



NYSE Blue VCS Registry Operating Procedures

July 2011

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1 Introduction

1.1 About the NYSE Blue VCS Registry

The NYSE Blue VCS Registry serves as the book of record for tracking issuance, transfer, and retirement of Verified Carbon Standard (VCS) Verified Carbon Units (VCUs). The Registry supports the VCS Association's (VCSA) objectives to provide credibility to the voluntary markets, as well as to enhance business, consumer, and government confidence. The NYSE Blue VCS Registry is operated by APX, Inc., a wholly owned subsidiary of NYSE Blue.

VCS Project Proponents are required to have a NYSE Blue VCS Registry account in order to receive VCUs issued by the NYSE Blue VCS Registry. Additionally, registry accounts are required for all parties wishing to hold, transfer, or retire VCUs using the NYSE Blue VCS Registry¹.

The NYSE Blue VCS Registry Administrator will issue one electronic VCU for each tonne of CO₂e emissions that are offset by verified projects. To ensure that double-counting does not occur, Project Proponents participating in the NYSE Blue VCS Registry must have 100% of their project's output for a monitoring period tracked by the NYSE Blue VCS Registry.

Any party, including non-Project Proponents, such as traders, marketers, and end-use customers wishing to hold, transfer, or retire VCUs may establish an account in the system. All Account Holders must agree to follow the rules and operating procedures described in this document and in the NYSE Blue VCS Registry Terms of Use agreement. All NYSE Blue VCS Registry accounts use a primary account, active sub-accounts, and retirement sub-accounts to manage VCUs. Active sub-accounts are used for holding and transferring VCUs. Retirement sub-accounts are used for retiring VCUs from circulation so that they can no longer be transferred between Account Holders or within an account. Account Holders can create multiple active and retirement sub-accounts to help organize VCUs within the account.

NYSE Blue VCS Registry VCUs are initially deposited into the Account Holder's primary account. Account Holders can then transfer NYSE Blue VCS Registry VCUs to other sub-accounts and other Account Holders.

The NYSE Blue VCS Registry will provide the NYSE Blue VCS Registry Administrator, Account Holders, and the public with reports on activity within the system. Public reports will be accessible to anybody via the public page on the NYSE Blue VCS Registry website, <http://www.vcsregistry.com>.

1.2 Geographic Scope

There are no geographic limitations on Account Holders or verified offset project registration. VCSA rules in this respect however apply.

¹ VCUs are obtained in one of two ways: (1) credits are issued by The VCS Registry to an account in association with a VCU offset project that has successfully completed the VCSA registration and certification process; or (2) credits residing in one account are transferred to another account.

2 Accounts and User Registration

2.1 Participation in the NYSE Blue VCS Registry

Project Proponents seeking VCSA certification for their projects are required to have an account in the NYSE Blue VCS Registry. Any party, including non-Project Proponents, such as traders, marketers, and end-use customers wishing to hold, transfer, or retire VCUs must establish an account in the NYSE Blue VCS Registry. The NYSE Blue VCS Registry will only track VCUs originating from verified offset projects that have been validated and verified by a Verifier/Validator recognized by the VCSA.

There are three types of NYSE Blue VCS Registry accounts:

- Project Proponent
- General Account
- Verifier/Validator

The Project Proponent account type is the only account type that can register offset projects. Both Project Proponent and General Account Holders can hold, transfer, and retire VCUs. Verifier accounts are used to provide Verifiers/Validators the ability to review, validate and verify project data and documents for projects to which they have been assigned.

2.2 General or Project Proponent Accounts

Any person or entity wanting to participate in the NYSE Blue VCS Registry must establish a NYSE Blue VCS Registry account. There is no limit to the number of separate accounts a company or individual may establish. Registrants will provide basic account registration information, such as Account Holder name, address, contact information, etc., to the NYSE Blue VCS Registry Administrator through a secure web-page on the NYSE Blue VCS Registry website. For the account to be activated, the registrant must review and agree to the NYSE Blue VCS Registry Terms of Use agreement, which is integrated into the online account registration process. Registrants can review the Terms of Use agreement online or print out a paper copy, as necessary.

An account in the NYSE Blue VCS Registry will remain active until terminated. Termination can be initiated either by the Account Holder by notifying the NYSE Blue VCS Registry Administrator, or by the NYSE Blue VCS Registry Administrator directly.

The NYSE Blue VCS Registry Fees are maintained in the Fee Schedule. Please review the current Fee Schedule at <http://vcsregistry.com/resources/Documents.asp>.

2.3 Verifier/Validator Accounts

To receive a Verifier/Validator account in the NYSE Blue VCS Registry, a prospective Verifier/Validator Account Holder must contact the NYSE Blue VCS Registry Administrator via phone or email. The NYSE Blue VCS Registry Administrator will complete the online registration for the Verifier/Validator, checking the VCS Verifiers/Validators report on the VCS Project Database website, <http://vcsprojectdatabase.com/resources/AccessReports.asp>, to determine which project types the Verifier/Validator is accredited to provide services for.

Once the Verifier/Validator account is set up, The NYSE Blue VCS Registry Administrator will email the account login information to the Verifier/Validator. Upon logging into the NYSE Blue VCS Registry for the first time, the Verifier/Validator will be prompted to change his/her password. Additionally, the Verifier/Validator will be emailed the current version of the NYSE Blue VCS Registry Terms of Use agreement for Verifiers/Validator, which the Verifier/Validator must agree to before receiving full access to the NYSE Blue VCS Registry.

Within the NYSE Blue VCS Registry, Verifiers/Validator will review and verify the accuracy of project data and documents. Additionally, Verifiers/Validator will have the ability to upload project documents. Verifiers/Validator are limited to viewing and working in project records as assigned by Project Proponents.

There are no NYSE Blue VCS Registry fees for Verifier accounts.

3 Access to Accounts and Confidentiality

3.1 Account Access

Account Managers have full access to any account that they establish. They also have the *sole* ability to assign login permission to other individuals, which will require viewing information, performing transfers, changing personal information, etc. The Account Manager may add additional users to his/her account at any point by accessing the Account Management module, Review/Edit/Add Logins link.

User access may be granted at the account or sub-account level. The process for granting access is generally as follows: the Account Manager is required to fill out an on-line form for each login/user they want to add to their account. The Account Manager provides information about each user such as name and email address and indicates the level of access that is permitted and the sub-accounts that can be accessed.

NOTE: The NYSE Blue VCS Registry Terms of Use agreed to by each Account Manager applies to any person who receives access to an NYSE Blue VCS Registry account from an Account Manager.

The Account Manager will select a login and an initial password for a new user and communicate this login and initial password to the new user. When logging into the NYSE Blue VCS Registry for the first time, the NYSE Blue VCS Registry will prompt the new user to change his/her password. The new user will then be able to perform the functions or view the information per the permissions granted by the Account Manager. The Account Manager may at any time revoke the permissions granted to a user by using the account administration functionality.

The NYSE Blue VCS Registry's My Event Log report tracks and displays all account activities for each user through the unique user ID. All NYSE Blue VCS Registry users will be able to access the My Event Log report for their account(s). This report shows registry users all activities associated with the account with which their login is associated. The Account Manager will see all activities for all logins accessing the account.

3.2 Levels of Account Access

When an Account Manager creates logins for additional users to access the account to review data or complete specific actions, the Account Manager assigns the logins specific rights to the account. The following sections describe the rights and access the Account Holder can assign to new users.

3.2.1 Account Holder - Admin

When completing the login profile for a new user, the Account Manager can assign the login Account Holder - Admin privileges. This provides the login with all the same rights as the Account Manager. The new login will be able to register projects, manage VCUs, and create additional logins, if necessary.

3.2.2 Account Holder – Limited Access

When completing the login profile for a new user, the Account Manager can assign the login Account Holder - Limited Access. The Account Manager will identify the specific sub-accounts and offset projects that the login will be able to access and view. This provides the login with limited rights to access and view account information.

3.3 Public or Private Accounts

As part of the account registration process, the Account Manager can designate the account as a Public or Private account. General account information is displayed to the public via a public report if an account is marked as Public. If an account is marked as Private no identifiable account information will be shared with the public or other Account Holders. Only the NYSE Blue VCS Registry Administrator will have the ability to view any Private account information. The Account Manager can change the account privacy setting at any time.

As stated in the Privacy Policy, which is displayed as a part of the registration process, except where permission has been explicitly granted, all Account Holder information from Public and Private accounts will be held strictly confidential. Account Holder information will only be used and released in aggregate through the reporting process.

4 Account and Sub-Account Structure

Project Proponents and General Account Holders can organize VCUs using two types of sub-accounts: Active and Retirement sub-accounts. When an NYSE Blue VCS Registry account is created, a primary account is created as well as a default Retirement sub-account and a default Active sub-account. It is possible to establish multiple Active and Retirement sub-accounts at the Account Holder's discretion. VCUs are initially deposited into the account's primary account. Account Holders can then transfer VCUs to other sub-accounts. The Account Holder will be able to view a listing of VCUs in each sub-account, including the offset project characteristics associated with each VCU or block of VCUs.

Each account and sub-account will have a unique identification number, similar to a banking system where checking and savings accounts associated with a single individual each have unique account numbers. Users may attach aliases to sub-accounts for ease of reference (e.g., by customer, by product name, by vintage, etc.)

NYSE Blue VCS Registry users will be able to perform various functions and transactions within each account and sub-account type, as described below. There are no limitations on the number of Active or Retirement sub-accounts that an Account Holder may have.

To establish an omnibus account, please see the requirements in the Terms of Use and in the Regulated Person Attestation posted on the Registry Site.

4.1 Deposits into Active Accounts

There are three ways that NYSE Blue VCS Registry VCUs are deposited into the primary account or sub-accounts.

- (a) Within an account, VCUs can be transferred from one active sub-account to another or between an active sub-account and the primary account.
- (b) An Account Holder can accept a transfer of VCUs from another NYSE Blue VCS Registry Account Holder into the primary account or an active sub-account.
- (c) Credits can be deposited into the primary account by the NYSE Blue VCS Registry Administrator based on verified emission offsets (“Issuance”).

4.2 Transfers from Active Accounts

There are two ways to withdraw or remove VCUs from the primary account or active sub-accounts:

- (a) Transfer the NYSE Blue VCS Registry VCUs to another NYSE Blue VCS Registry Account Holder, or
- (b) Transfer the NYSE Blue VCS Registry VCUs to the Account Holder’s own primary account or another sub-account (active or retirement).

4.3 Retirement Sub-Accounts

A single default Retirement sub-account will be established when an Account Holder registers with the NYSE Blue VCS Registry. An Account Holder may establish additional Retirement sub-accounts, as needed. A Retirement sub-account is used as a repository for NYSE Blue VCS Registry VCUs that the Account Holder wants to designate as retired.² NYSE Blue VCS Registry VCUs in a Retirement sub-account are no longer transferable to another party, and serve as an electronic record or proof of retirement. Similarly, NYSE Blue VCS Registry VCUs in a Retirement sub-account cannot be transferred into any other sub-account, including another Retirement sub-account (if an Account Holder has multiple Retirement sub-accounts). The Retirement sub-account is effectively the last resting place for a NYSE Blue VCS Registry VCU.

There is only one way for NYSE Blue VCS Registry VCUs to be deposited in the Retirement sub-account; they must be transferred into the Retirement sub-account by the Account Holder from one of his/her Active sub-accounts or from the primary account.

² An Account Holder may want to retire VCUs for any number of reasons, including, but not limited to: retiring VCUs on behalf of customers or making claims about the environmental quality benefits of the VCUs.

4.4 Group Retirement Sub-Accounts

In cases where an Account Holder has received permission from NYSE Blue to retire VCUs in their account on behalf of others (as described in Section 6 of the Terms of Use), a group retirement sub-account should be established. An Account Holder will create a retirement sub-account and name the sub-account beginning with “Group-[Insert Customized Name]”. For all retirements in the group retirement sub-account, the beneficial owners must have provided written authorization to the Account Holder prior to the Account Holder completing the retirement on their behalf. NYSE Blue may from time-to-time request to audit these sub-accounts and request documentation to support the holdings.

In addition, upon retirement of VCUs on behalf of a beneficial owner, the Account Holder must select:

Retirement Reason = Retirement for Person or Organization

Beneficial Owner = Indicate Name of Person or Organization

Retirement Reason = Purpose of retirement by Person or Organization.

5 Offset Project Registration

All Project Proponents who want VCUs issued for their projects must first establish a Project Proponent account within the NYSE Blue VCS Registry, as described above, prior to registering their offset project(s). Obtaining an NYSE Blue VCS Registry account with the NYSE Blue VCS Registry does not imply or confer project certification or registration. To ensure that double-counting does not occur, offset projects registered in the NYSE Blue VCS Registry must have 100% of the generated offsets for a specific vintage period claimed and tracked by the NYSE Blue VCS Registry.

To register the offset project(s), the Project Proponent must complete the following actions:

- Submit an on-line offset project setup form containing information related to the characteristics of the project. Most of these details should be easily attainable from the Project Description document.
- Submit all required documents identified by the VCSA electronically by using the Document Upload screen. See the “VCS Project Registration and Issuance Process” authored by the VCSA for additional details regarding the project registration submittal requirements found on VCSA’s website, www.v-c-s.org.

Note: For documentation to be submitted as hard copy(in addition to the electronic copy), please send to NYSE Blue.

Attn: NYSE Blue VCS Registry Administrator
111 River Street
Suite 1204
Hoboken, NJ 07030

Offset projects that are jointly owned must privately appoint a single party to act as the single point of contact, which will be the Account Manager.

One or more offset projects may be associated with a single NYSE Blue VCS Registry account. As a result of this process, VCUs from multiple offset projects associated with the same account will be initially deposited into the Primary account. Once deposited, Account Holders can organize, transfer, or retire the VCUs as they see fit.

5.1 Assignment of Project Verifiers

Each offset project in the NYSE Blue VCS Registry requires project validation and verification by a VCSA-recognized Verifier/Validator. As part of the project validation and verification processes, the Project Proponent identifies the Verifier(s) that will be performing project validation and verification using the Project Setup screen. The Project Proponent will select the Verifier(s) performing validation and verification from a list of the accredited Verifiers. Please note the Project Proponent must contact the Verifiers and agree to the terms for validation and verification of the project before selecting Verifiers on the Project Information screen.

For the offset projects to which Verifiers are assigned, the Verifiers are responsible for providing the documents required by the VCSA to the Project Proponent for upload into the Registry.

5.2 Project Registration Process

The Project Setup screen and Project Management module within the NYSE Blue VCS Registry have been designed to facilitate and track project registration. The screen and module display the project's status and registration next steps so the Project Proponent and NYSE Blue VCS Registry Administrator know who is responsible for taking the next action in the registration and issuance process.

Additionally, there are command buttons that appear in the Project Setup screen that appear at different stages in the registration process, which are used to further help facilitate project registration and VCU issuance.

The project status and next step are changed by the Project Proponent by pressing command buttons on the Project Setup Screen. To help guide Account Holders through the project registration process, the Project Proponent will only be able to select buttons that are appropriate at that time. A complete list of the valid status and next steps is listed in the table below.

Table 1 - Project Registration Status

| Status | Registration Step | Comments |
|----------------------|--|---|
| New | Project Proponent to Submit Project Data and Documents | This status is the default status for projects when they are first created. Until the status is changed by the Project Proponent, the status indicates that the Project Proponent is required to take action. |
| Ready for Validation | Verifier to Validate Project | Once a project record is ready for validation, the Project Proponent sets the project to this status, allowing the project Verifier to review and approve the data. Note: This step may be skipped if projects initially have already received validation and verification documents. Contact the NYSE Blue VCS Registry Administrator to review the project and move to the next step. |
| Validated | Verifier to Verify Project | Once in this status, the Project Proponent can no longer edit project data. The NYSE Blue VCS Registry Administrator will contact the Project Proponent regarding any questions with the project registration data and documents. |

| Status | Registration Step | Comments |
|------------------------------|---|---|
| | | Once in this status, project information may be displayed to the public. ³ Note: This step may be skipped if projects initially have already received validation and verification documents. Contact the NYSE Blue VCS Registry Administrator to review the project and move to the next step. |
| Verified | NYSE Blue VCS Registry to Issue VCUs | Once in this status, the Project Proponent can no longer edit project data. This status indicates to the NYSE Blue VCS Registry Administrator that the project is ready to be reviewed by the NYSE Blue VCS Registry Administrator and, if accepted, invoiced for the VCU issuance fee. |
| VCUs Issued | Verifier to Perform Annual Verification | Once in this status, the Project Proponent can no longer edit project data. This status indicates that a project has had VCUs issued to it within this registry and that the next step is annual verification. |
| VCUs Issued | Administrator to Initiate VCU Issuance | Once in this status, the Project Proponent can no longer edit project data. This status indicates that a project has had VCUs issued to it and has been verified for the most recent monitoring period. This status indicates to the NYSE Blue VCS Registry Administrator that the project is ready to be reviewed by the NYSE Blue VCS Registry Administrator and, if accepted, invoiced for the VCUs issuance fee. |
| Inactivated by Administrator | | This status indicates that a project has been inactivated by the NYSE Blue VCS Registry Administrator and cannot have VCUs issued against it until it has been reactivated. Projects in this status do not appear on public reports. A project may be moved into this status at the request of a Verifier, for example. |

As a project is moved to a new status, the NYSE Blue VCS Registry automatically sends emails to the party required to perform the action identified as the next step. The Project Proponent is automatically notified of each status change by email. Once VCUs are issued and the project status is changed to “Issued”, the project proponent will only need to go back into the registry when the next annual verification is available to receive additional VCUs. The dates of monitoring periods are decided by the Project Proponent. The Project Proponent is responsible for contacting the Verifier or obtaining a new Verifier to complete the verification. If a new Verifier is used for verification, the change must be made upon the new request for issuance of VCUs in the NYSE Blue VCS Registry.

Importantly, if a Project Proponent is performing many of the Validator/Verifier functions in the NYSE Blue VCS Registry, they should contact the NYSE Blue VCS Registry Administrator to skip past the

³ Projects are only displayed to the public when they have the status of validated, verified, or issued respectively. Furthermore, a Project Proponent can elect not to have projects displayed to the public in validated or verified status if the information is commercially sensitive. However, once VCUs are issued for the project, the project must be made public.

automated statuses and steps seen above. This will allow the Project Proponent and NYSE Blue VCS Registry Administrator to complete the project review more expediently.

5.3 Review of Offset Project Registration Data

As part of the project registration process, the NYSE Blue VCS Registry Administrator will check the information provided to the NYSE Blue VCS Registry. This process will be completed when reviewing the project validation and verification documentation submitted by the Verifier. Please see the VCS Project Registration and Issuance Process authored by the VCSA for additional details regarding the project registration submittal requirements found at <http://www.v-c-s.org>.

In the event submitted data is found to be false or if there is a discrepancy between the information submitted during the online registration process and the documents provided to verify the information, the NYSE Blue VCS Registry Administrator will notify the Project Proponent that the information could not be positively verified. A process of either correcting the registration information, or withdrawing the registration, or providing proof that the information on the registration form is correct will ensue between the NYSE Blue VCS Registry Administrator and the Project Proponent until the NYSE Blue VCS Registry Administrator is satisfied that the information provided meets NYSE Blue VCS Registry standards for accuracy.

5.4 Updating Project Data⁴

After the initial project submittal with the NYSE Blue VCS Registry, the majority of data for each offset project cannot be changed by Project Proponents. Changes to the project data have to be made by the NYSE Blue VCS Registry Administrator. Requests for changing project data should be submitted via email to the NYSE Blue VCS Registry Administrator (vcsregistryadmin@nyseblue.com) and include all necessary supporting documentation.

All data must be up-to-date and match the Verifier verification report before the NYSE Blue VCS Registry Administrator will issue VCUs for a project. We recommend Project Proponents review the project data annually for accuracy.

5.5 Additional Certifications

A project may receive additional certifications which work in conjunction with the VCSA. The NYSE Blue VCS Registry offers the ability to label a project and or VCUs with such additional certifications. Please contact the NYSE Blue VCS Administrator to discuss what is necessary to meet qualifications. These certifications may be at either the project level or assigned at the point of issuance depending on the certification body.

Available certifications at the project level:

- FSC
- SA 8000
- ISO 14001
- ISO 14064

⁴ The term Project Data refers to the fields on the Project Setup screen that capture descriptive information about the project, such as project name, type, location, etc.

Available certifications at the VCU level:

- CCBS(CCBA) First Edition – Gold
- CCBS(CCBA) First Edition – Silver
- CCBS(CCBA) First Edition – Verified
- CCBS(CCBA) Second Edition – Gold
- CCBS(CCBA) Second Edition – Verified
- Social Carbon

6 VCU Issuance Data Entry

NYSE Blue VCS Registry VCUs are issued for emissions offset projects that meet the criteria set forth by the VCSA. Emissions data used to produce VCUs in the NYSE Blue VCS Registry must be verified by an Accredited VCSA Verifier to ensure emissions reductions are real and properly measured. Issuance data for a reporting period can be entered into the NYSE Blue VCS Registry by the Project Proponent. The NYSE Blue VCS Registry Administrator will review the issuance data entered and compare it to the Verifier's verification report before VCUs are issued.

6.1 Adjustments

If adjustments to verified offset project emissions data are needed due to metering or reporting errors or for any other reason, the Project Proponent or Verifier must report the adjustment as soon as possible to the NYSE Blue VCS Registry Administrator. If VCUs have not yet been created for the original offset amount to which the adjustment applies, the NYSE Blue VCS Registry Administrator will delete the original un-issued request and the Project Proponent will re-enter the data. If VCUs have been issued, the NYSE Blue VCS Registry Administrator will work with the VCSA on a case-by-case basis to address the required adjustment. If for example, too many VCUs were issued, the Project Proponent may be required to retire the quantity of over issued VCUs.

The NYSE Blue VCS Registry Administrator and the Project Proponent shall discuss all adjustments before any VCU credits or debits are made.

7 VCUs

A VCU represents one tonne of CO₂ equivalent GHG emission reduction or removal issued by the NYSE Blue VCS Registry. VCUs are issued in whole numbers only. Once a VCU is created, no changes can be made to that VCU. The NYSE Blue VCS Registry does not define the lifetime or expiration date for VCUs. Project Proponents and the parties wishing to purchase, transfer, and retire VCUs do so to meet their own internal requirements or those set by an entity recognizing VCUs within a compliance regime.

7.1 VCU Issuance

The NYSE Blue VCS Registry Administrator will issue one electronic VCU for each tonne of CO₂e emissions that is offset by an independently-verified project. Each VCU shall have a unique serial number provided by the VCS Project Database. VCU serial numbers shall contain codes embedded in

the number that indicate such things as the project ID, the location of the offset project, and the vintage of the VCU.

| Serial Number Identifier | Comments |
|--------------------------------------|--|
| VCS Issuance ID | ID assigned by the Project Database identifying a specific monitoring period for a project. |
| VCU Serial Block Start | Numeric values assigned by Project Database from 1 -999,999,999,999,999. |
| VCU Serial Block End | Numeric values assigned by Project Database from 1 -999,999,999,999,999. |
| Class of VCU | Used to identify class of VCU. Originally will be set to “VCU”. |
| Verifier code | A unique Verifier ID that will be provided by the VCSA. This ID will be listed in the Project Database and will be part of the Project Database reference data. |
| Issuing VCSA Registry | Three-letter VCSA Registry Code: APX. |
| Project Country Code | ISO 3166 Country Codes |
| Project Type(s) | Numeric code(s) correspond closely to the UNFCCC scopes: 01-18. |
| Project identifier | The unique project ID assigned by the Project Database (e.g., 244) and displayed in project database reports. |
| Vintage Start Date | ddmmyyyy for the beginning of the monitoring period |
| Vintage End Date | ddmmyyyy for the end of the monitoring period |
| Additional Certification Information | An identifier used to identify if any additional certification associated with the block of VCUs. “0” will indicate no additional certification applies to the VCU. “1” will indicate that the additional certification applies and is available for review at the Project Database and/or Registry. |

Example: 3-17361-26434-VCU-003-APX-IN-1-1-01042006-31122006-0

7.2 Frequency of VCU Issuance

The NYSE Blue VCS Registry Administrator will issue VCUs periodically when the Project Proponent obtains project verification, with initial VCU issuance occurring when verification is first completed. It is expected that Account Holders will have their project verified annually, but the Account Holder is free to initiate the process at their discretion. For monitoring periods greater than one year, the Project Proponent may desire that the Verifier breakout the emission reduction by year if the purchaser of the offsets require the vintage for one year.

Issuance and the actual deposit of VCUs into an Account Holder’s account is a multi-step process. First, the NYSE Blue VCS Registry Administrator will initiate the VCU issuance for a certain number of VCUs creating an invoice and notifying the Account Holder via email for the required issuance fees. Once the payment for the NYSE Blue VCS Registry issuance fee(s) and VCSA Levy Fee is received, the NYSE Blue VCS Registry Administrator will record the payment on the NYSE Blue VCS Registry.

At this point, the NYSE Blue VCS Registry Administrator will go the VCS Project Database to upload the project information and documents. Doing so will allow the NYSE Blue VCS Registry Administrator to run a GPS check for the project to ensure it is unique across the VCSA Registry system. This will also allow the NYSE Blue VCS Registry Administrator to request the Serial Numbers for the issuance which will be used when creating the VCUs on the NYSE Blue VCS Registry. Once this process is completed and barring any issues with the project, the NYSE Blue VCS Registry Administrator will complete the VCU issuance thus depositing the VCUs into the Project Proponent's account.

7.3 Partial VCU Issuance for a Vintage

Project Proponents may wish to issue partial blocks of VCUs from a verification report. Please inform the NYSE Blue VCS Registry Administrator of such requests so it is understood the entire amount will not be issued.

8 Transfers of VCUs

8.1 Transferring VCUs between NYSE Blue VCS Registry Accounts

NYSE Blue VCS Registry Account Holders may transfer active VCUs to other NYSE Blue VCS Registry Account Holders at any time. VCUs are specified by their serial numbers and other characteristics, such as project type and location. Account Holders select the VCUs to transfer as well as the recipient of the transfer from a pull-down list of NYSE Blue VCS Registry Account Holders. After the transfer has been initiated, the VCUs pending transfer will be marked as "transfer pending". This will have the effect of "freezing" the VCUs so that they cannot be moved to another to sub-account or to another Account Holder.

The NYSE Blue VCS Registry will then send an electronic notification of the request to transfer VCUs to the proposed recipient. The VCU transfer recipient must confirm the transfer within 14 calendar days of when the transfer was initiated or the transfer will be canceled with no VCUs being moved.

The transferring Account Holder may cancel any transfer before such transfer has been confirmed by the recipient by withdrawing the transfer in a designated screen on the website.⁵ The NYSE Blue VCS Registry will notify the recipient that the transfer was canceled.

The transfer of any VCU or block of VCUs shall only be registered in the NYSE Blue VCS Registry upon the electronic confirmation by both the transferring Account Holder and the recipient.

Once the NYSE Blue VCS Registry has completed the transfer of VCUs from one account to another, the NYSE Blue VCS Registry will send an electronic confirmation to both Account Holders confirming that the transfer has been completed.

⁵ The ability to withdraw a transfer before it is completed may not be available when transferring VCUs from the VCS Registry to an account holder in a VCSA accredited registry. Transfers of VCUs from a VCSA accredited registry can only take place when the communications link between the VCS Registry and the VCSA accredited registries is completed. All VCS Registry Account Holders will receive an email notification when the communications link has been completed.

8.2 Holding VCUs on behalf of Beneficial Owners

Only Account Holders that have been approved by NYSE Blue to hold VCUs on behalf of others may do so. If you are approved to operate in this way on the registry, sub-accounts must be created in the name of each beneficial owner in the account. Beneficial owners of VCUs may request to have a login to their sub-account for direct view-only access. NYSE Blue may from time-to-time request to audit these sub-accounts and request documentation to support the holdings.

8.3 Transferring VCUs from and to an Account in another VCSA Accredited Registry

NYSE Blue VCS Registry Account Holders may receive transfers of active VCUs into their accounts from accounts in other VCSA accredited registries and/or send transfers of active VCUs into an account on another VCSA accredited registry. To export VCUs, you will need to provide the Account Number of the recipient on the receiving registry. There are fees associated with importing and exporting VCUs between VCS Registries. Please see the Fee Schedule posted on the Registry Site for more details. The process to transfer VCUs is not automated and could take several days to complete. Please start this process early if you have requirements for delivery of VCUs to counterparties on another VCS registry.

9 Retirement of VCUs

Any retirement of VCUs must be initiated by the NYSE Blue VCS Registry Account Holder in possession of the VCUs. All retirements are final so the Account Holder must be confident they intend to retire the VCUs when performing this action. The NYSE Blue VCS Registry Administrator is not responsible for ensuring that Account Holders retire VCUs when appropriate.

9.1 Mechanism for Credit Retirement

To retire a VCU or block of VCUs, an Account Holder needs only to transfer the VCU(s) to a retirement sub-account. The Account Holder identifies the VCUs to retire and selects the Retirement sub-account to which the VCUs should be deposited. When this action is completed, the VCUs are automatically withdrawn from the Account Holder's Active sub-account and moved into the designated Retirement sub-account. The Retirement sub-account will show the serial numbers of the VCUs retired, the date of retirement, and who the VCUs were retired for. In addition, there will be a mechanism to view the offset project characteristics/credit fields of the retired VCUs. Once VCUs are retired, they cannot be moved or transferred out of the retirement sub-account. Additional requirements regarding retirement on behalf of other beneficial owners should be referenced in the Terms of Use and [Section 4.4](#) of these Operating Rules.

9.2 Retiring VCUs on behalf of Beneficial Owners

Only Account Holders that have been approved by NYSE Blue to retire VCUs on behalf of others may do so. See [Section 4.4](#) of these Operating Procedures for further guidance.

Beneficial Owners may request to have a login to their sub-account for direct view-only access as well as require their sub-account information be made public and accessible via the NYSE Blue VCS Registry public reports.

10 Reporting

10.1 Public Reports

Public reports are accessible to everyone via the public page on the NYSE Blue VCS Registry website. The public reports provide registry transparency by publicly disclosing details about VCS offset projects as well as allowing the public to view details about the issuance and retirement of VCUs for accounts in the NYSE Blue VCS Registry. Additionally, the public reports allow the NYSE Blue VCS Registry Account Holders to publicly list details regarding VCU holdings or VCUs retired at their discretion.

The public reports for the registry include:

- **Account Holders.** This report lists general Account Holder information, which the Account Manager can choose to share with the public or not, including information such as Account Holder name, address, contact information, and website. This report does not provide a complete list of NYSE Blue VCS Registry Account Holders. Only Account Holders who choose to be listed publicly will appear on this report.
- **Projects.** This report lists information about all VCS Projects in the NYSE Blue VCS Registry. Information provided includes project name, project type, project status (e.g., Verified, Issued, etc), project location, and links to download project documentation. Projects are listed in this report once they have been verified.
- **Public Sub-Accounts.** This report displays a list of sub-accounts that have been made available to the public by Account Holders. The report displays information about the VCUs held in the sub-account. The information will consist of quantity of VCUs, serial numbers, the VCU status (retired or active) and originating project information such as project name, location, and type.
- **Issued VCUs.** This report lists all of the blocks of VCUs that have been issued for a specific project over specific monitoring periods. The report displays quantity of VCUs issued, serial numbers, project name, project type, project location, and a link to project documentation, which include project verification reports.
- **VCU Serial Number Lookup.** This report allows prospective VCU buyers to lookup the status(Active or Retired) for VCUs. The public can do this provided they have been given the Serial Number Batch ID, Serial Block Start and Serial Block End.
- **VCS Buffer Account Balance.** This report provides visibility to the public for reviewing how many buffer credits have been deposited, released or cancelled for a given AFOLU project.
- **Retired VCUs.** This report lists all of the VCUs retired within the NYSE Blue VCS Registry. The report displays quantity of VCUs retired, serial numbers, issuing VCSA Registry, project name, project type, and project location. When retiring VCUs, Account Holders can elect to list their account name and the transferee/honoree with the retired VCU information.
- **Bulletin Board.** The Bulletin Board allows VCU owners to list VCUs on the bulletin board indicating their offering for sale.

10.2 Account Holder Reports

Account Holder reports are specific to each account and only accessible by the Account Manager and or those approved for access by the Account Manager. The Account Holder reports are as follows:

- **My Event Log.** The My Event Log report provides an activity log of all account related events that occurred, date-time when they occurred, and which login initiated them. The report also lists events affecting the account that are initiated by other Account Holders. For example, when receiving or making a VCU transfer, the report will list the actions of both the transferor and transferee in their respective event logs.
- **My Sub-Accounts.** The My Sub-Accounts report displays the batches of VCUs held in sub-accounts. The report is filtered by sub-account vintage using the pull-down menu at the top of the report.
- **My VCUs.** The My VCUs report provides a listing of all VCUs held in an account. The report provides an easy-to-read summary of the account's VCUs. The report is filtered by the following tabs:
 - **Active:** This tab displays all the blocks of the active VCUs held in the account. The details provided for the VCUs include sub-account, project name, project type, project location, vintage, serial numbers, and quantity of VCUs. Clicking on a link in the Quantity column will display a VCU Details Report for the selected batch of VCUs.
 - **Retired:** This tab displays all the blocks of retired VCUs held in the account. Retired VCUs can no longer be transferred. The details provided for the VCUs include sub-account, retirement reason, text about transferee/honoree/other if it is entered, project name, project type, project location, vintage, serial numbers, and quantity of VCUs. Clicking on a link in the Quantity column will display a VCU Details Report for the selected block of VCUs.
- **My Invoices.** The My Invoices Report lists all the invoices for the account, displaying the following columns of data:
 - **Invoice Id#.** The system generated number that refers to the specific invoice.
 - **Fee Type.** The type of fee the invoice was created for.
 - **Project Name.** If the fee is a project related fee, then the project name should be listed in the record with the name being a link to the project information screen.
 - **Fee.** The amount of the invoice. Please note whether the invoice should be paid in US\$ or €.
 - **Invoice Date.** The date the invoice was created.
 - **Payment Due Date.** Annual Subscription and Transfer fees are due within 30 days of invoice. Project issuance fees are due within 15 days of invoice. VCUs will not be issued until payments are received.
 - **Payment Received Date.** This will indicate the date which the payment was received by NYSE Blue.
 - **Amount Paid.** This will reflect the amount received from the Account Holder.
 - **Amount Outstanding.** In case of any partial payments received, the remaining balance will be shown.

- **Invoice Status.** A listing of the invoice status, Pending, Paid or Withdrawn. If paid, the date paid should be listed. If pending and the Due Date has past, the text should be in red.
- **VCU Transfer History.** This report lists all VCUs transferred to retirement and into and out of the account. For transfers into and out of the account, it lists the date of the transfer and identifies the Account Holder ID and accredited VCSA Registry participating in the transfer. Details about the VCUs involved in the transfer include the quantity of VCUs, the VCU serial numbers, the VCU vintage, the project name and the project type.

11 Payments and Invoices

The fees associated with using the NYSE Blue VCS Registry use are invoiced and tracked by the NYSE Blue VCS Registry. The NYSE Blue VCS Registry automatically generates invoices for fees and alerts Account Holders via email that invoices have been created and posted online for viewing/printing from the NYSE Blue VCS Registry. The NYSE Blue VCS Registry Administrator will update all payments received by Account holders in the Registry. The NYSE Blue VCS Registry fees are available in the online NYSE Blue VCS Registry Fee Schedule. <http://vcsregistry.com/resources/Documents.asp>

12 Administrator Rights and Responsibilities

In addition to administering the offset project registration process and issuing VCUs, the NYSE Blue VCS Registry Administrator is responsible for assuring that NYSE Blue VCS Registry users meet proper conduct standards. The NYSE Blue VCS Registry Administrator has full access to all NYSE Blue VCS Registry accounts, including the ability to view, modify, create, and delete data. Any action taken by the administrator in an account is tracked in the account's Event Log so that the Account Holder has a complete record of the administrator actions. Additionally, email notifications are sent to the account manager when the administrator makes changes to account or project data.

12.1 Inactivating an Account

In the event submitted account data is found to be false or if the Account Holder is not following the rules stipulated in VCSA documents, the NYSE Blue VCS Registry Terms of Use, or this document, the NYSE Blue VCS Registry Administrator will notify the Account Holder about the incorrect data or misconduct. A process of either correcting the information or conduct will ensue between the NYSE Blue VCS Registry Administrator and the Account Holder until the NYSE Blue VCS Registry Administrator is satisfied that the information provided or Account Holder conduct meets VCSA and NYSE Blue standards. The NYSE Blue VCS Registry Administrator may choose to inactivate the Account Holder's account during or at any time from when the issue is identified to when it is resolved.

At any point in time, an Account holder may also provide a 30-day written notice of choosing to close their account. The Account holder may transfer the project to another Account holder within the Registry. In addition, any active VCUs will need to be transferred to another Account holder or else they will remain in the closed account.

12.2 Terminating an Offset Project's Participation in the NYSE Blue VCS Registry

If a Project Proponent wants to remove an offset project from the NYSE Blue VCS Registry, they can do so by notifying the NYSE Blue VCS Registry Administrator via email or phone.

The VCSA will issue VCUs for any offsets that occur prior to the date of offset project termination. No VCUs will be issued for offsets that occur after the termination date. If the account to which the offset project is linked is also closed at the same time, VCUs will be forfeited.

If the NYSE Blue VCS Registry Administrator has cause to permanently inactivate the offset project participation in the NYSE Blue VCS Registry, no VCUs will be created after the date the offset project has been terminated. Cause for inactivation/termination is identified in Sections 8 and 9 of the Terms of Use: Ownership and Use of Data.

13 Glossary

Account Holder: An Account Holder is an organization that has established an Account within the NYSE Blue VCS Registry.

Account Holders Report: This public report is a listing of Account Holders registered with the NYSE Blue VCS Registry. This report does not show all NYSE Blue VCS Registry Account Holders as some accounts have chosen to make their account private.

Active Sub-Account: Active sub-accounts are holding places for active NYSE Blue VCS Registry VCUs. These can be used by an organization to organize their active(not yet retired) VCUs.

Active VCUs: An active VCU is a VCU that has not yet been retired. It is held in an Active sub-account or the Primary account. Such VCUs may be transferred to another Account holder, to an active sub-account, to the primary account or retired.

Additional Project Certification(s): The NYSE Blue VCS Registry allows for VCUs to be issued indicating potentially other project certifications if they have been met. (ISO 14001, ISO 14064-2, Social Carbon, FSC, CCBA, SA 8000)

Additional Project Type(s): Some projects may be of more than one type. Therefore, the project setup screen in the NYSE Blue VCS Registry allows for these projects to indicate a primary project type and an additional project types. See Primary Project Types for a list of those available.

Annual Subscription Fee: This fee is paid by General Account Holders upon their account approval and each year on the anniversary of the account approval date. See the NYSE Blue VCS Registry Fee schedule for the most up-to-date rates, <http://vcsregistry.com/resources/Documents.asp>.

Credit: The term “credit,” as used in this document, refers to a NYSE Blue VCS Registry VCU. An NYSE Blue VCS Registry VCU represents one tonne of offset emissions. The NYSE Blue VCS Registry will create exactly one VCU per tonne of offset emissions that occurs from a registered offset project.

General Account Holder: This account will transfer and retire VCUs but will not submit projects to the NYSE Blue VCS Registry.

Issuance Fee: Issuance Fees are charged upon request for VCU issuance for a project. Payment for the Issuance Fee invoices must be received prior to the NYSE Blue VCS Registry Administrator completing the VCU issuance on the Registry. Issuance Fees are comprised of the NYSE Blue VCS Registry issuance fee as well as the VCSA Levy Fee. See the NYSE Blue VCS Registry Fee schedule for the most up-to-date rates, <http://vcsregistry.com/resources/Documents.asp>.

Methodology: VCSA-approved methodologies are on the VCSA website, <http://v-c-s.org/methodologies.html>.

Primary Account: This is the main account where Active VCUs are deposited upon issuance.

Primary Project Type: The primary project type should be selected from the list of VCSA-approved project types.

- Energy industries (renewable/non-renewable sources)
- Energy distribution
- Energy demand
- Manufacturing industries
- Chemical industry
- Construction
- Transport
- Mining/mineral production
- Metal production
- Fugitive emissions from fuels (solid, oil and gas)
- Fugitive emissions from production and consumption of halocarbons and sulphur hexafluoride
- Solvents use
- Waste handling and disposal
- Forestry
- Agriculture

Project Database Project ID: When a project from the NYSE Blue VCS Registry has been validated, the NYSE Blue VCS Registry Administrator goes to the VCS Project Database to upload the project information, documents and perform the GPS coordinates validation. If all checks are successful, the VCS Project Database creates a VCS Project ID which is then used by the NYSE Blue VCS Registry to tie the project to the Project database.

Project Proponent: This account type has been assigned the Rights of Registration for a given offset project. This gives the designated Account Holder *full and sole* management and authority over the transactions and activities related to the offset project within the NYSE Blue VCS Registry.

Projects Report: This is a public listing of all offset projects which have issued VCUs within the NYSE Blue VCS Registry. Some projects which have been validated may also choose to make their projects public prior to VCU issuance. Project details and documentation will be accessible from this report.

Retirement of VCUs: Retirement of VCUs is an action taken to remove a VCU from circulation within the NYSE Blue VCS Registry system. Retirement may be initiated only by the NYSE Blue VCS Registry Account Holder for VCUs in his/her own account(s). Retirement is effectuated by transferring VCUs into a Retirement sub-account. There are no fees charged for retirement.

Retirement Sub-Account: A Retirement sub-account is used as a repository for NYSE Blue VCS Registry VCUs that the Account Holder wants to designate as retired and remove from circulation. Once a VCU has been transferred into a NYSE Blue VCS Registry Retirement Account, it cannot be transferred again to any other account.

VCS Levy Fee: This fee is charged within the NYSE Blue VCS Registry on behalf of the VCSA. This fee must be paid prior to VCU issuance being completed. See the NYSE Blue VCS Registry Fee schedule for the most up-to-date rates, <http://vcsregistry.com/resources/Documents.asp>.

VCU Transfer Fee: Transfer fees are charged on the first of each month for all accumulated confirmed transfers completed in the prior month. Account Holders which paid the annual subscription fee will not be charged for transfers until the transfer fee quantity exceeds the annual subscription quantity paid. See the NYSE Blue VCS Registry Fee schedule for the most up-to-date rates, <http://vcsregistry.com/resources/Documents.asp>.