

ANNEX 03

Environmental Project Development and Certificate Purchase Option Agreement

This Agreement is made on [DATE] ("**Effective Date**") between:

[SP ENTITY NAME], a company organised and existing under the laws of [COUNTRY], with its registered office at [ADDRESS], incorporated under number [NUMBER] ("**South Pole**"),

and

[PROJECT PARTNER NAME], a company organised and existing under the laws of [COUNTRY], with its registered office at [ADDRESS], incorporated under number [NUMBER] (the "**Project Partner**"),

together, the "**Parties**" and individually referred to as the "**Party**".

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Preamble

WHEREAS South Pole is a private company which develops and finances projects around the world that reduce carbon emissions, protect biodiversity, and bring real benefits for local communities.

The Project Partner is [ACTIVITY OF THE PROJECT PARTNER TO BE DESCRIBED].
South Pole and Project Partner have agreed to engage in the development of a Project in order to generate Certificates.

The Parties have decided to enter into this Environmental Project Development and Certificate Purchase Option Agreement ("**Agreement**") in order to define (i) the role and responsibilities between the Parties for the development of the Project and the generation of Certificates; (ii) the call option and exclusivity rights granted to South Pole in relation to the Certificates; (iii) the purchase and Delivery of the Certificates and the subsequent payment(s) by South Pole to the Project Partner in consideration for Certificates.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Part 1 - Specific terms and conditions

A. <u>Project Name and Project Description:</u>	
TYPE IN NAME TYPE IN REGISTRY NUMBER, TECHNOLOGY TYPE IN EXACT LOCATION OF PROJECT, INCL. COORDINATES	
B. <u>Standard</u>	
XXXX Should international rules change and new mechanism(s) be established with the objective of generating or issuing greenhouse gas emissions reductions (New Mechanism) that could be subject to commercial transactions, or should South Pole identify different standards that could apply to the Project, the Parties agree that the rights applicable to Certificates under this Agreement shall apply mutatis mutandis to said New Mechanisms or to certificates generated under said new standards. The above shall not be interpreted as entailing an increase in the expected Certificate Reselling Price.	
C. <u>South Pole's Share</u>	
means the share kept by South Pole and shall be equal to the Certificate Reselling Price times xx% (OR) means the share kept by South Pole and shall be equal to the Certificate Reselling Price times 100% for the first xx Contracted Certificates Delivered each year and xx% for any Contracted Certificates Delivered thereafter.	
D. <u>Third-Party Fees</u>	
Shall be borne by the Project Partner, including taxes, fees, costs or other expenses in connection with the registration of Certificates that South Pole has informed the Project Partner that it will not purchase, shall be covered by Project Partner.	
E. <u>Communications</u>	
a. <u>For the performance of the Agreement</u>	
South Pole: NAME OF THE PM Portfolio Manager SOUTH POLE ENTITY. OFFICE ADDRESS CITY Tel: +CELL PHONE NUMBER Email: EMAIL	Project Partner: NAME OF THE COMPANY REPRESENTATIVE TITLE OR ROLE NAME OF THE COMPANY ADDRESS CITY COUNTRY Tel: +MOBILE NUMBER Mobile: +CELL PHONE NUMBER Email: EMAIL
b. <u>For the legal notice</u>	

South Pole: Legal Department SOUTH POLE ENTITY. OFFICE ADDRESS CITY COUNTRY Email: legal@southpole.com	Project Partner: NAME OF THE COMPANY REPRESENTATIVE TITLE OR ROLE NAME OF THE COMPANY ADDRESS CITY COUNTRY Email: EMAIL
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F. Project Schedule

Vintage	Expected Verification date	Expected Certificates (tCO ₂ e)*
2026	[TYPE IN DATE]	[NUMBER]
2027	[TYPE IN DATE]	[NUMBER]
2028 and all further years in which the Project generates Certificates until the expiration of the Term.	[TYPE IN DATE]	[NUMBER]

* All quantities are expressed in metric tons of Carbon Dioxide Equivalent.

G. Term

The term of this Agreement will commence upon the Effective Date and will remain in force for [NUMBER OF YEARS] years, unless terminated earlier in accordance with the terms of this Agreement.

H. Exclusivity Period

From the Effective Date and during TYPE IN THE NUMBER OF MONTHS/YEARS months/years from completion of the Verification of the relating Certificates.

I. Payment Due Date

South Pole shall pay Project Partner for Delivered Certificates within sixty (60) days from the latest of:

- Delivery of Contracted Certificates,
- Receipt of an invoice containing all necessary details from the Project Partner.

J. Payment instructions

All payments shall be made in Euro.

Project Partner's nominated bank account details:

Bank:	
Address:	
A/C Name:	
A/C Number:	
SWIFT Code:	
IBAN:	
BIC:	

OR

The bank account to which the Certificate Price shall be paid will be nominated by the Project Partner in writing, at least thirty (30) days after Delivery of any Certificates.

K. KYC and Project specificities

The Project Partner shall cooperate in good faith to complete all required know-your-customer (KYC) and sanctions screening procedures to South Pole's satisfaction. If the KYC process has not been completed at the time of signing this Agreement, the Project Partner shall promptly provide all information and documentation reasonably requested by South Pole to complete KYC following execution.

[The above clause is mandatory and must be retained. Delete the wording below if no further condition or requirement is applicable to the project]

Condition precedent / specific requirement or authorisation to be obtained / mandatory first steps to be taken ...

Example of clauses:

K.1. This Agreement is subject to the completion of final Due Diligence of the Project and acceptance, on a discretionary basis, of Due Diligence report by South Pole.

For the implementation of the foregoing, "Due Diligence" shall be defined as the verification by South Pole, before the Project starts and after Agreement is executed, that the Project will be likely to be successful and meet the Standard criteria. This verification includes, inter alia, verification that, at the Effective Date, the Project Partner is abiding by its representations and warranties as per Part 3 of the Agreement and of the Project's environmental benefit. Subject to Project Partner's providing all required information and full cooperation, South Pole shall do its best commercial efforts in order to perform the Due Diligence within three (3) months following the Effective Date.

South Pole shall notify to Project Partner whether the Due Diligence was satisfactory or not. In case the Due Diligence process was not completed to South Pole's satisfaction, said notification shall result on automatic and by right termination of this Agreement, which termination shall not give ground to remedy to either Party, which the Project Partner understands and accepts.

K.2. The Project Partner grants South Pole a right of first offer and last refusal on future projects that are or shall be identified by the Project Partner in which Project Partner contemplates to participate, whether directly or indirectly, and which concern xxxxxxxxxxxxxxxxxxxxxxxxx (hereafter "**Parent Projects**"), to be exercised as follows: if the Project Partner identifies a Parent Project designed either by it or proposed to it by a third party, Project Partner shall (i) inform potential partners of South Pole's right of first offer and last refusal and (ii) provide South Pole with all relevant information pertaining to said project so that South Pole may take a decision on being involved in said Parent Project or not; South Pole shall inform of its offer within one (1) month from receipt of all information pertaining to the Parent Project, and the Parties shall negotiate in good faith an agreement based upon this Agreement; should they fail to enter into said agreement within one (1) month after South Pole's offer or should South Pole fail to provide its offer within the one (1) month period above, South Pole shall be deemed to have renounced to its first option right and Project Partner shall be free to proceed with the concerned Parent Project; Notwithstanding the foregoing, should the Project Partner, after the implementation of clause b) above, elect to enter into an agreement with a third party pertaining to the concerned Parent Project, terms and conditions agreed upon with said third party shall not be less favorable to Project Partner than the terms and conditions offered by South Pole. For the implementation of the foregoing, Project Partner shall, before closing its agreement with said third party, communicate its main terms and agreements to South Pole who will be entitled to accept said terms within a one (1) month period, and in this case the Parties shall enter into an agreement based upon this Agreement and including said terms. The above right of first option and last refusal shall be in force for the duration of the Agreement and shall concern every Parent Project as defined above.

Part 2 - Interpretation and Definitions

In this Agreement, unless otherwise mentioned or required by the context, all capitalised terms shall have the meaning set forth in the definitions below.

Affiliate:	means any entity that now or in the future, directly or indirectly Controls, is Controlled with or by or is under common Control of a Party.
Auditor:	means an independent entity being inter alia responsible for determining whether a project and the resulting Certificates meet the requirements as set out in the Standard Rules. This definition also includes, inter alia, the Designated Operational Entity (DOE), the Validation and Verification Body(ies) (VVBs), Standard(s) internal Validation and/or Verification as well as similar external audit / inspection / check / review related exercises required for generating any Certificates and/or other Co-benefit Certificates.
Baseline:	means the scenario that reasonably represents the anthropogenic emissions of GHG that would have occurred in the absence of the Project.
Call Option:	means South Pole's right but not the obligation to buy the Certificates from the Project Partner under the terms and conditions of this Agreement.
Certificate:	means a certificate generated by the Project Issued by a Standard, confirming that an emission reduction has occurred, equal to one Carbon Dioxide Equivalent. For the purposes of this definition, a Carbon Dioxide Equivalent is a metric measure used to compare the effects from emissions of various GHG based on their global warming potential.
Certificate Price:	means the price payable per Certificate Delivered and which shall be equal to the Certificate Reselling Price minus South Pole's Share.
Certificate Reselling Price:	means the price paid to South Pole by Final Buyer per Certificate Delivered, net of, inter alia, brokerage fees or Third-Party Fees, if applicable.
Co-benefit Certificates:	means all certificates and recognition relating to co-benefits, ancillary benefits, side benefits, secondary benefits, collateral benefits and associated benefits relating to social, environmental and developmental aspects of the Project over and above GHG mitigation. These cover, inter alia, wherever applicable: (i) sustainable development benefits in the domains of social wellbeing, economic well being, etc. and (ii) environmental certificates, such as, emissions allowances, carbon offsets, Carbon Credits, green credentials, Renewable Energy Certificates (RECs), water saving certificates, biodiversity certificates, energy savings certificates, energy efficiency credits, etc.
Confidential Information	means information, materials and data of a Party or its Affiliates, in whatever format and on whatever medium: (i) which is designated by a Party as being confidential; or (ii) which is by its nature confidential; or (iii) which the other Party knows or ought to know is confidential, having exercised reasonable business judgement. Without limiting the foregoing Confidential Information includes all financial information, knowhow, trade secrets and other commercially valuable information of a Party.

Contracted Certificates:	means any Certificate that South Pole has elected to purchase by exercising its Call Option according to Clause 3.1 of Part 3.
Control	means having fifty percent (50%) or more ownership interest in said entity, or the power to direct the management of such entity.
Delivered Certificate(s)	Means any Certificate(s) for which Delivery has taken place.
Delivery:	Pursuant to South Pole's decision, means the transfer of the Contracted Certificates into South Pole's Registry Account or the Registry Account of a third party, or the permanent retirement of Contracted Certificates on behalf of a third party. South Pole shall have the right to request delivery on behalf of the Project Partner.
Delivery Account:	means account(s) nominated by South Pole capable of receiving transfers of Certificates
Delivery Date:	means the due date for the Delivery of Certificates as requested by South Pole.
Expected Certificates:	means the annual quantity of Certificates projected to be generated by the Project and envisaged to be Delivered by the Project Partner to South Pole if it exercises its Call Option.
Final Buyer:	means a credible entity, which buys the Certificates from the Project and pays a Certificate Reselling Price.
Force Majeure:	means any circumstance or condition beyond the reasonable control of either Party to the Agreement, including without limitation, strikes, lockouts, riot, invasion, war, civil commotion, malicious damage or any overriding emergency procedures, accident, fire, explosion, terrorism, sabotage, flood and storm, earthquake, subsidence, other natural disaster or equivalent circumstances. For the avoidance of doubt, events occurring upon the disobedience of mandatory operational safety regulations or internal technical problems of a Party to the Agreement or equivalent circumstances do not qualify as circumstances or conditions of Force Majeure.
Greenhouse Gases (GHG):	means the six gases that cause global warming listed in Annex A to the Kyoto Protocol, which was adopted at the third conference of the parties to the UNFCCC in Kyoto, Japan, on December 11, 1997.
Host Country:	means the country where the Project is located
Issued (or, Issuance):	means the issuance, i.e., official allotment or award of a Certificate to the Project by the appropriate entity as stipulated in the Certificates Rules.
Monitoring Report:	means a periodic report setting out the total number of Certificates generated by the Project during a specific period of time according to the Standard Rules, international Monitoring rules, the PDD, as well as all applicable laws, regulations, directions and other legal requirements.
Monitoring:	means the collection and record of data allowing the assessment of reductions in GHG emissions resulting from the Project conducted in accordance with the Standard Rules and the Monitoring Plan specified in the PDD.
Monitoring Plan:	means practices, procedures and plans to conduct efficient, effective and successful Monitoring exercise as

	per international best practices and all applicable laws, regulations, directions and other legal requirements.
Project:	means the project described in the PDD and summarised in Clause A of Part 1 of this Agreement.
Project Design Document (PDD):	means a detailed description and projection of the Project (including the technical specifications and the Monitoring Plan) to be submitted for Validation and Registration prepared in accordance with the Standard Rules. This definition also includes other similar or connected Standard procedural documents; inter alia Project Description (PD), Project Passport (PP), as well as supporting documents and annexures like Certificate calculation spreadsheet, financial analysis spreadsheet, etc.
Registration:	means the official approval and the inclusion of the Project in the Standard registry.
Registry Account	The registry of Certificates which includes records of the full lifecycle of ownership and use of Certificates.
Share of Proceeds:	If applicable, means any Certificates payable or to be assigned to the Standard or any other institution in accordance with the Standard Rules or any applicable regulation, that may have to be deducted from the total amount of Certificates generated by the Project.
South Pole's Share	Means the portion of the Certificate Reselling Price kept by South Pole.
Step-In Notice	means a written notice issued in accordance with Clause 2.6 describing the step-in event and the requirements and timelines for remediation.
Standard Rules:	means the rules as set out by the Standard, and any relevant decisions, guidelines, modalities and procedures made pursuant to them and/or supplemented from time to time and which include those rules specifically required to be met for the Issuing and transfer of Certificates.
Standard:	means an entity or institution that establishes a set of rules, requirements or criteria that a project must fulfil to generate and Issue Certificates.
Third-Party Fees	means third-party fees for Validation, Registration, Verification and Issuance related to the generation of the Certificates, as well as all taxes, fees, costs or other expenses in connection with their transfer to and registration of Certificates, as well as verifiable transaction fees related to the sales of Certificates and fees payable to an exchange.
Validation:	means the assessment and review of the PDD, including the Baseline, by an Auditor, determining its compliance with the Standard Rules. The results of such Validation will be detailed in a Validation report, issued by the Auditor
Verification:	means the periodic independent assessment and review by an Auditor of the ex post determination of the monitored reductions in GHG emissions that the Project has achieved during a specified period of time. The results of such Verification will be detailed in a Verification report, issued by the Auditor.

Unless otherwise specified, the use of a gender includes any gender and use of the plural includes the singular and vice versa where the context requires. Furthermore, any reference to a "Clause" or "Schedule" is a reference to a clause or schedule of this Agreement; and any reference to the words "include" or "including" shall be construed as

meaning "include without limitation" or "including without limitation". All headings used in this Agreement are for convenience only and have no material effect on the interpretation.

Part 3 - General Terms and Conditions

1. Purpose of the Agreement

This Agreement defines the terms and conditions according to which (i) the Parties shall jointly develop the Project, and (ii) the Parties shall arrange the sale of the Certificates.

2. Development of the Project

2.1. Planning of the Project

South Pole shall undertake the following activities for the Project as per the Standard Rules, at its own efforts and costs:

- (a) prepare the Project Design Document (PDD) (which includes the Monitoring Plan);
- (b) provide support during the Validation by the Auditor, including paying the Validation fees to the Auditor;
- (c) facilitate the Registration by the Standard, including paying the Registration fees;
- (d) prepare the Monitoring Report;
- (e) provide support during the Verification to the Auditor, including paying the Verification fees; and
- (f) facilitate the Issuance of Certificates, including paying the Issuance fees.

2.2. Implementation of the Project

The Project Partner shall implement the Project in accordance with the PDD, by establishing and maintaining data measurement and collection systems for all monitoring parameters and indicators at its own risk and expense.

2.3. Validation, Verification and Issuance

2.3.1. Validation of the Project

For the purposes of this Agreement South Pole shall appoint an Auditor and notify Project Partner of the date on which the Auditor will commence the Validation process. Project Partner shall ensure that the Auditor has access to the necessary data records and the Project site so that it is able to complete and issue the corresponding report. South Pole may decide to change the Auditor at any point during development of the Project.

2.3.2. Verification and Issuance of Certificates

South Pole in cooperation with the Project Partner shall, from time to time, appoint an Auditor and notify the Project Partner of the indicative dates on which the Auditor will conduct the periodic Verifications. South Pole may decide to change the Auditor at any point during development of the Project.

2.4. Monitoring Plan

The Project Partner shall:

- (a) fully implement the Monitoring Plan and any amendment introduced to it by South Pole as required to generate the Certificates;
- (b) install, operate and maintain the facilities and equipment, and employ and train staff, necessary for gathering all such data as may be required by the Monitoring Plan;
- (c) establish and maintain data measurement and collection systems for all monitoring parameters and indicators listed in the Monitoring Plan;
- (d) observe, implement and meet all other requirements contained in the Monitoring Plan, in particular those pertaining to environmental and social performance and operational management systems; and
- (e) ensure the Project is maintained and prepared to allow for any Verification as required by the Monitoring Plan.

2.5. Delays

The Project Partner shall communicate to South Pole any events that may affect development and/or implementation of the Project. Furthermore, if Project Partner has reason to believe that it may not or no longer be able to fulfil any or all of its obligations under the Agreement, it shall immediately notify South Pole including a report to South Pole describing the relevant circumstances preventing it from fulfilling its obligations and the

expected consequences and the actions that the Project Partner has performed or will perform to mitigate or solve such circumstances.

2.6. *Step-in rights*

2.6.1. In the event that Project Partner fails to perform any of its obligations under this Agreement within the period specified or, if no period is specified, within a reasonable time or an Event of Default is occurring in respect of the Project Partner, South Pole may provide the Project Partner with a Step-In Notice. If Project Partner fails to comply with the requirements of the Step-In Notice, then South Pole or South Pole's Affiliates may step-in and manage the performance of and/or perform the Project Partner's obligations itself, or appoint a third party to do so.

2.6.2. In the event South Pole is entitled to and exercises its step-in rights, Project Partner shall promptly provide South Pole with access to all Project Partner's assets, systems, documentation, equipment, intellectual property and facilities used in its performance of the Agreement.

2.6.3. South Pole's reasonable costs in performing or procuring a third party to perform Project Partner's obligations under the Agreement subject to the step-in right shall be recoverable from the Project Partner.

2.6.4. For the avoidance of doubt, the exercise of South Pole of these set-in rights shall be without prejudice to South Pole's rights to claim damages and/or exercise any other right or remedy available to South Pole.

2.6.5. If the Project Partner has demonstrated, to South Pole's satisfaction, that it will be able to resume the satisfactory performance of its obligations under the Agreement, South Pole may allow the Project Partner to resume performance of the relevant obligations.

2.7. *Marketing*

2.7.1. The Project Partner shall cooperate and support South Pole in marketing as required from time to time by providing the necessary information, documents, logos as well as photographs of the Project site, neighbouring areas and the region in general ("Marketing Materials"). The Project Partner grants to South Pole an exclusive, fully paid-up, sub-licensable, unlimited to time and space, transferable license to use, reproduce, represent, adapt and translate the Marketing Materials, for all internal or external purposes, in particular for advertising, marketing and communication purposes, whether internally or externally, in any format and on any media, throughout the world.

2.7.2. In the event that the Project Partner provides South Pole with Marketing Materials, the Project Partner warrants that the receipt, use and onward supply of the Marketing Materials by South Pole and its permitted sub-licensees shall not infringe the rights, including any intellectual property rights, of any third party.

2.7.3. Assuming the consent of the relevant third party(ies), South Pole shall have the right to visit and inspect the Project's site, with the intention of developing any Marketing Materials, accompanied by the Project Partner, on the basis that each Party will be responsible for their own costs.

2.8. *South Pole's obligations*

South Pole shall:

- (a) provide support during the Validation by the Auditor, including paying the Validation fees to the Auditor (pursuant to Clause D of Part 1);
- (b) facilitate the Registration by the Standard, including paying the Registration fees (pursuant to Clause D of Part 1);
- (c) prepare the Monitoring Report;
- (d) provide support during the Verification to the Auditor, including paying the Verification fees (pursuant to Clause D of Part 1);
- (e) provide support with responding queries raised by the Auditor and Standard.
- (f) facilitate the Issuance of Certificates, including paying the Issuance fees.

2.9. *Project Partner obligations*

Project Partner shall:

- (a) satisfy all obligations in respect of permissions, licences, waivers, consents, registrations, approvals and other authorisations of competent authorities required or useful for the implementation of the Project and to acquire and maintain all other rights necessary to implement and operate the Project and to comply with all applicable laws, regulations, directions and other legal requirements;
- (b) implement and operate the Project with the necessary due diligence, efficiency and best efforts and in accordance with sound practice. It shall employ or subcontract or enter into project partnerships only with such persons / parties that equally fulfil the aforementioned diligence criteria;
- (c) keep and maintain such records on the Project as may be necessary or useful for Monitoring, the validity of the Certificates and the verification of compliance with its obligations under this Agreement.

- (d) bear and pay all taxes, fees, costs, contributions, levies and other payments or charges including any taxes due under the laws of the Host Country, during the development and generation of Certificates, as well as other applicable project-specific costs, like equipment testing, local surveys, metre calibration, etc.;
- (e) ensure that the Auditor has access to the necessary data, information, records and the Project site so that it is able to complete the Validation and/or Verification; this includes granting South Pole and/or its authorised representatives and/or the Auditor access to any property where any part of the Project is being performed and arrange meetings with personnel currently engaged in the Project and its associated activities.;
- (f) procure and provide all documents and information that may be required from time to time by the Auditor and/or the Standard, including but not restricted to all monitored and local / national / regional data, supporting evidences, execution of deeds, signature of forms, etc.;
- (g) install, operate and maintain the facilities and equipment, and employ and train staff, necessary for gathering all such data as may be required by the Monitoring Plan.

2.10 Information and auditing

For the purpose of implementing the foregoing, each Party undertakes to inform the other on its tasks pertaining to the Project, and to answer the other Party's request for additional information or updates as promptly as commercially feasible.

South Pole shall be entitled to access the Project site, installations, documents and staff at anytime, upon reasonable notice to Project Partner, in order to provide information on the PDD and Monitoring Plan implementation or on the Validation and Verification procedure, and to obtain information on the Project's implementation from Project Partner, which Project Partner fully understands and accepts.

3. Call Option and Exclusivity Rights

3.1. *Exclusive Call Option*

In consideration for South Pole's participation in the Project development, it shall have an exclusive Call Option to purchase all or part of the Certificates from the Project at the Certificate Price. South Pole shall exercise its Call Option right at any time after the Verification and during the Exclusivity Period, by notifying it in writing, indicating the number of Certificates, the Delivery Date and the process for Delivery. Not exercising the Call Option for certain Certificates does not constitute a waiver of such right for other Certificates.

In selling the Delivered Certificates to Final Buyer, South Pole undertakes to act in the Parties' best interest and to apply its sound business judgement in order to secure timely sale and best possible Certificate Reselling Price, all things considered.

3.2. *Communication Rights*

For the purposes of this Agreement, the Project Partner grants South Pole with the exclusive right to represent the Project, undertaking communications with the Standard and delivering the Certificates. Any changes regarding the representation of the Project with any Standard shall be mutually agreed by the Parties.

3.3. *Exclusivity*

In addition to the Call Option set forth in Clause 3.1, the Project Partner agrees not to offer and/or sell any Certificates of the Project and Co-benefit Certificates to any third party, or enable said third party to invest in or take stakes in the Project, unless South Pole provides a prior consent for the same in writing.

3.4. *Additional certificates - Co-benefit Certificates*

If in the reasonable opinion of the Parties, it becomes possible to have the Project generate other certificates and/or Co-benefit Certificates instead of or in addition to the Certificates, then, except as otherwise provided, all contractual rights and obligations of the Project Partner and South Pole as stated in this Agreement shall apply, mutatis mutandis, to any such certificate and/or Co-benefit Certificate, too.

4. Delivery

At any time after South Pole has exercised its Call-Option rights in accordance with Clause 3.1, South Pole (or, if requested by South Pole, the Project Partner) shall request the Registry to undertake the Delivery process for the Contracted Certificates.

Project Partner shall promptly carry out all tasks and provide all authorisations, as required, in order to support the Delivery of the Contracted Certificates.

At the date of Delivery, full title, unencumbered rights and interests in the Contracted Certificates shall transfer from Project Partner to South Pole including all Co-benefit Certificates.

Contracted Certificates shall be Delivered net of any Share of Proceeds and/or other deductions as per the Standard Rules.

5. Payment

- 5.1. South Pole shall pay to Project Partner the Certificate Price for each Contracted Certificate Delivered in accordance with Clause 4 within the Payment Due Date.
- 5.2. All payments shall be made to the accounts specified in Part 1 hereto or such other account of the Project Partner as may from time to time be notified to the other Party in writing.
- 5.3. South Pole may, at any time, set off any liability of the Project Partner to South Pole against any liability of South Pole to the Project Partner, under the condition that Project Partner's liability is present, liquidated and certain. Any exercise by South Pole of its rights under this clause shall not limit or affect any other rights or remedies available to it under this Agreement or otherwise.

6. Representations and Warranties

6.1. Each Party represents and warrants that on the date of this Agreement:

- (a) it is a company, duly organised and validly existing under the laws of the country of its incorporation; it has the power to own its assets and carry on its business as being conducted; and that it has the right, power and authority, and has taken all actions necessary and has obtained all authorisations required or desirable, to enter into and perform its obligations under this Agreement;
- (b) the obligations expressed to be assumed under this Agreement are legal, valid and binding obligations enforceable in accordance with their terms, and the entry into force and performance of this Agreement will not cause it to be in breach of (i) any law or regulation applicable to it, (ii) its constitutional documents or (iii) to the extent it could reasonably be expected to have a material adverse effect on the performance of its obligations under the Agreement, any obligations to a third party and it shall not enter into any such other agreement or accept any obligation inconsistent or incompatible with its obligations under the Agreement;
- (c) it is not insolvent, over-indebted or wound up, its affairs are not administered by the court, it has not entered into an arrangement with creditors, it has not suspended business activities or is in any analogous situation arising from a similar procedure under the laws and regulations applying to it and no insolvency proceeding or similar proceedings have been opened against it or its assets;
- (d) all material information provided to the other Party is true, correct and complete and may be relied upon by the other Party.
- (e) that any director, officer or employee of any Party shall not take any action that would result in a violation of the U.S. Foreign Corrupt Practices Act, UK Bribery Act of 2010, or any applicable anti-bribery laws, in furtherance of its performance under the Agreement.

6.2 In addition, Project Partner represents and warrants to South Pole that on the date of this Agreement and on the date on any future Deliveries, that:

- (a) it has obtained, or will obtain in good time so that a Party can fulfil obligations under this Agreement at any time, all permissions, licences, waivers, consents, registrations, approvals and other authorisations of competent authorities and has complied in all material respects with all applicable laws, regulations and other requirements applicable to it or required to implement the Project;
- (b) it has fulfilled its obligations relating to the payment of social security contributions in accordance with the legal provisions of the law of the Host Country and its obligations relating to the payment of taxes in accordance with the legal provisions of the Host Country;
- (c) it holds full title to the Certificates and/or Co-benefit Certificates that are generated by the Project and it has all rights needed to transfer and Deliver the same pursuant to Clause 4 above;
- (d) it has not sold, transferred, assigned, licensed, disposed of, granted or otherwise created any interest or encumbrances in the Certificates and Co-benefit Certificates to any third party and it shall not do so during the Exclusivity Period;
- (e) it will comply with South Pole Third Party Code of Conduct, as amended from time to time (available here: <https://www.southpole.com/third-party-code-of-conduct>), in all material respects;
- (f) it will comply with all applicable laws, statutes and regulations, including, inter alia, labour laws, environmental laws, tax laws, humans rights land tenure rights, from time to time in force in the Host Country and in any other jurisdictions in which the Project Partner is located or where it conducts its business, either directly or by means of agents, Affiliates, or any kind of representatives;
- (g) no litigation, arbitration or administrative proceeding, to a Party's best knowledge, threatened against or affecting a Party which is reasonably likely to have a material adverse effect on the ability of a Party to meet its obligations under the Agreement;

(h) it has not been convicted of an offence concerning its business conduct by a final judgement and it has not become guilty of grave business misconduct;

(i) it has subscribed and will maintain an insurance policy, and will provide justification upon request, with an insurer with sufficient financial means, sufficient to cover damages arising directly or indirectly from the Agreement or the Project implementation, and against such losses and risks and in such amounts as are prudent and customary in the businesses in which the Project Partner is engaged. The Project Partner attests and certifies that it has no reason to believe that it will not be able to subscribe, maintain or renew such an insurance.

7. Audit

7.1. Either Party undertakes to promptly inform the other Party of any event likely to have an impact on said Party's structure, control, ability to perform its obligations under this Agreement, or on the reason that led the other Party to enter into said Agreement. Similarly, either Party undertakes and agrees to answer the other Party's request for information pertaining to said events as promptly as commercially feasible.

7.2. Given the operational nature of the Project Partner's obligations and role as per the Agreement, South Pole shall, in addition to the above and to the rights given to it in Clause 2.10 of Part 3, be entitled to access the Project Partner's headquarters, place or business or premisses, upon reasonable notice, and to access any books, corporate data, partners and employees involved in the Project, or susceptible of providing information pertaining to the performance of the Agreement by Project Partner or the respect of its commitments as per the Agreement, which Project Partner fully understands and accepts.

8. Events of Default and Available Remedies

8.1. Events of Default

The following Events shall be considered Events of Default:

For South Pole:

- (a) the failure to pay for the Delivered Contracted Certificates in accordance with the clauses herein;
- (b) the ability to purchase Contracted Certificates is permanently deprived, by any seizure or intervention by or under authority of any government;

For the Project Partner:

- (a) the failure to implement the Project wholly or substantially, by any seizure or intervention by or under authority of any government,
- (b) the seizure, nationalisation, expropriation or compulsory purchase, in whole or in part, of the business, undertaking or assets of Project Partner by or under the authority of any state or any of its institutions, courts or competent authorities;
- (c) the realisation or further operation of the Project or the generation of Certificates in accordance with the Agreement becomes impracticable or unlikely or the Project is behind the milestones identified in the PDD or the Project is abandoned;
- (d) the sale, transfer, assignment, or any other operation impacting the ownership or disposal of the Certificates in breach of the Agreement;
- (e) the withdrawal of the approval of the Host Country, if required, or application of any domestic / international restrictions for any reason, having an impact on the South Pole's right to purchase and get Certificates Delivered.
- (f) the modification of the project design in a way that is likely to compromise the Certificate project activity, and such modification has not been previously discussed and agreed.

For both Parties:

- (a) any licence, consent, registration or approval (governmental or otherwise) required for the validity, enforceability or legality of this Agreement or the performance thereof is withdrawn or ceases to be in full force and effect;
- (b) a Party is in breach of or fails duly to perform or observe any material provision, representation or warranty (Clause 6) or undertaking of this Agreement;
- (c) change in assets or financial condition of a Party or litigation, arbitration or administrative proceedings (including such proceedings of or before any governmental body) are instituted or threatened against a Party and in the reasonable opinion of the other Party such change or proceedings would have a material adverse effect on the ability of the Party to perform its obligations under this Agreement or any other agreement relating to the Project (as the case may be);
- (d) it is or becomes unlawful for a Party to perform or comply with any or all of its obligations under the Agreement or any of the obligations thereunder are not or cease to be legal, valid and binding.

8.2. Notice and Cure of Events of Default

If an Event of Default occurs in respect of a Party ("**Defaulting Party**"), the other Party ("**Non-Defaulting Party**") may serve a notice on the Defaulting Party ("**Default Notice**") specifying the Event of Default and, if remediable requiring the Defaulting Party to remedy the Event of Default within thirty (30) days of receipt or first presentation of the Default Notice (the "**Cure Period**"). If the Defaulting Party fails to cure the Event of Default within the Cure Period, or if said Event of Default cannot be cured, the Non-Defaulting Party will be entitled to the remedies specified in Clause 8.3.

8.3. Remedies

In the circumstances described in Clause 8.2, the Non-Defaulting Party may terminate this Agreement effective upon receipt of a termination notice to the Defaulting Party, in case the Defaulting Party failed to cure the Event of Default within the Cure Period. If this Agreement is terminated by South Pole, South Pole shall have no obligation to make any further payments.

In case of termination of the Agreement, the obligation of South Pole to pay for any Delivered Contracted Certificates shall survive termination of this Agreement.

9. Force Majeure

Should either Party be impeded wholly or in part from fulfilling any of its obligations under this Agreement for reasons of Force Majeure, such obligation shall be suspended to the extent and for as long as such obligation is affected by Force Majeure.

Either Party shall notify the other Party of the existence and date of beginning of an event of Force Majeure that is likely to impede its performance under the Agreement within seven (7) days after having obtained knowledge of any such event. Either Party shall likewise advise the other Party of the date when such event ended and shall also specify the re-determined time by which the performance of its obligations hereunder is to be completed.

Project Partner and South Pole shall consult with each other with a view of determining any further appropriate action if a condition of Force Majeure is to continue after thirty (30) days from the date of giving notice thereof.

Neither Party shall be liable for damages or have the right to terminate this Agreement for any delay or important reason in performing hereunder if such delay or important reason is caused by Force Majeure; provided, however, that the non-impeded Party shall be entitled to terminate such part of the Agreement that remains unfulfilled, if the condition of Force Majeure is to continue after ninety (90) days from the date of giving notice thereof.

10. Change in Circumstances

If any change in circumstances (such as a change of scientific basics or applicable standards relating to the Baseline methodology, Monitoring methodology, Standard Rules and/or the applicable criteria for Verification and Issuance of the resulting Certificates) substantially affects the obligations set in this Agreement, the Parties shall enter into discussions in order to assess the possibility to adapt the Project and its implementation and/or amend the Project Schedule or any relevant provision of this Agreement.

If, due to any change in circumstances, a modification to the Baseline is required, South Pole and Project Partner shall consult with each other and promptly arrange for such modification and the Project Partner shall supply the information, evidence and documents necessary for the same to South Pole without delay.

11. Indemnification

11.1. Project Partner shall indemnify, defend and hold harmless South Pole, its Affiliates and their respective officers, directors, employees and agents from and against any third party claims, losses, demands, suits, costs and expenses, including, but not limited to, reasonable attorney fees and court costs, resulting from or arising out of (i) a breach of a representation or warranty or failure to perform any covenant or agreement under this Agreement by Project Partner; or (ii) any allegation that Marketing Materials (in-whole or in part) infringe, violate or misappropriate the intellectual property rights of a third party; or (iii) Project Partner's violation of any applicable laws, statutes or regulations.

11.2. South Pole shall notify Project Partner on becoming aware of any claim. If South Pole elects to have Project Partner defend any such claim, South Pole shall (i) permit Project Partner, through counsel reasonably acceptable to South Pole to defend the claim (ii) cooperate with Project Partner in such defence; and (iii) have the right to employ separate counsel in order to monitor or participate in the defence of the claim. Project Partner shall not settle any claim without South Pole's prior written consent.

12. Limitation of Liability

12.1. Other than as expressly provided in this Agreement, in no event will either Party be liable for any other damages arising under this Agreement, including, but not limited to consequential, incidental, punitive, exemplary, or indirect damages in tort, contract, or otherwise.

12.2. South Pole's total aggregate liability for all damages arising out of or related to this Agreement, however caused (including by the negligence of South Pole), suffered by the Project Partner in connection with this Agreement will not exceed the cumulated Certificate Price paid by South Pole during the twelve (12) month's

period immediately preceding the claim. The existence of more than one claim shall not expand this limit. The liability limitation under this Clause 12 will not apply to gross negligence, wilful misconduct or any other liability which by law cannot be limited or excluded.

13. Governing law and disputes

13.1 Governing law

This Agreement shall be governed and construed in accordance with the laws of South Pole's country of incorporation, without regard to its conflict of laws, principles or rules.

13.2 Dispute resolution

All disputes arising out of or in connection with this Agreement shall to the extent possible be settled amicably by negotiation between the Parties within sixty (60) days from the date of written notice by either the Project Partner or South Pole of the existence of such dispute.

13.3 Arbitration

If the Parties do not resolve their dispute within sixty (60) days, then the dispute shall be settled by final and binding arbitration in accordance with the rules set out by the Permanent Court of Arbitration, the number of arbitrators shall be one. The place of arbitration shall be South Pole's country of incorporation, and the language to be used in the proceedings is English.

Nothing in this Clause shall prevent either Party from having recourse to a court of competent jurisdiction: (i) for the purpose of seeking a preliminary injunction or such other provisional judicial relief as it considers necessary to avoid irreparable damage; or (ii) in circumstances where, if such recourse was not had, the Party would be barred from having recourse to a court of competent jurisdiction at a later date due to expiry of a limitation period in respect of the subject matter of the dispute.

14. Miscellaneous

14.1. Assignment

Neither Party shall, without the written consent of the other Party, assign or transfer the Agreement or the benefits or obligations thereof or any part thereof to any other Party. Notwithstanding the foregoing, South Pole may at any time, on written notice to the Project Partner, assign this Agreement and all of its rights and obligations under this Agreement to any Affiliate.

14.2. Subcontracting

Neither Party shall subcontract all or part of its obligations under this Agreement without the other Party's prior written consent. Notwithstanding the foregoing, South Pole may at any time, subcontract any obligations under this Agreement to any Affiliate.

Any use of subcontractors by any of the Parties shall not relieve it from its obligations under this Agreement.

14.3. Waiver

A waiver of any right or remedy under this Agreement or by law is only effective if given in writing and shall not be deemed a waiver of any other right or remedy.

A failure or delay by a Party to exercise any right or remedy provided under this Agreement or by law shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy.

14.4. Confidential Information

Each Party undertakes to keep confidential and not to use or disclose, except as expressly provided for in this Clause 14.4, any Confidential Information of the other Party provided to or obtained by that Party whether prior to or after the Effective Date of this Agreement.

Each Party may disclose the other Party's Confidential Information:

- (i) to its and its Affiliates' employees, officers, representatives, agents, auditors and professional advisors for the purposes of exercising the Party's rights or carrying out its obligations under or in connection with this Agreement; or
- (ii) where disclosure is required by the laws or regulations of any country with jurisdiction over the affairs of it or its Affiliates; or
- (iii) where disclosure is required by any court of competent jurisdiction or any competent, judicial, governmental, supervisory or regulatory body; or

