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LEAF COALITION

EMISSIONS REDUCTIONS PURCHASE AGREEMENT

BETWEEN

Emergent Forest Finance Accelerator, Inc.

AND

Companhia de Ativos Ambientais e Participações do Pará S. A. (“CAAPP”)

Dated September 23, 2024

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**LEAF COALITION
EMISSIONS REDUCTIONS PURCHASE AGREEMENT**

This **Emissions Reductions Purchase Agreement**, together with its appendices, exhibits, schedules and incorporated terms and conditions (this “**Agreement**”) signed on and effective as of September 23, 2024 (the “**Effective Date**”), is made by and between Companhia de Ativos Ambientais e Participações do Pará S.A. (“**Seller**”), a private law entity incorporated as a mixed capital company, created by State Law N° 10.258 of December 11, 2023, enrolled before the Corporate Taxpayer Registry of Brazil (CNPJ/MF) under the No. 57.378.231/0001-50 and Emergent Forest Finance Accelerator, Inc., a tax-exempt organization operated exclusively to promote social and environmental welfare, organized and existing in Delaware (“**Buyer**”).

WHEREAS, scientists have agreed that global warming has caused more frequent natural disasters, and nearly every nation has endorsed the Paris Agreement with the goal to limit global warming to well below two (2) degrees Celsius, preferably to one and a half (1.5) degrees Celsius, compared to pre-industrial levels;

WHEREAS, Buyer seeks to facilitate significant reductions in global greenhouse gas (“**GHG**”) emissions by making payments to jurisdictions in developing countries that successfully reduce emissions from deforestation and forest degradation;

WHEREAS, complementing the Paris Agreement, the LEAF Coalition sets a high standard for how companies can make deep cuts in their own emissions and also support additional emission reductions from tropical and subtropical forests, and Buyer is serving as the administrative coordinator of the LEAF Coalition;

WHEREAS, Buyer aggregates demand from governments and companies for high-quality, verified, jurisdictional Reducing Emissions from Deforestation and Forest Degradation (“**REDD+**”) emission reductions from tropical and sub-tropical forest countries;

WHEREAS, Buyer is a U.S.-based 501(c)(4) organization formed for the promotion of social welfare, that works to foster and promote forest protection, forest restoration, climate change mitigation, and sustainable development through accelerating demand for and promoting supply of high-quality, jurisdictional-scale REDD+ emission reductions from tropical and sub-tropical forest countries;

WHEREAS, Seller is a public-private company, established by the State of Pará (“**Host Jurisdiction**”) according to Law No. 10.258 of December 11, 2023 of the State of Pará, Federal Law No. 6,404, of December 15, 1976, and Federal Law No. 13,303, of June 30, 2016, linked to the State Secretariat for Environment and Sustainability (*Secretaria de Estado de Meio Ambiente e Sustentabilidade* -SEMAS);

WHEREAS this Agreement arises from the permissive provided for by the article 28, § 3º, I, of the Law No. 13,303/2016, which excepts agreements related to the corporate purpose of the respective state-owned company (as is the case) from complying with the ordinary applicable public law regime;

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WHEREAS, Seller has been duly incorporated by the Host Jurisdiction for the development and commercialization of projects and programs that generate environmental assets, as well as for the management and integration of programs, subprograms, plans and public environmental, social, economic and climate policies of the Host Jurisdiction, acting within the indirect public administration functions of the Host Jurisdiction;

WHEREAS, the Host Jurisdiction is building its jurisdictional REDD+ system according to its State Policy on Climate Change (PEMC/PA);

WHEREAS, under Decree No. 4,150 dated August 27, 2024, issued by the State of Pará, the Host Jurisdiction has delegated to the Seller the authority and responsibility to support the development, management, generation, and commercialization of environmental assets under the Host Jurisdiction's System, including the authority to execute the present Contract;

WHEREAS the suitability of this Agreement to the abovementioned legal exception was duly justified and approved by the Seller's Board of Directors through the Board Meeting Minutes dated September 20th 2024, in accordance to Seller's bylaws approved by Decree No. 4,157 of August 30th 2024 issued by State of Pará;

WHEREAS the lawfulness of this Agreement was prior attested by the Seller's legal counsel Opinion No. 001, under the Administrative Proceeding No. 001/CAAPP and Official Letter No. 96565/2024/GABSEC from SEMAS;

WHEREAS, Seller will promote actions to deliver ERs in return for payments by Buyer;

WHEREAS, the Financial Intermediary is designated in Appendix A to, among other things, accept payments from Buyer for ERs Delivered by Seller, to disburse amounts consistent with the Approved Uses, and will execute an agreement to satisfy such tasks designated to the Financial Intermediary (the "**Funding Agreement**");

WHEREAS, Seller and Buyer (each, a "**Party**", and together, the "**Parties**") desire to establish terms and conditions on which Seller will sell and deliver to Buyer, and Buyer will purchase from Seller, the Contract ERs;

WHEREAS, following Seller's delivery of these certain ERs, Buyer intends to resell the ERs to Corporate Purchasers and Sovereign Participants; and

WHEREAS, Buyer has entered into one or more binding contribution agreements with Sovereign Participants under which each Sovereign Participant agrees to pay Buyer for the applicable ERs, and whereby Emergent may re-sell those ERs to Corporate Purchasers in order to spur private sector demand for ERs.

NOW THEREFORE, in consideration of the mutual promises set out in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree to be bound by the terms and conditions of this Agreement.

1. INTERPRETATION AND DEFINITIONS

1.1 Definitions. All capitalized terms used herein and not otherwise defined in this Agreement have the meanings set forth in Appendix B.

1.2 Interpretation. Unless the context expressly requires an interpretation to the contrary, all of the following apply to the interpretation of this Agreement:

- (A) the word “or” is not exclusive;
- (B) the words “includes” and “including” are not limiting;
- (C) any reference to “days” is a reference to calendar days. In the event that the deadline for the performance of an obligation hereunder falls on a weekend or holiday as identified in Appendix K, then such deadline will be extended to the next Business Day; and
- (D) the headings in this Agreement are included for convenience and do not affect the construction or interpretation of any provision of, or the rights or obligations of a Party under, this Agreement.

1.3 Appendices, Exhibits and Schedules. Any appendices, exhibits or schedules that are attached to the body of this Agreement are an integral part of this Agreement, including Appendix A (Commercial Terms), Appendix B (Definitions), Appendix C (Development Requirements), Appendix D (Applicable Seller Safeguards Requirements), Appendix E (Seller Approved Uses of Funds), Appendix F (Special Provisions for this Agreement), Appendix G (Form of RIPA Exercise Notice), Appendix H (Form of Purchase Right Exercise Notice), Appendix I (Initial Letter of Approval), Appendix J (Advanced Payments), Appendix K (List of United States, Brazil National and State Holidays) and Appendix L (Form of Right Of First Refusal Exercise Notice).

2. TRANSACTION EXECUTION

2.1 Development Requirements. Seller will meet the Development Requirements in Appendix C by no later than twelve (12) months after the Effective Date; provided that Seller will endeavor to meet the Development Requirements in advance of this date and will provide a written status report on meeting these requirements within six (6) months of signing this Agreement.

2.2 Conditions of Effectiveness.

- (A) Unless otherwise explicitly provided by Buyer, this Agreement will not become fully effective or legally binding unless and until the following condition is met:
 - (1) The initial Funding Agreement is duly executed on or before March

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31st 2025 (the “Additional Agreement Deadline”) between Seller, Buyer, and the Financial Intermediary.

- (B) The condition under this clause are for the benefit of Buyer exclusively, and Buyer has the right but not the obligation to waive such conditions in its sole discretion.

2.3 Commercial Terms. Buyer and Seller agree to the commercial terms set forth in the Appendix A (the “**Commercial Terms**”).

2.4 Seller Authority. Seller must present the corporate, legal and regulatory acts that demonstrate its legal authority to enter into and sign this Agreement and perform its obligations hereunder, and this demonstration of authority must occur on or before the Effective Date.

3. KEY BUSINESS SALE AND PURCHASE TERMS

3.1 Sale and Purchase.

- (A) **Sale and Purchase Obligation.** Within ten (10) days from Issuance of any Contract ERs into Seller’s Registry Account but no later than the applicable Delivery Deadline, Seller will sell and Deliver and Buyer will purchase and Accept the Contract ERs in accordance with terms and subject to the conditions of this Agreement (including clause (B) below).
- (B) **Unit Contingency.** The sale of Contract ERs by Seller is unit contingent. Seller will sell and Deliver and Buyer will purchase and Accept the Contract ERs only to the extent the Contract ERs are Issued in Seller’s Registry Account and Delivered by Seller to Buyer by the applicable Delivery Deadline. For the avoidance of doubt, this clause (B) is without prejudice to compensation rights of Buyer where Contract ERs are not Issued to Seller due to any action or inaction of Seller in breach of any covenant under this Agreement.
- (C) **Failure to Generate and Prolonged Failure to Generate.** Sections 3.2 and 0 govern circumstances where the quantity of ERs Issued in Seller’s Registry Account with respect to any Delivery Deadline is lower than the quantities set forth in the Delivery Schedule.
- (D) **Title Transfer and Risk of Loss.** With respect to each Transaction, legal and beneficial title to, risk of loss and interest in the Contract ERs will pass from Seller to Buyer upon Delivery of Contract ERs to Buyer; provided, that such transfer will not limit Seller’s obligations with respect to Reversals under Section 3.9. This provision does not apply to Pathway 1 and 2 Transactions.
- (E) **Multiple Deliveries in a Single Transaction.** For each Delivery Deadline, the Commercial Terms and, if applicable, the Purchase Right Exercise

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Notice and Right of First Refusal Exercise Notice, will specify the “**Annual Quantity**,” which is the portion of total quantity of Contract ERs to be Delivered in any single calendar year for a specific Vintage Year. For the avoidance of doubt, (i) each **Delivery** for a specified Pathway as specified under the Commercial Terms will be part of the same Transaction governed by this Agreement; and (ii) all Contract ERs for each Vintage Year must be Delivered together on a single day.

(F) **Reserved ERs Purchase Right.**

- (1) **Grant of Purchase Right.** Seller hereby grants Buyer the right but not the obligation to purchase up to 7,580,000 additional ERs generated by Seller in the Host Jurisdiction (the “**Reserved Quantity**”) from Seller spread across Vintage Years as follows (each a “**Purchase Right**” and together, the “**Purchase Rights**”):
 - (a) 1,328,569 Emissions Reductions of Vintage Year 2023, (“**Purchase Right A**”);
 - (b) 2,062,858 Emissions Reductions of Vintage Year 2024, (“**Purchase Right B**”);
 - (c) 4,062,858 Emissions Reductions of Vintage Year 2025, (“**Purchase Right C**”);
 - (d) 125,715 Emissions Reductions of Vintage Year 2026, (“**Purchase Right D**”).
- (2) **Vesting and Purchase Right Term.** Each Purchase Right will vest at the Effective Date. The term of each Purchase Right will be eighteen (18) months from the applicable Issuance (the “**Purchase Right Term**”).
- (3) **Purchase Right Exercise.** Starting on the Effective Date and until the end of the applicable Purchase Right Term (the “**Exercise Period**”), Buyer may exercise the applicable Purchase Right by providing Seller a notice substantially in the form attached hereto as Appendix H (the “**Purchase Right Exercise Notice**”). In the event Buyer does not exercise a Purchase Right within the Exercise Period, such Purchase Right will expire, and Seller may offer the applicable Reserved Quantity to any other person.
- (4) **Purchase Right Price.** The Price of the ERs constituting the Reserved Quantity will be the Price set out under Appendix A or, if applicable, the Reset Price as determined under Section 3.3(E) of this Agreement if the ERs are being purchased to be resold to a High-Volume Purchaser.

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- (5) **Delivery Schedule Mechanics.** The Purchase Right Exercise Notice, once issued and signed, and all provisions of this Agreement will apply to the sale and purchase of ERs constituting the Reserved Quantity under the Purchase Rights.

3.2 Failure to Generate. A “**Failure to Generate**” occurs when the quantity of ERs Issued by the Registry to Seller for a specific Vintage Year by the applicable Delivery Deadline is lower than the quantity of Contract ERs specified in the Commercial Terms for such Delivery Deadline. The “**Annual Generation Shortfall**” associated with a Failure to Generate is equal to: (i) the quantity of Contract ERs for such Delivery Deadline; *less* (ii) the quantity of ERs Issued to Seller and Delivered to Buyer by the applicable Delivery Deadline and will be reduced from time to time by the quantity of any Additional ERs with respect to which Buyer exercises its RIPA under Section 3.2(A). For the avoidance of doubt, a Failure to Generate is not an Event of Default and is not a Failure to Deliver, but it triggers a RIPA in accordance with Section 3.2(A); provided, however, that the breach of any covenant giving rise to such a Failure to Generate will nevertheless be an Event of Default to the extent required by the terms of this Agreement and will not excuse any other obligations of Seller hereunder.

(A) **RIPA: Right to Purchase Additional ERs in the Event of a Failure to Generate.** Upon the occurrence of a Failure to Generate, Buyer will have the right, but not the obligation, to purchase Additional ERs (a “**RIPA**”) from Seller up to the aggregate Annual Generation Shortfall as set forth below.

- (1) **Notification of Additional ER Issuance.** Seller will notify Buyer within ten (10) calendar days (a “**Surplus Notice**”) if the Registry Issues a quantity of ERs in its Registry Account in excess of the number of Contract ERs for which Delivery is due for the applicable Vintage Year up to the cumulative amount of any outstanding Annual Generation Shortfall (“**Additional ERs**”). This Surplus Notice will specify the quantity of Additional ERs available for Buyer’s RIPA. Additional ERs may be of the same or different Vintage Years as the Vintage Year of the Contract ERs for which a Failure to Generate occurred. To the extent possible, Seller will provide the Surplus Notice concurrently with the provision of a Seller Invoice for the Issuance of an Annual Quantity of Contract ERs.
- (2) **RIPA Exercise.** Within thirty (30) days of receiving a Surplus Notice, Buyer may elect to exercise its RIPA by providing Seller an exercise notice (the “**RIPA Exercise Notice**”) substantially in the form of Appendix G. Any Additional ERs subject to a RIPA Exercise Notice will be deemed to be “Contract ERs”.
- (3) **Payment Terms.** The payment terms set forth in Section 3.3 will apply to any ERs Delivered in respect of any RIPA, including whereby Seller will send Buyer an Invoice for such ERs within ten (10) calendar days following Delivery and the payment for those ERs will be due not later than ninety

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(90) days after receipt by Buyer of each valid Invoice.

- (4) **RIPA Delivery Mechanics.** After receipt of such RIPA Exercise Notice, Seller will sell and Deliver within ten (10) calendar days of receipt of such RIPA Exercise Notice the quantity of applicable ERs requested by Buyer in the Exercise Notice. For the avoidance of doubt, (i) such ERs will be Delivered (as specified in the RIPA Exercise Notice) by the same Pathway as Contract ERs that were subject to the Failure to Generate that gave rise to the RIPA, unless otherwise instructed by Buyer in the RIPA Exercise Notice pursuant to the Pathway re-designation provisions in Section 3.4(A); and (ii) all ERs Delivered to Buyer for any Vintage Year will be applied in fulfillment of the contract quantity for such Vintage Year before any ERs are deemed to have been provided for such Vintage Year under any RIPA Exercise Notice. Buyer's exercise of its RIPA under this Section 0 will not affect, delay or obviate Seller's other obligations to Deliver Contract ERs for any subsequent Vintage Year, at any other Delivery Deadlines or any additional RIPAs hereunder.
- (B) **Reporting Following Failure to Generate.** Seller will provide Buyer reports or other materials explaining the reasons for Seller's Failure to Generate and whether, and in what time frame, Seller anticipates it can generate and Deliver: (i) Additional ERs in an amount equal to the Contract ERs not Delivered because of such Failure to Generate; and (ii) all other Contract ERs required to be Delivered under this Agreement.
- (C) **Advance Notice based on Verification Report.** Seller will notify Buyer of the quantity of ERs for each Vintage Year that Seller expects to be Issued into its Registry Account (the "**Minimum Issuance Notice Amount**") promptly following Seller's receipt of notice of Verification of Seller's ERs for such Vintage Year, which notice will include copies of all Verification documentation.

3.3 Payment.

- (A) **Obligation to Pay.** Within ten (10) calendar days following Delivery of Contract ERs to Buyer, Seller will send Buyer an Invoice setting forth the Contract ERs Delivered and the Purchase Price due in connection with such Delivery. No later than ninety (90) days after receipt by Buyer of each valid Invoice (as extended pursuant to the following provisions in this paragraph, the "**Payment Date**"), Buyer will pay or cause to be paid to the Financial Intermediary the amount due in accordance with the Commercial Terms, unless (1) Buyer has reasonable grounds to dispute the Invoice in good faith in whole or in part, or (2) Buyer has not received payment from an applicable Corporate Purchaser or Sovereign Participant, in which case Buyer will promptly provide such grounds to Seller with reasonable details and pay or cause to be paid to the Financial Intermediary the remaining portion of such Invoice for which Buyer has received such payment. Buyer

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will not be obligated to pay the disputed amount or any amount for which it has not received payment from an applicable Corporate Purchaser or Sovereign Participant, or the Interest Rate or any other penalty on such portion (up to the full amount) of any Invoice. Buyer will, (i) as reasonably requested by Seller, and consistent with any contractual obligations that Buyer may have to an applicable Corporate Purchaser or Sovereign Participant, provide cooperation to Seller in connection with any such disputed amount or nonpayment by an applicable Corporate Purchaser or Sovereign Participant; (ii) pay promptly any amounts received from a Corporate Purchaser or Sovereign Participant for which payment to Seller is due; and (iii) consistent with other provisions of this Agreement, pay any disputed amounts determined to be due within ninety (90) days after resolution of the applicable dispute; provided that if either Buyer has not received payment from the applicable Corporate Purchasers or Sovereign Participants or a payment dispute is not resolved in accordance with the terms of this Agreement, Seller may request that Buyer return such Contract ERs (“Returned ERs”), which Buyer will be required to return within 10 (ten) calendar days following such request, and upon such return Buyer will have no further obligation with respect to such Returned ERs.

- (B) **Invoice Certificate.** Seller will deliver each of its Invoices with a signed statement from an authorized representative of Seller (the “**Invoice Certificate**”) certifying that the representations and warranties set forth in Section 5.2 are true as of the date of such Delivery.
- (C) **Interest.** If Buyer does not pay the Financial Intermediary the amount required under Section 3.3(A) by thirty (30) days after the Payment Date, without limiting the rights of Seller under Section 9.1, interest will accrue on any such unpaid and undisputed amounts at the prime rate published in The Wall Street Journal *plus* 2%, or if The Wall Street Journal ceases to publish a prime rate, the prime rate published by another reputable publication as mutually agreed by the Parties *plus* 2% (the “**Interest Rate**”), and will be payable to the Financial Intermediary for the benefit of Seller at the same time that the payment for Contract ERs is made.
- (D) **Advanced Payments.** Buyer will make Advanced Payments in accordance with the terms set out under Appendix J.

(E) **Third-Party Sales.**

- i. **Third-Party Sales Above Floor Price.** If, after the Effective Date, Seller or the Host Jurisdiction enter into a purchase agreement to sell Third-Party Sale ERs for less than the Unit Price, but at a unit price higher than or equal to the Floor Price (the “**Above Floor Price**” and “**Above Floor Price Third-Party Sale**”), then:

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- (a) Seller must notify Buyer in writing of the terms of the Above Floor Price Third-Party Sale within ten (10) calendar days of executing such transaction, including the pricing terms and the volume and vintage of ERs subject to the transaction.
- (b) The Unit Price for any Contract ERs for High-Volume Purchasers for which Buyer has not yet paid will be adjusted to match the Above Floor Price (the “**Reset Price**”).
- (c) Seller will provide Buyer an additional quantity of ERs (the “**Compensatory ERs**”) equal to the difference between: (x) the Purchase Price paid by Buyer for previously-Delivered Contract ERs for High-Volume Purchasers (such quantity, “**Previously-Delivered ERs**”) *divided by* the Reset Price; *minus* (y) the Previously-Delivered ERs.

$$\text{Compensatory ERs} = \frac{\text{Purchase Price Paid for Previously Delivered ERs}}{\text{Reset Price}} - \text{Previously Delivered ERs}$$

Within ten (10) calendar days of notifying Buyer of the Above Floor Price Third-Party Sale, Seller will Deliver the quantity of Compensatory ERs due to Buyer; provided, however, that if Seller does not have sufficient ERs to fulfil the quantity of Compensatory ERs, Seller will Deliver the outstanding quantity in the following Issuances until Seller has Delivered all Compensatory ERs to Buyer. Compensatory ERs must be ERs of the same or more recent vintage as the Above Floor Price Third-Party Sale ERs and will be Delivered to Buyer before transferring any such ERs to a Third-Party Buyer. Compensatory ERs will be Delivered using the same Pathway as the Contract ERs paid for by High-Volume Purchasers, unless otherwise instructed by Buyer. For the avoidance of doubt, the Delivery of Compensatory ERs will not affect, delay or obviate Seller’s other obligations to Deliver Contract ERs or Additional ERs for any subsequent Vintage Year, at any other Delivery Deadlines or any previously determined Compensatory ERs hereunder.

- (d) All Delivered Compensatory ERs will be deemed to be “Contract ERs,” and all terms and conditions under this Agreement will apply to such Delivered Compensatory ERs unless otherwise stated.

ii. Third-Party Sale Below Floor Price. If Seller or the Host Jurisdiction intend to sell any Third-Party Sale ERs for less than the Floor Price (“**Below Floor Price Third-Party Sale**”), then:

- (a) Seller must first notify Buyer in writing of the terms of the Below Floor Price Third-Party Sale, including the pricing terms and the volume and vintage of ERs it intends to sell.

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- (b) Following receipt of such notice, Buyer will have the right to increase its purchase of Contract ERs, as follows. Buyer will have one hundred and eighty (180) calendar days from receiving notice of the Below Floor Price Third-Party Sale to decide, at its sole discretion, to increase the volume of Contract ERs by a quantity up to the Third-Party Sale quantity (a “**Right of First Refusal**”). Buyer may exercise its Right of First Refusal by providing Seller a notice substantially in the form attached hereto as Appendix L (the “**Right of First Refusal Exercise Notice**”). Such ERs will be sold and purchased at the Floor Price and will be of the same vintages as the Below Floor Price Third-Party Sale.
 - (c) If Buyer exercises its Right of First Refusal for the full amount of the Below Floor Price Third-Party Sale volume, then Seller will not proceed with the Below Floor Price Third-Party Sale. All ERs subject to a Right of First Refusal Exercise Notice as to which Buyer has exercised its Right to Purchase will be deemed to be Contract ERs and so all terms and conditions under this Agreement will apply to such Contract ERs under the Right of First Refusal.
 - (d) If, after the 180-day window, Buyer has not exercised its Right of First Refusal for the full amount of the Below Floor Price Third-Party Sale volume, the following will apply: (x) Seller may proceed with the sale to the Third-Party Buyer for less than the Floor Price, provided that the volume of ERs sold is equal to or less than the Below Floor Price Third-Party Sale volume *minus* the amount for which Buyer exercised its Right of First Refusal; and (y) Seller will notify Buyer in writing of any such sale within ten (10) days of executing such transaction, and Buyer may, at its sole discretion, terminate its obligation under the Agreement, without any further obligations under the applicable Transaction, related to any or all Contract ERs for High-Volume Purchasers that have not yet been Delivered, pursuant to Section 9.4(G).
 - (e) Following Buyer’s exercise of a Right of First Refusal and/or Seller’s execution of a Below Floor Price Third-Party Sale, the Reset Price for any Contract ERs not yet Delivered will be adjusted to match the Floor Price.
 - (f) Seller will provide Buyer Compensatory ERs according to the terms of Section 3.3(E)(i)(c).
- iii. For the avoidance of doubt, this Section 3.3(E) will be triggered upon each and every occurrence of the events described in (i) and (ii) above.
- 3.4 Pathway Designation.** Seller and Buyer will specify, in the Commercial Terms or otherwise by written notice, one or more of the following

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Pathways for each Delivery and one or more separate quantities of Contract ERs for each such specified Pathway (each such specification, a “**Transaction**”):

- (A) **Pathway 1. “Pathway 1”** means a Transaction in respect to which Buyer has received funds from a Sovereign Participant pursuant to which: (i) Buyer makes RBPs pursuant to Section 3.3; (ii) Seller transfers the ERs to Buyer on the Program Registry but the applicable Sovereign Participant does not take title to the ERs; (iii) Buyer retires the ERs on the Program Registry pursuant to Section 3.5(A) or transfers the ERs to a third-party following a Re-designation of Pathway pursuant to Section 3.4(D); and (iv) the Host Country may retain rights to the underlying mitigation outcome to account towards the implementation and achievement of its NDC (“**Host Country NDC**”).
- (B) **Pathway 2. “Pathway 2”** means a Transaction in respect of which Buyer has received funds from Corporate Purchaser pursuant to which: (i) Buyer makes RBPs pursuant to Section 3.3; (ii) Buyer (or the applicable Corporate Purchaser) does not take title to the ERs; (iii) Seller (at Buyer’s request and direction) or Buyer retires the ERs on the Program Registry pursuant to Section 3.5(A); and (iv) the Host Country may retain the underlying mitigation outcome to account towards the implementation and achievement of its Host Country NDC.
- (C) **Pathway 3. “Pathway 3”** means a Transaction pursuant to which: (i) Buyer makes RBPs pursuant to Section 3.3; (ii) Seller transfers the ERs to Buyer on the Program Registry; (iii) Buyer takes title to the ERs; and (iv) the Host Country may retain the underlying mitigation outcome to account towards the implementation and achievement of its Host Country NDC.
- (D) **Re-Designation of Pathway.** Notwithstanding the Pathway designated by the Parties with respect to a Transaction, Buyer will have the option, to the extent consistent with Applicable Law, but not the obligation to re-designate any Pathway 1 Transaction or any portion thereof as a Pathway 2 or Pathway 3 Transaction by providing notice of its exercise of such option to Seller no later than one (1) year after Delivery of ERs for such Transaction.

3.5 Pathway Transfer Mechanics. The following Delivery Mechanics will apply to each Transaction:

- (A) **Pathway 1 and Pathway 2.** For Transactions designated as Pathway 1 and Pathway 2 Transactions, Buyer may select one of the following two options as specified in the Commercial Terms or by written notice:
 - i. **Seller Retirement.** Seller, at Buyer’s request and direction, will effect Delivery by retiring the Contract ERs in accordance with the Program Rules, and to the extent permitted under the Program

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Rules, in the name of Buyer or one or more entities designated by Buyer and by providing Buyer reasonable documentary evidence of such retirement, issued by the Program, including the serial numbers of the ERs retired, in each case before the applicable Delivery Deadline. Buyer will be deemed to have Accepted Delivery unless Buyer rejects Delivery in good faith by providing notice to Seller setting forth its grounds for rejection in reasonable details.

- ii. **Buyer Retirement.** After receiving Delivery from Seller of ERs into Buyer's Registry Account, Buyer may retire the Contract ERs in accordance with the Program Rules, and to the extent permitted under the Program Rules, in the name of Buyer or one or more Corporate Purchasers or Sovereign Participant.

(B) **Pathway 3.** Transactions designated as Pathway 3 will be effected through transfer of the Contract ERs from Seller's Registry Account to Buyer's Registry Account. Seller will Deliver the Contract ERs to Buyer's Registry Account in the quantities and at the Prices specified in the Commercial Terms.

- i. **Program Delivery Requirements.** Seller acknowledges that the applicable Program Rules may require different authorized representatives of Seller to initiate and confirm the Delivery over the Registry (*e.g.*, "push – push") within a specified time frame, and Seller agrees to comply with such Program Rules to effect Delivery promptly.
- ii. **Acceptance Mechanics.** To effect Acceptance of the Contract ERs Delivered by Seller under Pathway 3, Buyer will follow the applicable Program Rules. Buyer acknowledges that the applicable Program Rules may require an authorized representative to confirm (*e.g.*, "pull") the Delivery including, if required, by accepting the Delivery through the Registry.

3.6 Environmental Attribution.

(A) Exclusive Mitigation Claims.

- (1) Subject to clause (4) below, Seller will transfer to Buyer any and all legal right to claim for Buyer's and any subsequent Corporate Purchaser's account attribution for effecting the underlying mitigation outcome, the greenhouse gas reduction and environmental benefit derived from the referred greenhouse gas emissions reductions ("**Mitigation Claim**"), the authorization for which will be documented in one or more Letters of Approval and each Invoice Certificate. Seller's transfer of a Mitigation Claim does not become effective until Seller has Delivered the Contract

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ERs to Buyer and has received its payment. For the sake of clarity, the exclusive mitigation claim is not to be confused with accounting for NDC purposes of the Host Country.

- (2) Seller will not promote or defend Mitigation Claims by third parties with respect to the Contract ERs that are fully or partially conflicting or inconsistent with any Mitigation Claim of Buyer or of any applicable Corporate Purchaser and/or Sovereign Participant.
- (3) Seller will indemnify, defend, release and hold harmless Buyer or any Corporate Purchaser to whom Buyer has sold the Contract ERs against any and all losses arising in connection in connection with or resulting from the Seller and/or the Host Jurisdiction's promotion or defense of such Mitigation claims by third parties, under Section 3.8(A)(2).
- (4) **Pathway 1, Pathway 2 and Pathway 3 Transactions.** In a Transaction designated as a Pathway 1, Pathway 2 or Pathway 3 Transaction in the Commercial Terms, Buyer acknowledges that the mitigation outcomes underlying the Contract ERs may be accounted towards the implementation and achievement of the Host Country NDC and will not be accounted toward the achievement of the NDC of any other jurisdiction. With respect to Pathway 1, Pathway 2 and Pathway 3 Transactions, Buyer will transparently communicate, including to a subsequent purchaser, and Buyer's contracts with any such subsequent purchaser will require the subsequent purchaser to transparently communicate (including to any entity to whom that subsequent purchaser transfers rights to make Mitigation Claims), that the underlying mitigation outcome may account towards, as applicable, the Host Country NDC implementation and achievement and will not be accounted toward the achievement of the NDC of any other jurisdiction.
- (B) **Enforcement of Mitigation Claims.** Without limiting Section 11.4, Seller acknowledges that the agreements between Buyer and Corporate Purchasers or Sovereign Participants may permit Buyer to assign any claims of Buyer under this Section 3.6 in respect of any ERs to the applicable Corporate Purchaser or Sovereign Participant.
- (C) **Change in Credit Law.** If a Change in Credit Law is implemented during the Term, then Buyer and Seller will work in good faith to mitigate the effect of the Change in Credit Law (including making Corresponding Adjustments if agreed to by the Parties) and consider and negotiate in good faith any amendment to this Agreement required to preserve the intended operation and effect of and the relative economic and risk position of (i) Buyer and Seller under this Agreement and (ii) Buyer (as a seller) and any affected Corporate Purchaser or Sovereign Participant as of the effective date of each applicable confirmation to pay for Contract ERs between Buyer any affected Corporate Purchaser or Sovereign Participant.

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3.7 Delivery Priority. Buyer will have first priority (seniority) to all ERs Issued to Seller from the REDD+ projects and programs within Seller's jurisdiction for the Vintage Year(s) reflected in the Commercial Terms in Appendix A, subject to any purchase agreements entered into with third parties prior to the Effective Date that are identified in Appendix F (the "**Existing Commitments**"). Subject to the Existing Commitments, Seller will not commit, transfer or commit to transfer ERs of such Vintage Year to any other person until the Contract ERs under the Commercial Terms for each Vintage Year, any Additional ERs under any exercised RIPA and any Compensatory ERs due under Section 3.3(E) of this Agreement have been Delivered to Buyer, with Seller ensuring that any other agreements to sell ERs of any such Vintage Year state that Buyer has such seniority. All Buffer ERs required by the Program for each Vintage Year based on the quantity of Contract ERs, *plus* any Additional ERs for such Vintage Year, must be deposited and set aside in accordance with the Program and, if applicable, the Registry prior to the sale of ERs from such Vintage Year to any third party.

3.8 Financial Intermediary

(A) **Designation and Replacement of Financial Intermediary.** The designation and replacement of the Financial Intermediary will occur as set forth in the below:

- (1) The Financial Intermediary is designated in the Commercial Terms.
- (2) In the event any Financial Intermediary from time to time resigns or becomes unable to perform its obligations as Financial Intermediary, or the Funding Agreement is terminated, Buyer's obligation to pay under the Funding Agreement is suspended (the "**FI Replacement Period**"), and Seller will designate a new Financial Intermediary subject to the reasonable approval of Buyer and consistent with the Financial Intermediary requirements in Appendix D. Upon such approval and the execution of a Funding Agreement with such designated Financial Intermediary in substantially the same form as the prior Funding Agreement or otherwise reasonably acceptable to the Parties, Appendix A will be deemed to be updated with the name of the approved Financial Intermediary. During any FI Replacement Period, the obligations of the Parties will be suspended until such time as a Financial Intermediary is engaged, and if a Financial Intermediary cannot be engaged within twelve (12) months, either Party may terminate this Agreement.

(B) **Buyer Payments to Financial Intermediaries.** Buyer's payment obligation under Section 3.3 for each Delivery and all other payment obligations to Seller required hereunder will be satisfied by its disbursing

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the amount due to the Financial Intermediary. The Parties acknowledge and agree that: (i) the Financial Intermediary's fees and costs are for Seller's account pursuant to the Funding Agreement; (ii) Buyer will have no responsibility for any fees or costs of the Financial Intermediary; and (iii) subject to the Funding Agreement, the Financial Intermediary's fees will be paid by Seller or deducted from amounts due to be paid by the Financial Intermediary to Implementing Entities under the Funding Agreement.

- (C) **Financial Intermediary Failure to Disburse.** If the Financial Intermediary fails to disburse any monies for the Approved Uses due under the Funding Agreement, then: (i) Buyer will use commercially reasonable efforts to cause the Financial Intermediary to disburse such monies; and (ii) as between the Parties to this Agreement, after such commercially reasonable efforts, Buyer will have the right to assign to Seller any rights of Buyer to pursue Claims against the Financial Intermediary. If such rights against the Financial Intermediary are assigned from Buyer to Seller, then (i) Buyer will have no further liability with respect to such matters, (ii) if requested by Seller, Buyer will use commercially reasonable efforts to cooperate with Seller in connection with Seller's pursuit of any Claims pursuant to such rights, and (iii) Seller will indemnify, defend, release and hold harmless Buyer in connection with any Claims as a result of or in connection with such rights, pursuit, or assistance.
- (D) **Financial Intermediary Material Breach.** In the event the Financial Intermediary commits a material breach under the Financial Intermediary Agreement, and the Financial Intermediary does not cure that breach within the time period provided therefor under the Financial Intermediary Agreement, then Buyer may terminate the Funding Agreement and suspend the payment of the Purchase Price until a new Financial Intermediary is selected and a new Funding Agreement is signed. A Financial Intermediary material breach may include, by way of example and without limitation:
- i. Disbursing money in a manner or for uses inconsistent with Approved Uses, and failure to monitor and timely report to Buyer on the use of funds;
 - ii. Failure to comply with applicable anti-bribery and anti-money laundering Laws, and Anti-Corruption Laws, and all successor legislation, as well as any Applicable Laws in the ER-originating jurisdictions; or
 - iii. A material failure to monitor and report on any other Jurisdictional Activity in Seller's jurisdiction as required under the Financial Intermediary Agreement.

3.9 Reversal Event.

- (A) Seller will notify Buyer in writing within twenty (20) calendar days of becoming aware of the occurrence of a Reversal.
- (1) Within thirty (30) days of the delivery of a notice of Reversal under clause (A), Seller will submit to Buyer a written report assessing and evaluating the impact of the Reversal on Seller's obligations to Deliver ERs under this Agreement (including the quantity of Contract ERs affected and the resulting level of Seller's relevant annual GHG emissions for applicable Vintage Years versus the Crediting Level under the Program and with respect to such Contract ERs), and such information regarding any potential further Reversal; and
 - (2) The Parties will come together in good faith to determine the risk of Seller's breach of its obligation under Section 3.1 in respect of future Deliveries of ERs to Buyer and, if it is agreed on or likely that Seller cannot meet the required Deliveries on any future Delivery Deadline, a delivery interruption notice ("**Delivery Interruption Notice**") will be submitted by Seller to Buyer (and will be deemed to have been submitted in the event Seller fails to do so).
- (B) If a Reversal occurs, it must be compensated in accordance with the Program Rules. If a Reversal is not fully compensated in accordance with the Program Rules, Seller will not sell any ERs arising from or related to the Jurisdictional Activity to third parties until Seller has fully satisfied the requirements under the Program Rules and enabled the compensation for such Reversals; subject to any Delivery Interruption Notices, Seller will continue to Deliver all Contract ERs on the applicable Delivery Deadline as specified in the Commercial Terms and any Additional ERs required under a RIPA as set forth in Section 0.
- (C) In addition to any other remedies available to Buyer under this Agreement, if a Reversal is not fully compensated in accordance with the Program Rules, Buyer has the right to recover any amounts held by a Financial Intermediary that have not been irrevocably committed to an Implementing Entity under a binding agreement, with such recovery limited to an amount equal to the greater of (i) the price paid hereunder, and (ii) BRC, in each case, for each Contract ER affected by the Reversal that was not fully compensated for through the Program. Contract ERs that are subject to this provision will be (a) cancelled either by Buyer, or the Corporate Purchaser, as applicable, under the Registry and as per the Program Rules; (b) returned to Seller by Buyer or the applicable Corporate Purchaser, or (c) if Contract ERs have already been retired, Buyer or the Corporate Purchaser, as applicable, will transparently communicate how those recovered amounts will be used for additional climate mitigation. In any case where Buyer

seeks to recover such amounts or terminate such disbursements, Seller will indemnify, defend, release and hold harmless Buyer in connection with any such termination or in relation to any Claims as a result of such Reversal.

4. COVENANTS

4.1 Compliance with Law and Program Rules. Each Party will materially comply with the Program Rules and Applicable Laws to give effect to their respective obligations with respect to, and during the effectiveness of, this Agreement.

4.2 Record Retention, Assistance and Registry Account.

- (A) Each Party will comply with all recordkeeping and retention requirements applicable to the Party under the Program Rules.
- (B) Upon a Party's reasonable request, the other Party will provide copies of its relevant records and provide other reasonable assistance to the requesting Party for the purpose of meeting any present or future reporting, verification, transfer, registration or retirement requirements associated with the Contract ERs under the Program and any Applicable Law.
- (C) Each Party will open and maintain a Registry Account in accordance with the terms and conditions of the Program, so that each such Registry Account may receive and transfer Contract ERs.

4.3 Information. Each Party will notify the other Party within twenty (20) days of such Party's becoming aware of any (A) circumstances which could reasonably be expected to materially adversely impact the notifying Party's ability to perform its obligations under this Agreement, (B) any Safeguards Event, (C) ER Cancellation Event or (D) use of funds by the Seller or any Implementing Entity contrary to Approved Uses.

4.4 Additional Seller Covenants.

- (A) **No Encumbrances.** Seller hereby represents, warrants and covenants that at the time of any Delivery to Buyer pursuant to this Agreement, the Contract ERs, any Additional ERs and all underlying GHG Reductions are free and clear from all Encumbrances.
- (B) **Seller Program Requirements for Delivery.**
 - i. Seller will comply with all necessary Program requirements to effectuate Delivery of the Contract ERs on or prior to the applicable Delivery Deadline.
 - ii. Seller will make best efforts to effectuate Delivery of the Contract ERs on or prior to the applicable Target Delivery Date, including

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through timely provision of submissions, documents, data, and responses to queries from the Program and the Validation and Verification Body.

- iii. Seller will present to the Program implementation plans that are developed by the Host Jurisdiction and are consistent with the National REDD+ Strategy and the State Policy on Climate Change established by the Host Jurisdiction. During the Term, Seller will cause the Jurisdictional Activity to be Validated and Verified in accordance with conditions set out in the Program Rules; provided, that notwithstanding the requirements of the Program Rules from time to time, Verification with respect to any Contract ERs or Additional ERs hereunder will be performed not less than once each calendar year until the Delivery of all Contract ERs due under this Agreement has been accomplished.
 - iv. Any costs incurred by Seller in performing its obligations in accordance with this Section 4 are the responsibility of Seller.
- (C) **Supplemental Anticorruption, Environmental and Social Safeguards.** Seller will comply with the additional safeguard requirements set forth in Appendix D.
- (D) **Additional Seller Evidence of Authority.** Seller will furnish to Buyer sufficient evidence of the authority of the person or persons who will, on their behalf, take any action or execute any documents required or permitted to be taken.
- (E) **Additional Seller Reporting and Inspection Requirements.**
- i. Seller will comply with all reporting requirements under this Agreement and the Jurisdictional Activity, including reporting requirements with the Financial Intermediary, any Implementing Entities, and information due to or requested by Buyer.
 - ii. In addition to independent Verification under the Program, Buyer may request an independent audit and review of Seller's Jurisdictional Activity and all activities related to this Agreement, including applicable representations, warranties, covenants, safeguards and Program requirements, which audits will not occur more than once per year unless reasonable grounds exist for additional inspection. Seller will provide all necessary records and access to Buyer or any authorized representative of Buyer. If requested by Buyer or any of its authorized representatives, Seller and its authorized representatives will meet with Buyer or any such designee to discuss Seller's implementation of the Jurisdictional Activity and any related information reasonably requested by Buyer

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or any such designee. Buyer will be responsible for any third-party costs or fees associated with such annual audit and, if applicable, any additional audits that go beyond the Program requirements.

iii. Seller will, between January 1st and January 31st of each calendar year, deliver a certificate of an authorized representative of Seller certifying that each of Seller's representations and warranties in Section 5.2 is true as of the date of such certification.

(F) **Verification Reports.** With respect to each contemplated Delivery, Seller will: (i) provide notice to Buyer within ten (10) calendar days after the Validation and Verification Body submits a Verification Report (as defined or referred to under the TREES Validation and Verification Standard) for the Contract ERs to the Program that includes the expected date the applicable Contract ERs will be Delivered into Buyer's Registry Account; and (ii) keep Buyer informed as to any material changes to that expected date of Delivery of the applicable Contract ERs that Seller becomes aware of.

(G) **Avoidance of Reversals.** Seller will put into place reasonable measures to prevent and/or reduce the occurrence and to mitigate the extent and impact of Reversals, and Seller will not take any action which is reasonably likely to or actually does cause a Reversal and will make its best efforts in cooperating with Host Jurisdiction in promoting actions to prevent and/or reduce the occurrence of Reversals.

(H) **Third-Party Sales.** Seller will fully comply with all notification requirements in relation to Third-Party Sales Above Floor Price and Third-Party Sales Below Floor Price pursuant to Section 3.3 (E).

4.5 Safeguards, Monitoring and Termination.

(A) Seller will notify Buyer within ten (10) calendar days after Seller obtains (or reasonably should have obtained) knowledge of any of the following events (each a "**Safeguards Event**"):

(1) The occurrence of violence or a publicly declared threat of violence between Seller or the Host Jurisdiction or an agent of Seller or of Host Jurisdiction and communities or individuals (including indigenous or local communities or individuals thereof) in connection with the reduction of emissions contemplated by this Agreement;

(2) A taking of land or carbon rights, or restriction of rights to natural resources, by Seller or by the Host Jurisdiction in order to generate ERs to satisfy the terms of this Agreement in violation of Applicable Law or inconsistent with the National REDD+ Strategy or applicable benefit sharing mechanism;

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- (3) Development of a benefit sharing plan(s) or grievance redress mechanism for the Jurisdictional Activity that do not meet applicable Program requirements;
 - (4) The receipt by Seller or the Host Jurisdiction of formal submissions in respect of any opposition to, or other grievances regarding, the Jurisdictional Activity in connection with any Safeguards Event; or
 - (5) Seller or the Host Jurisdiction are in breach or threatens to be in breach of Program safeguards, the Cancun Safeguards or the measures in Appendix D paragraphs (1) and (2).
- (B) For any Safeguards Event directly caused by an act or omission of Seller or the Host Jurisdiction:
- (1) If applicable, Seller will make best efforts to rectify such Safeguards Event to the satisfaction of Buyer.
 - (2) To the extent that Program Rules are amended or changed so that Contract ERs can be invalidated, withdrawn or rescinded after their Issuance as a result of a Safeguard Event, and any Contract ERs are invalidated, withdrawn or rescinded accordingly, Seller will pay BRC to Buyer for such Contract ERs.
 - (3) If applicable, Buyer may exercise remedies in respect of such Safeguards Event under Section 9.1(G).
 - (4) Seller will indemnify, defend, release and hold harmless Buyer in connection with any termination or in relation to any Claims as a result of such Safeguards Event.

4.6 Approved Uses of Funds and Implementing Entities.

- (A) Seller will present an investment framework in accordance with the requirements of the Funding Agreement which will, among other things, designate Approved Uses from the proceeds of its sale of the Contract ERs consistent with Appendix E. Seller will submit the proposed investment framework to the Financial Intermediary as soon as practicable and in any event within the period and according to the process set forth in the Funding Agreement.
- (B) Seller will provide to Buyer and the Financial Intermediary all material arrangements between Seller and any Implementing Entities that relate to the use of proceeds from its sale of Contract ERs.
- (C) Seller acknowledges that the Funding Agreement may permit Buyer to cause the applicable Financial Intermediary to recover, from Implementing Entities, payments for Delivered Contract ERs used inconsistently with the

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Approved Uses. Any such recovered monies (“**Recovered Monies**”) will be remitted back to Buyer, and the Funding Agreement will permit Buyer to assign its rights to enforce the recovery of such misused funds, and the rights to Recovered Monies, to Corporate Purchasers and/or Sovereign Participants.

- (D) Seller will indemnify, defend, release and hold harmless Buyer in connection with both the Approved Uses and all activities by Implementing Entities.

4.7 **Full Cooperation.** The Parties will fully cooperate in the undertaking of all necessary activities and those of the Financial Intermediary’ related to this Agreement, the Funding Agreement and with any monitoring performed in connection therewith.

- 4.8 **Further Assurances.** Each Party will notify the other Party of and correct any material defect or error that may be discovered in this Agreement, the Funding Agreement or any other agreement, document or notice executed or delivered in connection herewith, and do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, agreements, notices, certificates, assurances and other instruments as such Party may reasonably require from time to time in order to carry out more effectively the purposes of this Agreement, the Funding Agreement and any other agreement, document or notice executed or delivered in connection herewith.

5. REPRESENTATIONS AND WARRANTIES

5.1 **Mutual Representations and Warranties.** Each Party represents and warrants to the other Party the following on the Effective Date and the date of Delivery:

- (A) It has full power and authority to execute, deliver and perform its obligations arising under this Agreement;
- (B) This Agreement constitutes its legal, valid and binding obligation, enforceable against it, and the execution, delivery and performance of its obligations arising under this Agreement have been and remain duly authorized by all necessary action, including by obtaining all necessary registrations with, consents or approvals of, or notices to, or other action in respect of, any third party (including, if applicable, any Government Entity);
- (C) It is not Insolvent and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Insolvent, provided that this provision will not apply if the Seller is a sovereign (as opposed to subnational) jurisdiction;

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- (D) The execution, delivery and performance of its obligations arising under this Agreement with respect to each Transaction do not contravene any provision of its constitutional documents or any Law, rule, regulation, decree, order, judgment or any contractual restriction binding on it or its assets that could affect, in a materially adverse manner, its ability to perform any of its obligations under this Agreement;
- (E) It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisors as it has deemed necessary. It is not relying on any communication (written or oral) of the other Party (or any affiliate thereof) as investment advice or as a recommendation to enter into this Agreement;
- (F) It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Agreement. It is also capable of assuming, and assumes, the risks of this Agreement;
- (G) It is not acting as a fiduciary for or an advisor to the other Party in respect of this Agreement;
- (H) No Event of Default, or event that with notice or lapse of time or both would constitute an Event of Default, has occurred with respect to that Party and no such Event of Default or event would occur as a result of that Party entering into or performing its obligations under this Agreement; and
- (I) It intends that this Agreement be physically settled.

5.2 Additional Seller Representations and Warranties. Seller represents and warrants to Buyer the following on the Effective Date and as of the date of each Delivery:

- (A) On the date of each Delivery, Seller has full legal and beneficial title and rights to and will convey and properly transfer all legal and beneficial rights, interests and title in the Contract ERs Delivered on such date, as indicated to Buyer in one or more Letters of Approval;
- (B) Host Country has a National REDD+ Strategy and Host Jurisdiction has a State Policy on Climate Change that allows the implementation of the Jurisdictional REDD+ System which do not preclude the transfer of ERs contemplated under this Agreement, and the Jurisdictional Activity and plans and procedures required under the Program comply with applicable national Laws and regulations. The transfer of ERs as internationally transferable mitigation outcomes (ITMOs) is prohibited, unless explicitly authorized by the competent national authority of the Host Country;

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- (C) No other REDD+ project or programs exist in the Host Jurisdiction that include land covered by this Agreement, unless specified in Appendix F;
- (D) All information in the Jurisdictional Activity and Program documentation is true and correct;
- (E) It has not sold, transferred or otherwise disposed of, or Encumbered, the Contract ERs and the Contract ERs have not otherwise been, nor will be, sold, retired, submitted for any purposes or used to satisfy any other carbon or environmental attribute obligations or commitment by any person other than Buyer pursuant to this Agreement;
- (F) The Contract ERs were properly generated and Issued in accordance with the Program Rules;
- (G) No actions, suits, proceedings or liabilities are pending or, to Seller's knowledge, threatened against or affecting Seller, the Jurisdictional Activity or the Contract ERs before any court or administrative body or arbitral tribunal which could reasonably be expected to affect materially and adversely the ability of Seller to meet and carry out its obligations under this Agreement; and
- (H) It has complied with and is complying with all of Seller Covenants in Section 4.

5.3 Additional Buyer Representation and Warranty.

- (A) Buyer represents and warrants to Seller that Entities paying for Contract ERs from Buyer, whom Buyer relies on for funding the purchases of Contract ERs from Seller, are creditworthy entities and/or Sovereign Participants.

6. TERM

- 6.1 Term.** The term of this Agreement will be ten (10) years from the date of the last Delivery of Contract ERs (the "**Term**"), including with regard to the Reversal provisions in Section 3.9, unless otherwise terminated in accordance with the terms of the Agreement; provided, however, that the Term will remain in effect for so long as a Transaction is in effect unless otherwise terminated in accordance with the terms hereof.

6.2 Survival.

- (A) Termination of this Agreement does not affect the rights and obligations of the Parties that are in effect or have arisen prior to or at the time of the termination of this Agreement.

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- (B) Furthermore, in addition to any provision which expressly states that it will survive termination of this Agreement, the provisions contained in Sections 1, 11.4–11.6 and 11.8–11.16 will survive termination of this Agreement indefinitely, and Sections 9.2(C) and 11.7 will survive the termination of this Agreement to the extent provided therein.

7. FAILURE TO DELIVER; FAILURE TO ACCEPT

- 7.1 Failure to Deliver.** Seller's failure to Deliver by the applicable Delivery Deadline as specified in the Commercial Terms any Contract ERs received in its Registry Account (a "**Failure to Deliver**"), will not constitute an Event of Default in respect of Seller under this Agreement, but Buyer may, by notice to Seller, request that Seller remedy the Failure to Deliver and:
- (A) **Failure Cured.** If such failure is remedied within twenty (20) calendar days after such notice is given (the "**Final Delivery Deadline**"), Buyer will pay the amount owed in accordance with Section 3.3 on the Payment Date; and
- (B) **Failure Continuing.** If the Failure to Deliver is not remedied on or before the Final Delivery Deadline, Seller will pay to Buyer an amount equal to the sum of: (i) the BRC; and (ii) interest calculated at the Interest Rate on the BRC from the Delivery Deadline to the date that payment is made. Such payment will be due within ten (10) calendar days following receipt by Seller of an Invoice from Buyer setting forth the amount due and providing a calculation in reasonable detail.
- 7.2 Failure to Accept.** Buyer's failure to Accept the Contract ERs or any portion thereof within twenty (20) calendar days of Delivery by Seller, or attempt by Seller to Deliver, to Buyer's Registry Account ("**Failure to Accept**") will not constitute an Event of Default in respect of Buyer under this Agreement, but Seller may, by notice to Buyer, request that Buyer remedy the Failure to Accept:
- (A) **Failure Cured.** Within ten (10) calendar days of such notice, Seller will re-initiate transfer as contemplated in Section 3.5, and if Buyer subsequently Accepts the new Delivery within twenty (20) calendar days (the last day of which being the "**Final Acceptance Deadline**"), Buyer will pay Seller by the applicable Payment Date; and
- (B) **Failure Continuing.** If Buyer does not remedy the Failure to Accept on or before the Final Acceptance Deadline, Seller will discuss with Buyer and attempt to find an accommodation reasonably acceptable to the Parties to effect the transfer of the Contract ERs to Buyer. If, after a period of sixty (60) days, an accommodation has not been reached, then Seller may take any or all of the following actions:
- (1) withdraw its Delivery of any portion of the Contract ERs not Accepted by Buyer with no further Seller Delivery obligation with

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respect to such portion of Contract ERs, which withdrawal will eliminate any obligations and rights of Buyer with respect to such withdrawn Contract ERs; and

- (2) require Buyer to pay Seller an amount equal to the sum of: (a) the SRC; and (b) interest on the SRC calculated at the Interest Rate from the applicable Delivery Deadline to the date that payment is made. Such payment will be due within thirty (30) days following receipt of an Invoice from Seller setting forth the amount due and providing a calculation in reasonable detail.

7.3 Failure to Pay. For the avoidance of doubt, a failure by Seller or Buyer to satisfy any payment obligation arising pursuant to this Agreement when due, including with respect to the failure to pay amounts due described immediately above following a Failure to Deliver or a Failure to Accept or the failure by Buyer to pay any amount for Contract ERs in accordance with Section 3.3 is an Event of Default.

8. FORCE MAJEURE, PROGRAM EVENTS, INCOMPATIBILITY WITH INTERNATIONAL RULES AND CHANGE IN LAW

8.1 Force Majeure.

- (A) Upon becoming aware of a Force Majeure event or circumstance, the discovering Party will notify the other Party in writing as soon as practicable. Within twenty (20) calendar days of either discovery or receipt of notice of the Force Majeure, the Party affected by the Force Majeure (the “**FM Affected Party**”) will provide reasonable details of the circumstances of the Force Majeure and a good faith, non-binding estimate of the extent and the expected duration of its inability to perform any of its obligations due to the Force Majeure.
- (B) The obligations of both Parties under this Agreement affected by the Force Majeure (including any obligations of the non-affected Party that are contingent on such affected obligations) (the “**FM Affected Obligations**”) will be suspended from the date of the notification given above for the duration of the Force Majeure event to the extent such obligations are subject to Force Majeure. During the continuation of the Force Majeure, the FM Affected Party will use commercially reasonable efforts to overcome the Force Majeure and will continue to perform to the extent it is able to do so. Upon the Force Majeure being overcome or ceasing to exist, both Parties will resume full performance of their obligations under this Agreement with respect to the FM Affected Obligations (including, for the avoidance of doubt, any suspended obligations) as soon as reasonably practicable thereafter.
- (C) If a Force Majeure event continues for a period of twelve (12) consecutive months, either Party may, by written notice to the other Party, terminate all

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(but not less than all) FM Affected Obligations without any further obligations under the applicable Transactions; provided, however, that if neither such FM Affected Obligations nor this Agreement has been terminated at the time the applicable Force Majeure event is no longer occurring, both Parties will be deemed to have waived their respective termination rights in connection with this Section 8.1(C) in respect of any obligations capable of being performed. For the avoidance of doubt, Buyer's RIPA will apply to any ERs not Delivered because of a Force Majeure to the extent the obligation is not terminated in accordance with the first sentence in this Section 8.1(C).

(D) Notwithstanding anything to the contrary in this Agreement, the occurrence of Force Majeure will not cause any Reversal to be deemed not to have occurred, regardless of whether or not the events or circumstances causing any such Reversal otherwise meet the definition of Force Majeure.

8.2 Registry Failure. If, as of a Delivery Deadline, Seller is unable to Deliver or Buyer is unable to Accept Contract ERs solely as a result of a temporary suspension in the operation or functioning of the Registry (a "**Registry Failure**"), the event will be treated as Force Majeure event.

8.3 Program Event. In the event of a cancellation, termination, permanent suspension or other event or circumstance relating to the Program, regardless of the cause or origin, having the effect that ERs may no longer be Delivered or surrendered or retired to claim GHG Reductions under the Program, or if that TREES or the Program, becomes Insolvent, inoperable or introduces a new standard that undermines the intent of the Parties in entering this Agreement (such event or circumstance a "**Program Event**"), then the Parties will discuss in good faith amending the terms of this Agreement, including amendments to list the REDD+ activities contemplated under this Agreement under a different program. If no reasonable accommodation can be reached within eight (8) months of a Program Event, then either Party may terminate this Agreement. Any costs associated with listing the Jurisdictional Activity under a different program will be borne equally by the Parties.

8.4 Notice and Unpaid Amounts During or Following a Program Event. No Party will be relieved from any obligations to provide any notice or pay any amounts owed by either Party under this Agreement falling due during or following a Program Event.

8.5 Change in Law. Subject to Section 8.6:

(A) Upon the occurrence of a Change in Law or Change in Program Rules applicable to Seller (or to Host Jurisdiction) or Buyer (or to Corporate Purchasers or Sovereign Participants), the Party affected by the Change in Law or Change in Program Rules must promptly notify the other Party of

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such occurrence. The notice will describe in reasonable detail the Change in Law or Change in Program Rules and the terms and conditions upon which the Party affected by the Change in Law or Change in Program Rules is willing to continue to perform its obligations relating to this Agreement.

- (B) Upon receipt of notice of a Change in Law or Change in Program Rules by the receiving party under clause (A) above, the obligations of both Parties under this Agreement will be suspended to the extent impacted by the Change in Law or Change in Program Rules, and the Parties will work in good faith to renegotiate the material terms or conditions affected by the Change in Law or Change in Program Rules in order to mitigate the effects of the Change in Law or Change in Program Rules or otherwise address or reflect the effects of the Change in Law or Change in Program Rules.
- (C) Without prejudice to the other provisions of this Section 8.5, neither Party will be liable to the other Party for a failure to perform any obligation under this Agreement which becomes prohibited or impossible to perform by reason of a Change in Law or Change in Program Rules (and such circumstance will constitute a Force Majeure for the purposes of Section 8.1).
- (D) If the Parties are unable to agree on revised material terms or conditions within forty five (45) calendar days following the receipt of notice of a Change in Law or Change in Program Rules a Party affected by the Change in Law or Change in Program Rules may terminate this Agreement without any further obligations by giving written notice to the other Party; provided that Buyer may elect to terminate its obligations only in part, to the extent that the Change in Law or Change in Program Rules impacts only a subset of Corporate Purchasers and/or Sovereign Participants funding Buyer's purchase of Contract ERs from Seller.
- (E) Notwithstanding the foregoing, Section 8.2 or 8.3 will govern in place of this Section 8.5 in any case of a Change in Law or Change in Program Rules in respect of the Program or any Program Rules where either such section applies.

8.6 Willful Change in Law. Where a Change in Law occurs or is reasonably expected to occur in the Host Jurisdiction as a direct result of an act of the Host Jurisdiction, each Party on becoming aware of such Change in Law will promptly notify the other Party. Where the effects of such Change in Law on this Agreement are still in place within a period of sixty (60) days of such notification, Buyer may terminate this Agreement without any further obligations by giving written notice to Seller.

8.7 Incompatibility with International Rules. If prior to a Delivery of Contract ERs to Buyer, the parties to the Paris Agreement or any successor international agreement adopt any decision, or any Change in Law occurs,

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that either: (A) makes REDD+ at the jurisdictional level ineligible as a project type to reduce, offset or account for greenhouse gas emissions, regardless of whether such reduction is accounted for through a mandatory or voluntary program; or (B) declares that the Program is contrary to or incompatible with the goals or requirements of the Paris Agreement or any successor international agreement (any such decision or Change in Law, an “**Incompatibility with International Rules**”), then either Party may terminate this Agreement without liability with respect to the ongoing purchase and sale of the Contract ERs.

- 8.8 Overlapping Circumstances: Program Event, Change in Law, Incompatibility with International Rules and Force Majeure.** If an event or circumstance would, in the absence of this Section 8.8, constitute or give rise to more than one of the following events, it will be treated solely as the first applicable one of the following listed events: (A) a Change in Law; (B) an Incompatibility with International Rules; (C) Program Event; (D) Registry Failure; and (E) a Force Majeure.

9. EVENTS OF DEFAULT, TERMINATION, REMEDIES

- 9.1 Events of Default.** Each of the following circumstances listed in this Section 9.1 constitutes an “**Event of Default**” under this Agreement. Notwithstanding the foregoing, the circumstances described in Sections 9.1(B) and 9.1(F) will constitute an Event of Default except to the extent such circumstances are attributable to a Program Event, Change in Law or Force Majeure (subject to Section 8.1(D)).
- (A) **Payment.** Except as otherwise provided herein, a default in the payment of any amount due pursuant to this Agreement, if such default is not being remedied within thirty (30) days after receipt of the applicable notice from the Non-Defaulting Party, and regardless of whether the circumstances under which the payment is due independently constitute an Event of Default;
- (B) **Material Breach.** A failure to perform any material obligation or covenant under this Agreement (other than a payment obligation as referred to in Section 9.1(A)) if not cured within fifteen (15) calendar days from receipt of notice from the Non-Defaulting Party or pursuant to a cure plan under Section 9.2(D);
- (C) **Insolvency.** An Insolvency Event to which a Party is subject, provided that this provision will not apply if the Seller is a sovereign (as opposed to subnational) jurisdiction;
- (D) **Willful Change in Law.** A Change in Law in the Host Jurisdiction under the terms of Section 8.6;

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- (E) **Representations and Warranties.** Any of a Party's Section 5 representations or warranties proving to have been incorrect or misleading in any material respect when made or repeated and, if such breach is curable, the Party does not cure such breach within thirty (30) days from receipt of notice from the Non-Defaulting Party;
- (F) **Repudiation.** A Party disaffirms, disclaims, repudiates or rejects, in whole or in part, this Agreement (or that action is taken by a person appointed or empowered to act on its behalf); and
- (G) **Material Safeguards Event.** A Safeguards Event occurs that Buyer reasonably deems material.
- (H) **ER Cancellation.** Any Contract ERs Delivered to Buyer are cancelled as the result of the conduct of Seller or its agents, such as selling the same Contract ERs to two parties, erroneous accounting or any other action by Seller or its agents that causes ART to cancel such ERs (an “**ER Cancellation Event**”).
- (I) **Non-Compliance with Law and Program Rules.** An action or omission by Host Jurisdiction that results in non-compliance by Seller with any Applicable Law or Program Rule, including, but not limited to, actions or omissions that result in non-compliance with any of the requirements stipulated in Appendices C, D, E and F of this Agreement.¹
- (J) **Assertion of Conflicting Mitigation Claims.** Assertion of Mitigation Claims by Host Jurisdiction on its own behalf or on behalf of third parties that are partially or entirely inconsistent with Mitigation Claims exclusive to Buyer, Corporate Purchaser, and/or Sovereign Participant under Section 3.6 (A).
- 9.2 Default Remedies.** Upon the occurrence and during the continuance of an Event of Default with respect to the Party in default (the “**Defaulting Party**”), and subject to the Interest Rate described in Section 3, the non-defaulting Party (the “**Non-Defaulting Party**”) will have the following rights:
- (A) **Designation of Early Termination Date.** Designate and notify the Defaulting Party of a date (which date will be no earlier than ten (10) days after such notice is given and no later than thirty (30) days after such notice is given) for the termination of the Non-Defaulting Party's obligations arising under any Transaction or this Agreement (such date, the “**Early Termination Date**”), and if the Event of Default is not cured prior to the Early Termination Date: (i) exercise any default remedies provided for herein or available to the Non-Defaulting Party at Law; (ii) suspend performance;

¹ Still subject to review by Emergent's counsel.

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- and (iii) if applicable, calculate and notify the Defaulting Party of a Termination Amount. A Termination Amount, if due, will be paid by the Defaulting Party to the Non-Defaulting Party within thirty (30) days following receipt of a notice setting forth the calculation of the Termination Amount.
- (B) **Termination.** Terminate all applicable Deliveries and Delivery Deadlines thereunder as of the Early Termination Date.
- (C) **Novation.** If an Event of Default occurs, prior to the Parties' termination of this Agreement or any Transaction hereunder pursuant to Section 9.2, Seller acknowledges and agrees that one or more Corporate Purchasers and/or Sovereign Participants paying for Contract ERs from Buyer will have the right, but not the obligation, to require Buyer's applicable rights and obligations to be novated in favor of any such Corporate Purchasers and/or Sovereign Participants as Buyer. To give effect to this right:
- (1) Seller will enter into documentation reasonably satisfactory to Seller and each such Corporate Purchaser and Sovereign Participant who notifies Seller of its desire to have Buyer's applicable rights and obligations novated to it pursuant to this clause (C) on or prior to the date that is sixty (60) days after either Party's receipt of the notice designating such Early Termination Date.
 - (2) Each such Corporate Purchaser and Sovereign Participant is an intended third party beneficiary of, and will be entitled to rely upon and enforce, this clause (C), and this clause (C) will survive the termination of this Agreement until the end of the sixty (60)-day period described in clause (1) above.
- (D) **Cure Plan.** In addition to, and without prejudice to the subsequent use of any other remedies for an Event of Default, the Non-Defaulting Party may, at its own sole discretion, request the Defaulting Party to submit, within thirty (30) days following such request, an action plan, acceptable to the Non-Defaulting Party to cure the Event of Default during a certain time period indicated by the Non-Defaulting Party; provided, however, such option to cure the Event of Default provided hereunder will not apply to any Event of Default arising from Sections 9.1(A), 9.1(D), or 9.1(E). If such action plan is not satisfactory to the Non-Defaulting Party, or does not subsequently cure the Event of Default, the Non-Defaulting Party may exercise all other rights available to it in an Event of Default.
- (E) **Limited Remedies.** Notwithstanding anything else in this section, no exercise of any remedies under this Section 9.2 with respect to a particular Transaction will have any effect on any other Transactions in effect under this Agreement at any time.

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- 9.3 Termination Amount.** The Termination Amount, if applicable, will be calculated as follows:
- (A) **Transaction Liquidation.** Upon the designation of an Early Termination Date pursuant to Section 9.2(A), the Non-Defaulting Party will liquidate the terminated Transaction by calculating, in a commercially reasonable manner, a Termination Amount at the Early Termination Date for each terminated Transaction (or if, to the extent that in the reasonable opinion of the Non-Defaulting Party, it is commercially impracticable to liquidate and terminate the terminated Transaction on the Early Termination Date or the terminated Transaction may not be liquidated and terminated under Applicable Law, as soon thereafter as is reasonably practicable).
 - (B) **Termination Amount.** Termination Amount means, with respect to the Non-Defaulting Party, the losses and reasonable costs (or gains), expressed in U.S. dollars based upon the then-current replacement value of the terminated Transactions (the “**Termination Amount**”). The Non-Defaulting Party will determine the Termination Amount as of the date on which such termination occurs by reference to such futures, forward, swap, options and over-the-counter carbon markets as it will select in its reasonable judgment.
 - (C) **Quantity of ERs.** The quantity of Contract ERs used in calculating any Termination Amount will equal the aggregate Contract ERs under the terminated Transactions for all applicable Delivery Deadlines, *less* any Contract ERs that have already been Delivered, or in respect of which the SRC or BRC, as applicable, has been paid to the Non-Defaulting Party pursuant to Section 7. In addition, any Compensatory ERs due to be Delivered on the Early Termination Date will also be considered in the calculation of the Termination Amount.
 - (D) **Notice.** As soon as practicable after the Early Termination Date, the Non-Defaulting Party will give notice to the Defaulting Party of the amount of the applicable Termination Amount owed, if any. The notice will include a written statement explaining in reasonable detail the calculation of such amount. The Termination Amount, if due, must be paid by the Party that owes it within thirty (30) days after the date of such notice.
 - (E) **Right to Set-off and Withhold Payment.** After calculation of the Termination Amount, the Non-Defaulting Party will be entitled, in its sole discretion, to: (i) set off against such Termination Amount any obligations (whether or not matured or contingent and whether or not arising under the terminated Transactions) of the Non-Defaulting Party due to the Defaulting Party or any of its affiliates under this Agreement; and/or (ii) to the extent a Transaction is not liquidated, withhold payment of the Termination Amount. The remedy provided for in this Section 9.3 will be without prejudice and in addition to any right of set-off, combination of accounts, lien or other

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right to which any Party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

(F) Special Provisions for Buyer Default.

- (1) Buyer will not be liable to Seller for any Termination Amount if Buyer's default is attributable to failure by a Corporate Purchaser and/or Sovereign Participant to make payments owed to Buyer for Contract ERs and Buyer returns to Seller or does not Accept Delivery from Seller of those Contract ERs.
- (2) In the event any such third-party fails to make such payments to Buyer: (a) Buyer will notify Seller of such failure; (b) Buyer may assign to Seller any rights Buyer has against such third parties (including SRC) in connection with such failure; and (c) Seller will indemnify, defend, release and hold harmless Buyer in connection with any and all Claims it has as a result of such failure.

(G) Special Provisions for Seller Default.

- (1) With respect to any Early Termination Date designated as the result of a Reversal, Safeguards Event or ER Cancellation Event, the Termination Amount payable by Seller will be limited to amounts not yet committed to Implementing Entities consistent with Approved Uses under binding agreements.
- (2) With respect to any Early Termination designated as the result of the Assertion of Conflicting Mitigation Claims by the Host Jurisdiction, Seller will indemnify, defend, release and hold harmless Buyer or any Corporate Purchaser to whom Buyer has sold the Contract ERs against any and all losses arising in connection with or resulting from the Host Jurisdiction's promotion or defense of such Mitigation claims by third parties.
- (3) Seller will indemnify, defend, release and hold harmless Buyer in connection with any termination or in relation to any Claims as a result of any Seller breach.

9.4 Non-Default Remedies. Notwithstanding any other provision of this Agreement, the following remedies will be the sole and exclusive remedies of the Parties in relation to the circumstances described below, and the Parties waive all other rights or remedies at Law or in equity with respect to those circumstances:

- (A) **Development Requirements Delay.** If Seller or the Host Jurisdiction, as applicable, fails to meet the Development Requirements in Appendix C within twelve (12) months of the Effective Date in accordance with Article 2, Buyer will have the right to terminate this Agreement in full or in part.

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- Prolonged Failure to Generate.** If, as the result of one or more Failures to Generate, Seller fails to Deliver to Buyer at least thirty percent (30%) of the aggregate Contract ERs specified for all Delivery Deadlines (as set forth in the Commercial Terms) during any twenty-four (24) month period, then Buyer will have the right to terminate this Agreement or to reduce its commitment to purchase ERs of future Vintage Years.
- (C) **Force Majeure.** Termination following an event of Force Majeure pursuant to Section 8.1
- (D) **Registry Failure.** Termination following a Registry Failure pursuant to Section 8.2.
- (E) **Program Event.** Termination following a Program Event pursuant to Section 8.3.
- (F) **Change in Law.** Termination following a Change in Law pursuant to Section 8.5(D).
- (G) **Incompatibility with International Rules.** Termination following an Incompatibility with International Rules pursuant to Section 8.7.
- (H) **Below Floor Price Third-Party Sale.** Upon receipt of a notice that Seller or the Host Jurisdiction has executed a Below Floor Price Third-Party Sale pursuant to Section 3.3(E), Buyer has seventy-five (75) calendar days to decide, at its discretion, to provide written notice to Seller that it will terminate this Agreement for any or all Contract ERs for High-Volume Purchasers that have not yet been Delivered, including the obligations to purchase, Accept and pay for such Contract ERs.

10. COSTS, FEES AND TAXES

10.1 Responsibility for Costs.

- (A) Subject to the subsections below, each Party will bear its own costs and expenses in connection with the preparation, negotiation and execution of this Agreement.
- (B) To the extent that the applicable Registry imposes a Transfer Fee on Seller, Seller will be responsible for such Transfer Fee.
- (C) If one Party (Party A) pays any costs, fees and/or charges for which the other Party (Party B) is obligated to pay under the terms of this Agreement that Party B agreed to pay, then Party A will be entitled to: (i) deduct or set-off any such amounts paid from any payments due to Party B under this Agreement (including, in the case of Buyer, any amounts due to Financial Intermediary for Seller's benefit); or (ii) be reimbursed by Party B for any

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such amounts paid within thirty (30) calendar days of providing notice to Party B of the amounts due.

10.2 Responsibility for Taxes. Each Party will be responsible for its own Taxes. The Parties agree that the Contract ERs are not tangible personal property and should not be subject to any Taxes imposed by Seller on the sale of tangible personal property.

(A) Seller Obligations in the Event of Applicable Taxation.

- (1) If any Taxes are imposed under Applicable Laws on the sale of the Contract ERs hereunder, such Taxes will be separately identified on Seller's Invoices and paid by Seller to the appropriate Government Entity as required by Applicable Laws. Under no circumstance will Buyer be responsible for or reimburse Seller for any taxes imposed under Applicable Law that are not identified in the Seller's invoice in connection with the respective sale.
- (2) Seller will provide Buyer promptly upon Buyer's written request with invoices, Tax receipts and any other documentation in Seller's possession or control that may be required for Buyer to obtain Tax reimbursement, credit, abatement or refund from the relevant tax authorities of any Taxes assessed against Buyer and collected by Seller.
- (3) Subject to Applicable Laws, Seller will cooperate with Buyer to reduce the amount of any applicable Taxes, and Seller will not take any action that is unduly prejudicial to obtaining an available exemption from any applicable Taxes.
- (4) Seller will be responsible for any Taxes triggered in Brazil as a direct or indirect result of the payment or repayment of (i) BRC or Termination Amount, including any accrued interest, and/or (ii) any Advanced Payments to Buyer.

(B) Buyer Obligations in the Event of Applicable Taxation. Without limiting Section 10.2(A), Buyer is authorized, as required by Applicable Laws, to report, withhold and pay to the Tax authorities any withholding Tax due on account of this Agreement.² Upon Seller's reasonable request, Buyer will provide Seller with Tax receipts (or other proof of payment if receipts are unavailable) but will not reimburse Seller for withheld Taxes. Seller will indemnify Buyer for any losses resulting from such withholding Taxes.

- (1) Buyer will cooperate with Seller to reduce the amount of any applicable withholding Taxes that may be due under Applicable Law in the United States of America, including by providing

² Subject to final review by legal counsel.

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assistance reasonably requested by Seller for purposes of completion of Seller's Form W-8 EXP, or any other applicable tax form, whose completion will be Seller's sole responsibility.

- (C) **Notification.** Seller will promptly and in a timely manner notify Buyer of any pending or actual assessment of Tax or import/export charges in respect of this Agreement that Seller is aware of and for which Seller may seek reimbursement from Buyer (it being understood that identification of such Taxes on a Seller Invoice delivered in accordance with section 10.2 (A) of this Agreement will be deemed to satisfy such notification requirement). At Buyer's request and cost, Seller will initiate an appeal, protest or litigation in Seller's name if Seller is the only Party that can legally do so.
- (D) **Recordkeeping.** Seller will maintain records of information in Seller's possession sufficient to substantiate all Taxes, fees, indemnities or other payments that may affect any obligations of Buyer and which are the responsibility of Seller under this Section 10.2 for so long as the longest applicable statute of limitations remains open with respect to Taxes or import/export charges paid or allegedly due in connection with this Agreement. These records will be provided at Buyer's request and in the format requested by Buyer.

11. GENERAL PROVISIONS

- 11.1 **Binding Agreement.** This Agreement comprises the complete and exclusive understanding and agreement between the Parties regarding such agreement's subject matter and supersedes all oral and written communications, negotiations, representations or agreements in relation to that subject matter made or entered into before the Effective Date.
- 11.2 **Amendment.** No amendment to, or modification or waiver of, all or any part of this Agreement is effective unless made in writing and signed by authorized representatives of both Parties.

11.3 Notices.

- (A) All notices and invoices made in connection with or required by this Agreement will be: (i) in writing in the English language; (ii) served by prepaid registered post, third-party courier service, or email; and (iii) addressed as shown below, or as otherwise notified by such Party to the other Party from time to time. All payments will be made electronically in accordance with the information below. Parties may update the information below at any time by providing written notice to be effective two (2) Business Days following receipt of such notice.

<p>If to Seller:</p> <p>Attn: President of the CAAPP Email: Duns:</p> <p><i>Wire Transfer:</i> BNK: ABA: ACCT:</p>	<p>If to Buyer:</p> <p>Attn: [REDACTED] Email: [REDACTED] [REDACTED]</p> <p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]</p>
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(B) A notice or invoice will be deemed to be received, given or effective at the following time: (i) in the case of third-party courier service or prepaid registered post, on the date it is delivered or, if such delivery was refused, on the day such delivery was attempted in good faith by the notifying Party; and (ii) in the case of email, on the date and time that the email is delivered to the recipient’s email account.

(C) If the deemed receipt does not take place between 9:00 am and 12:00 pm U.S. Central Time on a Business Day, then the notice is to be deemed to have been received at the start of the next Business Day.

11.4 Assignment. No assignment of this Agreement will be made without the prior written consent of the other Party, which will not be unreasonably withheld or delayed. Notwithstanding the foregoing, Buyer may, without the consent of Seller, assign its rights and obligations under this Agreement, in whole or in part, to one or more Corporate Purchasers and/or Sovereign Participants in the LEAF Coalition that have the capacity to carry out Buyer’s obligations, for which Seller irrevocably consents. This Agreement will inure to the benefit of, and be enforceable against, any and all such Parties’ successors and permitted assignees.

11.5 No Third-Party Rights. Except as expressly stated herein, no person who is not a Party to this Agreement has any rights under this Agreement or may enforce any provision in this Agreement.

11.6 EXPRESS NEGLIGENCE. THE DEFENSE, INDEMNIFICATION, PROTECTION, HOLD HARMLESS AND RELEASE PROVISIONS PROVIDED FOR IN THIS AGREEMENT WILL BE APPLICABLE WHETHER OR NOT THE LIABILITIES, LOSSES, COSTS, EXPENSES AND DAMAGES IN QUESTION AROSE OR RESULTED SOLELY OR IN PART FROM THE SOLE, ACTIVE, PASSIVE,

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CONCURRENT OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OR VIOLATION OF LAW OF OR BY ANY INDEMNIFIED PARTY. BUYER AND SELLER ACKNOWLEDGE THAT THIS STATEMENT COMPLIES WITH THE EXPRESS NEGLIGENCE RULE AND IS “CONSPICUOUS” FOR PURPOSES OF ANY APPLICABLE LAW.

11.7 Confidentiality of Transaction Information.

- (A) Except as required by Law or order of, or in request of or response to, a Government Entity with jurisdiction over a Party or its affiliates, all Transaction Information will be confidential unless otherwise explicitly stated; provided, that (i) Buyer may disclose aggregated information regarding volumes and pricing of transactions for ERs with Seller; and (ii) Buyer will make this Agreement publicly available on or as soon as practicable following the Effective Date but no later than six (6) months following the Effective Date (and Seller will maintain the confidentiality of this Agreement until such time as Buyer so makes it available), after which time the substance, terms and provisions of this Agreement will not be deemed to be confidential. The Parties will not transmit, reveal, disclose or otherwise communicate any Transaction Information of the other Party to any other person or entity without the prior written consent of the other Party, except that consent is not required for disclosure to:
- (1) The extent required to be disclosed by the Program Rules;
 - (2) Directors, officers, employees or affiliates of a Party or a Corporate Purchaser and/or Sovereign Participant (or an affiliate thereof) who needs access to such information; provided that such persons are required to treat the Transaction Information as confidential in favor of the other Party on terms at least as restrictive as those set out in this Section 11.7;
 - (3) Persons professionally engaged (such as legal counsel, accountants, auditors, advisors, etc.) by a Party or a Corporate Purchaser and/or Sovereign Participant (or an affiliate thereof) who needs access to such information; provided that such persons are required to treat the Transaction Information as confidential in favor of the other Party on terms at least as restrictive as those set out in this Section 11.7;
 - (4) Any bank, other financial institution or rating agency to the extent required in relation to the financing of a Party’s activities or those of a Corporate Purchaser and/or Sovereign Participant (or an affiliate thereof); provided that such bank, other financial institution or rating agency as the case may be is required to treat the Transaction Information as confidential in favor of the other Party on terms at least as restrictive as those set out in this Section 11.7;

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- (5) Any intended assignee of the rights and interests of a Party under this Agreement, or a person selected by Buyer that is considering the purchase of the Contract ERs or guaranteeing payments for ERs, provided that the intended assignee, acquirer or guarantor in turn is required by that Party to treat the Transaction Information as confidential in favor of the other Party on terms at least as restrictive as those set out in this Section 11.7;
 - (6) To any third party purchaser of the Contract ERs where such Transaction Information is to be used for business purposes by such third party, including but not limited to the production and use of marketing materials; provided that such persons are required to treat the Transaction Information as confidential in favor of the other Party on terms at least as restrictive as those set out in this Section 11.7;
 - (7) The extent required to be disclosed pursuant to Applicable Law; provided that the Party subject to any such Applicable Law will use reasonable efforts to notify the other Party of such requirement and cooperate with the other Party to limit or mitigate the effects of such disclosure; or
 - (8) The extent that the Transaction Information is in or lawfully comes into the public domain other than by breach of this Section 11.7.
- (B) The confidentiality obligations in this Section 11.7 will continue in full force and effect during the term of this Agreement and for a period of three (3) years following expiration or termination of this Agreement.
 - (C) Seller will inform Buyer in advance of any Transaction Information that is subject to Host Country open records Laws and protect the confidentiality of Transactions Information under those open records Laws.

11.8 Use of Trade Names and Logos. Without limiting Section 11.7(A), neither Party will make any use of the other Party's names, image, logos or trademarks without obtaining the other Party's prior written consent, and the Parties will coordinate with each other regarding public announcements. The foregoing restrictions will apply equally to the names, images, logos and trademarks of the LEAF Coalition and any Corporate Purchaser or Sovereign Participant with whom Buyer has contracted for the further sale of Contract ERs, for which prior approval from the Buyer will be obtained before Seller makes any such use of names, images, logos and trademarks.

11.9 Severability. Subject to Section 8.5, each provision of this Agreement is severable, and if any provision is determined to be invalid, unenforceable or illegal under any existing or future Law by a court, arbitrator of competent jurisdiction or by operation of any Applicable Law, this

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invalidity, unenforceability or illegality does not impair the operation of or affect those portions of this Agreement that are valid, enforceable and legal.

11.10 Waiver. If this Agreement should be breached by either Party and such breach is thereafter waived in writing by the other Party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach hereunder. No failure on the part of either Party hereto to exercise, no delay in exercising and no course of dealing with respect to, any right, remedy, power or privilege under this Agreement will operate as a waiver of such right, remedy, power or privilege unless in writing by the waiving Party.

11.11 Governing Law, Jurisdiction and Dispute Settlement.

- (A) This Agreement will be governed by and construed in accordance with the Laws of the State of New York, United States of America, without giving effect to the conflict of laws rules thereof to the extent such rules would require or permit the application of the Laws of another jurisdiction to this Agreement.
- (B) **Amicable Settlement.** Upon the written request of either Party, the Parties will meet promptly to consider a dispute arising under this Agreement. The Parties will endeavor to settle amicably any dispute between them arising out of this Agreement for a period of thirty (30) days from the delivery of such notice (or such longer period on mutual agreement of the Parties).
- (C) **ICC Arbitration.** Any dispute arising out of or in connection with this Agreement and not resolved through the amicable settlement period described above will be submitted to arbitration under the ICC Rules of Arbitration before a panel of three arbitrators designated in accordance with said rules. The seat of the arbitration will be São Paulo, SP, Brazil. The parties agree that U.S.-style discovery will not be undertaken by either Party; provided, however, that the Parties and the arbitral tribunal may consent to the taking of additional evidence. The arbitral tribunal is expressly authorized, after having heard the parties, to conduct hearings and meetings at any location it considers appropriate, in particular, to reduce the costs of the arbitration.

11.12 NO CONSEQUENTIAL LOSS. NEITHER BUYER NOR SELLER WILL BE LIABLE TO THE OTHER, WHETHER IN CONTRACT, TORT (INCLUDING IN NEGLIGENCE AND BREACH OF DUTY) OR OTHERWISE, FOR ANY BUSINESS INTERRUPTION OR LOSS OF USE, PROFITS, CONTRACTS, PRODUCTION OR REVENUE OR FOR ANY CONSEQUENTIAL OR INDIRECT LOSS OR DAMAGE OF ANY KIND HOWEVER ARISING; PROVIDED, HOWEVER, THAT SELLER INDEMNITIES IN RESPECT OF AMOUNTS OWED TO, OR PAYABLE IN RESPECT OF CLAIMS BY, THIRD PARTIES WILL

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NOT BE SUBJECT TO THIS SECTION 11.12. FOR THE AVOIDANCE OF DOUBT, NO COMPENSATION OR PAYMENTS EXPRESSLY REQUIRED BY THIS AGREEMENT, INCLUDING UNDER SECTIONS 7 AND 9, WILL BE DEEMED TO BE LIMITED BY THIS SECTION 11.12.

- 11.13 LIMITATION OF LIABILITY.** EXCEPT WITH RESPECT TO OBLIGATIONS PURSUANT TO SECTIONS 7.1, 7.2, 10.2 AND 11.6 AND ANY BREACH THEREOF AND ACTS OR OMISSIONS INVOLVING DEATH, BODILY INJURY OR THE BREACH OF APPLICABLE LAWS, IN NO EVENT WILL EITHER PARTY'S LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE PERFORMANCE OF THIS AGREEMENT, WHETHER IN CONTRACT, TORT OR UNDER ANY OTHER THEORY OF LIABILITY, IN THE AGGREGATE, EXCEED AN AMOUNT EQUAL TO THE PRODUCT OF (A) THE UNIT PRICE; *MULTIPLIED BY* (B) THE TOTAL QUANTITY OF ERS THAT SELLER IS OBLIGATED TO SELL TO BUYER UNDER THIS AGREEMENT; *MULTIPLIED BY* (C) 1.5. ADDITIONALLY, IN NO EVENT WILL BUYER'S LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, WHETHER IN CONTRACT, TORT OR UNDER ANY OTHER THEORY OF LIABILITY, IN THE AGGREGATE, EXCEED THE TOTAL AMOUNT RECOVERED BY BUYER FROM ONE OR MORE CORPORATE PURCHASERS OR SOVEREIGN PARTICIPANTS IN RESPECT OF THE EVENT OR CIRCUMSTANCE GIVING RISE TO BUYER'S LIABILITY HEREUNDER.
- 11.14 No Waiver of Liability.** Seller agrees that it will not invoke or claim any waiver of liability for any actions or omissions caused by the Host Jurisdiction that results in or causes a breach of any of Seller's obligation under this Agreement.
- 11.15 Integration.** This Agreement represents a complete and final agreement between the Parties and supersedes and replaces all prior agreements.
- 11.16 Counterparts.**
- (A) This Agreement may be executed in any number of counterparts (including electronic PDF documents), and this has the same effect as if the counterparts were on a single copy of this Agreement.
- (B) This Agreement will be signed in English. A reference translation in an official language of the Host Country, if English is not an official language of the Host Country, may be appended to this Agreement within the thirty (30) days after the Effective Date. In the event of any inconsistency or dispute between the English version and an appended version in an official language

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of the Host Country, the English version will prevail and will be the binding and governing version.

11.17 Electronic Signature. The words “execution,” “signed,” “signature,” “delivery” and words of like import in or relating to any document to be signed in connection with this Agreement and the Transactions contemplated hereby will be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which will be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state Laws based on the Uniform Electronic Transactions Act.

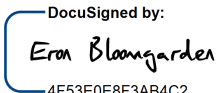
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The Parties have executed this Agreement on the date first written above as evidenced by the following signatures of authorized representatives of the Parties:


BUYER

Emergent Forest Finance Accelerator, Inc.


By: 
DocuSigned by:
Eron Bloomgarden
4F53E0E8F3AB4C2...
Name: Eron Bloomgarden
Title: Chief Executive Officer
Date: 9/23/2024

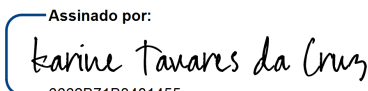
SELLER

Companhia de Ativos Ambientais e Participações do Pará S. A.

By: 
Assinado por:
Marcello Vieira Machado Rodante
F2C79C0DE0D94A7...
Name: Marcello Vieira Machado Rodante
Title: Diretor Presidente
Date: 23/09/2024

WITNESSES

By: 
Assinado por:
Mateus Lemos Franco da Silva
6BE50D2F3D104FA...
Name: Mateus Lemos Franco da Silva
Title: Lawyer
CPF: 104.568.086-98
Date: 23/09/2024

By: 
Assinado por:
Karine Tavares da Cruz
6662B71B3481455...
Name: Karine Tavares da Cruz
Title: Lawyer
CPF: 374.028.818-30
Date: 23/09/2024

APPENDIX A

COMMERCIAL TERMS

Seller	Companhia de Ativos Ambientais e Participações do Pará S.A.						
Host Country	Brazil						
Host Jurisdiction	State of Pará						
Buyer	Emergent Forest Finance Accelerator, Inc.						
Financial Intermediary	Fundo Brasileiro da Biodiversidade (“FUNBIO”)						
Transaction Type	Pay on Delivery						
Product	ERs (Issued under the Program)						
Initial Quantity	4,420,000						
Delivery Schedule for the Initial Quantity	VY	Target Delivery Date	Delivery Deadline	Pathway (s)	Emissions reductions	Annual Quantity	Contract ERs for High-Volume Purchasers
	2023	██████████	██████████	1	Reductions	██████████	██████████
	2023	██████████	██████████	2	Reductions		
	2023	██████████	██████████	3	Reductions		
	2024	██████████	██████████	1	Reductions		
	2024	██████████	██████████	3	Reductions		
	2025	██████████	██████████	1	Reductions		
	2025	██████████	██████████	3	Reductions		
	2026	██████████	██████████	1	Reductions		
	2026	██████████	██████████	3	Reductions		
Reserved ERs Quantity	Up to 7,580,000 ERs.						
Delivery Schedule for Purchase Right Exercise Quantity	To be set, if applicable, under the Purchase Right Exercise Notice.						
Unit Price for Contract ERs	USD \$15.00 (fifteen United States dollars) per Contract ERs for Pathway 1, Pathway 2 and Pathway 3 Transactions or the Reset Price in accordance with Section 3.1 (F) of this Agreement.						

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	Buyer may sell a portion and up to all of the Pathway 1 Contract ERs to third parties. If Buyer sells the Contract ERs for a price above the Unit Price, Buyer will, consistent with the terms of this Agreement, pay Seller proceeds (net of, without limitation, Buyer’s transaction and other intermediary fees) from such sale beyond the per-Contract ER price of the Unit Price.
Program	Architecture for REDD+ Transaction Program
Jurisdictional Activity	Seller’s REDD+ Jurisdictional Activities as further described in <u>Appendix F</u> .
Protocol	The REDD+ Environmental Excellence Standard (TREES)
Buyer’s Registry Account	Emergent Forest Finance Accelerator

APPENDIX B

DEFINITIONS

As used in this Agreement, these words or expressions have the following meanings:

- (1) “**Acceptance**” means the performance of the obligation of Buyer to accept Delivery of the Contract ERs in accordance with the Program Rules (“**Accept**” and “**Accepted**” will be construed accordingly).
- (2) “**Additional ERs**” has the meaning set forth in Section 3.2(A).
- (3) “**Agreement**” means this Emissions Reductions Purchase Agreement as set forth in the preamble of this agreement.
- (4) “**Annual Generation Shortfall**” has the meaning set forth in Section 0.
- (5) “**Annual Quantity**” has the meaning set forth in Section 3.1(E).
- (6) “**Anti-Corruption Laws**” means Applicable Laws governing bribery and corruption, including the U.S. Foreign Corrupt Practices Act, the UK Bribery Act 2010 and any equivalent laws in the Host Country, in each case, to the extent applicable.
- (7) “**Applicable Law**” means Laws that apply to any one or more of the Parties or the terms of this Agreement.
- (8) “**Approved Uses**” are those uses of funds identified in Appendix E.
- (9) “**ART**” means the Architecture for REDD+ Transactions, a voluntary international initiative that seeks to reward countries for verified ERs under the TREES standard.
- (10) “**BRC**” or “**Buyer’s Replacement Costs**” means the cash amount equal to the sum of:
 - (a) the product of: (x) the difference obtained by *subtracting* the Price from the BRC Market Price, provided that if such difference is negative the difference will be deemed to be zero; *multiplied by* (y) the BRC Shortfall of non-High-Volume Purchasers; *plus*
 - (b) the product of: (z) the difference obtained by *subtracting* the Price or the Reset Price if the Price Reset Mechanism under section 3.3(E) has been triggered from the BRC Market Price, provided that if such difference is negative the difference will be deemed to be zero; *multiplied by* (a) the BRC Shortfall of High-Volume Purchasers; *plus*
 - (c) the product of: (z) the Reset Price; *multiplied by* (β) the quantity of Compensatory ERs that Seller was required to but did not Deliver to Buyer under this Agreement; *plus*

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- (d) Buyer’s reasonable third-party costs and expenses, including brokerage fees, incurred to procure Comparable ERs as applicable.

For the avoidance of doubt, if $(BRC\ Market\ Price - Price) > 0$ and $(BRC\ Market\ Price - Reset\ Price) > 0$ then

$$BRC = RC = xy + za + z\beta + \text{Reasonable costs}$$

And if $(BRC\ Market\ Price - Price) < 0$ and $(BRC\ Market\ Price - Rest\ Price) < 0$ then

$$BRC = 0 + \text{Reasonable costs}$$

Where reasonable costs are, as applicable, Buyer or Seller’s reasonable third-party costs and expenses, including brokerage fees, incurred to procure Comparable ERs as applicable.

- (11) **“BRC Market Price”** means the average of three mid-market quotes received by Buyer from three reputable brokers for Comparable ERs and for a quantity equal to the BRC Shortfall for the applicable Delivery Deadline. If no quotes are available for more than five (5) consecutive Business Days, Buyer will determine a market price in good faith and in a commercially reasonable manner.
- (12) **“BRC Shortfall”** means the quantity of Contract ERs Seller was required to but did not sell and Deliver to Buyer under this Agreement, including with respect to future Delivery Deadlines, as applicable.
- (13) **“Buffer ERs”** means the buffer contribution that Seller is required to contribute under the Program.
- (14) **“Business Day”** means a day on which the New York Mercantile Exchange (NYMEX) is open for business, excluding weekends and holidays in the United States and the Host Jurisdiction as established under Appendix K.
- (15) **“Buyer”** has the meaning set forth in the preamble of this Agreement.
- (16) **“Buyer’s Registry Account”** has the meaning set forth in the Commercial Terms.
- (17) **“Buyer Retirement”** means a payment for Contract ERs in exchange for which such ERs are retired without Buyer taking title to such ERs.
- (18) **“Cancun Safeguards”** means those certain safeguards agreed for REDD+ at the 16th Conference of the Parties to the United Nations Framework Convention on Climate (COP16) in 2010 (according to paragraph 71 and Appendix 1 of decision 1/CP.16).
- (19) **“Change in Credit Law”** means the enactment, adoption, promulgation, modification or repeal after the Effective Date of any (i) Applicable Law, (ii) a Change in Program Rules, or (iii) any international or national voluntary greenhouse gas reporting program that is commonly used by publicly-listed companies with Paris-aligned greenhouse gas targets in

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North America or Europe, in each case that creates material risks to Buyer (or any relevant Corporate Purchaser) or Seller related to Mitigation Claims.

- (20) “**Change in Law**” means the enactment, promulgation, ratification or adoption of, or any change in, any Applicable Law after the Effective Date, or the promulgation of, or any change in, the interpretation by any court, tribunal or Government Entity with competent jurisdiction of any Applicable Law after the Effective Date, that: (a) renders it impossible or unlawful to give effect to this Agreement; and (b) renders any material matter required to be ascertained under this Agreement impossible to ascertain; provided that a change in Applicable Law will not be deemed a Change in Law on the basis of any of the following: (1) the loss of Buyer’s markets; (2) the economic value of Buyer’s use of Contract ERs to reduce, offset or account for greenhouse gas emissions; (3) Buyer’s inability to resell the Contract ERs acquired or to be acquired; (4) Buyer’s or Seller’s ability to sell the Contract ERs at a higher price; or (5) Buyer’s or Seller’s ability to purchase the Contract ERs at a lower price; for purposes of clarity, any action by the Host Jurisdiction resulting in a change in Applicable Law which causes Seller to be in default of this Agreement will not be deemed a Change in Law with respect to Seller. “**Change in Program Rules**” means the adoption of new or change in the existing Program Rules, including in relation to any program manual, program rules, quantification protocols and methodologies, retirement procedures, and the Registry ERs acceptance, delivery and transfer requirements adopted by the Program or rules, procedures and requirements issued by the Program that materially and adversely affects the exercise of rights or the performance of obligations of a Party under this Agreement. For the avoidance of doubt, the Program requiring Corresponding Adjustments to effectuate a Pathway 2 Transaction or Pathway 3 Transaction would be a Change in Program Rules as regards those Pathway 2 Transaction or Pathway 3 Transactions that become subject to Corresponding Adjustments requirements.
- (21) “**Claim**” means any claim, liability, loss, demand, damage, lien, cause of action of any kind, order, obligation, cost, royalty, fee, assessment, duty, charge, penalty, fine, judgment, interest and award (including reasonable legal fees and litigation costs and expenses of the person asserting the claim).
- (22) “**Commercial Terms**” has the meaning set forth in Section 2.2.
- (23) “**Comparable ERs**” means ERs that are identical or substantially similar with respect to their quantity, Vintage Year, Protocol, Program, project type and geography to the Contract ERs.
- (24) “**Contract ERs**” means any Product that meets the specifications set forth in the Commercial Terms and forms part of the Initial Quantity and the Purchase Right Exercise Quantity.
- (25) “**Contract ERs for High-Volume Purchasers**” means the Contract ERs identified in the Commercial Terms or in the Purchase Right Exercise Notice as being purchased by Buyer for High-Volume Purchasers.
- (26) “**COP**” means the Conference of the Parties, the supreme decision-making body of the

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United Nations Framework Convention on Climate Change (“UNFCCC”).

- (27) “**Corporate Purchaser**” means those corporate entities that have entered into a binding agreement, with Buyer, to purchase ERs Delivered by Seller.
- (28) “**Corresponding Adjustment**” refers to the mechanism to prevent double-counting, as set forth Article 6 of the Paris Agreement and in subsequent relevant decisions of the Conference of the Parties serving as the meeting of the parties to the Paris Agreement (CMA).
- (29) “**Crediting Level**” means the level below which Host Jurisdiction’s annual reported GHG emissions must fall below in order to generate ERs.
- (30) “**Defaulting Party**” has the meaning set forth in Section 9.2.
- (31) “**Delivery**” means the performance of the obligation of Seller to deliver the Contract ERs in accordance with the applicable Delivery Mechanics and the Program Rules (“**Deliver**” and “**Delivered**” will be construed accordingly).
- (32) “**Delivery Deadline**” means, with respect to Contract ERs of a given Vintage Year, the date set forth in Appendix A under the heading “Delivery Deadline” corresponding to such Vintage Year.
- (33) “**Delivery Interruption Notice**” means the notice pursuant to Section 3.9(A)(2).
- (34) “**Delivery Mechanics**” means the delivery mechanics described in Section 3.5 and Section 3.5 in respect of each Pathway and, in the case of any Additional ERs, Section 3.2(A)(4).
- (35) “**Delivery Schedule**” means, the schedule set forth in Appendix A under the heading “Delivery Schedule.”
- (36) “**Early Termination Date**” has the meaning set forth in Section 9.2(A).
- (37) “**Effective Date**” has the meaning set forth in the preamble of this Agreement and coincides with the signature date of this Agreement.
- (38) “**Emissions Reduction**” or “**ER**” means an intangible tradable instrument representing GHG Reductions of one (1) metric tonne of carbon dioxide or carbon dioxide equivalent Issued under the Program.
- (39) “**Encumbrance**” includes any Claim, mortgage, charge, pledge, lien, encumbrance, hypothecation, assignment, note, security interest, security agreement, title retention, preferential right, trust arrangement and contractual right of set-off or any other security transaction or arrangement in favor of any entity that affects the ability of Buyer to use the Contract ERs, including in connection with a Transaction (“**Encumber**” and “**Encumbered**” will be construed accordingly).
- (40) “**ER Cancellation Event**” has the meaning set forth in Section 9.1(H).

- (41) “**Event of Default**” has the meaning given in Section 9.1.
- (42) “**Exercise Period**” has the meaning set forth in Section 3.1(F).
- (43) “**Existing Commitments**” has the meaning given in Section 3.7.
- (44) “**Failure to Accept**” has the meaning set forth in Section 7.2.
- (45) “**Failure to Deliver**” has the meaning set forth in Section 7.1.
- (46) “**Failure to Generate**” has the meaning set forth in Section 3.2.
- (47) “**Final Delivery Deadline**” has the meaning set forth in Section 7.1(A).
- (48) “**Financial Intermediary**” means the entity designated as the Financial Intermediary in Appendix A or pursuant to Section 3.8, and any replacement Financial Intermediary from time to time appointed pursuant to Section 3.8.
- (49) “**Financial Intermediary Material Breach**” has the meaning set forth in Section Error! Reference source not found.
- (50) “**Floor Price**” means a price per ER of \$10.
- (51) “**Funding Agreement**” has the meaning set forth in the preamble of this Agreement.
- (52) “**FM Affected Obligations**” has the meaning set forth in Section 8.1(B).
- (53) “**FM Affected Party**” has the meaning set forth in Section 8.1(A).
- (54) “**Force Majeure**” means an event or circumstance caused by fire, flood, earthquake, elements of nature or acts of God, pandemics, wars, terrorist acts, site-specific terrorist threats, riots, civil disorders, rebellions or revolutions or any other similar cause beyond the reasonable control of a Party (or in the case of Seller, Host Country or any Government Entity under Host Country’s control) which prevents the performance of any of such Party’s obligations in accordance with the terms of this Agreement, which event or circumstance was not anticipated as of the Effective Date and which is not within the reasonable control of, or the result of the negligence of, the Party claiming Force Majeure and which, by the exercise of due diligence, the Party claiming Force Majeure is unable to overcome or avoid or cause to be avoided after such Party has taken every reasonable step, including commercially reasonable expenditures of money, to remedy the impact of the event or circumstance. Force Majeure will not be based on (i) the loss of Buyer’s markets; (ii) Buyer’s inability to economically use or resell the Contract ERs acquired or to be acquired; (iii) Buyer’s or Seller’s ability to sell the Contract ERs at a higher price; and (iv) Buyer’s or Seller’s ability to purchase the Contract ERs at a lower price. For purposes of Seller, a Civil Disturbance will constitute a Force Majeure event.
- (55) “**GHG**” has the meaning set forth in the preamble of this Agreement.

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- (56) **“GHG Reductions”** means a calculated or estimated decrease in greenhouse gas emissions or, as applicable, an increase in greenhouse gas emission removals or sequestration relative to a baseline over a specified period of time.
- (57) **“Government Entity”** means any U.S. or non-U.S. supranational, federal, national, state, provincial, local or similar government or any court of competent jurisdiction, tribunal, judicial or arbitral body, administrative agency or commission or other government authority, instrumentality or entity.
- (58) **“High-Volume Purchasers”** means Corporate Purchasers who are buying [REDACTED] from Buyer.
- (59) **“Host Country”** means the tropical or sub-tropical forest nation where the ERs are generated.
- (60) **“Host Country NDC”** has the meaning set forth in Section 3.4(A).
- (61) **“Implementing Entities”** means entities designated by Seller to receive disbursements from the Financial Intermediary under the Approved Uses.
- (62) **“Incompatibility with International Rules”** has the meaning set forth in Section 8.7.
- (63) **“Initial Letter of Approval”** means the Letter of Approval delivered by Seller in respect of the Contract ERs described in the Commercial Terms as referenced in Section 2.3.
- (64) **“Initial Quantity”** means the volume of ERs identified as the Initial Quantity in the Commercial Terms and does not include the Reserved ERs Quantity.
- (65) **“Insolvency Event”** means that a Party or its parent company (if one exists) becomes Insolvent.
- (66) **“Insolvent”** means with respect to an entity, (i) such entity’s suspension of payment of, or request to any court for a moratorium on payment of, all or a substantial part of such entity’s debts, (ii) such entity is generally unable to pay its debts as they become due, (iii) such entity’s making of a general assignment or any composition with or for the benefit of its creditors, (iv) any filing by such entity, or consent by answer by such entity to the filing against it, of a petition in bankruptcy which results in a judgment of insolvency or bankruptcy, the appointment of a receiver, conservator, liquidator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets, or the entry of an order for relief or the making of an order for such entity’s winding-up or liquidation, (v) any proceeding is instituted seeking to adjudicate such entity as bankrupt or insolvent and such proceeding is not dismissed within sixty (60) days of filing, or (vi) any order under the bankruptcy or insolvency Laws of any jurisdiction: (a) entered for the winding-up, bankruptcy, liquidation, dissolution, custodianship, receivership or administration with respect to such entity or any substantial part of such entity’s assets; (b) constituting an order for relief with respect to such entity; or (c) approving a petition for relief or reorganization or any other petition in bankruptcy or insolvency Law with respect to such entity.

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- (67) “**Interest Rate**” has the meaning set forth in Section 3.3(C).
- (68) “**Invoice**” means a written statement indicating the Purchase Price for Contract ERs pursuant to Section 3.3 or additional Contract ERs pursuant to Section 3.1.
- (69) “**Invoice Certificate**” has the meaning set forth in Section 3.3(B).
- (70) “**Issuance**” means the issuance by the Program of ERs equivalent to the number of verified GHG Reductions generated by an emission reduction or removal program over a specified period of time, provided that, with respect to the Contract ERs, such ERs will be deemed to have been Issued to Seller on the date such ERs are in Seller’s Registry Account (“**Issue**” and “**Issued**” will be construed accordingly).
- (71) “**Jurisdictional Activity**” means the REDD+ program of actions specified in the Commercial Terms and described in Appendix F that has resulted or is expected to result in the GHG Reductions underlying the Contract ERs.
- (72) “**Law**” means any law (including common law), statute, statutory instrument, regulation, instruction, direction, rule or requirement of any Government Entity (but, for the avoidance of doubt, only to the extent having force of law), including without limitation, the Paris Agreement.
- (73) “**LEAF Coalition**” means the Lowering Emissions by Accelerating Forest Finance Coalition, for which Buyer has served as the administrative coordinator.
- (74) “**Letter of Approval**” means a valid, signed letter from the requisite Government Entity of the Host Country consistent with the requirements of any applicable Program Rules and confirming Seller has full legal and beneficial title and rights to and will convey and properly transfer all legal and beneficial rights, interests and title in the Contract ERs to Buyer for the applicable Pathway. As necessary, one or more Letters of Approval may be issued, as long as each is signed by a Government Entity with authority to issue such letter.
- (75) “**Minimum Issuance Notice Amount**” has the meaning set forth in Section 3.2(C).
- (76) “**Mitigation Claim**” has the meaning set forth in Section 3.6(A)(1).
- (77) “**National REDD+ Strategy**” means the Host Country's national strategy or action plan developed in accordance with the Warsaw Framework under the UNFCCC, including, but not limited to, the rules on historical and future carbon capture limits between the Host Country and subnational entities set out in that National REDD+ Strategy.
- (78) “**NDC**” means a Nationally Determined Contribution set pursuant to the Paris Agreement or any successor international agreement, including Section 4.1 of the Paris Agreement.
- (79) “**Non-Defaulting Party**” has the meaning set forth in Section 9.2.
- (80) “**Purchase Right Exercise Notice**” has the meaning set forth in Section 3.1(F).

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- (81) **“Purchase Right Exercise Quantity”** means the quantity of additional Contract ERs set forth in the Purchase Right Exercise Notice.
- (82) **“Purchase Right Term”** has the meaning set forth in Section 3.1(F).
- (83) **“Paris Agreement”** means that certain Paris Agreement adopted by parties to COP 21 in Paris on December 12, 2015, and (entered into force on November 4, 2016), U.N. Framework Convention on Climate Change, Adoption of the Paris Agreement, U.N. Doc. FCC/CP/2015/L.9/Rev.1 (Dec. 12, 2015), as amended and implemented through any future decision, protocol, modalities and procedures adopted by the Conference of the Parties to the United Nations Framework Convention on Climate Change, May 9, 1992, 1771 U.N.T.S. 107 (entered into force Mar. 21, 1994).
- (84) **“Party”** or **“Parties”** has the meaning set forth in the preamble of this Agreement.
- (85) **“Pathway”** means Pathway 1, Pathway 2 or Pathway 3, or all of them, as the context requires.
- (86) **“Pathway 1”** has the meaning set forth in Section 3.4(A).
- (87) **“Pathway 2”** has the meaning set forth in Section 3.4(B).
- (88) **“Pathway 3”** has the meaning set forth in Section 3.4(C).
- (89) **“Payment Date”** has the meaning set forth in Section 3.3(A).
- (90) **“Price”** has the meaning either set forth in the Commercial Terms or set forth in the applicable Purchase Right Exercise Notice.
- (91) **“Product”** has the meaning set forth in the Commercial Terms.
- (92) **“Program”** means the Architecture for REDD+ Transactions Program, including as the same may be amended.
- (93) **“Program Event”** has the meaning set forth in Section 8.3.
- (94) **“Program Rules”** means the Protocol and any other applicable Program manual, Program rules, quantification protocols and methodologies, retirement procedures, and the Registry ERs Acceptance, Delivery and transfer requirements, adopted by the Program, including as the same may be amended.
- (95) **“Protocol”** means the protocol used by the Program for measuring, quantifying and verifying the quantity of emissions reductions generated by the Jurisdictional Activity, as specified in the Commercial Terms.
- (96) **“Purchase Right”** has the meaning set forth in Section 3.1(F).
- (97) **“Purchase Price”** means, with respect to the Delivery of Contract ERs, the Unit Price multiplied by the number of ERs as set forth in the Commercial Terms.

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- (98) “**RBP**” means a results-based payment for ERs derived from the implementation of REDD+ activities. For the avoidance of doubt, any payment for ERs made in accordance with Section 3.3 will be deemed to be an RBP for the purposes of this Agreement.
- (99) “**Recovered Monies**” has the meaning set forth in Section 4.6(C).
- (100) “**REDD+**” has the meaning set forth in the preamble of this Agreement.
- (101) “**Registry**” means a system established and managed by the Program for the purpose of issuing and tracking the sale, purchase and retirement of ERs.
- (102) “**Registry Account**” means an electronic account on the tracking system of the applicable Program that can receive, hold and transfer ERs.
- (103) “**Registry Failure**” has the meaning set forth in Section 8.2.
- (104) “**Reserved ERs Quantity**” has the meaning set forth in Section 3.1(F).
- (105) “**Reset Price**” has the meaning set forth under Section 3.3(E) of this Agreement.
- (106) “**Retirement Payment**” means a payment for Contract ERs in exchange for which such ERs are retired without Buyer taking title to such ERs.
- (107) “**Reversal**” means the identification by the applicable Registry that Host Jurisdiction’s GHG emissions in a given crediting year exceed the baseline Crediting Level resulting in retirement of ERs from a buffer account maintained by the Registry, the imposition of a higher buffer contribution on Seller going forward, or the obligation for Seller to contribute additional credits from future crediting years to a buffer account. Under no circumstances will a Reversal constitute or be excused by a Force Majeure event, even if a Reversal is caused by or results from an event or circumstance that otherwise constitutes a Force Majeure event.
- (108) “**RIPA**” has the meaning set forth in Section 3.2(A).
- (109) “**RIPA Exercise Notice**” has the meaning set forth in Section 3.2(A)(2).
- (110) “**Safeguards Event**” has the meaning set forth in Section 4.5(A).
- (111) “**Seller**” has the meaning set forth in the preamble of this Agreement.
- (112) “**Sovereign Participant**” is a sovereign entity funding Retirement Payments for ERs.
- (113) “**SRC**” or “**Seller’s Replacement Costs**” means the cash amount equal to the sum of:
- (a) the product of: (x) the difference obtained by *subtracting* the SRC Market Price from the Price, provided that if such difference is negative the difference will be deemed to be zero; *multiplied by* (y) the SRC Shortfall of non-High-Volume Purchasers; *plus*

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- (b) the product of: (z) the difference obtained by *subtracting* the SRC Market Price from the Price or the Reset Price if the Price Reset Mechanism under section 3.3(E) has been triggered, provided that if such difference is negative the difference will be deemed to be zero; *multiplied* by (α) the SRC Shortfall of High-Volume Purchasers; *minus*
- (c) the product of: (z) the Reset Price; *multiplied* by (β) the quantity of Compensatory ERs that Seller was required to but did Deliver to Buyer under this Agreement; *plus*
- (d) Seller’s reasonable third-party costs and expenses, including brokerage incurred to procure Comparable ERs as applicable.

For the avoidance of doubt, if $(Price - SRC\ Market\ Price) > 0$ and $(Reset\ Price - SRC\ Market\ Price) > 0$ then

$$SRC = Sxy + z\alpha - z\beta + Reasonable\ costs$$

And if $(Price - SRC\ Market\ Price) < 0$ and $(Reset\ Price - SRC\ Market\ Price) < 0$ then

$$SRC = 0 + Reasonable\ costs$$

Where reasonable costs are, as applicable, Buyer or Seller’s reasonable third-party costs and expenses, including brokerage fees, incurred to procure Comparable ERs as applicable.

- (114) “**SRC Market Price**” means the average of three mid-market quotes received by Seller from three reputable brokers for Comparable ERs and for a quantity equal to the SRC Shortfall for the applicable Delivery Deadline. If no quotes are available for more than five (5) consecutive Business Days, Buyer and Seller will determine a market price in good faith and in a commercially reasonable manner.
- (115) “**SRC Shortfall**” means the quantity of Contract ERs Buyer was required to but did not Accept from Seller under this Agreement, including with respect to future Delivery Deadlines, as applicable.
- (116) “**State Policy on Climate Change**” means the Policy created by Law No. 9048, dated April 29, 2020, enacted by the Host Jurisdiction, including any laws that may amend or replace.
- (117) “**Target Delivery Date**” with respect to Contract ERs of a given Vintage Year, the date set forth in Appendix A under the heading “Target Delivery Date” corresponding to such Vintage Year. For the avoidance of doubt, in the event that the Target Delivery Date is not met, this will not alter the Delivery Deadline and will not be considered a Failure to Generate or an Event of Default.
- (118) “**Tax**” or “**Taxes**” means any value-added tax, withholding tax, sales tax or similar taxes, but does not include any income tax, capital gains tax or similar taxes, or any business, occupation, license or similar taxes requires for the maintenance of corporate existence.

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- (119) “**Term**” has the meaning set forth in Section 6.1.
- (120) “**Termination Amount**” has the meaning set forth in Section 9.3(B).
- (121) “**Third-Party Buyer**” means any buyer other than Buyer or a successor to Buyer, as defined in the Contract.
- (122) “**Third-Party Sale ERs**” means any ERs verified pursuant to the Protocol prior to or within thirty-six (36) months after their issuance date and that are vintage 2022 or later that Seller or the Host Jurisdiction intend to sell to a Third-Party Buyer.
- (123) “**Transaction**” has the meaning set forth in Section 3.4.
- (124) “**Transaction Information**” means all information (including business, technical and other information), data, knowledge, ideas and work that is provided or made available to one Party (the “**Receiving Party**”) by or on behalf of the other Party (the “**Disclosing Party**”) in any tangible or intangible form, whether directly or indirectly, for the purpose of or in connection with this Agreement, including Agreement terms and conditions, Price and quantity, but does not include information that is:
- (a) available generally to the public, as evidenced by printed publication or similar proof, through no act or omission of the Receiving Party, as applicable;
 - (b) independently made available to the Receiving Party, as applicable, by a third party with a legal right to disclose that information without restriction; or
 - (c) developed by or on behalf of a Party in circumstances where the developing party has not had direct or indirect access to the information disclosed by the other Party, provided that satisfactory evidence of the same is provided to the Disclosing Party.
- (125) “**Transfer Fee**” means any fee imposed by the Program or Registry in connection with the transfer or retirement of ERs.
- (126) “**TREES**” means The REDD+ Environmental Excellence Standard.
- (127) “**TREES Registration Document**” means the “TREES Registration Document” that Seller has to submit to the ART under TREES.
- (128) “**Unit Price**” means, with respect to the Delivery of Contract ERs, the Price per ER as set forth in the Commercial Terms or as determined pursuant to Section 3.3(E) of this Agreement.
- (129) “**Validation**” has the meaning set forth in TREES.
- (130) “**Validation and Verification Body**” has the meaning set forth in TREES.
- (131) “**Verification**” has the meaning set forth in TREES.
- (132) “**Vintage Year**” means a calendar year identified by the Program as the year in which an

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ER included in the Contract ERs was generated and qualified for use. The Vintage Years are set out in the Commercial Terms.

APPENDIX C**DEVELOPMENT REQUIREMENTS****(to be met by Seller)**

- (1) **Acceptance of Seller's TREES Registration Document.** Seller will submit and obtain approval from ART for the TREES Registration Document.
- (2) **REDD+ Strategy and NDC.** If Seller is a national jurisdiction, Seller will have established a National REDD+ Strategy and NDC per UNFCCC and Paris Agreement requirements. If Seller is a subnational jurisdiction, see Appendix F.
- (3) **Implementation Plan.** Building on the REDD+ implementation plan that Seller will develop as part of the TREES Registration Document and other Program Rules,³ Seller will either indicate the section in the plan where the following information can be found or provide a supplemental document conveying the following information to Buyer, which should be to the reasonable satisfaction of Buyer: (a) how the implementation plan is consistent with the National REDD + Strategy, (b) further steps and timelines required for Seller to demonstrate its ability to retire and/or transfer title to the Contract ERs, as applicable, free of any interest, Encumbrance or claim of a third party, prior to any Delivery and pursuant to the Jurisdictional Activity, and (c) if and how particular Approved Uses relate to the Program implementation plan activities.
- (4) **Benefit Sharing Plan(s) and Grievance Redress or Dispute Resolution Mechanism.**⁴ Benefit sharing plan(s) and grievance redress mechanism developed by Seller through a participatory process, consistent with the Cancun Safeguards, as required by the Program. Seller will make the benefit sharing plan(s) and grievance mechanism publicly available.
- (5) **Other Agreements.** Seller will sign all other agreements necessary to effectuate the Jurisdictional Activity, including as required by the Program that are necessary as of the time these Appendix C requirements are due.⁵

Funding. Seller will secure all necessary funding to implement the Jurisdictional Activity and the requirements in this Appendix C.

³ The Program Rules make reference to the REDD + implementation plan in various sections, including 3.2. and 3.6.

⁴ Or analogous process and outcome indicators for distribution of REDD+ benefits and access to justice mechanism as referred to in the Program Rules, including but not limited to, in Section 12.5.2 (Cancún Safeguard B)

APPENDIX D**APPLICABLE SELLER SAFEGUARDS REQUIREMENTS**

- (1) **Compliance with Program safeguards, including compliance with the Cancun Safeguards as required by the Program.** Seller national jurisdictions engaging in REDD+ activities must comply with the Cancun Safeguards adopted under the UNFCCC, while Seller subnational jurisdictions comply with Cancun-related safeguards requirements including through the Program.
- (2) **Compliance with socioenvironmental best practices.** Seller must comply with the socioenvironmental best practices regarding the Jurisdictional Activity's implementation plan by:
 - a. As applicable, perform a Free, Prior and Informed Consultation for local, indigenous and/or traditional communities, which should be held by the Public Authority (Seller), if applicable, at Seller's technical and legal criteria, and in accordance with the provisions set out in the Indigenous and Tribal Peoples Convention of the International Labour Organization (ILO 169) - approved by Legislative Decree No. 143/2002.
 - b. Perform a prior due diligence regarding human rights if the area of the project is affected by local, indigenous and/or traditional communities.
 - c. Comply with current legislation, in particular with Decree No. 6.040/2007, which instituted the National Policy for the Sustainable Development of Peoples and Communities.
- (3) **Anti-Bribery, Anti-Corruption and Anti-Money Laundering.** Seller represents, warrants and covenants:
 - a. Seller has complied in all material respects with applicable Anti-Corruption Laws;
 - b. Seller agrees that it will comply at all times in all material respects with all Applicable Laws and regulations, including but not limited to Anti-Corruption Laws, and that it has not, and covenants that it will not, in connection with the performance of this Agreement, directly or, to its knowledge, indirectly, make, promise, authorize, ratify or offer to make, or take any act in furtherance of any payment or transfer of anything of value for the purpose of influencing, inducing or rewarding any act, omission or decision to secure an improper advantage; or improperly assisting it or Buyer in obtaining or retaining business, or in any way with the purpose or effect of public or commercial bribery, and warrants that it has taken reasonable measures to prevent subcontractors, agents or any other third parties subject to its control or determining influence, from doing so.
- (4) **Financial Intermediary Requirements.** Each Financial Intermediary must be accredited by Green Climate Fund ("GCF"). Any Financial Intermediary contracting arrangements with

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Seller (including the Funding Agreement) will be backed by robust fund management policies and systems to ensure Seller use of funds is consistent with Approved Uses and complies with anti-bribery, anti-money laundering provisions and other policies and systems. Each Financial Intermediary will follow the applicable policies and systems approaches of the GCF as well as all other applicable policies and systems requirements in this Appendix as specified in the Funding Agreement.

- (5) **Representations and Warranties of Implementing Entities.** Seller will ensure that, in any agreements it or a Financial Intermediary enters into with Implementing Entities, such Implementing Entities represent and warrant that, for the duration of the time period in which they receive proceeds from the sale of Contract ERs:
- a. it does not employ engage or otherwise use any child labor;
 - b. it does not use forced labor in any form (prison, indentured, bonded or otherwise) and its employees are not required to lodge monetary deposits on starting work;
 - c. it provides a safe and healthy workplace, presenting no immediate hazards to its workers. It provides access to clean water, food and emergency healthcare to its workers in the event of accidents or incidents at Seller's workplace;
 - d. it does not knowingly discriminate against any workers on any ground (including race, religion, disability, gender, sexual orientation or gender identity);
 - e. it does not engage in or support the use of corporal punishment, mental, physical, sexual or verbal abuse and does not use cruel or abusive disciplinary practices in the workplace;
 - f. it pays each employee at least the minimum wage, or a fair representation of the prevailing industry wage, (whichever is the higher) and provides each employee with all legally mandated benefits;
 - g. it complies with the Laws on working hours and employment rights provided under Applicable Law;
 - h. it is respectful of its employees right to join and form independent trade unions and freedom of association; and
 - i. it complies with the Anti-Bribery, Anti-Corruption and Anti-Money Laundering provisions in clause (2) above, as well as the applicable Financial Intermediary Requirements in clause (3) above.

APPENDIX E

SELLER APPROVED USES OF FUNDS

Seller will use funds received as compensation for Contract ERs transferred under this Agreement for activities that are consistent with:

- (1) the NDC of the Host Country; and
- (2) sustainable economic development with a priority for forest protection and forest restoration, including the Host Country's National REDD+ Strategy.
- (3) The Benefit Sharing Plan approved by Host Jurisdiction, pursuant to its State Policy on Climate Change.

These Approved Uses will be:

- (1) Consistent with the Benefit Sharing Plan developed by the Host Jurisdiction following the appropriate stakeholder consultations and presented to the Program by Seller;
- (2) implemented in manner consistent with financial, environmental and social safeguards pursuant to the Program and additional provisions of this Agreement, including Appendix D; and
- (3) to the extent Sovereign Participant Retirement Payments are used to purchase Contract ERs, qualified as Official Development Assistance (“**ODA**”) as defined by the Organization for Economic Co-operation and Development (“**OECD**”).

APPENDIX F

SPECIAL PROVISIONS FOR THIS AGREEMENT

The following special provisions will apply to this Agreement. In the event of a conflict between this Appendix F and any other provisions of this Agreement, this Appendix F will control.

(1) **Description of Sellers Jurisdictional Activity.**

The state of Pará (PA) is a sub-national jurisdiction from Brazil, with a total area of 124,587,704 hectares (Brazilian Institute of Geography and Statistics - IBGE, 2022), and with 84,137,082 hectares of forest area, representing 18.39% of the total national forest. As deforestation and forest degradation account for around 85% of its GHG emissions, the reduction in emissions is the result of monitoring and inspection services and the promotion of sustainable low-emission economic alternatives.

Pará has been making efforts to ensure the protection and sustainable use of its natural resources. The current framework consists of the Pará State Climate Change Policy (PEMC/PA), established by Law No. 9,048 of April 29, 2020. The PEMC defines the guidelines and objectives for the state's climate governance system. In 2020, Pará also launched the “*Amazônia Agora*” State Plan (PEAA), which is the Pará state government's long-term low-emissions strategy aimed at establishing a development model based on conserving and enhancing environmental assets, increasing the efficiency of value chains and improving socio-environmental livelihoods in rural areas. The PEAA is equivalent to the sectoral plan for land use change and forests. For ART-TREES purposes, it corresponds to the implementation plan for jurisdictional REDD+ actions.

Seller is responsible for managing and marketing the environmental assets resulting from activities such as REDD+.

Pará is also developing a specific law to formalize the roles of entities delivering its Jurisdictional REDD+ System, which will provide rules and guidelines for the operation of REDD+ resources, as well as institutional arrangements for their efficient implementation.

In relation to local REDD+ projects, volume deductions will be defined based on the requirements of the ART TREES methodology and the nesting strategy will be addressed in a Registration System to be developed for the accounting of carbon credits based on future projects.

In relation to the various stakeholders in the territory, the government of Pará will distribute the benefits obtained from the sale of carbon credits based on its benefit-sharing strategy. This strategy is being discussed with the various beneficiaries, especially the IPLCs and the distribution of benefits is being discussed with other stakeholders involved in reducing deforestation and maintaining forest stocks.

(2) **Nesting**

The TREES Registration Document prepared by the state of Pará for submission to ART TREES considers the period of 2018-2022 as the baseline, based on official data on deforestation (PRODES) and forest degradation (DETER), of which the activity data is publicly available by INPE for the Amazon and Cerrado biomes. Emissions of the period were consolidated, resulting in a baseline of 252,132,914 tons of CO2 equivalent, as depicted in Figure 1.

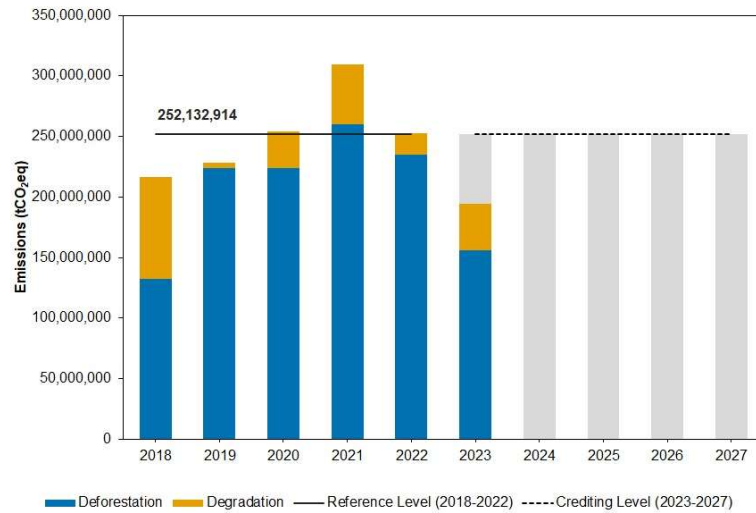


Figure 1: Pará Jurisdictional Baseline - for the years 2018 to 2022. (Source: IPAM)

By calculating the performance of the state of Pará for the year 2023 using official consolidated data on deforestation (PRODES) and forest degradation (DETER), a reduction in gross emissions of [REDACTED] tons of CO2 equivalent can be observed. Once the deductions required by the Program (buffer, leakage and uncertainty) have been applied, following the criteria for their application, the result is an estimated net generation of [REDACTED] million tons of CO2 equivalent, as depicted in Table 1.

Table 1: Performance of Avoided Emissions in the State of Pará, year 2023. (Source: IPAM)

Year	Gross Avoided Emissions (t CO ₂ eq)	Buffer (15%)	Leakage (20%)	Uncertainty	Reversal (t CO ₂ eq)	Net Avoided Emissions (t CO ₂ eq)
2023	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2024 (estimated)						
2025 (estimated)						
2026 (estimated)						
2027 (estimated)						
TOTAL	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

To forecast emissions for the following years, two types of predictions were made. For 2024, DETER/INPE deforestation and degradation data was used, with linear regression between the areas of deforestation and degradation and the respective emissions calculated for the 2018-2022

period. For the years 2025, 2026 and 2027, the emissions between 2021 and 2024 (from deforestation and degradation together) were used as a basis, with a linear regression analysis to forecast the trend of emissions reduction observed in this period. In the end, the estimated generation of emission reductions is [REDACTED] gross and [REDACTED] net tons of CO2 equivalent, according to the calculated performance scenario (Table 2). It should be noted that these figures are statistical forecasts and do not correspond to verified emission reductions.

Table 2: Emissions reduction estimates for the state of Pará in 2024, 2025, 2026 and 2027. (Source: IPAM)

Year	Gross Avoided Emissions (t CO ₂ eq)	Buffer (15%)	Leakage (20%)	Uncertainty	Reversal (t CO ₂ eq)	Net Avoided Emissions (t CO ₂ eq)
2023	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2024 (estimated)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2025 (estimated)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2026 (estimated)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2027 (estimated)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

According to CONAREDD Resolution No. 6 of July 6, 2017, which defines the split of volumes of results based payments related to deforestation in the Amazon biome, the state of Pará has [REDACTED] tons of CO2 equivalent as a result of reducing emissions in the past, as shown in Infohub (Figure 2), and the estimated volumes for the period from 2023 to 2027 are within subnational cap applicable to Pará.

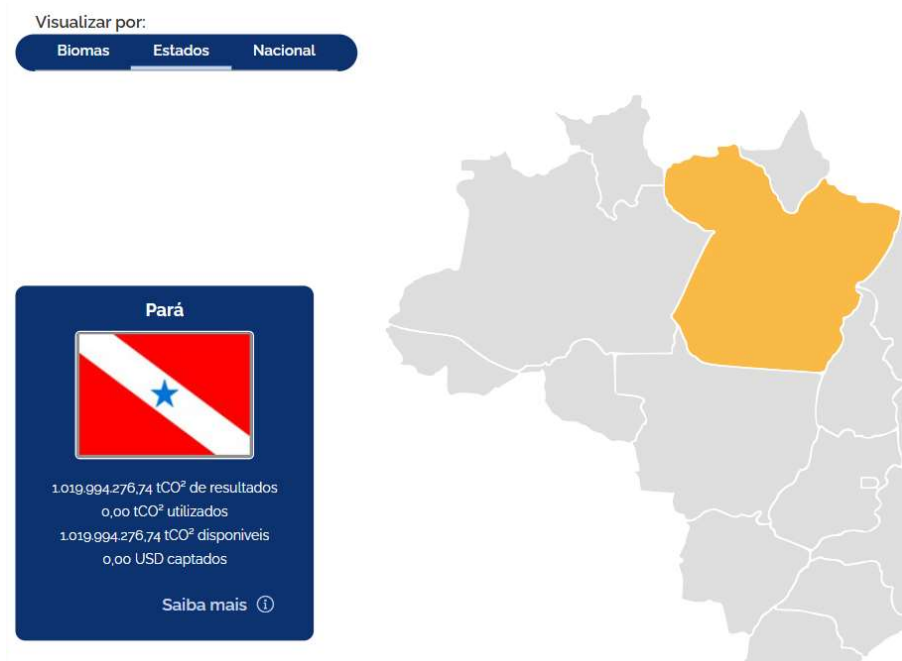


Figure 2: Demonstration of results in tons of CO2 equivalent reduced, used and captured by the state of Pará (Source: InfoHUB Brasil).

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Combining the REDD+ projects identified on the Verra and Cercarbono platforms, it can be observed that they in very different phases. Thirty-six private REDD+ projects have been identified in Pará, nine of which have already been canceled. Four projects have been notified by Verra and are now on hold, while another three projects are in the preliminary stages of preparation.

It is also relevant to note that Verra’s platform has a detailed procedure for registering and issuing carbon credits. The procedure stipulates that projects without monitoring or progress within five years will be notified and will have to explain and demonstrate monitoring and verification in the sequence of such notification. At least nine projects are in this situation, corresponding to a total of ██████ tons of CO2 equivalent per year.

Finally, only 5 projects have already issued carbon credits in previous years, but there are no carbon credits generated in 2023, overlapping with the territory of Pará in the 2023 crediting period. Based on the estimated average number of credits already requested to be issued from registered projects, plus the volumes expected from projects that are still in verification and/or validation stages, a contingency of an estimated annual total of ██████ tons of CO2 equivalent that could be discounted and accounted for in the future was considered.

In this calculation, the estimated volumes of projects identified by the standards as “on hold”, “registration request denied”, “withdrawn”, “rejected by administration”, “inactive” and “retired” have been discarded. As such, the net emission reductions estimated for 2023, deducted from the estimated private REDD+ projects’ volumes, amount to a total of ██████ tons of CO2 equivalent (Table 3).

Table 3: Emissions reduction estimates for the state of Pará, less private REDD+ projects. (Source: IPAM).

Year	Gross Avoided Emissions (t CO ₂ eq)	Buffer (15%)	Leakage (20%)	Uncertainty	Reversal (t CO ₂ eq)	Net Avoided Emissions (t CO ₂ eq)	Year
2023	██████	██████	██████	██████	██████	█	██████
2024 (estimated)	██████	██████	██████	██████	██████	█	██████
2025 (estimated)	██████	██████	██████	██████	██████	█	██████
2026 (estimated)	██████	██████	██████	██████	██████	█	██████
2027 (estimated)	██████	██████	██████	██████	██████	█	██████
<i>TOTAL</i>	██████	██████	██████	██████	██████	█	██████

Finally, the state of Pará plans to establish a registration system at state level, in line with best practices and aligned with the federal system (currently under discussion). Under this system, all carbon credit units generated in the state, whether through projects or the jurisdictional program, will be duly identified and accounted for, ensuring traceability and avoiding double counting. The registration system will be used to implement the nesting strategy, ensuring that projects are nested in the future and that discounts are accounted for at the jurisdictional level.

Below are the private projects already identified within the territory of the Host Jurisdiction, as well as the amounts of credits that should be set aside to avoid double counting.

2.1) Private Projects

For accounting purposes and to prevent double counting, REDD+ projects certified by the main standards (VERRA and CERCARBONO) occurring within the territory of Pará as of August 8, 2024, have been identified, as detailed below, using the same criteria and tables as those used in the Registration Documents submitted before the Program.

2.1.1) Projects already issuing credits

Considering the five projects that have already issued credits in past vintages—four registered on the VERRA platform and one on the CERCARBONO platform—Seller deduct a potential of [REDACTED] carbon credits/year ([REDACTED] credits generated annually from the VERRA platform + [REDACTED] credits generated annually from the CERCARBONO platform).

MEAN - Vintage Quantity (based on past issuances)						
Name (ID)	Status at VERRA	2023	2024	2025	2026	2027
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	235,405
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	105,378
TOTAL		[REDACTED]				
Total		[REDACTED]				

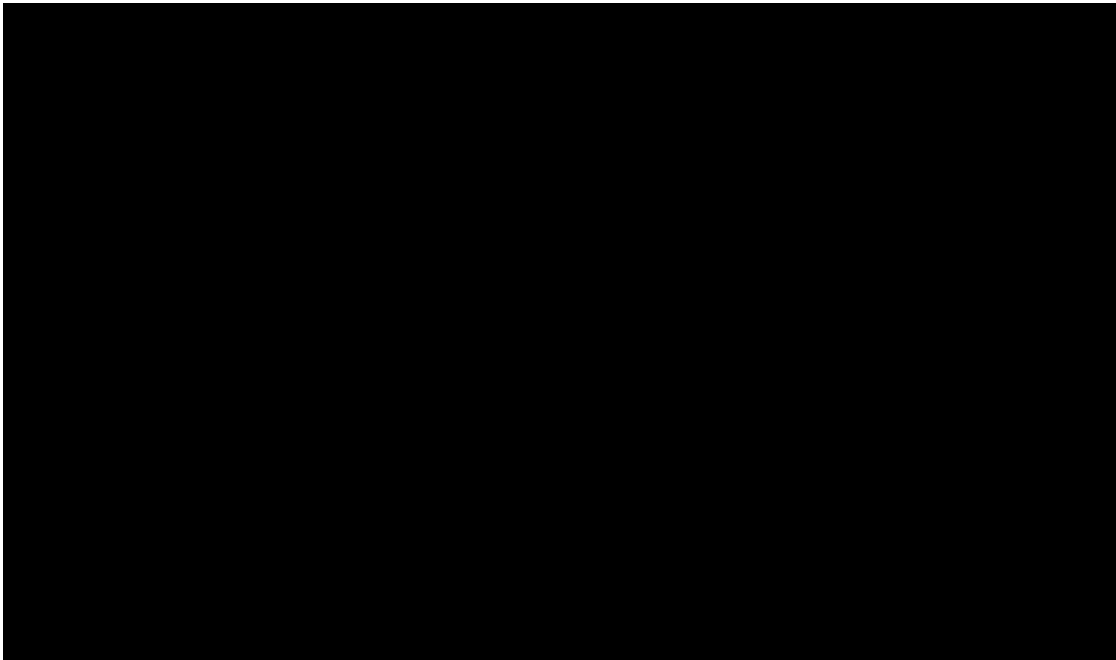
Name (ID)	STATUS at CERCARBONO	2023	2024	2025	2026	2027
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
TOTAL		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total (2023-2027)						[REDACTED]

2.1.2) Projects with potential to issue future credits

Fifteen (15) projects have been identified (11 on the VERRA platform and 4 on the CERCARBONO platform) that have the potential to issue carbon credits in the future. These projects are at different stages and still need to meet the certifiers' requirements before they are eligible for generating emission reductions. Relevant to highlight that the annual average presented is based on projections by the project developers in the PDDs and should be considered as a reference value only, amounting to [REDACTED] carbon credits/year, rather than a consolidated or definitive number.

Taking into account the five projects that have already issued credits in past cycles, four registered on the VERRA platform and one on the CERCARBONO platform, Seller will deduct a potential of [REDACTED] carbon credits/year [REDACTED] credits generated from the VERRA Platform/year +

██████████ credits generated from the CERCARBONO Platform/year).



In summary, considering credits to be generated by projects that are already eligible to issue, along with potential projects that may issue in the future, it is estimated that the Seller will need to deduct ██████████ carbon credits per year.

(3) Financial Intermediary.

- a) State Decree No. 346 of October 14, 2019, Host Jurisdiction has created the Fundo da Amazônia Oriental (“**FAO**”) private financing mechanism with public governance aimed at supporting initiatives in the state of Pará whose objectives include reducing illegal deforestation and meeting the targets outlined in public policies for environmental protection and development. The funds generated by the sale of ERs by Seller will be deposited with and managed through FAO.
- b) *Fundo Brasileiro da Biodiversidade* (“**FUNBIO**”), a civil society organization of public interest (OSCIP), has been selected by the Host Jurisdiction, through Public Call Notice DPC/SEMAS No. 001, dated March 10, 2021, to be the Operational and Financial Manager of the FAO, with the aim of implementing a strategy for private collaboration funding to support the public policies on environmental protection and sustainable development in the Host Jurisdiction.
- c) FUNBIO was designated by the Host Jurisdiction to be the Financial Intermediary through Cooperation Agreement SEMAS/PA No. 06/2021, signed between the Host Jurisdiction and FUNBIO.
- d) For clarity, the Seller is linked to the State Secretariat for Environment and Sustainability of Pará (“**SEMAS**”) and has its own assets, administrative, and financial autonomy. For

accounting purposes, the revenue from the sale of the ERs by the Seller will be managed by the Financial Intermediary, in accordance with the Law and the Financial Intermediation Agreement.

(4) Special provisions for Pathway 1 Contract ERs:

- a. Seller acknowledges that payments by Buyer backed by a Sovereign Participant may be subject to the Sovereign Participant's appropriations process, in which case the obligations of Buyer to pay for (and Seller's obligations to Deliver) applicable ERs will be contingent on that annual appropriations process.
- b. If a Sovereign Participant fails to appropriate the necessary amounts for Buyer to pay for the Contract ERs, and Buyer does not have a Corporate Purchaser for such ERs, Buyer will provide notice of this to Seller within fifteen (15) Business Days, but in any event before any applicable scheduled Delivery, and Seller may (at Seller's election), as an alternative to the remedies in section 9.3(F) above, either (i) delay delivery of the Contract ERs until such time as the Sovereign Participant funds are appropriated, or (ii) sell to a third party those ERs for which an appropriation was not made by a Sovereign Participant.
- c. If a Sovereign Participant fails to appropriate the necessary funds for two (2) consecutive annual Deliveries, and Buyer has not otherwise purchased the applicable ERs, Seller may sell to a third party all future Contract ERs allocated to that Sovereign Participant under this Agreement, and none of Buyer, Seller or the Sovereign Participant will have any future liabilities or obligations hereunder regarding those Contract ERs allocated to that Sovereign Participant but not yet Delivered or paid for. Seller acknowledges that payments by Buyer backed by a Sovereign Participant are not subject to the Interest Rate.

APPENDIX G

FORM OF RIPA EXERCISE NOTICE

To: [Host Jurisdiction.]
[•]
[•]

From: [Buyer]
[•]
[•]

Date: [•] [•], 20[•]

Re: RIPA Exercise Notice

[“Designated Host Jurisdiction Notice Recipient”]:

Buyer is delivering this notice to you pursuant to the terms and conditions of that certain Emissions Reductions Purchase Agreement (the “ERPA”) dated as of [_____], and the Surplus Notice dated as of [_____]. All capitalized terms used herein and not otherwise defined have the meanings set forth in the ERPA.

Per the terms of the ERPA, you have informed us there are currently Additional ERs available for purchase. This RIPA Exercise Notice confirms Buyer’s exercising of its RIPA per the terms set forth below.

In the event of any inconsistency between the ERPA and this RIPA Exercise Notice, this RIPA Exercise Notice will govern.

Seller will sell and Deliver within five (5) Business Days of receipt of this RIPA Exercise Notice the quantity of applicable ERs requested by Buyer below. Please acknowledge receipt of this RIPA Exercise Notice where indicated below and return it to Buyer as soon as reasonably practicable, and no later than five (5) Business Days of your receipt hereof.

The covenants, representations and warranties made by the Parties pursuant to the ERPA are hereby incorporated into this RIPA Exercise Notice and deemed repeated on the Exercise Date noted below.

The terms of this particular RIPA Exercise Notice will be as follows:

Execution Version

Exercise Date:	[•]
Quantity and Pathways of Additional ERs available (per Surplus Notice)	[•] [•]

Quantity and Pathways of Additional ERs exercised: [•] [•]

Vintage Year (s) and number of Additional ERs per Vintage Year:	[•]
Price:	[•]
Additional Provisions:	[Add bespoke provisions] [Not applicable]

Sincerely,

[Buyer]

By: _____

Name:

Title:

Please indicate your acknowledgement of the enclosed RIPA Exercise Notice on the line below.

Confirmation of Receipt

[Host Jurisdiction]

By: _____

Name:

Title:

Date:

APPENDIX H

Form of Purchase Right Exercise Notice

To: [Host Jurisdiction]
[●]

From: Emergent Forest Finance Accelerator, Inc.
[●]

Date: []

Re: [Host Jurisdiction] Emissions Reductions Purchase Agreement – Purchase Right Exercise Notice

Dear Sirs and Madams:

We are delivering this notice to you pursuant to the terms and conditions of that certain Emissions Reductions Purchase Agreement (the *Agreement*) dated as of [_____]. All capitalized terms used herein and not otherwise defined have the meanings set forth in the Agreement.

Per the terms of the Agreement, please accept this Exercise Notice as confirmation of our intent to elect to exercise our Purchase Right per the terms set forth below.

In the event of any inconsistency between the Agreement and this Exercise Notice, this Exercise Notice will govern. Please sign this Exercise Notice where indicated below and return it to us as soon as reasonably practicable, and no later than fifteen (15) Business Days of your receipt hereof.

The covenants, representations and warranties made by the Parties pursuant to the Agreement are hereby incorporated into this Exercise Notice and deemed repeated on the Exercise Date.

The terms of this particular Exercise will be as follows:

Purchase Right (<i>select the applicable</i> []A []B []C []D <i>Purchase Rights being exercised</i>)	
Exercise Date:	[●]
Quantity of Additional Contract ERs	[●]
Vintage Year(s):	[●]
Unit Price:	[●]

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Delivery Schedule	VY	Delivery Deadline	Pathway(s)	Annual Quantity	Contract ERs for High-Volume Purchasers
	[■]	[■]	[■]	[■]	[■]
	[■]	[■]	[■]	[■]	[■]
	[■]	[■]	[■]	[■]	[■]
Additional Provisions (if applicable): [●]					

Sincerely,

Emergent Forest Finance Accelerator, Inc.

By: _____

Name:

Title:

Please indicate your acknowledgement and confirmation of the enclosed Exercise Notice on the line below.

Confirmation of Receipt

[Host Jurisdiction]

By: _____

Name:

Title:

Date:

Execution Version

APPENDIX I
INITIAL LETTER OF APPROVAL

[See attached.]

APPENDIX J**ADVANCE PAYMENTS**

Buyer will advance the payment of part of the Purchase Price (“**Advanced Payment**”) in accordance with the terms and conditions specified under Appendix J of this Agreement.

(1) **Advance Payments Requirements.** Buyer will make advance payments to Seller through the Financial Intermediary in the case of the first payment specified under Section (2)(A) below and directly to the Registry in the case of the second payment specified under Section (2)(A) prior to the Delivery of Contract ERs (“**Advance Payments**”), as described below in this Appendix J, only if the following conditions have been met to the reasonable satisfaction of Buyer:

- A. Seller has provided the Initial Letter of Approval;
- B. Seller has provided a list of activities to be funded with the Advanced Payments; and
- C. The Funding Agreement has been signed.

(2) **Timing of Advance Payment.** If the conditions in Section 1 to this Appendix J have been met, Buyer will make two Advance Payments to Seller as described below.

- A. Buyer will make a first Advance Payment of USD 1,816,590 within thirty (30) days of signing of the Financial Intermediary Agreement. This first Advanced Payment will be paid through and managed by the Financial Intermediary.
- B. Buyer will make a second Advance Payment of up to USD 683,410 within thirty (30) days of Seller providing an invoice directed to Seller and issued by the Registry for the first Issuance of 2023 vintage Contract ERs Buyer is purchasing under this Agreement. The final amount of the second Advanced Payment will depend on the final volume of Contract ERs of the 2023 vintage year purchased by Buyer and will be equal to the Contract ERs of the 2023 vintage multiplied by the issuance fee as imposed by the Registry.
- C. If Seller does not wish to receive any portion of the Advance Payments set out above, Seller will notify Buyer in writing thirty (30) days before such Advanced Payment is due.

(3) **Advanced Payment Approved Purposes.** Seller will use the Advance Payment for costs and expenses, which would otherwise be borne by Seller under Section 10.1 of this Agreement, as follows (the “**Advanced Payment Approved Purposes**”):

- A. Seller will use the first Advanced Payment disbursed under 2(A) of this Appendix J for activities related to the goals and guidelines set out by the State Policy on Climate Change and the rules of the Program, which will follow the appropriate stakeholder consultation and, in any case, consistent with the Approved Uses.

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Before Buyer makes the first Advanced Payment, Seller will provide a list of activities to be funded with the Advanced Payments for Buyer's review and approval, which will not be unreasonably withheld.

- B. Seller will use the Advanced Payment disbursed under 2(B) of this Appendix J for the Issuance fees charged by the Registry on the Issuance of the 2023 vintage Contract ERs Buyer is purchasing under this Agreement.

(4) Reimbursement of Advanced Payments.

- A. Until such time as the Advance Payments are fully compensated by Seller to Buyer, Buyer will deduct an amount equal to 15% of each payment for Contract ERs due to Seller under Section 3.3 of this Agreement, which deduction will be used to compensate the Advance Payment on a dollar-for-dollar basis until such time as the Advance Payments are fully reimbursed by Seller.
- B. In the event of a Material Breach or other Event of Default by or on the part of Seller, including the use of Advanced Payments in a manner that is not consistent with the Advanced Payment Approved Purposes, Buyer may demand by written notice that Seller returns to Buyer any and all Advance Payments, which reimbursement will be made from Seller to Buyer within sixty (60) days of such notice.
- C. If the Agreement is terminated for any reason other than a Seller material breach or other Event of Default by or on the part of Seller, such as termination for those occurrences subject to Non-Default Remedies under Section 9.4 of this Agreement, Seller will not be required to reimburse any unused Advance Payments.

(5) Generation Shortfall and Seller's Continuing Duty to Deliver ERs. If a Generation Shortfall occurs, Seller will not be required to re-pay Advanced Payments amounts that were not repaid under Section 4(A) of this Appendix J due to the Generation Shortfall; provided that Buyer's RIPA under section 3.2 of this Agreement will apply, with Section 4(A) of this Appendix J applying to all Contract ERs and Additional ERs that Seller Delivers. Notwithstanding the foregoing and consistent with Section 3.2 of this Agreement, Seller's breach of any covenant giving rise to a Failure to Generate will nevertheless be an Event of Default to the extent required by the terms of this Agreement and will not excuse any other obligations of Seller under this Agreement including Seller repaying Advance Payments under Section 4(B) of this Appendix J.

(6) Repayment in the event of Unused Advanced Payments. If the full amount of an Advanced Payment is not needed for the Advanced Payment Approved Purposes, any amount not required for the Advanced Payment Approved Purposes will be repaid by Buyer to Seller within sixty (60) days following the earlier of: (A) termination of this Agreement, or (B) the approval by the Program of the last validation and verification report required for Delivery of the Contract ERs. If the full amount of a first Advanced Payment made under section 3(A) of this Appendix J is not needed for the designated Advanced Payment Approved Purposes for this first Advance Payment, Seller will use those funds as indicated for the second Advanced

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Payment and Buyer may deduct a corresponding amount from the second Advanced Payment.

- (7) **Survival of Repayment Obligation.** Seller's obligation to repay Advanced Payments, to the extent such obligations arise under Section 4(B) and Section 6 of this Appendix J, will survive termination of the Agreement.

APPENDIX K

TABLE OF UNITED STATES, STATE OF PARÁ NATIONAL AND STATE HOLIDAYS

United States		Brazil and Pará	
Holiday	Date	Holiday	Date
New Year's Day	January 1	Ano Novo / Confraternização Universal	January 1
Martin Luther King's Birthday	<i>Mobile</i>		
		Carnaval	<i>Mobile</i>
Washington's Birthday	<i>Mobile</i>		
		Quarta-Feira de Cinzas	<i>Mobile</i>
		Sexta-Feira Santa	<i>Mobile</i>
		Tiradentes	April 21
		Dia do Trabalho	May 1
Memorial Day	<i>Mobile</i>		
		Corpus Christi	<i>Mobile</i>
Juneteenth National Independence Day	June 19		
Independence Day	July 4		
Labor Day	<i>Mobile</i>	Adesão do Grão-Pará à Independência do Brasil	August 15
		Adesão do Grão Pará à Independência do Brasil	August 15
		Independência do Brasil	September 7
Columbus Day	<i>Mobile</i>		
		Nossa Senhora Aparecida	October 12
		Dia do Servidor Público	October 28
		Dia de Finados	November 2
Veterans' Day	November 11		
		Proclamação da República	November 15
		National Day of Zumbi and Black Consciousness	November 20
Thanksgiving Day	<i>Mobile</i>		
		Nossa Senhora da Conceição	December 8
Christmas Day	December 25	Natal	December 25

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APPENDIX L

FORM OF RIGHT OF FIRST REFUSAL EXERCISE NOTICE

To: [Host Jurisdiction]
 [●]

From: Emergent Forest Finance Accelerator, Inc.
 [●]

Date: [●]

Re: [Host Jurisdiction] Emissions Reductions Purchase Agreement – Right of First Refusal Exercise Notice

Dear Sirs and Madams:

We are delivering this notice to you pursuant to the terms and conditions of that certain Emissions Reductions Purchase Agreement (the “*Agreement*”) dated as of [_____]. All capitalized terms used herein and not otherwise defined have the meanings set forth in the Agreement.

Per the terms of the Agreement, please accept this Exercise Notice as confirmation of our intent to elect to exercise our Right of First Refusal per the terms set forth below.

In the event of any inconsistency between the Agreement and this Exercise Notice, this Exercise Notice will govern. Please sign this Exercise Notice where indicated below and return it to us as soon as reasonably practicable, and no later than fifteen (15) Business Days of your receipt hereof.

The covenants, representations and warranties made by the Parties pursuant to the Agreement are hereby incorporated into this Exercise Notice and deemed repeated on the Exercise Date.

The terms of this particular Exercise will be as follows:

Exercise Date:		[●]			
Right of First Refusal ERs Quantity:		[●]			
Vintage Year(s):		[●]			
Unit Price:		[●]			
Delivery Schedule	VY	Delivery Deadline	Pathway(s)	Annual Quantity	Contract ERs for High-Volume Purchasers
	[■]	[■]	[■]	[■]	[■]

Execution Version

	[<input type="checkbox"/>]	[<input type="checkbox"/>]	[<input type="checkbox"/>]	[<input type="checkbox"/>]	[<input type="checkbox"/>]
	[<input type="checkbox"/>]	[<input type="checkbox"/>]	[<input type="checkbox"/>]	[<input type="checkbox"/>]	[<input type="checkbox"/>]
Additional Provisions (if applicable):	[<input type="checkbox"/>]				

Sincerely,

Emergent Forest Finance Accelerator, Inc.

By: _____

Name:

Title:

Please indicate your acknowledgement and confirmation of the enclosed Exercise Notice on the line below.

Confirmation of Receipt

[Host Jurisdiction]

By: _____

Name:

Title:

Date: