



CONTINGENT SECONDARY EMISSIONS REDUCTION PURCHASE AGREEMENT

Version 1.0 February 2023

[Drafting Note to users: this draft Agreement reflects projects registered under VERRA and Gold Standard and assumes a single seller selling to a single buyer on a payment-on-delivery basis. Modifications will be needed to accommodate other Carbon Standards and/or transaction structures. Users are encouraged to read the IETA Guidance Document in connection with this draft Agreement.]

This form of Agreement has been developed by the International Emissions Trading Association (IETA) to facilitate trading in Verified Carbon Credits on a spot or forward basis. IETA encourages the use of this document by all interested parties.

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Questions or comments?

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CONTINGENT SECONDARY EMISSIONS REDUCTION PURCHASE AGREEMENT

Dated _____

Between

[Entity name] a **[corporation, limited partnership, etc.]** existing under the laws of **[•]** (Registered No: **[•]**) whose **[registered/principal/operational]** office is at **[•]** (the “**Seller**”);

and

[Entity name] a **[corporation, limited partnership, etc.]** existing under the laws of **[•]** (Registered No: **[•]**) whose **[registered/principal/operational]** office is at **[•]** (the “**Buyer**”),

(each a “**Party**” and together, the “**Parties**”)

RECITALS AND BACKGROUND

The Seller wishes to sell and the Buyer wishes to purchase certain VCCs Issued or to be Issued in connection with the Project on the terms set out in this Agreement.

It is agreed as follows:

1 Definitions and Interpretation

In this Agreement, unless the context otherwise requires, the provisions in this Clause 1 apply:

1.1 Definitions

“**Administrator Event**” means the suspension of some or all of the processes of the Registry by the Registry Administrator due to:

- (a) a security breach or following reasonable suspicion of a breach of security which threatens the integrity of the Registry (including any back-up facilities);
- (b) scheduled or emergency maintenance on the Registry; or
- (c) the failure to operate and maintain the Registry in accordance with the Rules of the Registry or any other Applicable Rules;

“**Affected Party**” has the meaning given to it in Clause 14.1;

“**Affiliate**” means, in relation to any person, any subsidiary or holding company of that person and any subsidiary of any such holding company;

“**Anticipated Shortfall**” has the meaning given to it in Clause 6.2.1;

“**Anti-Corruption Law**” means:

- (a) the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions;

- (b) the Foreign Corrupt Practices Act of 1977 of the United States of America, as amended by the Foreign Corrupt Practices Act Amendments of 1988 and 1998, and as may be further amended and supplemented from time to time;
- (c) the Bribery Act 2010; and
- (d) any other applicable law (including any: (i) statute, ordinance, rule or regulation; (ii) order of any court, tribunal or any other judicial body; and (iii) rule, regulation, guideline or order of any public body, or any other administrative requirement) which:
 - (A) prohibits the conferring of any gift, payment or other benefit on any person or any officer, employee, agent or adviser of such person; and/or
 - (B) is broadly equivalent to paragraph (b) or (c) above or was intended to enact the provisions of the OECD Convention described in paragraph (a) above or which has as its objective the prevention of corruption;

“Applicable Rules” means any international and/or federal, state, national, regional, local and domestic laws, common laws and custom, administrative laws, regulations, rules, zoning laws, orders, interpretations, permits, standards, judgments, decrees, injunctions, writs and orders of any court, governmental body or arbitrator that apply to this Agreement, and/or a Party;

“Associated Person” means, in relation to a company, a person (including any employee, agent or subsidiary) who performs (or has performed) services for or on behalf of that company;

“Background Intellectual Property” has the meaning given to it in Clause 16.1.1;

“Baseline” means the scenario that reasonably represents the anthropogenic emissions by sources or anthropogenic removal by sinks of GHGs that would otherwise have occurred in the absence of the Project subject to the Rules of the Carbon Standard;

“Baseline Study” means a written report in connection with the Baseline prepared as part of the PDD;

“Blocking Law” has the meaning given to it in Clause 18.6;

“Buffer VCCs” means any VCCs which are required to be deposited with the Carbon Standard in accordance with the Rules of the Carbon Standard to cover the risk of unforeseen losses in carbon stocks;

“Business Day” means a day (other than a Saturday or Sunday) on which banks are open for general business in [●];

“Buyer’s Damages” means an amount equal to the sum of:

- (a) the positive difference, if any, between: (i) the price that the Buyer, acting in a commercially reasonable manner, does or would pay in an arm’s length transaction for a quantity of Comparable VCCs equal to the Default Quantity, concluded on the date on which any termination notice delivered pursuant to Clause 13.1 (*Termination following Event of Default*) becomes effective; and (ii) the Unit Price, multiplied by the Default Quantity; plus

- (b) interest at the Default Rate for the period from (and including) the effective date of termination of this Agreement (but excluding) the date the payment is made on the amount calculated pursuant to paragraph (a) above; plus
- (c) such reasonable costs and expenses which the Buyer incurs as a result of the termination of this Agreement, including brokerage fees, commissions and legal fees;

“Buyer’s Registry Account” means a Registry Account in the Buyer’s name as specified in Schedule 1 (*Commercial Terms*);

“Buyer’s Replacement Costs” means the positive difference, if any, between:

- (a) the price that the Buyer, acting in a commercially reasonable manner, does or would pay in an arm’s length transaction concluded on the relevant Scheduled Transfer Date for a quantity of Comparable VCCs equal to the Shortfall Quantity; and
- (b) the relevant Unit Price multiplied by the Shortfall Quantity;

“Carbon Standard” means the standards framework for GHG Reduction or Removal projects and programmes administered by the Carbon Standard Body to enable the Validation of projects and programmes and the Verification of GHG Reductions or Removals achieved by such projects and programmes, as specified in Schedule 1 (*Commercial Terms*);

“Carbon Standard Body” means the entity which establishes, develops and administers the Carbon Standard as specified in Schedule 1 (*Commercial Terms*);

“Carbon Standard Label” means, in respect of a VCC, any label or tag which is applied to that VCC’s unique identification code by the relevant Carbon Standard Body and displayed in the relevant Registry, indicating that the VCC (or the underlying project) has met the relevant Labelling Requirements for a given market (including CORSIA) or a certification scheme;

“CCB Program Tier 1 VCU” or **“CCB Tier 1 VCU”** means VCUs with a Gold CCB Distinction in one of the CCB Standard categories;

“CCB Program Tier 2 VCU” or **“CCB Tier 2 VCU”** means VCUs with a Gold CCB Distinction in two of the CCB Standard categories;

“CCB Program Tier 3 VCU” or **“CCB Tier 3 VCU”** means VCUs with a Gold CCB Distinction in three of the CCB Standard categories;

“CCB Standard” means the Climate, Community & Biodiversity Standards administered by Verra;

“Central Bank Rate” means[:

- (a) the short-term interest rate target set by the US Federal Open Market Committee as published by the Federal Reserve Bank of New York from time to time; or
- (b) if that target is not a single figure, the arithmetic mean of:
 - (i) the upper bound of the short-term interest rate target range set by the US Federal Open Market Committee and published by the Federal Reserve Bank of New York; and

(ii) the lower bound of that target range;]

OR

[the base rate for the time being of the Bank of England;]

“**Change in Law**” has the meaning given to it in Clause 14.1;

“**Commercial Operation Date**” means, in respect of the Project, the date of the satisfactory completion of the formation of the Project in accordance with such procedures and tests as from time to time constitute usual and prudent industry standards and practices, and which demonstrate to the reasonable satisfaction of the Buyer that the Project is capable of commercial operation and of generating GHG Reductions or Removals for the purpose of, *inter alia*, this Agreement;

“**Commission**” means, in respect of the Project, the achievement of the Commercial Operation Date, and “**Commissioned**” and “**Commissioning**” shall have corresponding meanings;

“**Communication Materials**” means any information about a Project in respect of which VCCs are issued, including but not limited to [photographs of the relevant Project, any comments, information and case studies from the local community about the relevant Project, and any other available information and materials about the Project]/[the items specified in Schedule 1 (*Commercial Terms*)];

“**Comparable VCCs**” means VCCs which are of the same vintage and of materially similar quality as the Contract VCCs, Verified according to the Carbon Standard and from a project using the same Methodology applied to the Project, and which satisfy all Specifications set out in Schedule 1 (*Commercial Terms*) (if any), as determined by: (i) in respect of the Buyer’s Replacement Cost, the Buyer’s Damages or in connection with Clause 6.1 and Clause 6.5, the Buyer; and (ii) in respect of the Seller’s Damages, the Seller;

“**Condition Precedent**” has the meaning given to it in Clause 2.1;

“**Contract Period**” has the meaning given to it in Schedule 1 (*Commercial Terms*);

“**Contract Quantity**” has the meaning given to it in Schedule 1 (*Commercial Terms*);

“**Contract VCC**” means any VCC that meets the Specifications and forms part of the Contract Quantity;

“**Corresponding Adjustment**” means an accounting adjustment made by the Host Country in accordance with the Paris Agreement in connection with any GHG Reduction or Removal achieved within the Host Country;

“**CORSIA**” means the Carbon Offsetting and Reduction Regime for International Aviation, adopted by the International Civil Aviation Organisation pursuant to International Civil Aviation Organisation assembly resolution A39-4;

“**CORSIA Eligible Label**” means the Carbon Standard Label certifying that the VCC meets the eligibility criteria for use in the CORSIA program, for the phase specified in the label;

“**CPA**” means [●], as specified in Schedule 1 (*Commercial Terms*);

“**Crown Standard**” means the Carbon Standard established by Thailand’s Greenhouse Gas Management Organisation;

“**Crown Standard VCU Label**” means the Carbon Standard Label that certifies that the project underlying the relevant VCC has been independently assessed under both the VCS and the Crown Standard;

“**Currency**” means the currency specified in Schedule 1 (*Commercial Terms*);

“**Damages**” means the Buyer’s Damages (where the Seller is the Defaulting Party) or the Seller’s Damages (where the Buyer is the Defaulting Party);

“**Defaulting Party**” means the Party whose activities or circumstances or breach have given rise to an Event of Default;

“**Default Quantity**” means:

- (a) when calculating Buyer’s Damages, the difference (if any) between:
 - (i) the Maximum Contract Quantity; and
 - (ii) the sum of: (A) the number of Contract VCCs Transferred to the Buyer; and (B) any Shortfall Quantity that is compensated by the Seller through payment of the Buyer’s Replacement Costs to the Buyer; or
- (b) when calculating Seller’s Damages, the difference between:
 - (i) the Maximum Contract Quantity; and
 - (ii) the number of Contract VCCs that have been Transferred to, and paid for by, the Buyer;

“**Default Rate**” means Central Bank Rate plus 2 per cent.;

“**Encumbrance**” means any claim, charge, mortgage, lien, option, equitable right, power of sale, pledge, hypothecation, retention of title, right of pre-emption, right of first refusal or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing, and “**Encumber**” shall have a corresponding meaning;

“**Environment**” means all or any of the following media (alone or in combination): air (including the air within buildings and the air within other natural or man-made structures whether above or below ground); water (including water under or within land or in drains or sewers); soil and land and any ecological systems and living organisms supported by any of those media, including human beings and their property;

“**Environmental Laws**” means all applicable laws (including, for the avoidance of doubt, common law), statutes, regulations, statutory guidance notes and final and binding court and other tribunal decisions applicable to the company and in force in [●]/[the relevant jurisdictions on the Execution Date whose purpose is to protect, or prevent pollution of the Environment, or to regulate emissions, discharges, or releases of Hazardous Substances into the Environment, or to regulate the use, treatment, storage, burial, disposal, transportation or handling of Hazardous Substances, and all bye-laws, codes, regulations, decrees or orders issued or promulgated or approved thereunder or in connection therewith if and to the extent that the same have force of law as at the Execution Date];

“**Event of Default**” means each of the events specified in Clause 12 (*Events of Default*) as being an Event of Default;

“**Excluded Event**” has the meaning given to it in Clause 14.1;

“**Execution Date**” means the date of execution of this Agreement by both Parties;

“**Force Majeure Event**” has the meaning given to it in Clause 14.1;

“**GHG**” means any of the following gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs); or sulphur hexafluoride (SF₆);

“**GHG Reduction or Removal**” means the removal, limitation, reduction, avoidance, sequestration or mitigation of GHG relative to the Baseline and “**GHG Reductions or Removals**” shall be construed accordingly;

“**Gold CCB Distinction**” means the relevant project satisfies all the required CCB Standard requirements and satisfies at least one of the optional criteria;

“**Gold Standard**” means the standard founded by the World Wildlife Fund and other non-governmental organisations for the verification and certification of GHG Reduction or Removal projects;

“**Government Agency**” means:

- (a) a government, whether foreign, federal, state, territorial or local or a department, office or minister of a government acting in that capacity; or
- (b) a commission, delegate, instrumentality, agency, board, or other government, semi-government, judicial, administrative, monetary or fiscal body, department, tribunal, entity or authority, whether statutory or not, and includes any self-regulatory organisation established under statute or any stock exchange;

“**Hazardous Substances**” means any natural or artificial substance of any nature whatsoever (whether in the form of a solid, liquid, gas or vapour alone or in combination with any other substance) which is capable of causing harm or damage to the Environment [or to worker health and safety]/[or to public health or welfare] [or capable of causing a nuisance, including but not limited to controlled, special, hazardous, toxic or dangerous wastes or pollutants];

“**Host Country**” means the country in which the Project is situated, as specified in Schedule 1 (*Commercial Terms*);

“**Insolvency Proceedings**” means, in relation to an entity, that the entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’

- rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or other official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
- (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
 - (ii) is not dismissed, discharged, stayed or restrained, in each case within 30 days of the institution or presentation thereof;
- (f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (d) above);
- (h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
- (i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above; or
- (j) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence, in any of the foregoing acts;

"Instance" means the set of implemented technologies and/or measures that constitute the minimum unit of activity necessary to comply with the criteria and procedures applicable to the Project under the Methodology applied to the Project, in accordance with the Carbon Standard as specified in Schedule 1 (*Commercial Terms*);

"Intellectual Property" means any registered and unregistered intellectual property rights including, but not limited to, trade marks, service marks, trade names, business names, rights in domain names and URLs, logos, rights in get-up, seals, certification marks, patents, rights to inventions, registered and unregistered design rights, copyrights and related rights, database rights, rights to goodwill or to sue for passing off, rights in confidential information (including know-how and trade secrets) and all other similar rights in any part of the world including, where such rights are obtained or enhanced by registration, any registration of such rights and applications and rights to apply for such registrations;

"Invoice" has the meaning given to it in Clause 4.1;

“**Issuance Fees**” means the fees charged by the Carbon Standard or the Registry in connection with the Issuance of any VCCs;

“**Issue**” or “**Issuance**” means the issuance into the Registry by the Carbon Standard of a VCC in respect of a GHG Reduction or Removal achieved by a project which is registered with the Carbon Standard and “**Issued**” and “**Issuing**” shall be construed accordingly;

“**ITMOs**” means internationally transferred mitigation outcomes, as defined in the Paris Agreement;

“**Labelling Requirements**” means the eligibility and other documentation requirements specified by the relevant Carbon Standard which are required to be met by the underlying project and/or the VCC in order to obtain a Carbon Standard Label;

“**Letter of Approval**” means [a letter issued by a Host Country which: (i) identifies the Project; (ii) authorises GHG Reductions or Removals achieved by the Project for use as ITMOs under Article 6 of the Paris Agreement; and (iii) declares that the Host Country will not use the Project’s GHG Reductions or Removals as ITMOs under Article 6 of the Paris Agreement by applying relevant corresponding adjustments];

“**Market Dealer**” has the meaning given to it in Clause 17.2;

“**Maximum Contract Quantity**” means the maximum volume of VCCs constituting the Contract Quantity and, where such volume is not a fixed number, it shall be calculated on the basis that the Project generates the estimated quantity of VCCs as specified in the PDD;

“**Methodology**” means a methodology approved by the Carbon Standard for determining the GHG Reduction or Removal achieved by a certain activity;

“**Monitoring**” means activities of collecting and recording data in accordance with the PDD and the Carbon Standard that allow the assessment of the GHG Reductions or Removals resulting from the Project pursuant to the terms of the Monitoring Plan, and “**Monitor**” and “**Monitored**” shall have corresponding meanings;

“**Monitoring Plan**” means the requirements for Monitoring the Project included in the PDD in accordance with the Carbon Standard;

“**Monitoring Report**” means a report prepared by or on behalf of the Seller setting out the quantity of GHG Reductions or Removals generated by the Project during the relevant Monitoring Period as Monitored in accordance with the Monitoring Plan;

“**No-Fault Termination Affected Party**” means the Party which is deemed to be unable to carry out, in whole or part, its obligations under this Agreement as a result of a No-Fault Termination Event;

“**No-Fault Termination Event**” shall have the meaning given to it in Clause 13.2.1;

“**Non-Defaulting Party**” means the Party that is not the Defaulting Party;

“**Notice**” has the meaning given to it in Clause 20.11.1;

“**Paris Agreement**” means the agreement under the United Nations Framework Convention on Climate Change which entered into force on 4 November 2016 with the aim of achieving GHG emissions mitigations, adapting to the effects of climate change and driving climate finance;

“**PDD**” means the document that describes the Project’s GHG Reduction or Removal activities prepared in accordance with the Carbon Standard;

“**Project**” means the programme of activities or group of projects (howsoever described in the Rules of the Carbon Standard), or the project, as the case may be, to achieve GHG Reductions or Removals as specified in Schedule 1 (*Commercial Terms*), including for the avoidance of doubt in respect of any such grouped project or programme of activities, all such single project activities or units falling under it;

“**Project Costs**” means, but is not limited to, any costs incurred in relation to: (i) the preparation of an environmental impact assessment, PDD and/or Monitoring Plan; (ii) conducting any stakeholder engagement process(es); (iii) Validation or Verification by a Verifier/Validator and other Validation and/or Verification costs; and (iv) Registration of the Project with the Carbon Standard;

“**Project Documents**” means, in respect of the Project, together or individually [the feasibility study report], the Baseline Study, the PDD, the Validation Report, any Verification Report and/or any other document as may be agreed in writing between the Parties to be a Project Document;

“**Registration**” means the formal acceptance by the Carbon Standard Body of the Project as a project under the Carbon Standard, and “**Register**” or “**Registered**” shall have a corresponding meaning;

“**Registry**” means an operational and secure electronic system approved, authorised or recognised by the Carbon Standard Body that allows for, amongst other things, the Issuance, holding, cancelling or Transferring of VCCs in accordance with the Rules of the Carbon Standard;

“**Registry Account**” means an account in the Registry capable of, amongst other things, crediting, holding and Transferring VCCs;

“**Registry Administrator**” means the entity responsible for operating the Registry in accordance with Rules of the Carbon Standard;

“**Requesting Party**” has the meaning given to it in Clause 20.10.5;

“**Required Authorisation**” means any consent, authorisation, registration, filing, licence, permit, approval, agreement, authority or exemption from, by or with a competent authority, required for the generation of VCCs from the Project[or the Issuance, Transfer or registration of the transactions contemplated in this Agreement in accordance with the Applicable Rules];

“**Risks**” has the meaning given to it in Clause 10.3.19;

“**Rules of the Carbon Standard**” means all of the rules, requirements and guidelines established by the Carbon Standard Body to operationalise the Carbon Standard. References to the “**Gold Standard Rules**” or “**VCS Rules**” and any equivalent in respect of any other Carbon Standard shall be interpreted accordingly;

“**Rules of the Registry**” means all rules, terms of use, guidance documents, decisions, procedures and similar published by the Registry Administrator or the Carbon Standard Body in connection with the Registry;

“**Sales Tax**” means: (i) within the UK, any value added tax imposed by the VAT Act 1994; (ii) within the European Union, such Taxation as may be levied in accordance with (but subject

to derogations from) the Directive 2006/112/EC by reference to added value or sales; and (iii) outside the UK and the European Union, any similar Taxation levied by reference to added value or sales including, within the European Union, such Taxation as may be levied in accordance with (but subject to derogations from) the Directive 2006/112/EC by reference to added value or sales;

“Sanctions” means any economic or financial sanctions or trade embargoes imposed, enacted, administered or enforced from time to time by any Sanctions Authority;

“Sanctions Authority” means:

- (a) the US government (including the US Department of State, the US Department of Commerce and the US Department of the Treasury (including the Office of Foreign Assets Control));
- (b) the United Kingdom government (including H.M. Treasury, the Foreign, Commonwealth & Development Office and the Department for Business, Energy & Industrial Strategy);
- (c) the United Nations Security Council; or
- (d) the European Union (or any of its member states),

including, in each case, any other governmental institution or agency of the foregoing;

“Sanctions Restricted Person” means any person that is, or is owned or controlled (as such terms are interpreted in accordance with applicable Sanctions laws and regulations) by one or more persons that is: (a) publicly designated by a Sanctions Authority to be the target of Sanctions; (b) a citizen of, located or resident in, or incorporated or organised under the laws of, a country or territory that is the target of country-wide or territory-wide Sanctions; or (c) otherwise the target of Sanctions;

“Scheduled Transfer Date” means, in respect of any Contract VCC, the anticipated date for Transfer of such Contract VCC to the Buyer as set out in the Transfer Schedule;

“SD VISta” means the Sustainable Development Verified Impact Standard program administered by Verra which provides certification to projects that have achieved independently assessed contributions to the Sustainable Development Goals;

“SD VISta Label” means a label added to a VCU’s unique identification code that allows a buyer to identify VCUs from a project that has been independently assessed under the SD VISta program;

“Seller’s Bank Account” means a bank account in the name of the Seller, as notified to the Buyer in the relevant Invoice;

“Seller’s Damages” means an amount equal to the sum of:

- (a) the positive difference, if any, between: (i) the Unit Price multiplied by the Default Quantity; and (ii) the price the Seller, acting in a commercially reasonable manner, does or would receive in an arm’s length transaction for a quantity of Comparable VCCs equal to the Default Quantity concluded on the date on which any termination notice delivered pursuant to Clause 13.1 (*Termination following Event of Default*) becomes effective; plus

- (b) interest at the Default Rate for the period from (and including) the effective date of termination of this Agreement (but excluding) the date the payment is made on the amount calculated pursuant to paragraph (a) above; plus
- (c) such reasonable costs and expenses which the Seller incurs as a result of the termination of this Agreement, including brokerage fees, commissions and legal fees;

“Seller’s Registry Account” means a Registry Account in the name of the Seller as specified in Schedule 1 (*Commercial Terms*);

“Shortfall Quantity” has the meaning given to it in Clause 6.5;

“SOCIAL CARBON” means the international standard focused on nature-based solutions and internationally registered trade mark. The trade mark communicates that GHG Reductions or Removals result from efforts that benefit and improve living conditions for stakeholders involved in climate change projects, in ways that strengthen their welfare and civic consciousness without degrading their resources base;

“Specifications” means any additional labels, certifications, authorisations or other features which the Project or the VCCs Issued in respect of the Project are required to meet for the purposes of this Agreement, as set out in Schedule 1 (*Commercial Terms*);

“Sustainable Development Goals” means the 17 sustainable development goals set out by the United Nations in its “2030 Agenda for Sustainable Development” dated 21 October 2015;

“Taxation” or **“Tax”** means any present or future tax, levy, impost, duty, charge, assessment or fee [of any nature]/[in the nature of tax] (including interest, penalties and additions thereto) imposed by any government or other taxing authority in respect of any payment under this Agreement other than a stamp, registration documentation or similar tax;

“Term” means the period commencing on the Execution Date and ending on the effective date of termination of this Agreement;

“Trade Marks” has the meaning given to it in Clause 16.1.2;

“Transfer” means (whether used as a verb or a noun) the transfer of VCCs from one Registry Account to another subject to and in accordance with the relevant Rules of the Carbon Standard and the Rules of the Registry, and **“Transferred”** and **“Transferring”** are to be construed accordingly;

“Transfer Amount” means the number of Contract VCCs to be Transferred for a particular Verification Period on the relevant Scheduled Transfer Date in accordance with this Agreement, as set out in the Transfer Schedule;

“Transfer Date” means the date on which the relevant Contract VCCs are credited to the Buyer’s Registry Account in accordance with Clause 5.4;

“Transfer Purchase Price” has the meaning given to it in Clause 4.1;

“Transfer Schedule” means the schedule set out in Schedule 2 (*Transfer Schedule (indicative)*) setting out the Scheduled Transfer Dates and corresponding Transfer Amounts in respect of each Verification Period;

“Unit Price” has the meaning given to it in Schedule 1 (*Commercial Terms*);

“**Validation**” means the process of independent evaluation of the PDD by a Verifier/Validator in accordance with the Rules of the Carbon Standard, and “**Validate**” and “**Validated**” shall have a corresponding meaning;

“**Validation Report**” means a written report prepared and issued by the Verifier/Validator in accordance with the Rules of the Carbon Standard in respect of the Validation of the Project;

“**VAT Act 1994**” means the Value Added Tax Act 1994;

“**VCC**” means a unit Issued in accordance with the Rules of the Carbon Standard and that is equivalent to one tonne of carbon dioxide equivalent (1tCO₂e);

“**VCS**” means the Verified Carbon Standard administered by Verra which enables the validation of GHG projects and programs, and the verification of GHG Reductions or Removals;

“**VCS+ SOCIAL CARBON VCUs**” means the label added to a VCU’s unique identification code certifying that the underlying project has been independently assessed under both the VCS and the SOCIAL CARBON standard;

“**VCU**” means a unit Issued by Verra, being a unit relating to an environmental benefit, generated from a project or programme and carried out under and in accordance with the VCS Rules;

“**VER**” means a unit Issued by the Gold Standard equal to one metric tonne in carbon dioxide equivalent reduced, avoided, removed or sequestered by a project or programme of activity, as measured, reported and verified in accordance with the Gold Standard Rules;

“**Verification**” and “**Verified**” each mean, in respect of any Verification Period, the ex-post verification of the amount of GHG Reductions or Removals achieved by the Project during such Verification Period in accordance with the Rules of the Carbon Standard;

“**Verification Period**” means each period in respect of which the Verifier/Validator conducts Verification, as set out under the Transfer Schedule;

“**Verification Period Shortfall Quantity**” has the meaning given to it in Clause 6.4;

“**Verification Report**” means a written report prepared and issued by a Verifier/Validator assessing the Monitoring Report in respect of the relevant Verification Period;

“**Verifier/Validator**” means an independent third party accredited or recognised by the Carbon Standard as entitled to carry out either Validation and/or Verification and/or certification, as the case may be, in accordance with the Carbon Standard;

“**Verra**” means a registered 501(c)(3) not-for-profit organisation incorporated in the District of Columbia, USA, whose registered office is at 1090 Vermont Ave, NW, Suite 910, 20005;

“**W+ Labelled VCU**” means the label added to a VCU’s unique identification code that certifies VCUs Issued from a project that has been independently assessed under both the VCS and the W+ Standard;

“**W+ Standard**” means the certification label developed by WOCAN that endorses projects that create increased social and economic benefits for women participating in economic development or environment projects, including those that provide renewable energy technologies, time and labour-saving devices, forest and agriculture activities, and employment opportunities; and

“**WOCAN**” means Women Organizing for Change in Agriculture and Natural Resource Management and is a women-led international membership network of women and men professionals and women’s associations.

1.2 Consistency with the Carbon Standard

Unless the context otherwise requires, defined terms shall be interpreted so as to be consistent with any relevant concept or definition in accordance with the Carbon Standard.

1.3 Interpretation Act 1978

The Interpretation Act 1978 shall apply to this Agreement in the same way as it applies to an enactment.

1.4 Modification etc. of Statutes

References to a statute or statutory provision include:

- 1.4.1 that statute or provision as from time to time modified, re-enacted or consolidated whether before or after the Execution Date;
- 1.4.2 any past statute or statutory provision (as from time to time modified, re-enacted or consolidated) which such statute or statutory provision has directly or indirectly replaced; and
- 1.4.3 any subordinate legislation made from time to time under that statute or statutory provision.

1.5 Recitals, Clauses, Schedules etc.

The Schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement. References to this Agreement shall include any Recitals and Schedules to it and references to Recitals, Clauses and Schedules are to Recitals of, Clauses of, and Schedules to, this Agreement. References to paragraphs and Parts are to paragraphs and Parts of the Schedules.

1.6 Headings

Headings shall be ignored in construing this Agreement.

1.7 References to Persons and Companies

References to:

- 1.7.1 a person include any company, corporation, firm, joint venture, partnership or unincorporated association (whether or not having separate legal personality); and
- 1.7.2 a company include any company, corporation or body corporate, wherever incorporated.

1.8 Definitions of Company, Subsidiary etc.

The words “**company**”, “**holding company**” and “**subsidiary**” shall have the same meaning in this Agreement as their respective definitions in the Companies Act 2006.

1.9 Number and Gender

- 1.9.1 The singular shall include the plural and vice versa.

1.9.2 Words denoting any gender shall include any other gender and words denoting natural persons shall include any other persons.

1.10 Time of Day

References to times of day are to [London] time unless otherwise stated.

1.11 Information

References to books, records or other information mean books, records or other information in any form including paper, electronically stored data, magnetic media, film and microfilm.

1.12 Legal Terms

References to any English legal term shall, in respect of any jurisdiction other than England, be construed as references to the term or concept which most nearly corresponds to it in that jurisdiction.

1.13 Non-limiting Effect of Words

The words “including”, “include”, “in particular” and words of similar effect shall not be deemed to limit the general effect of the words that precede them.

1.14 Reference to Documents

References to any document (including this Agreement), or to a provision in a document, shall be construed as a reference to such document or provision as amended, supplemented, modified, restated or novated from time to time.

1.15 Reasonable Endeavours

Where the words “reasonable endeavours” are used in this Agreement in relation to the performance of any act by a Party, such Party shall be required to take only those steps in performing such act as are commercially reasonable having regard to such Party’s circumstances at the time, but shall not be required to ensure such act’s performance whether by assuming material expenditure or otherwise.

1.16 Meaning of “to the extent that” and similar expressions

In this Agreement, “to the extent that” shall mean “to the extent that” and not solely “if”, and similar expressions shall be construed in the same way.

2 Conditions Precedent

2.1 Subject to Clause 2.3, the provisions of this Agreement shall become effective on the date on which the Buyer notifies the Seller that each of the following conditions (each, a “**Condition Precedent**”) are in a form and substance satisfactory to it or otherwise waived:

2.1.1 the Seller delivering to the Buyer evidence of its own capacity and authority to enter into this Agreement, including, where reasonably requested by the Buyer, evidence of authority, board minutes, financial solvency, legal opinions and specimen signatures of the person or persons executing this Agreement on behalf of the Seller;

2.1.2 [Other CPs to be specified].

2.2 The Conditions Precedent in this Clause 2 are for the benefit of the Buyer and may only be waived by written notice from the Buyer to the Seller. If all Conditions Precedent have not

been fulfilled or waived in writing by the Buyer within [two] months after the Execution Date, the Buyer may (at its sole discretion) either: (i) set a new date for fulfilling the relevant Condition Precedent, in which case this Clause 2.2 shall then apply to any such new date; or (ii) terminate this Agreement in accordance with Clause 13.2 (*No-Fault Termination*).

- 2.3** Notwithstanding Clause 2.1, the following provisions of this Agreement shall become effective on the Execution Date: Clauses 1 (*Definitions and Interpretation*), 2 (*Conditions Precedent*), 10 (*Representations and Warranties*), 11 (*Liabilities and Indemnity*), 15 (*Confidentiality*) and 20 (*General*).

3 Contract Quantity

- 3.1** The Seller agrees to sell and Transfer to the Buyer the Contract VCCs with good title and free from all Encumbrances and the Buyer agrees to purchase and accept the Transfer of such Contract VCCs.
- 3.2** The Seller shall not agree to, and shall not: (i) sell, transfer or otherwise Encumber or dispose of any of the Contract VCCs to or in favour of any third party, other than in accordance with this Agreement; or (ii) enter into any arrangement or agreement that prevents the Buyer from exercising any of its rights pursuant to this Agreement in connection with any Contract VCC.
- 3.3** [Notwithstanding anything else contained in this Agreement, the Contract Quantity shall be net of any Buffer VCCs [and net of any other deductions of VCCs as may be required by the Applicable Rules].]

4 Price and Payment

- 4.1** Promptly and in any event by no later than [five (5)] Business Days following the occurrence of each Transfer Date, the Seller shall issue an invoice to the Buyer for the amount that is equal to the product of (i) the number of Contract VCCs Transferred to the Buyer on the relevant Transfer Date and (ii) the Unit Price (the “**Transfer Purchase Price**”) (an “**Invoice**”).
- 4.2** The Buyer shall pay the Transfer Purchase Price in the Currency into the Seller’s Bank Account by no later than [ten (10) / [●]] Business Days following receipt of the relevant Invoice.

5 Issuance and Transfer

- 5.1** Within [two (2)] Business Days following the Issuance of any Contract VCC, the Seller shall Transfer or shall procure the Transfer of such Contract VCC to the Buyer’s Registry Account. Where any Contract VCC has been Issued at the Execution Date, the Seller shall Transfer such Contract VCC on the date specified in Schedule 1 (*Commercial Terms*). Any Transfer of Contract VCCs pursuant to this Clause 5.1 shall be made with good legal and beneficial title and free and clear of any Encumbrance. The Seller shall promptly notify the Buyer following the Transfer of any Contract VCC.
- 5.2** The indicative dates for Transfer of the relevant Transfer Amounts in respect of each Verification Period are set out as the corresponding Scheduled Transfer Dates in the Transfer Schedule.
- 5.3** The Transfer of a Contract VCC shall be deemed to have occurred when such Contract VCC is credited to the Buyer’s Registry Account in accordance with the Rules of the Carbon

Standard and the Rules of the Registry, whereupon all right, title and interest in and to such Contract VCC shall vest in the Buyer.

- 5.4** The Buyer may from time to time change its nominated Registry Account for the purposes of this Agreement upon receiving the prior written consent of the Seller which shall not be unreasonably withheld.

6 VCC Shortfall

- 6.1** [If for any reason [which is beyond the reasonable control of the Seller, and which could not have been prevented by the exercise of reasonable care and skill by the Seller,] [during the period of [●] months] following Transfer and payment for any Contract VCCs to the Buyer under this Agreement, the Verification or Issuance of such Contract VCCs is cancelled, retracted or otherwise revoked or the Project's Validation is cancelled, revoked or retracted, each in accordance with the Rules of the Carbon Standard or the Rules of the Registry, such Contract VCCs shall be deemed to have been "not Transferred" and the Seller shall instead be obligated to Transfer Comparable VCCs in an equal number to the shortfall and otherwise in accordance with this Agreement as soon as reasonably possible.]
- 6.2** In respect of any Scheduled Transfer Date, in the event that the Seller is, or is reasonably likely to become, unable to Transfer all or part of the corresponding Transfer Amount within nine months of the end of the relevant Verification Period due to the Project generating or Issuing less VCCs than anticipated in respect of such Verification Period (other than in circumstances of: (i) a breach by the Seller of any of its obligations under this Agreement pursuant to Clause 6.5; or (ii) the occurrence of a Force Majeure Event or Change in Law in accordance with Clause 14 (*Force Majeure Events and Change in Law*)), it shall immediately notify the Buyer in writing of:
- 6.2.1** the number of GHG Reductions or Removals or the proportion of the Maximum Contract Quantity that will not or may not be capable of being generated or Issued (the "**Anticipated Shortfall**");
 - 6.2.2** the reasons for such Anticipated Shortfall together with evidentiary support to the reasonable satisfaction of the Buyer;
 - 6.2.3** the reasonable steps that the Seller could take to remedy or minimise the Anticipated Shortfall (if any); and
 - 6.2.4** the likely date on which the Seller will be able to Transfer any part or all of the Anticipated Shortfall, if at all.
- 6.3** Wherever possible, the Seller shall use reasonable endeavours to remedy or minimise the Anticipated Shortfall.
- 6.4** Subject to Clause 6.5, in the event that in respect of any Verification Period, there is a shortfall in the number of Contract VCCs Transferred within [nine] months of the end of the relevant Verification Period compared to the proportion of the Maximum Contract Quantity corresponding to such Verification Period (the "**Verification Period Shortfall Quantity**"), the Parties may agree an alternative date for the Transfer of the Verification Period Shortfall Quantity, which shall be deemed to be the Scheduled Transfer Date in respect of such VCCs for the purposes of this Agreement. If the Parties do not reach agreement on a date for the Transfer of the Verification Period Shortfall Quantity, the Buyer shall not be required to accept Transfer of any VCCs relating to the relevant Verification Period Shortfall Quantity.

- 6.5** Where the Seller fails to Transfer a Transfer Amount on the corresponding Scheduled Transfer Date (a “**Shortfall Quantity**”) as a result of the Seller’s fraud, wilful misconduct, gross negligence or non-performance of any of its obligations under this Agreement, the Seller shall, at the Buyer’s election, pay to the Buyer the Buyer’s Replacement Costs or Transfer to the Buyer Comparable VCCs equal to the Shortfall Quantity. The Buyer shall specify its election by notice to the Seller. Where the Buyer elects the Buyer’s Replacement Costs, it shall in good faith calculate the Buyer’s Replacement Costs and shall provide written notice, including details of the relevant calculation, of the amount of such Buyer’s Replacement Costs and details of the Buyer’s bank account into which the Buyer’s Replacement Costs should be paid. The Seller shall pay the Buyer’s Replacement Costs within ten (10) Business Days of receipt of such notice. Where the Buyer elects Comparable VCCs, the Seller shall Transfer such VCCs by no later than ten (10) Business Days following the election notice, and otherwise in accordance with this Agreement.

7 Project Costs and Issuance Fees

The Buyer shall bear no liability or responsibility for the Project Costs or any Issuance Fees whatsoever.

8 Reporting

- 8.1** [To the extent the Project has not at the Execution Date been Commissioned, the Seller shall keep the Buyer informed and up to date in connection with progress towards Commissioning.]
- 8.2** To the extent that the Project has not at the Execution Date been Registered, the Seller shall keep the Buyer informed and up to date in connection with progress towards Registration and shall notify the Buyer promptly following (i) the submission of any request to Register the Project, and (ii) confirmation of Registration of the Project from the Carbon Standard Body.
- 8.3** In the event that the Registration of the Project is rejected by the Carbon Standard Body or the Project is otherwise not Registered by [*insert date*], the Buyer may terminate this Agreement with immediate effect in accordance with Clause 13.2 (*No-Fault Termination*).
- 8.4** The Seller shall promptly, and no later than five (5) Business Days after becoming aware, inform the Buyer of any material issues arising in relation to the Project or the Seller, including, but not limited to, in relation to: (i) generation of GHG Reductions or Removals or any unplanned interruption in Project operations; (ii) the Issuance of Contract VCCs; (iii) the ability to Register the Project or to sell or Transfer any Contract VCCs; (iv) the solvency of the Seller; (v) any Risks; and (vi) any non-compliance with any Applicable Rules in connection with the Project, including any Environmental Laws.

9 Communication Materials

- 9.1** The Seller shall supply to the Buyer, upon the Buyer’s reasonable request, any Communication Materials that it holds in respect of the Project.
- 9.2** The Seller shall not object to the Buyer’s use of the Communication Materials for any and all purposes, including and without limitation commercial purposes, whether now known and/or technically possible or hereafter devised.

10 Representations and Warranties

10.1 Each Party represents and warrants to the other in each of the following terms as at the Execution Date that:

- 10.1.1** it is validly existing and is duly incorporated or organised under the laws of its jurisdiction of incorporation or organisation and, if relevant under such laws, in good standing;
- 10.1.2** it has the legal right and full power and authority to enter into and perform this Agreement [and any other document relating to this Agreement that it is required by this Agreement to deliver and to perform];
- 10.1.3** the execution by the Party of its obligations under this Agreement [and any other document relating to this Agreement that it is required by this Agreement to execute,] and the performance of its obligations under [them], will not:
 - (i) result in a breach of any provision of its constitutional documents;
 - (ii) result in a breach of, or constitute a default under, any agreement, licence or other instrument to which it is a party or by which it is bound; or
 - (iii) result in a breach of any existing order, judgment or decree of any court, governmental agency or regulatory body by which it is bound;
- 10.1.4** this Agreement constitutes valid and binding obligations on the Party, in accordance with its terms;
- 10.1.5** it has taken all corporate action required by it to authorise it to enter into and to perform this Agreement [and any other document relating to this Agreement that it is required by this Agreement to deliver and to perform];
- 10.1.6** all licences and consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with;
- 10.1.7** it has entered into this Agreement after a full opportunity to review its terms and conditions, has a full understanding of those terms and conditions and of their risks, and is capable of assuming those risks;
- 10.1.8** it has at all times fully complied with the Rules of the Carbon Standard to the extent necessary to permit the Transfers contemplated by this Agreement;
- 10.1.9** there are no Insolvency Proceedings pending or being contemplated by it or, to its knowledge, threatened against it;
- 10.1.10** so far as it is aware, there is no investigation disciplinary proceeding or inquiry by, or order, decree, decision or judgment of, any court, tribunal, arbitrator, governmental agency or regulatory body outstanding or anticipated against it or any person for whose acts or defaults it may be vicariously liable which has had or may have a material adverse effect upon the legality, validity or enforceability against it of this Agreement or its ability to perform its obligations under this Agreement;
- 10.1.11** it has not received any written notice during the past 12 months from any court, tribunal, arbitrator, governmental agency or regulatory body with respect to a violation and/or failure to comply with any applicable law, bye-law or regulation, or

requiring it to take or omit any action which in any case has had or may have a material adverse effect upon the legality, validity or enforceability against it of this Agreement or its ability to perform its obligations under this Agreement;

10.1.12 the execution and delivery of this Agreement will not materially conflict with any of, or require the consent of any person under, any loan or security agreement, or other material agreement, to which it is a party;

10.1.13 it has and shall at all times continue to conduct its businesses in compliance with applicable Anti-Corruption Law and has instituted and maintained policies and procedures designed to promote and achieve compliance with such laws;

10.1.14 neither it nor any of its directors or officers is, or is engaged in any transaction, activity or conduct that could reasonably be expected to result in it or them being in breach of Sanctions, or a Sanctions Restricted Person; and

10.1.15 it has implemented and maintains policies and procedures designed to ensure its and any Affiliate's compliance with applicable Sanctions.

10.2 Each Party represents and warrants to the other in each of the following terms on each Transfer Date:

10.2.1 it has used all reasonable efforts to inform the other Party of any event or circumstance of which it is aware which may impact on the ability of such Party to perform any of its obligations under this Agreement;

10.2.2 it has conducted its affairs in a manner so as to not give the Registry cause to block, suspend, refuse, reject or cancel the Transfer (whether in whole or in part) of any Contract VCCs;

10.2.3 it has complied in all material respects with all Applicable Rules to which it may be subject in connection with this Agreement, including the Rules of the Carbon Standard, if failure to comply would materially impair its ability to perform its obligations under this Agreement;

10.2.4 it has and shall at all times continue to conduct its businesses in compliance with applicable Anti-Corruption Law and has instituted and maintained policies and procedures designed to promote and achieve compliance with such laws;

10.2.5 neither it nor any of its directors or officers is, or is engaged in any transaction, activity or conduct that could reasonably be expected to result in it or them being, in breach of Sanctions, or a Sanctions Restricted Person; and

10.2.6 it has implemented and maintains policies and procedures designed to ensure its and any Affiliate's compliance with applicable Sanctions.

10.3 The Seller represents and warrants to the Buyer that at the Execution Date and on each Transfer Date:

10.3.1 each Contract VCC Transferred to the Buyer in accordance with this Agreement satisfies each requirement of the Specifications set out in Schedule 1 (*Commercial Terms*);

- 10.3.2** the other Party is not acting as a fiduciary or an adviser for it, nor has the other Party given to it any advice, representation, assurance or guarantee as to the expected performance, benefit or result of this Agreement;¹
- 10.3.3** it enters into this Agreement as principal and not as agent of any person or entity;²
- 10.3.4** to the best of its knowledge, the Project has been, or will be, Validated and Registered in accordance with the Rules of the Carbon Standard;
- 10.3.5** [to the best of its knowledge, all licences, consents and Required Authorisations, including any Required Authorisations granted by any Government Agency of the Host Country, have been or will be obtained in respect of the Project, are or will be in full force and effect and are being or will be complied with by the relevant Project stakeholders;]
- 10.3.6** [to the best of its knowledge, the Project has been or is being constructed, operated and maintained in compliance with all Applicable Rules including all Environmental Laws;]
- 10.3.7** [to the best of its knowledge, there is no credible risk of human rights impacts in relation to the Project, including any modern slavery, or any infringement of or concerns with the protection of human rights arising out of the Project;]
- 10.3.8** [to the best of its knowledge, the Project is being, or will be, Monitored in accordance with the Monitoring Plan, the PDD and the Carbon Standard;]
- 10.3.9** [to the best of its knowledge, a Verifier/Validator is undertaking or will undertake Verification of the GHG Reductions or Removals generated by the Project during each Verification Period;]
- 10.3.10** [to the best of its knowledge, all Project Documents and all other documents necessary to Commission and Register the Project with the Carbon Standard have been, or will be, developed and finalised by an appropriately qualified third party and all Project Documents meet the requirements of the Carbon Standard;]
- 10.3.11** [to the best of its knowledge, the GHG Reductions or Removals generated by the Project have been or will be Verified by a Verifier/Validator during each Verification Period and a Verification Report has been, or will be, produced;]
- 10.3.12** it has the contractual rights to sell all right, title, and interest in the Contract VCCs to be Transferred hereunder and has, or has the right to sell, good and marketable title to the Contract VCCs;
- 10.3.13** other than as contemplated by this Agreement, it has not sold, transferred, assigned, licensed, disposed of, granted or otherwise created any interest or Encumbrance in the Contract VCCs;
- 10.3.14** at the time of each Transfer, the Buyer will receive good title to the relevant Contract VCCs free of any mortgage, charge, pledge, lien or other Encumbrances in favour of any person created by, or connected to, the Seller;

¹ **Drafting note:** This is a representation which is specific to VERRA. Parties to consider whether any amendments are required to reflect alternative structures.

² **Drafting note:** This is a representation which is specific to VERRA. Parties to consider whether any amendments are required to reflect alternative structures.

- 10.3.15** on Transfer of a Contract VCC to the Buyer, the Buyer will have the exclusive right to make all claims of ownership or otherwise with respect to such Contract VCC;
- 10.3.16** [to the best of its knowledge, each GHG Reduction or Removal giving rise to any Contract VCC has been calculated in accordance with the Methodology approved by the Carbon Standard and on the basis of reliable and replicable data provided by the Seller to the Carbon Standard Body and/or the Registry;]
- 10.3.17** [to the best of its knowledge, it is not aware of any circumstances which have, or could reasonably be expected to, adversely affect the ability of the Project to generate VCCs in the quantities contemplated in the relevant PDD;]
- 10.3.18** [to the best of its knowledge, all information, data and records provided by it to the Buyer and its nominees, in connection with this Agreement, are true, accurate and not misleading in any material respects;]
- 10.3.19** [to the best of its knowledge, after due enquiry, there are no material social or environmental risks or issues in relation to the Project, including, for the avoidance of doubt, negative impacts on the rights of indigenous peoples and local communities in and adjacent to the Project area, or any issues in respect of the Project which might reasonably result in any negative reputational impact on the Buyer with respect to its involvement with the Project as a result of the purchase of the Contract VCCs (together, “**Risks**”) other than those notified to the Buyer in accordance with this Agreement, and it is not aware of: (i) any existing or threatened complaint, order, directive, claim, citation or notice from any authority; or (ii) any material written communication from any entity, in either case, concerning any such Risks, other than those notified to the Buyer in accordance with this Agreement;]
- 10.3.20** [upon becoming aware, it shall immediately inform the Buyer of any Risks in respect of the Project; and]
- 10.3.21** each Contract VCC which is Transferred in accordance with this Agreement has been Issued in respect of the Project which has been Registered with the Carbon Standard and no such Contract VCC has been cancelled, retired, revoked or otherwise removed by the Carbon Standard Body or the Registry as of the date of the relevant Transfer.]

10.4 The Buyer represents and warrants to the Seller on each Transfer Date that:

- 10.4.1** it has, or will have, one or more Registry Accounts open in accordance with the relevant Rules of the Registry and the Rules of the Carbon Standard; and
- 10.4.2** if required under the Rules of the Carbon Standard, it will use reasonable endeavours to assist the Seller in the Transfer of Contract VCCs to the Buyer’s Registry Account.

11 Liabilities and Indemnity

11.1 This Agreement sets out the full extent of the Parties’ obligations and liabilities as between each other arising out of or in connection with this Agreement and the Project, and there are no conditions, warranties, representations or terms, express or implied, that are binding on the Parties except as specifically stated in this Agreement. Any condition, warranty,

representation or other term which might otherwise be implied into or incorporated in this Agreement, whether by statute, common law or otherwise, is hereby expressly excluded.

- 11.2** Save where a Party is entitled to receive Damages in accordance with this Agreement, neither Party shall be liable under or in connection with this Agreement for any loss of income, loss of profits or loss of contracts, or for any indirect or consequential loss or damage of any kind, in each case howsoever arising and whether caused by tort (including negligence), breach of contract or otherwise.
- 11.3** Nothing in this Agreement shall exclude or in any way limit either Party's liability for fraud, or for death or personal injury caused by either Party's negligence, for any damage caused intentionally by either Party or for any damage caused by the fraud, wilful misconduct, non-performance or gross negligence of either Party.

12 Events of Default

- 12.1** The occurrence of any of the following events in respect of a Party shall constitute an Event of Default in respect of that Party:
- 12.1.1** any failure to pay as required under this Agreement that is not remedied within any time period applicable to that payment, and where no such time period is specified, within five (5) Business Days;
- 12.1.2** unless specified elsewhere in this Clause 12, the failure of a Party to perform a material obligation under this Agreement or the commission of a material breach of this Agreement and that failure or breach, if capable of being remedied, is not remedied within five (5) Business Days of receipt by the Defaulting Party of written notice of that failure or breach from the Non-Defaulting Party, except that no cure period shall apply in the case of fraud, wilful misconduct, non-performance or gross negligence;
- 12.1.3** any representation or warranty made or deemed to have been made by the Party proves to have been materially false or misleading at the time it was made or was deemed to have been made; or
- 12.1.4** Insolvency Proceedings are commenced against the Party.
- 12.2** The occurrence of any of the following events shall constitute an Event of Default in respect of the Seller:
- 12.2.1** a Verification Period Shortfall Quantity or a Shortfall Quantity occurs as a result of fraud, gross negligence or wilful misconduct of the Seller; or
- 12.2.2** any act or omission that causes or allows the creation of an Encumbrance, or assignment or transfer or sale of any Contract VCCs, or the assignment of or the transfer otherwise of any claim or benefit whatsoever in connection with the GHG Reductions or Removals which are the subject of this Agreement to any third party, without the prior written consent of the Buyer.
- 12.3** Upon the occurrence of an Event of Default, the Non-Defaulting Party's obligations shall be suspended whilst the Event of Default is continuing.

13 Termination

13.1 Termination following Event of Default

13.1.1 Upon the occurrence of an Event of Default, the Non-Defaulting Party shall be entitled to terminate this Agreement by not more than twenty (20) Business Days' written notice to the Defaulting Party specifying the relevant Event of Default and designating a day not earlier than the day upon which such notice becomes effective as the termination date.

13.1.2 As soon as reasonably practicable after providing notice of termination in accordance with Clause 13.1.1, the Non-Defaulting Party shall in good faith calculate the applicable Damages (if any) and shall communicate in writing the amount of such Damages to the Defaulting Party, including an explanation of the calculation of such Damages. If the Damages are a positive number, the Defaulting Party shall pay the Damages to the Non-Defaulting Party within ten (10) Business Days to the account of the Non-Defaulting Party, specified in writing by that Party. A Party is not required to enter into replacement transactions in order to determine the Damages.

13.1.3 For the purposes of calculating Damages in accordance with Clause 13.1.2, any Contract VCC which is Transferred to the Buyer and which is subject to an Encumbrance shall be deemed not Transferred and the Buyer shall return such VCCs to the extent that they are still within its control, at the Seller's cost and expense, on receipt of payment of Damages.

13.2 No-Fault Termination

13.2.1 The occurrence of any of the following events shall constitute a "**No-Fault Termination Event**":

- (i) the Conditions Precedent in Clause 2.1 not being fulfilled or waived in accordance with the provisions in Clause 2 (*Conditions Precedent*) within the time limit specified therein. For the purposes of this No-Fault Termination Event, the Seller will be the sole No-Fault Termination Affected Party;
- (ii) the Project is not Registered with the relevant Carbon Standard in accordance with the provisions of Clause 8.3. For the purposes of this No-Fault Termination Event, the Seller will be the sole No-Fault Termination Affected Party;
- (iii) a Force Majeure Event occurring and continuing and the Affected Party having been unable to perform its [material] obligations under this Agreement as a result of a Force Majeure Event for a continuous period of [12 months] and continuing to be unable to do so. For the purposes of this No-Fault Termination Event, the Affected Party will be the No-Fault Termination Affected Party; or
- (iv) a Change in Law having occurred with respect to this Agreement or the Project and the Affected Party having been unable to perform its [material] obligations under this Agreement as a result of such Change in Law for a continuous period of [12 months] and continuing to be unable to do so. For the purposes of this No-Fault Termination Event, the Party whose obligations

are affected by such Change in Law will be the No-Fault Termination Affected Party;]

OR

[a Change in Law having occurred with respect to this Agreement or the Project. For the purposes of this No-Fault Termination Event, both Parties will be the No-Fault Termination Affected Parties;]

13.2.2 Upon the occurrence of a No-Fault Termination Event, the Party that is not the No-Fault Termination Affected Party or either Party (if there is more than one No-Fault Termination Affected Party) shall be entitled to terminate this Agreement by not more than twenty (20) Business Days' written notice to the No-Fault Termination Affected Party specifying the applicable No-Fault Termination Event and designating a day not earlier than the day upon which such notice becomes effective as the termination date. Upon such termination, the obligations of both Parties under this Agreement shall cease, except for any rights, obligations and liabilities accruing prior to the date of such termination.

14 Force Majeure Events and Change in Law

14.1 In this Clause 14:

"Affected Party" means the Party which is prevented as a result of a Force Majeure Event or Change in Law, as the case may be, from carrying out, in whole or part, its obligations under this Agreement;

"Change in Law" means (a) the adoption of, or any change in, any Applicable Rules or any other applicable law with which either Party is required to comply after the Execution Date, or the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any such Applicable Rules or other applicable law after such date, or (b) the adoption of, or any change in, any Rules of the Carbon Standard after the Execution Date, in each case as a result of which it becomes unlawful or impossible for such Party to perform any absolute or contingent obligation or enforce any rights under this Agreement (other than as a result of a breach by the Party of this Agreement);

"Excluded Event" means:

- (i) an event or circumstance where the effect on the Party which would otherwise be the Affected Party is [primarily] to increase such Party's costs of complying with its obligations under this Agreement; or
- (ii) any event or circumstance which is due to the actions or omissions of a Verifier/Validator.].

"Force Majeure Event" means the occurrence of any of the following events or circumstances excluding any Excluded Event which are beyond the reasonable control of the Affected Party and which could not have been prevented by the exercise of reasonable care and skill by the Affected Party:

- (i) an Administrator Event;
- (ii) any national strike, lock-out or any other industrial action or labour dispute;

- (iii) any act of war (whether declared or undeclared), invasion, armed conflict, act of a foreign enemy, blockade, embargo, revolution, riot, insurrection, civil commotion, sabotage, terrorism or the threat of sabotage or terrorism;
- (iv) any act of state or other exercise of sovereign, judicial or executive prerogative by any government or public authority, including expropriation, nationalisation or compulsory acquisition or acts claimed to be justified by executive necessity; or
- (v) any epidemic, plague, explosion, chemical or radioactive contamination or ionising radiation, lightning, earthquake, tempest, flooding, fire, cyclone, hurricane, typhoon, tidal wave, whirlwind, storm, volcanic eruption and other unusual and extreme adverse weather or environmental conditions or action of the elements, meteorites, collision or impact by any vehicle, vessel or aircraft or objects falling from aircraft or other aerial devices or the occurrence of pressure waves caused by aircraft or other aerial devices travelling at supersonic speed,

in each case as a result of which it becomes unlawful or impossible for the Affected Party to perform any absolute or contingent obligation in whole or in part or enforce any rights under this Agreement (other than as a result of a breach by the Affected Party of this Agreement).

14.2 If a Force Majeure Event or Change in Law occurs, each Party shall, promptly upon becoming aware of it, use all reasonable efforts to notify the other Party in writing of the Force Majeure Event or Change in Law. To the extent available, that Party should also provide details of the Force Majeure Event or Change in Law, the likely duration of such events or circumstances and their consequences on the Parties' obligations under this Agreement. If a Force Majeure Event or Change in Law has occurred and is continuing, an Affected Party shall not be in breach of this Agreement, nor be liable for failure or delay in performing its obligations under this Agreement.

14.3 After delivery of a notice in accordance with Clause 14.2, the Affected Party shall (to the extent possible) keep the other Party informed of material developments relating to the Force Majeure Event or Change in Law.

14.4 The Affected Party shall use reasonable endeavours to continue to perform its obligations under this Agreement and to minimise the adverse effects of the Force Majeure Event or Change in Law.

14.5 The Affected Party shall notify the other Party of the steps it proposes to take to minimise the effects of such Force Majeure Event or Change in Law, including any reasonable alternative means for performance of its obligations under this Agreement. The other Party shall use reasonable endeavours to co-operate in taking such steps, if and to the extent that it is not prejudiced by doing so.

14.6 The obligations of the Party that is not the Affected Party shall be suspended to the same extent as those of the Affected Party.

15 Confidentiality

15.1 Subject to Clause 15.2, each Party shall treat as strictly confidential and not disclose or use any information received or obtained as a result of entering into this Agreement or any document which relates to:

- 15.1.1** the existence and the provisions of this Agreement;

- 15.1.2 the negotiations relating to this Agreement; or
 - 15.1.3 information relating to the business, financial or other affairs (including future plans and targets) of the other Party or its Affiliates.
- 15.2** Clause 15.1 shall not prohibit disclosure or use of any information if and to the extent that:
- 15.2.1 the disclosure or use is required to vest the full benefit of this Agreement in a party;
 - 15.2.2 the information is or becomes publicly available (other than by breach of this Agreement);
 - 15.2.3 the other Party has given prior written approval to the disclosure or use;
 - 15.2.4 the information is independently developed by a Party after the Execution Date;
 - 15.2.5 the disclosure or use can be reasonably considered by the disclosing Party to be mandated by law or desirable to achieve compliance with law or the rules of any governmental or regulatory body or any stock exchange on which the shares of either party or any of its Affiliates are listed (including where this is required as part of any actual or potential offering, placing and/or sale of securities of that Party or any of its Affiliates) or with any bona fide internal requirements or ordinary business practice of the disclosing Party including regarding disclosure to investors;
 - 15.2.6 the disclosure or use is required for the purpose of any judicial or arbitral proceedings arising out of this Agreement or any such transaction document;
 - 15.2.7 the disclosure is made to a tax authority in connection with the tax affairs of the disclosing Party;
 - 15.2.8 the disclosure is made to a Party to whom assignment is permitted under Clause 20.4 (*Assignment*) on terms that such assignee undertakes to comply with the provisions of Clause 15.1 in respect of such information as if it were a party to this Agreement; or
 - 15.2.9 the disclosure is made to professional advisers of either Party or one of its Affiliates on terms that such professional advisers undertake to comply with the provisions of Clause 15.1 in respect of such information as if they were a party to this Agreement,
- provided that, prior to disclosure or use of any information pursuant to Clause 15.2.6, provided such notification is permitted by applicable law, the Party concerned shall promptly notify the other Party of such requirement with a view to providing that other Party with the opportunity to contest such disclosure or use or otherwise agreeing the timing and content of such disclosure or use.
- 15.3** On the termination of this Agreement, the Party which has received information protected by this Clause 15 shall, on receipt of a written demand from the Party which provided the information, promptly:
- 15.3.1 return or destroy any written records of such information in its possession and control (without keeping any copies) to the party which provided the information;
 - 15.3.2 destroy all analyses, compilations, notes, studies, memoranda or other documents prepared by it or its Affiliates or its or their officers, employees, agents or advisers if and to the extent that the same contain, reflect or derive from any such information; and

15.3.3 so far as is reasonably practicable to do so, expunge any such information in its possession or under its control from any computer, word processor or other device,

provided that the Party which received such information may retain any such information as may be required by law, bona fide internal compliance policy, corporate governance procedures, automated back-up archiving practices or which is contained or referred to in board minutes of such Party or in documents referred to therein (other than information which constitutes personal data for the purposes of applicable data protection law) and the advisers to such Party may keep copies of any document in their possession for record purposes without prejudice to any duties of confidentiality.

16 Intellectual Property

16.1 For the purpose of this Clause 16, the following words shall have the meanings set out below:

16.1.1 “**Background Intellectual Property**” means any Intellectual Property owned or controlled by a Party at the Execution Date, as well as any Intellectual Property developed or acquired by a Party independently of this Agreement; and

16.1.2 “**Trade Marks**” means trade names, business names, logos or get-up, seals, certification marks and other trade marks, rights in domain names and URLs.

16.2 Each Party is and remains the exclusive owner or legitimate licensor of its Trade Marks. Neither Party may reproduce or otherwise use the other Party’s Trade Marks without prior written permission from such Party. Nothing contained herein grants one Party a licence or any other rights to use the other Party’s Trade Marks.

16.3 Each Party is and shall remain the exclusive owner of its respective Background Intellectual Property.

17 Corresponding Adjustments

17.1 The Parties agree that Corresponding Adjustments and other labels or certifications offered by the Carbon Standard may add value to the Project or the VCCs Issued in respect of the Project.

17.2 If, during the Term of this Agreement, the Project receives a Letter of Approval in accordance with the Rules of the Carbon Standard such that the Contract VCCs to be Transferred under this Agreement shall have a Corresponding Adjustment applied to them, then the Parties agree that they will either:

17.2.1 agree between themselves, within [●] Business Days of receipt of the Letter of Approval, an increase to the Unit Price which shall apply to all Contract VCCs Transferred following such agreement; or

17.2.2 appoint an independent third-party market dealer of reputable standing (a “**Market Dealer**”) to determine, within [●] Business Days of receipt of the Letter of Approval, an increase to the Unit Price which shall apply to all Contract VCCs Transferred following such determination,

provided that if the Parties decide to agree such increase between themselves but fail to reach an agreement on such increase within [●] Business Days of receipt of the Letter of Approval, they shall appoint a Market Dealer to make such determination within a further [●]

Business Days. All determinations of a Market Dealer made pursuant to this Clause 17.2 shall be final and binding on the Parties.

18 Sanctions

18.1 Each Party shall not (and shall ensure that no Affiliate of it will) directly or indirectly use any monies paid by the other Party to it under this Agreement, or lend, contribute or otherwise make available such monies to any subsidiary or other person where the purpose or effect of such monies being used, lent, contributed or otherwise made available:

18.1.1 is to fund or facilitate any activity that would at that time be in breach of Sanctions or be an activity with, or for the benefit of, a Sanctions Restricted Person; or

18.1.2 could reasonably be expected to result in a breach of Sanctions by the other Party.

18.2 Each Party shall (and shall ensure that each Affiliate of it will) comply in all respects with Sanctions.

18.3 Each Party shall (and shall ensure that each Affiliate of it will) implement and maintain appropriate policies and procedures to:

18.3.1 prevent any action being taken which would be contrary to Clause 18; and

18.3.2 ensure compliance with Sanctions.

18.4 Each Party shall promptly notify the other Party in writing of any actual or anticipated breach of Sanctions in relation to the Project of which it becomes aware.

18.5 Any provision of this Clause 18 shall not apply to or in favour of any person if and to the extent that it would result in a breach, by or in respect of that person, of any applicable Blocking Law.

18.6 For the purposes of this Clause 18, "**Blocking Law**" means:

18.6.1 any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996 (or any law or regulation implementing such Regulation in any member state of the European Union);

18.6.2 any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018; or

18.6.3 section 7 of the German Foreign Trade Regulation (*Außenwirtschaftsverordnung*).

19 Anti-Bribery and Corruption

19.1 Each Party shall not directly or indirectly use any part of the proceeds of this Agreement for any purpose which would breach the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or other similar legislation in other jurisdictions.

19.2 Each Party shall (and shall ensure that any Affiliate of it will):

19.2.1 conduct its businesses in compliance with applicable Anti-Corruption Laws; and

19.2.2 maintain policies and procedures designed to promote and achieve compliance with such laws.

19.3 Unless prohibited by Applicable Rules, each Party shall promptly notify the other Party in writing of any credible risk or other indication of money laundering and/or financing of terrorism in relation to a Project of which it becomes aware and promptly take any steps agreed in consultation with the other Party.

20 General

20.1 No Partnership

Nothing in this Agreement shall be deemed to constitute a partnership between the Parties or constitute either Party the agent of the other Party for any purpose.

20.2 Further Assurances

Each Party shall, and shall use reasonable endeavours to procure that any necessary third party shall, from time to time, execute such documents and do such acts and things as the requesting party may reasonably require for the purpose of giving the full benefit of this Agreement to the requesting party including entering into user agreements or similar with the Registry and co-operating with the Registry and the Carbon Standard Body to provide any representations, documentation and any revisions, resubmissions and/or updates to any documentation as may be required, in each case by the Registry or the Carbon Standard Body.

20.3 Whole Agreement

20.3.1 This Agreement contains the whole agreement between the Parties relating to the subject matter of this Agreement at the Execution Date to the exclusion of any terms implied by law which may be excluded by contract and supersedes any previous written or oral agreement between the Parties in relation to the matters dealt with in this Agreement.

20.3.2 Each Party agrees and acknowledges that:

- (i) in entering into this Agreement, it is not relying on any representation, warranty or undertaking not expressly incorporated into it; and
- (ii) its only right and remedy in relation to any representation, warranty or undertaking made or given in connection with this Agreement shall be for breach of the terms of this Agreement and each of the Parties waives all other rights and remedies (including those in tort or arising under statute) in relation to any such representation, warranty or undertaking.

20.3.3 Nothing in this Clause 20.3 excludes or limits any liability for fraud.

20.4 Assignment

Neither Party may, without the prior written consent of the other, assign, grant any security interest over, hold on trust or otherwise transfer the benefit of the whole or any part of this Agreement.

[OR

20.4.1 [Subject to Clause 20.4.2, neither Party may, without the prior written consent of the other, assign, grant any security interest over, hold on trust or otherwise transfer the benefit of the whole or any part of this Agreement.

20.4.2 The Buyer may:

- (i) with the prior written consent of the Seller (such consent not to be unreasonably withheld), assign, grant any security interest over, hold on trust or otherwise transfer the benefit of the whole or any part of this Agreement to any of its Affiliates; and
- (ii) assign, grant any security interest over, hold on trust or otherwise transfer the benefit of the whole or any part of this Agreement to any person at any time when an Event of Default is continuing.]

20.5 Third Party Rights

Subject to the rights that may accrue to any successor or permitted assignees of the Parties, no provision of this Agreement is to be construed as creating any rights enforceable by a third party, and all third party rights implied by law are, to the extent permissible by law, excluded from this Agreement.

20.6 Variation

No variation of this Agreement shall be effective unless in writing and signed by or on behalf of both Parties.

20.7 Method of Payment

Wherever in this Agreement provision is made for the payment by one Party to the other, such payment shall be effected by crediting for same day value the account specified by the payee to the payer reasonably in advance and in sufficient detail to enable payment by telegraphic or other electronic means to be effected on or before the due date for payment.

20.8 Costs

Each Party shall bear all costs incurred by it in connection with the preparation, negotiation and entry into of this Agreement.

20.9 Interest

If either Party defaults in the payment when due of any sum payable under this Agreement (howsoever determined), its liability shall be increased to include interest on such sum from the date when such payment is due until the date of actual payment (as well after as before judgment) at a rate per annum of [●] per cent. above the Central Bank Rate. Such interest shall accrue from day to day and shall be compounded annually.

20.10 Tax and reimbursements³

20.10.1 All amounts referred to in this Agreement are exclusive of any applicable Sales Tax chargeable on the supply or supplies for which such amounts form the whole or part of the consideration for Sales Tax purposes. The Sales Tax treatment of any Transfer shall be determined pursuant to the Sales Tax law of the jurisdiction where the relevant supply or supplies are deemed to take place for Sales Tax purposes. If Sales Tax is properly chargeable on any such supply or supplies, the Buyer shall pay to the Seller an amount equal to the Sales Tax, if any, chargeable in the Seller's jurisdiction; provided that: (a) such amount shall only be required to be paid once the

³ **Drafting note:** This provision has been drafted from the UK/EU perspective. As the regulatory and tax treatment of VCCs across jurisdictions is currently uncertain, parties to consider whether any tax consequences arise on a transaction and jurisdiction specific basis, including with respect to withholding tax, sales tax and any other relevant taxes.

Seller provides the Buyer with a valid Sales Tax invoice in relation to that amount stating, amongst other things, the amount of Sales Tax properly chargeable thereon; and (b) the Buyer shall be under no obligation to make any payment to the Seller in respect of Sales Tax which the Buyer must self-assess under the reverse charge rule or any similar system in the Buyer's jurisdiction. Each Party shall, to the extent permitted by law, provide the other with such additional valid Sales Tax invoices as are required and shall correctly account for any Sales Tax properly due in its jurisdiction.

- 20.10.2** On each date that a Transfer is entered into under the terms of this Agreement, the Buyer represents to the Seller that it is receiving the supply or supplies pursuant to the Transfer in connection with an establishment of the Buyer in the jurisdiction that is specified in Schedule 1 (*Commercial Terms*) opposite the heading "Seller's Sales Tax details (if any)".
- 20.10.3** [Except as otherwise expressly provided in this Agreement, each Party shall be responsible for its own costs incurred in performing its obligations under this Agreement and shall indemnify and reimburse the other Party to the extent that other party is required to pay or otherwise incurs any costs for which the first Party is primarily liable.
- 20.10.4** In respect of the Transfer of any Contract VCC, all fees, costs or other charges imposed or otherwise levied by the relevant Registry prior to the Transfer shall be the responsibility of the Seller; and all fees, costs or other charges imposed or otherwise levied by the relevant Registry after the Transfer shall be the responsibility of the Buyer. Where a Party incurs any amount which is the responsibility of the other Party in accordance with this Clause 20.10, the first Party shall promptly indemnify and reimburse the other Party in full for such amounts incurred.]
- 20.10.5** [Each Party agrees to deliver the relevant tax forms, certificates or any other documents reasonably requested by the other Party (the "**Requesting Party**"), as soon as reasonably practicable after demand by the Requesting Party, including, without limitation, any form or document required to enable such other Party to comply with its tax reporting obligations or to make payments hereunder without deduction or withholding for or on account of Taxation or with such deduction or withholding at a reduced rate.]
- 20.10.6** Where under the terms of this Agreement one Party is liable to indemnify or reimburse another party in respect of any costs, charges or expenses, the payment shall include an amount equal to any applicable Sales Tax thereon not otherwise recoverable by the other Party, subject to that Party using reasonable endeavours to recover such amount of Sales Tax as may be practicable.
- 20.10.7** If any other payment (not already dealt with pursuant to Clause 20.10.1) under this Agreement constitutes the consideration for a taxable supply for Sales Tax purposes, then except where the reverse charge procedure applies: (i) the recipient shall provide to the payer a valid Sales Tax invoice, and (ii) subject to the provision of a valid Sales Tax invoice in accordance with (i), in addition to that payment the payer shall pay to the recipient any Sales Tax due.

20.11 Notices

20.11.1 Any notice or other communication in connection with this Agreement (each, a “**Notice**”) shall be:

- (i) in writing;
- (ii) in English; and
- (iii) delivered by hand, email, pre-paid recorded delivery, pre-paid special delivery or courier using an internationally recognised courier company.

A Notice to the Buyer shall be sent to the following address, or such other person or address as the Buyer may notify to the Seller from time to time:

Name: [BUYER NAME]

Address: [●]

Email: [●]

Attention: [●]

With a copy to: [●]

20.11.2 A Notice to the Seller shall be sent to the following address, or such other person or address as the Seller may notify to the Buyer from time to time:

Name: [SELLER NAME]

Address: [●]

Email: [●]

Attention: [●]

With a copy to: [●]

20.11.3 A Notice shall be effective upon receipt and shall be deemed to have been received:

- (i) at 9.00 a.m. on the second (2nd) Business Day after posting or at the time recorded by the delivery service;
- (ii) at the time of delivery, if delivered by hand or courier, provided this is during normal working hours on a Business Day in the jurisdiction of receipt, otherwise on the first Business Day following such delivery; or
- (iii) at the time of sending, if delivered by email, provided this is during normal working hours on a Business Day in the jurisdiction of receipt, otherwise on the first Business Day following sending.

20.12 Invalidity

20.12.1 If any provision in this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, the provision shall apply with whatever deletion or modification is necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intention of the Parties.

20.12.2 To the extent that it is not possible to delete or modify the provision, in whole or in part, under Clause 20.12.1, then such provision or part of it shall, to the extent that

it is illegal, invalid or unenforceable, be deemed not to form part of this Agreement and the legality, validity and enforceability of the remainder of this Agreement shall, subject to any deletion or modification made under Clause 20.12.1, not be affected.

20.13 Counterparts

This Agreement may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument. Either Party may enter into this Agreement by executing any such counterpart.

20.14 Arbitration

Any dispute arising out of or connected with this Agreement, including a dispute as to the existence, validity or termination of this Agreement or this Clause 20.14 or any non-contractual obligation arising out of or in connection with this Agreement, shall be resolved by arbitration in London, England conducted in English by a single arbitrator pursuant to the rules of the London Court of International Arbitration, save that, unless the Parties agree otherwise, neither Party shall be required to give general discovery of documents, but may be required only to produce specific, identified documents which are relevant to the dispute.

20.15 Governing Law and Submission to Jurisdiction

20.15.1 This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

20.15.2 Each Party irrevocably submits to the non-exclusive jurisdiction of the courts of England and Wales to support and assist the arbitration process pursuant to this Clause 20.15 including, if necessary, the grant of interlocutory relief pending the outcome of that process.

20.16 Appointment of process agent by the Seller

The Seller irrevocably appoints [*insert name and address of process agent*] as its agent to accept service of process in England in any legal action or proceedings arising out of or in connection with this Agreement, provided that:

20.16.1 service upon the process agent shall be deemed valid service upon the Seller whether or not the process is forwarded to or received by the Seller;

20.16.2 the Seller shall inform the other party to this Agreement, in writing, of any change in the address of the process agent within 28 days of such change;

20.16.3 if the process agent ceases to be able to act as a process agent or to have an address in England, the Seller irrevocably agrees to appoint a new process agent in England acceptable to the other party to this Agreement and to deliver to the other party to this Agreement within 14 days a copy of a written acceptance of appointment by the new process agent; and

20.16.4 nothing in this Agreement shall affect the right to serve process in any other manner permitted by law.

20.17 Appointment of process agent by the Buyer

The Buyer irrevocably appoints [*insert name and address of process agent*] as its agent to accept service of process in England in any legal action or proceedings arising out of or in connection with this Agreement, provided that:

- 20.17.1** service upon the process agent shall be deemed valid service upon the Buyer whether or not the process is forwarded to or received by the Buyer;
- 20.17.2** the Buyer shall inform the other party to this Agreement, in writing, of any change in the address of the process agent within 28 days of such change;
- 20.17.3** if the process agent ceases to be able to act as a process agent or to have an address in England, the Buyer irrevocably agrees to appoint a new process agent in England acceptable to the other party to this Agreement and to deliver to the other party to this Agreement within 14 days a copy of a written acceptance of appointment by the new process agent; and
- 20.17.4** nothing in this Agreement shall affect the right to serve process in any other manner permitted by law.

20.18 No Double Recovery and no Double Counting

Neither Party may recover for breach more than once in respect of the same losses, and no amount (or part of any amount) shall be taken into account, set off or credited more than once for breach of or under this Agreement or otherwise, with the intent that there will be no double counting for breach of or under this Agreement.

IN WITNESS whereof the Parties have duly executed and delivered this Agreement on the respective dates set out below with effect from the date set out on the first page of this document.

[Name of Seller]

[Name of Buyer]

By: _____

By: _____

Name: [•]

Name: [•]

Title: [•]

Title: [•]

Date: [•]

Date: [•]

Schedule 1
Commercial Terms

Project:	[•] [<i>To insert name and details of grouped project/programme of activities</i>]
If Project is a grouped project/programme of activities:	[•] [<i>To insert all Instances/CPAs which are included for the purposes of this Agreement</i>]
Carbon Standard:	[•]
Carbon Standard Body:	[•]
VCC units:	[VCU]/[VER]/[•]
Host Country:	[•]
Contract Period:	[All of the Verification Periods specified in the Transfer Schedule]
Contract Quantity:	[Subject to Clause [3.3]]: [Together with [any]/[<i>insert fixed number</i>] VCCs which have been Issued as at the Execution Date in respect of [the Project] [the [Instances]/[CPAs] specified above:] [All VCCs [Verified]][Issued] in respect of GHG Reductions or Removals generated by [the Project] [the [Instances]/[CPAs] specified above] during the Contract Period [up to a maximum of [<i>insert fixed number</i>]] VCCs [per Verification Period],] [The first [<i>insert fixed numbers</i>] VCCs [Verified]][Issued] in respect of GHG Reductions or Removals generated by [the Project] [the [Instances]/[CPAs] specified above] during the Contract Period.] [[[•] per cent. of the][(<i>insert fixed number</i>)] VCCs [Verified]][Issued] in respect of GHG Reductions or Removals generated by [the Project] [the [Instances]/[CPAs] specified above] during each Verification Period, such VCCs to be the first VCCs Verified in each such Verification Period during the Contract Period,] (such amount in aggregate being, the “ Contract Quantity ”)
Unit Price:	[•] [GBP][USD] per VCC in the Contract Quantity
Currency:	[•]
Buyer’s Sales Tax details (if any):	[Sales Tax ⁴] number: [•] Jurisdiction: [•]
Seller’s Sales Tax details (if any):	[Sales Tax ⁵] number: [•] Jurisdiction: [•]

⁴ Please refer to definition of Sales Tax above. UK/EU please insert VAT number.

⁵ Please refer to definition of Sales Tax above. UK/EU please insert VAT number.

Buyer's Registry Account:	[●]
Seller's Registry Account:	[●]
Specifications:	<p><i>[To include relevant additional labels/certifications for example:</i></p> <p><i>[CCB Program Tier 1 VCU]</i></p> <p><i>[CCB Program Tier 2 VCU]</i></p> <p><i>[CCB Program Tier 3 VCU]</i></p> <p><i>[SD VISta Label]</i></p> <p><i>[Crown Standard VCU Label]</i></p> <p><i>[VCS+ SOCIAL CARBON VCUs]</i></p> <p><i>[W+ Labelled VCU]</i></p> <p><i>[CORSIA Eligible Label: for [●] phase]</i></p> <p><i>[Other: please specify]</i></p>
Communication Materials:	[●]
Date for Transfer of any Contract VCCs already Issued as at the date of this Agreement (if applicable):	[●]

