



**CONFIDENTIAL DRAFT
NOT FOR CIRCULATION**

**Carbon X Tons (CXT) Protocol
THE FIRST GLOBAL CARBON ASSET**

Prior to the implementation of the CXT Protocols, this whitepaper may be updated, including significant changes. The paper may be incomplete, inaccurate and be updated without notice.

February 2025

INTRODUCTION

The carbon X token, CO2XT, is the first asset-collateralized carbon stable coin. Every token represents one ton of pure CO₂e extracted from a reserve of government certified carbon permits, assuring fungibility and high environmental credibility. CO2XT value is determined independently by the prices in these well regulated carbon markets. Users have the trustworthiness of blockchain records confirming carbon assets held in the reserve verified external audit services. Carbon credits exist in digital form in their native state, so distributed ledgers allow us to back CO2XT with pure CO₂e, segregated from other attributes of individual carbon credits.

CO2XT is suitable for all voluntary users of carbon credits, whether you want to offset emissions, trade or invest in carbon. Other carbon credits challenge users with complex, inaccessible and low quality markets. CO2XT provides a simple way to use carbon credits with accounting quality environmental impact.

CO2XT is the missing building block of the emerging low carbon economy, fundamentally changing the ability of markets to efficiently price carbon emissions. The CXT climate action DAO puts the power to decide how the global carbon budget is allocated in the hands of global citizens. CO2XT is the currency of the emerging low carbon economy.



**CONFIDENTIAL DRAFT
NOT FOR CIRCULATION**

Table of Contents

| | |
|--|-----------|
| 1. PROBLEM..... | 3 |
| 1.1 Two types of carbon credit..... | 3 |
| 1.2 Markets fail to respond to growing demand..... | 4 |
| 2. SOLUTION..... | 6 |
| 2.1 Concept | 6 |
| 2.2 The power of leveraging blockchain to facilitate carbon markets..... | 6 |
| 2.3 CXT responds to existing demand..... | 7 |
| 2.4 CXT community is the decentralised enabler of climate action..... | 7 |
| 3. OVERVIEW OF CXT ENGINEERING..... | 9 |
| 3.1 Tokenomics..... | 9 |
| 3.2 Token Engineering | 9 |
| 3.3.1 Basket..... | 9 |
| 3.3.1.1 Basket Announcement..... | 10 |
| 3.3.2 The Reserve..... | 10 |
| 3.3.3 Offset Carbon Credits..... | 11 |
| 3.3.4 Additional Carbon Credits..... | 11 |
| 3.4 Functions..... | 11 |
| 3.6 Audit..... | 12 |
| 3.7 Fees | 13 |
| 3.8 Ethical Engineering..... | 14 |
| 3.9 Legal Engineering..... | 15 |
| 3.9.1 CXT registered in Switzerland..... | 15 |
| 3.9.2 No Offer, Solicitation or Advice..... | 15 |
| 3.9.3 Self Assessment..... | 15 |
| 3.9.4 Limited Liability | 15 |
| 3.9.5 No Regulatory Supervision..... | 15 |
| 3.9.6 Jurisdiction..... | 16 |



CONFIDENTIAL DRAFT NOT FOR CIRCULATION

1. PROBLEM

The transition to a low carbon economy has begun, driven by consumer pressure, regulation and ecological limits. Putting a price on carbon to reflect the environmental externalities of human activity is an essential part of this transition. The many carbon markets around the have demonstrated that pricing carbon is central to reducing greenhouse gas emissions sufficiently to avoid the worst consequences of climate change. There are currently more than 80 of these markets covering 25% of global greenhouse gas emissions (GHG) trading in a \$900 billion market.

Regulations and voluntary commitments increasingly require companies, individuals, governments and not-for-profit organizations to purchase carbon credits to compensate for the emissions caused by their activities. These commitments are significant: 96% of the world's 250 largest companies have set decarbonization targets and will 15X more carbon credits by 2030 just to meet existing commitments

Markets for carbon credits remain fragmented, sometimes environmentally suspect and consistently hard to access. Buyers of carbon credits struggle with the complex decision as to what carbon asset to purchase in a highly intermediated, inefficient, and mispriced market. Buying and using carbon credits has a daunting administrative burden across many global markets.

1.1 Two types of carbon credit

It is important to understand that “carbon” is a misnomer, since a carbon credit can be linked to any of several greenhouse gases (GHG), each gas with different warming potential and persistence in the atmospheric. To create a uniform, commodity-like asset, all GHG are converted into equivalent tons of CO₂ based on warming potential, so each carbon credit represents one ton of carbon regardless of the GHG that is being emitted.

One should think of the broad category of “carbon credits” as two types of assets: carbon permits and carbon project credits. Despite both representing one ton of carbon, these two kind of carbon credits are significantly different:

- *Carbon Permit – regulated market:* A Carbon Permit is a permission to emit a ton of carbon issued by a regulatory agency. These permits exist in regulated compliance markets and are necessarily subject to the rules of the local regime. The regulated companies are generally power generators and companies in high emitting industrial sectors. The activities that are controlled vary between regulated markets including transport, aviation, manufacturing, chemical production, cement and refining. Carbon Permits represent all the carbon emissions (the cap) allowed in the sectors subject to the relevant compliance regime. Actual emissions are measured over a compliance period, typically a year. At the end of compliance period every company must have one Carbon Permit for every ton of carbon emitted. Depending on market design, Carbon Permits may be given to key



**CONFIDENTIAL DRAFT
NOT FOR CIRCULATION**

industries, sold at auction or traded with other companies. There are more than 80 kinds of Carbon Permits markets. Carbon Permits from one market are, however, ineligible for use in the other unlinked markets.

- *Carbon Project Credit – non-regulated market:* A Carbon Project Credit is a certification that a ton of carbon emission has been avoided or sequestered that would have otherwise contributed to climate change. A Project Credit is issued to a project that voluntarily avoids emissions or sequesters carbon in a sector or region that is not otherwise subject to carbon regulation. Today, most Project Credits are from sectors such as forestry, renewable energy and energy efficiency. Projects seeking to receive Project Credits must be carried out subject to scientifically based rules that govern measurement, monitoring and verification of emission reductions. There more than 8000 projects, under hundreds of different project types that are certified by multiple unsupervised organizations with incompatible standards. Prices for the resulting Project Credits are determined by buyer preferences for the different social and environmental attributes of each of kind of project. The price offered for a Project Credit thus depends on these additional attributes of individual projects rather than the value of a ton of carbon. Project credits trade over-the-counter in an unregulated market and are primarily purchased by companies and individuals to compensate for their own carbon emissions.

Repeated attempts to establish an international carbon price have failed because of the inherent lack of fungibility between the different kinds of Carbon Credits. There are also a range of other environmental credits, such as offsets for low carbon fuel and renewable energy, that can also be expressed in tons of carbon. Because these are all ways of pricing carbon, these assets all trade under the broad label of “carbon credits”.

1.2 Markets fail to respond to growing demand

There are multiple reasons users need an environmentally credible, accessible commoditized ton of CO₂e:

- Unregulated companies that voluntarily comply with carbon targets seek an environmentally credible ton of carbon to offset emissions that can be simply accessed and is free of reputational risk
- Institutions and impact investors seek ways to invest in carbon at scale for returns from an inflation-adjusting, appreciating asset that reduces overall portfolio risks while providing environmental benefits
- Traders and financial markets want an easily accessible base price to deliver climate finance at scale, hedge and manage risk
- Individuals and environmentally conscious organizations want an easy way to offset the carbon footprint of their activities and have a direct impact on the regulated markets



**CONFIDENTIAL DRAFT
NOT FOR CIRCULATION**

Dealing with climate change is a social imperative. Existing carbon markets are not up to the task, with burdensome administration, opaque and conflicted intermediaries, recurring instances of fraud and abuse, and the inability to scale. Governments tasked with cooperating across borders repeatedly fail to find solutions due to competing national priorities. Climate change is a problem that begs for a global, decentralized solution for which blockchain based de-fi principles are uniquely suited . Without a global carbon asset that can establish a reference price for a ton of carbon there is no path for democratizing emission reduction efforts or efficient financing of the transition to a low carbon economy.



**CONFIDENTIAL DRAFT
NOT FOR CIRCULATION**

2. SOLUTION

2.1 Concept

The solution is to use the blockchain to transform carbon into a multifunctional digital commodity suitable for the needs of a low carbon economy by leveraging blockchain to connect voluntary users of carbon credits to the vast, high quality regulated markets for carbon permits. CO2XT is a carbon collateralized stable coin, reflecting the price of carbon in diverse, regulated markets that determine the price of carbon in 80% of the global economy. CO2XT uniformly represents one ton of carbon, accessible for the same price anywhere in the world, in a 24-hour market, fully backed by a transparent Reserve recorded in a blockchain ledger, reported by independent third-party audit process.

The solution begins with portfolio construction of the assets backing the CO2XT. CO2XT will initially rely on Carbon Credits selected from the universe of regulated carbon markets to build a diverse portfolio. Eligibility for the CO2XT reserve is based on assessment of market design, environmental credibility and availability of independent market pricing. The fragmentation of underlying markets becomes a strength for CO2XT by providing diversification, decreasing volatility and promoting the overarching objective of providing a base price for carbon. While prices of individual Carbon Permits reflect the idiosyncratic market designs of the relevant regulator, a diversified pool of carbon credits delivers a price signal closely aligned to the correlated value of the ton of carbon underlying each portfolio asset.

2.2 The power of leveraging blockchain to facilitate carbon markets

Carbon is the ideal real world asset for blockchain infrastructure since, in their native state, Carbon Credits exist only as digital entries in registries. The emergence of blockchain architecture and decentralized finance provides a way to overcome the shortcomings of financial market's current approach to Carbon Credits:

- A blockchain ledger offers full transparency to publicly verifiable token supply, collateral balances and on-chain procedures, replacing fragmented, non-transparent, fraud-prone carbon registries.
- Blockchain technology offers direct access to carbon, eliminating intermediaries and giving everyone equal access to the markets where the price of carbon is determined.
- Mature technologies enable integration with other services from the blockchain ecosystem like distributed exchanges and audit services.
- A crypto token provides the multiple functions needed for a carbon asset to scale by serving a wide range of user needs.
- Blockchain technology enables broad adoption by crypto stakeholders, investors, traders, Offsetters and financial institutions.



CONFIDENTIAL DRAFT NOT FOR CIRCULATION

- Asset-backed tokens lay the foundation for joining fragmented off-chain collateral in a liquid tradable asset, reducing dependency on any single issuing authority while preserving diversification
- Using distributed ledgers to record the value created by the reserve allows us to segregate the carbon the platform holds from the other attributes included in carbon credits so these they can be valued independently

2.3 CXT responds to existing demand

CXT offers different functions for a range of users:

- *Offsetting*: The possibility to hold CO2XT to compensate for one's own emissions makes ideal for use in voluntary offsetting. As an offsetting mechanism, CO2XT permits voluntary buyers to offset their emissions by permanently retiring carbon with the highest environmental credibility, no price intermediation, and commonly recognized, transparent offsetting credentials in fractional amounts down to 1 kilogram. Users can make green washing-proof, easily verifiable claims on progress toward their net zero goals with the permanence and transparency of blockchain records.
- *Investment*: The ability to Sell CO2XT on the CXT platform makes it an ideal way to invest in carbon. CO2XT will appreciate as carbon prices do, providing a price risk management tool for owners of carbon assets and a personal hedge against rising consumer prices driven by increases in carbon values.
- *Trading*: CO2XT can be bought and sold on the CXT platform, permitting traders to participate in changes in the global value of carbon. We intend to list CO2XT for trading on popular crypto currency exchanges.

2.4 CXT community is the decentralised enabler of climate action

The community of CO2XT holders allows small actions by individuals to be aggregated and drive change at scale. Every CO2XT removes emissions by holding carbon permits that would otherwise allow a regulated entity to pollute. Fewer permits mean they are a required to emit less. Big emitters are forced to find the best technological solution for their operation to reduce emissions, whether that is by avoiding emissions or removing carbon from the atmosphere. For social equity, fewer permits means producers and consumers of goods and services that cause the emission bear the cost of those emissions. Independent research shows that holding actual Carbon Permits rather than financial derivatives drives additional reductions, providing an environmental benefit even if the CO2XT are later sold.



**CONFIDENTIAL DRAFT
NOT FOR CIRCULATION**

An asset-collateralize stable token allows wide adoption and forms the basis for a carbon finance ecosystem. CO2XT uniquely satisfies this demand for greenwashing-proof offsetting, seamless 24x7 trading and institutional scale investment.



**CONFIDENTIAL DRAFT
NOT FOR CIRCULATION**

3. OVERVIEW OF CXT ENGINEERING

3.1 Tokenomics

CO2XT has the following characteristics:

- *Fixed Carbon Value*

Each CO2XT represents 1 metric ton of greenhouse gas expressed in tons of CO₂ equivalent (CO₂e). Each CO2XT may be fractionalized up to three decimal places (1 Kilogram of CO₂e) or .001 CO2XT.

- *Unlimited supply*

CO2XT will have the possibility for unlimited minting, so long as Carbon Credits exist in eligible markets.

- *Fully collateralized with off-chain collateral*

Every CO2XT will be irrevocably backed by 1 ton of CO₂ from carbon markets selected under the Eligibility Process based on environmental credibility and availability of independent, market driven prices.

- *Pegged to the market value of tons of CO₂*

The CO2XT value will be published on the CXT platform determined from the market value of the Carbon Credits held in the Reserve.

3.2 Token Engineering

CO2XT will initially be available on the Ethereum protocol, but it may also be launched on other chains in the future if there are compelling benefits. CO2XT relies on smart contracts that follows a standard protocol for representing custom tokens on the blockchain stating basic token characteristics (name, symbol, decimal precision), tracking the number of tokens, tracking a token balance for each address, and permitting Holders to transfer portions of their balance to other addresses.

3.3 The different Pool of Carbon Credit

3.3.1 Basket

The Basket is the different Carbon Credits used to calculate the CO2XT value. The number of each kind of Carbon Credit is determined by the Carbon Credit Allocation published on the platform and recorded on the blockchain. Carbon Credits eligible for the Basket will be screened for environmental credibility and market design such as transparent pricing and liquidity. The Carbon Credit Allocation of the Basket may be changed subject to a Basket Announcement made prior to the change taking effect.



**CONFIDENTIAL DRAFT
NOT FOR CIRCULATION**

3.3.1.1 Basket Announcement

The Basket Announcement will set the transition period and new Carbon Credit Allocation for the Basket. CXT will set a transition period timeline within the limits established in the Smart Contract:

- Transition period cannot start earlier than 31 days after the Basket Announcement.
- Transition period cannot start later than 365 days after the Basket Announcement.
- Transition period cannot end earlier than 31 days after the Transition period started.
- Transition period cannot end later than 365 days after the Transition period started.

During a Transition period every CO2XT will remain irrevocably collateralized by one ton of CO2e. Any changes in calculating CXT value during a transition to reflect the New Carbon Credit Allocation will be published together with the Basket Announcement. A Transition period cannot begin while any other Transition period is underway or pending.

3.3.2 The Reserve

CXT Reserve holds the individual Carbon Credits as collateral representing one ton of carbon for every CO2XT in or out of the platform Carbon Credits will be placed in the Reserve according to the Carbon Credit Allocation stated in the Basket on the CXT Platform and the blockchain. To facilitate CXT operations, the quantity of any single type of Carbon Credits in the Reserve may diverge from the Carbon Credit Allocation but the total number of carbon credit in the Reserve will at any time be sufficient to cover all CO2XT and the value of Carbon Credit held by CXT platform will always be higher than the value of all CO2XT.

Minting of CO2XT is only possible if an equivalent number of Carbon Credits are available to be added to the Reserve. Burning of CO2XT frees an equivalent number of Carbon Credits from the Reserve.

- All CXT Carbon Credits will be held in Registry Accounts maintained by independent entities in regulated markets, most commonly by the government. Of first account is held by the Ministry of the Environment of Switzerland. The Carbon Credits will be held in the name of or on behalf of the CXT Platform. The Carbon Credits will be held exclusively for the benefit of CO2XT holders and not for the CXT Platform.
- Holders of CO2XT will be able to view the collateral held in the Reserve at any time on the CXT Platform confirmed by independent audit and periodically published on the blockchain and website.
- Carbon Credits allocated as collateral for CO2XT used for offsetting will be accounted separately and will not be included in the calculation of CO2XT value.



**CONFIDENTIAL DRAFT
NOT FOR CIRCULATION**

3.3.3 Offset Carbon Credits

This is the quantity of Carbon Credits that collateralize CO2XT used for offsetting. Offset Carbon Credits will be held permanently by CXT platform and subject to ongoing audit. Offset Carbon Credits are not used to calculate CO2XT value.

3.3.4 Additional Carbon Credits

The CXT platform may own additional Carbon Credit for operational purposes that have not yet been allocated to any pool but will be subject to audit as well.

3.4 Functions

Via the CXT Platform, Holders can Buy or Sell CO2XT, use CO2XT for Offsetting, and Transfer CO2XT in or out of the platform.

- *Buying:* CO2XT can be acquired on the CXT Platform. Buying requests may be batched to aggregate volume required to efficiently trade individual carbon credit on exchange where available and decrease the network fees. Once the required volumes of Carbon Credit have been aggregated, typically less than one Trading Period, but could take longer subject to Adverse Market Conditions, CO2XT will be minted and delivered to Holder's custodial wallet. Direct delivery to self-custody wallet may be offered in the future. . An Estimated Buying Price will be provided when the request is accepted by the platform. The Estimated Buying price may differ from the executed price subject to fluctuations in individual Carbon Credit markets, network fees and exchange rates during the process of filling the order. Buying requests are made for a fixed amount of currency rather than a certain amount of CXT. As the executed price per ton may vary, the final quantity of CO2XT may vary from the initial estimate. The value of the CO2XT delivered will reflect the value of the purchase order. Once accepted by the CXT Platform, a Buying Request is irrevocable.
- *Selling:* Holders of CO2XT may sell CO2XT by request on the CXT Platform. Selling requests may be batched to aggregate volume as required where carbon credits are to be traded on exchange to optimize transaction costs and decrease network fees. After a sell request, CO2XT will be transferred from the Holder's custodial wallet and be burned to free the Carbon Credit from the Reserve. Once the required volumes of Carbon Credit have been sold, in typically less than one Trading Period, but could take longer subject to Adverse Market Conditions, the proceeds after Costs will be delivered to account holder. An Estimated Selling Value will be calculated on acceptance of the Sell request. When making a Sell request, the estimated value provided by the Platform will differ from the executed price to reflect differences between estimated values and executed price and transaction costs, including but not limited to trading fees, registry fees and foreign exchange costs, incurred in executing the request (collectively "Costs"). Executed value will be determined by Market Prices at the time of exchange of collateral to fulfill the sell request. Once accepted by the CXT Platform, a Sell Request is irrevocable.



**CONFIDENTIAL DRAFT
NOT FOR CIRCULATION**

- **Offsetting:** Holders may choose to use CO2XT to offset their carbon footprint. Offset can happen on or off platform. Offset will happen instantly and CO2XT used for offsetting will be sent to a dedicated address from which CO2XT can only be burned. Offset CO2XT will be batched to be burned periodically and the Carbon Credits moved from the Reserve to Offset Carbon Credits pool and recorded on the blockchain. Batching will reduce the network fee. Offsetting is irreversible.
 - On Platform offsetting: Offsetting on the platform is subject to the Offsetting Fee that will be withheld from CO2XT designated for Offsetting. It includes platform offsetting fee and the network fee. Users will receive certification of offsetting action reporting the amount of CO2e offset with the option to include a personal message about the climate action.
 - Off platform offsetting: Offsetting off the platform is subject to the off platform Offsetting Fee that will be withheld from CO2XT designated for Offsetting. The network fee will be paid directly by the holders. Off platform offsetting also offers the possibility to add a personal message. Concealed Offset offers the possibility to delay revealing the personal message on the blockchain. The Concealed offset will be subject to the Concealed Offset Fee that will be added to offset fee and withheld from CO2XT designated for Offsetting. The User will have the possibility to reveal the personal message of this concealed offset at a later date. The period during which user can decide to reveal the Concealed offset detail will be set by CXT platform but with minimum time period of 365 days according to the SC.
- *[not developed yet]* **Transferring:** CO2XT will be held on a custodial wallet, but CO2XT account holder can transfer their CO2XT in or out of the CXT Platform. The custodial wallet serves to democratize the service and give access to CO2XT to individuals without any prior experience in blockchain and crypto wallet. Transferring is subject to platform, smart contract and network fees.

Transfer of CO2XT peer-to-peer will be possible against transfer fee and network fees.

3.6 Audit

CXT is proactive and rely on independent third parties for periodic audit of CXT Carbon Credit account with audit reports published on the website and recorded on the blockchain. The auditor will publish findings on the blockchain without any interaction with CXT platform to independently confirm the number of each type of Carbon Credit held by CXT. This will allow every user to check that:



CONFIDENTIAL DRAFT NOT FOR CIRCULATION

$$\#Carbon\ Credit \geq \#CO2XT + \#Offset\ Carbon\ Credits$$

In addition, a more detailed audit report will be published on the website. The auditor will compare the total number of CO2XT and Offset Carbon Credit to the total of Carbon Credits held by CXT platform broken down by type of Carbon Credit.

3.7 Fees

There are different types of Fees depending on actions on the platform: Smart Contract fee, Platform fees and third-party fees. Smart Contract fee and Platform fees change will be announced on CXT platform and website at least thirty days in advance.

Third party fees are those fees on which CXT does not control and may include banking fees, credit card fees and network fees among others and will be passed directly to the users without any increment. Third party fees change will be reported on CXT platform and website.

All fees to be paid to buy CO2XT, withdraw or deposit credit on account will be charged in the currency used to transact and withheld from the committed amount.

All fees to be paid to sell, offset, conceal an offset or transfer in/out of the platform are currently charged in CO2XT. The minimum for those fees is of 0.001 CO2XT due to the 3-digit precision.

Platform fees include:

- Offset fee: Gives the right to CXT offset certificate and blockchain reference. Initially set at 3.00 %, expressed to 2 decimal points and by increment of 0.001 CO2XT.
- Buying fee: initially set at 3.00 %, expressed to 2 decimal points.
- Selling fee: initially set at 3.00 %, expressed to 2 decimal points and by increment of 0.001 CO2XT.
- FIAT deposit fee: initially set at 3.00 %, expressed to 2 decimal points.
- Credit card deposit fee: initially set at 4,9%, expressed to 2 decimal points. This fee include third party fees.
- FIAT withdrawal fee: initially set at 3.00 %, expressed to 2 decimal points..

Smart contract fees include :

- Transfer fee: for every transaction between self-custody wallets. Initially set at 0.1%, max 1%, resolution 0,01% and by increment of 0.001 CO2XT
- Withdraw fee: transfer from a custodial wallet to a third-party wallet: Initially set at 2%, max 5%, resolution 0,01% and by increment of 0.001 CO2XT



**CONFIDENTIAL DRAFT
NOT FOR CIRCULATION**

- Off platform Offset fee: piece-wise-defined function: define at Smart Contract creation, max 5%, resolution 0,01% and by increment of 0.001 CO2XT
- Conceal offset fee: Is calculated by multiplying the Offset fee by the concealed Offset Factor that has a four-digit precision value from the interval [0,2].

3.8 Ethical Engineering

- *Transparency:* The CXT Platform will not mint new CXT unless an external audit confirms the availability of tons to enter the Reserve. These audit reports will be independently reported and available to users via the transparency portal. In general, where CXT requires centralized functions, we seek to maximize transparency and independent verification of the assets CXT holds, how the assets are managed and the protection of environmental credibility of the Reserve. CXT holders form a valued community entitled to this information.
- *Climate Action:* The ultimate goal of carbon markets is to act as an enabler of climate action. CXT is structured to ensure holders have a direct impact on climate change not just exposure to the price of carbon. By increasing demand for Carbon Permits, CXT increases costs for emitters, driving out marginal economic activity, reducing carbon intensity of the economy and speeding the transition to a low carbon economy. CXT provides the economic incentive to achieve the maximum emission reductions for the investment made by allowing the actors best positioned to act to make the best choice in each situation. At scale, CXT provides a pool of liquidity to support market price discovery, encourage new markets and drive price convergence across markets.
- *Environmental Equity:* Climate change is, in the end, a global social problem; informed by not only scientific consensus and observable effects, but also societal politics and moral values. Democratization of access to carbon credits and assets via CXT will enable collective actions across borders and empower individuals to have a direct impact on climate change, no matter where or who they are. By making costs of carbon higher for the biggest emitters in developed economies with carbon markets, the costs of environmental externalities are shifted from developing countries to consumers of carbon intensive goods and services.
- *Climate Finance:* At scale, the CXT Community becomes the building block for a decentralized platform to finance the transition to a low carbon economy. CXT enables producers of Project Credits to access the expansive commodity finance system, with the possibility for smart contract-based credit enhancement of projects, and a live marketplace that values both carbon and the additional social attributes of emission reduction efforts. The power of decentralized finance to deliver these benefits across borders to under-served markets reduces inequalities in access to finance so that worthy efforts to address climate change can be implemented globally.



**CONFIDENTIAL DRAFT
NOT FOR CIRCULATION**

3.9 Legal Engineering

3.9.1 CXT registered in Switzerland.

- CXT Limited is a holding company duly registered pursuant to the laws of Switzerland.
- All Registry Accounts will be held in the name of CXT Limited or a wholly owned subsidiary, subject to regulations in the relevant jurisdiction.
- CXT Platform operations and processing may be carried out by CXT subsidiaries as required to comply with legislation in effect at the relevant time.

3.9.2 No Offer, Solicitation or Advice

The Whitepaper does not constitute a prospectus, invitation, encouragement or inducement of any sort to any person in any jurisdiction nor does it pertain to offering or solicitation of an offer to buy securities in any jurisdiction. Recipients should not construe the contents of this document (or any discussions relating to it) as legal, tax, regulatory, financial, investment, accounting or other advice or as a recommendation.

3.9.3 Self Assessment

This Whitepaper is intended to be communicated only to such persons who are legally able to receive it in their jurisdiction of residence. Each CXT holder will be required to represent that they are not resident in, located or domiciled in or an entity organized in or owned by certain persons subject to sanctions or other legal limitations. Each purchaser must make its own assessment as to the ability to purchase CXT pursuant to applicable laws and to confirm it is not a Restricted Person.

3.9.4 Limited Liability

Neither CXT Limited nor its Related Persons shall be liable (save in the case of fraud) for any loss (whether direct, indirect or consequential) or damage suffered by any person as a result of relying on any statement in, or omission from, this Whitepaper.

3.9.5 No Regulatory Supervision

No securities commission or regulatory authority of any jurisdiction has confirmed the accuracy or determined the adequacy of the contents of this Whitepaper. No registration or other action has been taken in any jurisdiction or will be taken in any jurisdiction that would permit the sale of CXT in any country or jurisdiction where registration or other action for



**CONFIDENTIAL DRAFT
NOT FOR CIRCULATION**

that purpose is required. CXT does not make any representation or warranty to the legality of purchase under the laws applicable to any potential purchaser.

3.9.6 Jurisdiction

This document and the rights and obligations of the recipients arising out of or in connection with it, whether contractual, non-contractual, pre-contractual or otherwise, are governed by the laws of England and Wales without regard to conflict of laws provisions.