INTRODUCTION

These Conditions govern our relationship with you as an Applicant, and set out both your and our rights and responsibilities in relation to your application for Endorsement and (if granted) your Endorsement status.

Please read these Conditions carefully as failure to comply with these Conditions could result in your application, or once granted, your Endorsement status being terminated.

1. **Definitions**

   In these Conditions, the following terms and expressions shall have the meanings set out below:

   "**Administration Fee**" means the fee we require from you to consider your application for Endorsement.

   "**Applicable Laws**" means all laws, regulations, orders, rules, guidance, directions, judgments, directives, industry agreements or determinations in force from time to time applicable to you or to us and relevant to these Conditions.

   "**Applicant**" means the Standard that has submitted an application for Endorsement using the Endorsement Application Form.

   "**Background IPR**" means Intellectual Property Rights owned by or licensed to you prior to you being granted Endorsement including any information you provide to us for the purposes of performing our obligations under these Conditions.

   "**Brand Guidelines**" are set out in Appendix 3.

   "**Conditions**" means these terms and conditions and all Appendices attached herein, each as amended and updated from time to time.

   "**Confidential Information**" means any commercial or technical information in whatever form which is disclosed by one party to the other party and which would be regarded as confidential by a reasonable business person including, without limitation, all business, statistical, financial, marketing and personnel information, customer or supplier details, know-how, designs, trade secrets or software of the disclosing party.

   "**Endorsement**" means:

   (a) recognition by ICROA that a Standard competently meets the Endorsement Review Criteria; and

   (b) the Standard has been granted the right to use the Endorsement Label in accordance with these Conditions (including the Brand Guidelines).
"Endorsement Application Form" means the Endorsement application form as set out on the website, as amended from time to time.

"Endorsement Label" is set out in Appendix 2.

"Endorsement Review Criteria" are set out in Appendix 1 (and may be updated from time to time as and when the Endorsement Review Criteria are revised).

"ICROA" means the International Credit Reduction and Offsetting Alliance.

"IETA Materials" any materials which are created by or on our behalf as a result of us providing you with Endorsement status, including but not limited to the Endorsement Label.

"Insolvency Event" has the meaning given in clause 9.2

"Intellectual Property Rights" patents, rights to inventions, copyright and related rights, moral rights, trade marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

"party" means you or us, as the context requires.

“Positive Recommendation” means a pass certificate issued to an organisation by the third-party Assessor appointed by us to carry out a Third-Party Audit under clause 4.1(d) of these Conditions.

"Standard" means a carbon crediting program or carbon credit registry.

"Third Party Assessment” an independent third party assessment carried out by a third party Assessor approved by us, to confirm an organisation's compliance with the Endorsement Review Criteria.

"we" and "us" means the International Emissions Trading Association ("IETA"), whose registered office is at Grand Rue 10, 1204 Geneva, Switzerland.

"you" and "your" means you in your capacity as an Applicant.

2. Basis of contract

2.1 These Conditions governs your application for Endorsement and, if granted, the terms of your Endorsement.
2.2 We reserve the right, at any time, to change or amend these Conditions in accordance with clause 14.3.

2.3 We reserve the right, at any time, to change or amend these Conditions with immediate effect and without notice to you where, in our reasonable opinion, we consider the changes or amendments:

(a) necessary or desirable to maintain our legal and regulatory status; or
(b) necessary or desirable to comply with Applicable Laws.

3. **Requirements for Endorsement status**

3.1 If you are granted Endorsement status, you agree to adhere (at all times) to:

(a) the Endorsement Review Criteria;
(b) the Brand Guidelines in relation to your use of the Endorsement Label;
(c) these Conditions; and
(d) our reasonable instructions and requirements from time to time (but only to the extent they relate to your Endorsement status).

4. **Endorsement**

4.1 In order to be granted Endorsement status the Standard must:

(a) pay the Administration Fee;
(b) meet the Endorsement Review Criteria;
(c) complete and submit the Endorsement Application Form;
(d) undergo and obtain a Positive Recommendation from a Third Party Assessor to ensure the Standard meets the Endorsement Review Criteria; and
(e) be accepted by the ICROA Accreditation Committee.

4.2 You agree that final determination on Endorsement status is in our sole discretion.

5. **Third Party Assessment**

5.1 A Third-Party Assessment must be undertaken as part of the application for Endorsement.

5.2 You agree to offer all reasonable cooperation and assistance (at your own cost) to the party scheduling and carrying out the Third-Party Assessment. A breach of this requirement, failure to complete a Third-Party Assessment and/or failure to secure a Positive Recommendation following a Third-Party Assessment will be deemed to be a Default for the purpose of these Conditions.
5.3 You agree that final determination on whether you have completed a Third-Party Assessment and/or whether you have secured a Positive Recommendation following a Third Party Assessment is in our sole discretion. Any dispute between us on the conduct or outcome of a Third Party Assessment shall be dealt with under Clause 10 and you agree that you will have no rights (under contract or otherwise) against the party carrying out the Third Party Assessment on our behalf.

6. **Confidential Information**

6.1 Neither party shall disclose Confidential Information to any third party and shall only release the Confidential Information to those of its directors, officers or employees who need to know it strictly for the purpose of these Conditions (the "Purpose"). Each receiving party shall treat Confidential Information with the same degree of care and apply no lesser security measures than it affords to its own confidential information. The receiving party warrants that these measures provide adequate protection against unauthorised disclosure, copying or use.

6.2 The receiving party shall make no commercial use of the Confidential Information or use it otherwise than for the Purpose.

6.3 Confidential Information may be disclosed if and to the extent:

(a) it is required by law, court order or other authority of competent jurisdiction or any regulatory or government authority to which the receiving party is subject, but in each case only to the extent required and for the purpose of such disclosure; or

(b) the receiving party reasonably considers it necessary to disclose the information to its professional advisers, auditors or bankers provided that it does so on terms protecting the information; or

(c) the information has entered the public domain through no fault of the receiving party; or

(d) the information was previously disclosed to the receiving party without any obligation of non-disclosure; or

(e) the disclosing party has given its consent in writing.

7. **Intellectual Property Rights**

7.1 All Background IPR shall remain vested in you or your licensors and there shall be no assignment of any Background IPR to us. You grant to us a licence to use such Background IPR solely to the extent required for our performance of our obligations under these Conditions.

7.2 All Intellectual Property Rights in the IETA Materials vest in us on creation. If by operation of law such Intellectual Property Rights do not automatically vest in us then you hereby assign or otherwise shall assign to us (including by way of an assignment of future Intellectual Property Rights), in each case at no cost to you, with full title
guarantee and free from all charges, liens, licences and other encumbrances all such Intellectual Property Rights together with the right to sue for and obtain full and effective relief (including damages) in respect of any infringement of such Intellectual Property Rights by a third party.

8. **Indemnity**

8.1 If you are in breach of any part of these Conditions, you agree to indemnify and hold us (including any of our directors, employees, associates and contractors) harmless in respect of any costs, expenses, claims, proceedings, actions, losses, damages or liabilities incurred by us in relation to or arising from such a breach.

9. **Termination and suspension of Endorsement status**

9.1 Without prejudice to any right or remedy we may have, we may suspend, restrict or terminate your Endorsement (without any liability, howsoever arising, to you) upon the occurrence of any of the following events, as determined by us in our sole discretion:

(a) an Insolvency Event occurs in accordance with clause 9.2;

(b) a breach by you of these Conditions and the Appendices referred to herein; or

(c) we have reason to believe you, through your actions or conduct, have brought or risk bringing the reputation of either IETA or ICROA, or the voluntary carbon market generally, into disrepute,

each a "Default".

9.2 An Insolvency Event occurs where:

(a) A party passes a resolution for its winding-up or a court of competent jurisdiction makes an order for the winding-up or the dissolution of the party; or

(b) any steps are taken for the making of an administration order or the appointment of an administrator under the out-of-court procedure under the Enterprise Act 2002 or notice is given of an intention to appoint an administrator in relation to a party or any steps are taken for the appointment of a receiver or administrative receiver, or an encumbrancer takes possession of or sells any of a party's assets; or

(c) a party makes an arrangement or composition with its creditors generally or makes an application to a court of competent jurisdiction for protection from its creditors generally; or

(d) a party ceases to do business at any time for 30 consecutive days; or

(e) a party is unable to pay its debts (within the meaning of that term under section 123, Insolvency Act 1986).
9.3 In the event of a Default, we shall (in our absolute discretion) notify you of the effective date of suspension, restriction or termination ("Effective End Date"). You shall act in accordance with our instructions in relation to any outstanding obligations, and shall cease making reference to your Endorsement and cease your use of the Endorsement Label on and from the Effective End Date.

9.4 The following provisions shall survive suspension, restriction or termination: clause 3 (Requirements of Endorsement), clause 6 (Confidential Information), clause 8 (Indemnity), clause 10 (Dispute Resolution) and clause 11 (Liability).

10. **Dispute Resolution**

10.1 Any dispute between the parties with respect to the interpretation of any provision of these Conditions and with respect to the obligations imposed by it on you, as appropriate, shall be resolved as provided for in this clause 10.

10.2 Neither party shall commence formal dispute resolution proceedings (to include litigation), until the earlier of:

(a) the parties’ designated representatives (as referred to in clause 10.3(a)) jointly concluding that resolution of the dispute through continued negotiation of the matter does not appear likely; and

(b) 60 business days after a party's written request under clause 10.3(a) was submitted to the other party and that other party has failed to appoint a designated representative.

10.3 Prior to the initiation of any formal dispute resolution proceedings (to include litigation), the parties shall first attempt to resolve their dispute informally, as follows:

(a) upon the written request of either party to the other, each party shall appoint a designated representative for the purpose of endeavouring to resolve such dispute;

(b) the designated representatives shall meet as often as either party reasonably deems necessary in order to gather and provide to the other all information with respect to the matter in issue which the party believes to be appropriate in connection with its resolution. The designated representatives shall discuss the problem and negotiate with each other in good faith in an effort to resolve the dispute informally;

(c) during the course of negotiations, all reasonable requests made by either party to the other for non-privileged information, reasonably related to these Conditions, shall be honoured in order that each of the parties may be fully advised of the other's position; and

(d) the method of endeavouring to resolve the dispute shall be left to the discretion of the designated representatives.
11. **Liability**

11.1 Nothing in these Conditions shall limit or exclude your or our liability for:

(a) death or personal injury caused by negligence;
(b) fraud or wilful default; and
(c) any other liability which cannot by law be limited or excluded.

11.2 Except as provided in clause 11.1, we will not be liable for the following loss or damage, whether arising in tort (including negligence), contract or breach of statutory duty, and even if foreseeable by us:

(a) loss of profits;
(b) loss of business;
(c) loss of contracts;
(d) loss of revenue;
(e) loss of goodwill;
(f) loss of anticipated savings;
(g) loss arising from any claim made against you by any other person; or
(h) any indirect or consequential loss.

11.3 Except for the liabilities accepted by us under clause 11.1, our liability under or arising out of these Conditions shall be limited to an amount equal to the sum of the Administration Fee.

11.4 Our liability to you (and that of our directors, employees, associates and contractors) is exclusively set out in these Conditions. To the fullest extent permitted by law, we exclude all other forms of liability to you (including any liability or cause of action arising under tort, including negligence, and statute).

12. **Order of precedence**

12.1 To the extent that there is any conflict between the terms and conditions contained in the main body of these Conditions and the provisions of any Appendix, the order of precedence shall be as follows:

(a) the terms and conditions set out in the main body of these Conditions; and
(b) any other Appendix.
13. **Publicity and public announcements**

13.1 No announcement concerning these Conditions and/or Endorsement status shall be made by you or on your behalf without our prior written consent.

13.2 Without limitation to clause 13.1, you shall not use or make reference to your Endorsement status when making any public claim, announcement or statement, without our prior written consent.

14. **General**

14.1 Any notice to a party under these Conditions shall be in writing in the English language, signed by or on behalf of the party giving it and shall be delivered personally, by prepaid first class post, prepaid recorded delivery to the registered address of the party being served with the notice, or as otherwise notified in writing from time to time. A notice shall be deemed to have been served at the time of delivery, if delivered personally, or 48 hours after posting for an address in the United Kingdom and 5 business days after posting for any other address.

14.2 If any provision of these Conditions is held to be unlawful, invalid or unenforceable, that provision shall be deemed severed and the validity and enforceability of the remaining provisions of these Conditions shall not be affected.

14.3 We reserve the right to vary these Conditions from time to time without notifying you. By continuing to enjoy Endorsement status, you agree to be bound by any variation made by us. It is your responsibility to check these Conditions from time to time to verify such variations.

14.4 These Conditions contain the entire understanding and agreement between us in relation to your Endorsement and supersedes and replaces any representation, statement or other communication (whether written or otherwise) made by you or us which is not contained herein.

14.5 Should any part of these Conditions for any reason be declared invalid or unenforceable by a court of a competent jurisdiction, it shall be deemed to be deleted without affecting the remaining provisions.

14.6 Nothing in these Conditions or in any document referred to in it or in any arrangement contemplated by it shall create a partnership or joint venture between the parties and save as expressly provided in these Conditions neither party shall enter into or have authority to enter into any engagement, or make any representation or warranty on behalf of, or pledge the credit of, or otherwise bind or oblige the other party.

14.7 A person who is not a party to these Conditions has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Conditions.
15. **Governing law**

15.1 These Conditions and any dispute, claim or obligation (whether contractual or non-contractual) arising out of or in connection with it, its subject matter or formation shall be governed by English law.

15.2 The parties irrevocably agree that the English courts shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) arising out of or in connection with these Conditions, its subject matter or formation.
APPENDIX 1 – ENDORSEMENT REVIEW CRITERIA

Review Criteria

1. **Government or United Nations (UN) Endorsement**

   Standards that are approved by a government or UN organisation (such as ICAO or UNFCCC) may be eligible for a “light touch” ICROA assessment. The decision to do a full or light touch assessment is determined by the IETA Secretariat based on the depth of responses provided in the Standards Endorsement Application Form. This means all Standards applying for Endorsement must complete the Application Form in full.

2. **Independence**

   Standards must be designed and managed by an independent organisation or group of organisations. Independence is defined as a non-conflicted organisation that is separated from the market with no conflicts of interest.

3. **Governance**

   Standards must have a robust governance process and be well-managed in a transparent manner. This includes openness with respect to publicly available information, clear communication with stakeholders, and transparent appointments to leadership, committees, and groups. The Standard should have strong financial and performance management including annual audits and corporate planning and should be able to provide evidence that it complies with all laws and regulations.

   Good governance also includes having clear roles and responsibilities for members of the organisation who are responsible for the programme and a clearly defined board/governing structure that oversees the organisation. The Standard must have publicly available rules to guard against conflicts of interest by the board/governing body, management, and staff, and must be able to provide evidence that these rules are enforced. Good governance includes a published grievance and redress mechanism with a clearly stated process for how comments are received and addressed. Methodologies created by the Standard must follow robust development processes that includes expert involvement and public consultation.

4. **Registry**

   The Standard is linked to a publicly accessible registry, available internationally and in English. The registry shall track the carbon credit chain of custody from issuance through transfer and cancellation or retirement to ensure uniqueness of each tonne. The registry must have the functionality to:

   - provide public access to all underlying project information, including project descriptions, monitoring reports, verification statements, and legal representations;
• individually identify units through unique serial numbers that contain sufficient information to avoid double counting; and
• identify credit status (issued, transferred, cancelled, retired, etc.).

The Standard must have a robust legal framework underpinning the creation and ownership of all units issued, as well as rules and procedures (i.e., Terms of Use) in place to ensure that:

• All account holders:
  o undertake and pass “know your customer” checks; and
  o agree to the legal requirements regarding the use of the registry as set out in the rules and procedures.
• The registry:
  o guards against registry service provider conflicts of interest; and
  o has robust registry security and provisions for regular security audits.

5. Validation and Verification

The Standard must require that all carbon credit projects are clearly, transparently, and independently validated and verified by a suitably qualified organisation. This includes published provisions to assess and avoid conflicts of interest for accreditation, as well as oversight of the validation and verification bodies (VVBs) by the Standard. All carbon credits shall be verified to a reasonable level of assurance.

6. Carbon Crediting Principles

The following quality principles must be met by all projects and carbon credits issued by the Standard.

**Unique** – The carbon credits are unique and are not double counted (double issued, double used, double claimed)

**Real** – All emission reductions and removals have genuinely taken place. They are measured, monitored, and verified ex-post.

**Permanent** – Carbon credits are issued for permanent reductions or removals. If the project has a risk of reversal, the Standard must have requirements for multi-decadal term and a comprehensive risk mitigation plan to ensure the risk is minimized. A compensation mechanism should be in place to ensure the risk is minimized, with a means to replace any units lost due to intentional or unintentional reversals.

**Additional** – Project-based emission reductions and removals go beyond what would have occurred had the project not been carried out. Projects demonstrate a conservative business-as-usual scenario and must be surplus to regulatory requirements. Jurisdictional programmes demonstrate additional reductions below the historical reference level.
Measurable – Credits are quantifiable against a realistic and credible baseline, and use recognized measurement tools, including adjustments for uncertainty of leakage. Credits are quantified based on performance against a defensible, conservative baseline estimate of emissions that assumes the business-as-usual trajectory in the absence of the project activity. Baselines should be recalculated on a regular, conservative timeframe. The Standard must have requirements for the project to demonstrate leakage is minimal and there should be minimal additional or unintended emissions related to the project’s implementation and operations. The risk of leakage is adequately addressed, mitigated, and calculated.

7. Environmental and Social Impacts

The “No Net Harm” principle is fulfilled by all projects. The Standard must have rules and requirements to ensure that all projects comprehensively identify and mitigate any potential environmental or social impacts. Standards must have legal requirements regarding the avoidance of environmental and social impacts.

8. Stakeholder Considerations

During the Standard’s development and ongoing operations, industry stakeholders’ and public stakeholders’ views are considered. The Standard must have procedures in place to ensure that the public is consulted on the development of programme rules and requirements, accounting methodologies, and projects and governmental programmes (in the case of jurisdictional crediting). The Standard must ensure stakeholder comments are transparently addressed.

9. Scale

The Standard must have a sufficient presence in the market to be fully endorsed. This concretely translates to:

- 10+ projects registered, and
- 100,000 tCO₂e issued.

A Standard is able to apply for Endorsement prior to these conditions being met. If evidence that all other review criteria are deemed acceptable, the Accreditation Committee may Conditionally Endorse the Standard. More information on Conditional Endorsements can be found in the Standards Endorsement Procedure Guide.

10. Additional Criteria to be Assessed

The third-party assessor will evaluate and provide a recommendation to the Secretariat on the following:

- Does Endorsement of this Standard provide a reputational risk to ICROA?
- Could the Standard reasonably be expected to develop relevant market share for impact?
The Standard is not expected to provide evidence to answer the above two questions, but the results of the independent assessment will be shared with the Accreditation Committee to be considered as part of their evaluation.

APPENDIX 2 – ENDORSEMENT LABEL
REVIEW CRITERIA

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Good governance also includes having clear roles and responsibilities for members of the organisation who are responsible for the programme and a clearly defined board/governing structure that oversees the organisation. The Standard must have publicly available rules to guard against conflicts of interest by the board/governing body, management, and staff, and must be able to provide evidence that these rules are enforced. Good governance includes a published grievance and redress mechanism with a clearly stated process for how comments are received and addressed. Methodologies created by the Standard must follow robust development processes that includes expert involvement and public consultation.

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- Could the Standard reasonably be expected to develop relevant market share for impact?

The Standard is not expected to provide evidence to answer the above two questions, but the results of the independent assessment will be shared with the Accreditation Committee to be considered as part of their evaluation.