units held in trust by the Unit Custodian, the Participant is required to submit a request via their Account, specifying the name of the party in favour of which the Units are to be redeemed ("Redemption Beneficiary") and the total number of Units intended for redemption ("Selected Redemption Units"). In the event the Redemption Beneficiary is not the Participant, the Participant agrees to indemnify and hold harmless the Operator and Unit Custodian from and against any claims by the Redemption

		Beneficiary or any third party, arising from the Redemption request. 5.3.2 The system will earmark and restrict the Selected Redemption Units, making them unavailable for trading or withdrawal. 5.3.3 The Operator will procure the Unit Custodian to Redeem the Selected Redemption Units with the Scheme Registry and either: i) Obtain a certificate or such other confirmation of redemption from the Scheme Registry, verifying the redeemed Units along with the designated recipient who will benefit from the Units Redeemed ("Certificate"); or ii) Facilitate the transmission of the Certificate directly from the Scheme Registry to the designated recipient, with a copy sent to the Unit Custodian. 5.3.4 Following the successful Redemption of the selected Redemption Units, the Operator will notify the Participant and send the Certificate to the Participant's Designated User via e-mail. A copy of the Certificate will also be kept in the System under the Participant's redemption application. 5.3.5 The Unit Custodian is only obliged to redeem the Selected Redemption Units if there are sufficient Units in the Participant's Account, and sufficient funds to cover the Redemption fee imposed by the Operator.
5.4	**RECs Contract Expiry**	5.4.1 RECs Contracts older than two years from their vintage year shall no longer be offered for trading on the BCX platform. 5.4.2 The Operator shall notify Participants three months prior to the cessation of trading, specifying which REC Contracts will no longer be offered for trading in the next year. 5.4.3 Suppliers and Buyers of RECs on the BCX platform may request to transfer RECs from the BCX Evident registry account to their own Evident registry account or redeem the RECs via BCX platform.

SECTION 6.0: TRADING

6.1	**Trading Hours**	6.1.1 The BCX Market is open for trading from 0900 to 1230 hours and 1400 to 1700 hours (Malaysian time) on a market day. 6.1.2 All buy and sell orders must be entered within the trading hours prescribed by the Operator. 6.1.3 A trading session is the session at which the Market is open for trading within a market day. 6.1.4 The Market will be closed on weekends and public holidays observed in Malaysia. However, the Operator reserves the right to initiate Market opening at any other time for trading in its absolute discretion.
6.2	**Orders and Matching in Continuous Trading**	6.2.1 Participants will be able to place the following type of orders on the BCX platform: **A. <u>Limit Order</u>** **(i)** A limit order is placed with a specified price limit upon entry. It can be executed at the specified or a better price. Buy limit orders can match at a price equal to or lower than the limit price. **(ii)** Sell limit orders can match at a price equal to or higher than the limit price. Incoming limit order can match with multiple orders in the order book, as long as prices are up to the set limit price. A limit order remains active until executed, cancelled, or expired. **B. <u>Sell Order</u>** The Operator will decline a sell order if the number of carbon units listed in the sell order exceeds the number of relevant credits in the Seller's account. **C. <u>Buy Order</u>** The platform will decline a buy order if sufficient funds is not maintained in the Buyer's Account with the Cash Custodian to cover the purchase amount and any associated fees or payable taxes linked with the buy order. 6.2.2 When creating a sell order or buy order, adherence to lot size and minimum order requirement is

			essential and should follow the Contract specifications as stipulated by the BCX Rules.
		6.2.3	All orders are intended to be valid solely throughout the trading day (day order). All pending orders will automatically expire at the end of day, without carrying over to the next trading day.
6.3	**Orders Matching**	6.3.1	The matching of bids and asks are automated and will be matched on a price-time priority basis.
		6.3.2	Bids are ranked by ascending price, with the highest price prioritised at the top through the System algorithm.
		6.3.3	Asks are sorted by descending price, with the lowest price ranked at the top through the System algorithm.
		6.3.4	If bids and asks are ranked equally on price, then the System algorithm will rank the orders based on time of entry, with the earliest bid or ask ranked above subsequent bids or asks.
		6.3.5	The System will consistently exhibit the top five (5) bids and asks prices on the screen.
		6.3.6	If an order is partially matched, the unmatched portion of the order will retain its original priority ranking within the trading queue.
6.4	**Order Cancellation**	6.4.1	Participants may modify or cancel sell and buy orders through the System before they are matched.
		6.4.2	Upon cancelation of order, earmarked cash and Units will be released back to a Participant's Account.
6.5	**Error Trades**	6.5.1	An error trade occurs when a transaction is executed on the System due to errors in bid or ask entries, subsequently leading to a match.
		6.5.2	Participants encountering an error trade must promptly notify the Operator.
		6.5.3	The Operator shall review each error trade and may facilitate the trade reversal on a best-effort basis if both parties have sufficient cash and Units. The Operator's decision is final and binding.

		6.5.4 For the avoidance of doubt, the Operator is not liable for any loss stemming from cancellations or trade reversal.
6.6	**Off-Market Transactions**	6.6.1 An Off-Market Transaction is negotiated between a Buyer and a Seller outside of the System, and subsequently reporting for settlement via the System. 6.6.2 The parties must mutually agree on the trade terms and conditions before reporting an Off-Market Transaction via the System. (i) The Buyer and Seller shall send their agreement to buy and sell Units via email to the Operator prior to reporting; (ii) Off-Market Transaction submitted in the System must comply with the instructions provided in accordance with Rule 5.05 of the BCX Rules. 6.6.3 Instructions for Off-Market Transactions entail essential attributes such as:- (i) Buyer and Seller names; (ii) Contract type; (iii) Unit quantity and price; (iv) Vintage Year; (v) Project ID; and (vi) Project Name. 6.6.4 As per pre-trade criteria, Buyer and Seller should deposit cash and Units to the Cash Custodian's Bank Account and Unit Custodian Scheme Account respectively. 6.6.5 If the Seller has not fully transferred the Unit(s) quantity to the Unit Custodian Scheme Account before reporting an Off-Market Transaction, the System will not finalise the settlement. 6.6.6 If the Buyer does not have sufficient funds available to cover the Unit(s) cost, the System will not finalise the settlement. 6.6.7 Pending Off-Market Transactions remains valid until end-of-day and will expire when trading stops. If Continuous Trading is paused during the day, the Off-Market Transactions reporting will also be paused.

		6.6.8 The Operator shall cancel pending Off-Market trade if instructions from both Participants are received to do so.
6.7	**Trade Confirmation**	6.7.1 Upon the completion of each trade on the Market, The Operator will issue a trade confirmation to the Participant via email. This confirmation will also be accessible via the Participant's Account on the System. 6.7.2 Participants are obliged to verify the trade confirmation details and promptly notify the Operator of any errors as soon as possible. In any event, it has to be before the start of the next trading day following the receipt of the trade confirmation. 6.7.3 The Unit Custodian and Cash Custodian will also be furnished with trade confirmations issued by the Operator each trading day.

APPENDIX 1 – BCX FEE SCHEDULE (CARBON CREDITS & RECs)

Fee	Amount	Remarks
Auction Fee Fee charged upon a successful auction transaction	**0.80%**	Rebate of 100% until 30 Jun **2025** for Carbon Credits and RECs
Continuous Trading Fee Fee charged upon a successful trade	**0.80%**	Rebate of 100% until 30 Jun **2025** for Carbon Credits and RECs
Off-Market Transaction Fee Fee charged upon a successful off-market transaction	**0.80%**	Rebate of 100% until 30 Jun **2025** for Carbon Credits and RECs
Carbon Transfer Fee (Per 1 tCO_2e) Fee charged for transferring the underlying carbon credits from BCX to the Participant's registry account	**$0.02**	Direct cost pass through to Gold Standard and Verra for carbon transfer (USD 2 cent/ tCO_2e) **Fee charged by the registry in non-Malaysian currency will be converted to MYR according to the exchange rates in effect on the transaction date.*
Carbon Retirement Fee (Per 1 tCO_2e) Fee charged for retiring the underlying carbon credits on behalf of the Participant	**$0.02**	Direct cost pass through to Gold Standard and Verra for carbon retirement (USD 2 cent/tCO_2e) **Fee charged by the registry in non-Malaysian currency will be converted to MYR according to the exchange rates in effect on the transaction date.*
Redemption Fee per REC (Per 1 MWh) Fee charged for redemption under the participant of beneficiaries	**€ 0.08**	Direct cost pass through to Evident (I-REC) for redemption (8 Euro cent/MWh) **Fee charged by the registry in non-Malaysian currency will be converted to MYR according to the exchange rates in effect on the transaction date.*
Cash Handling Fee Fee charged on the profit earned on the Participant's funds placed in the Cash Custodian account	**0.50%**	**NIL**