

Proposal for Negotiations on the Creation of a Carbon Credit Financial Instrument

Offer prepared by Carbonsink based on the [Request for Proposals published by the State Forest Management Centre](#) on the 17 of February 2026

Prepared by

Carbonsink Group Srl

Piazza Giulio Beverini, 4,
19121 La Spezia (SP) - Italy
VAT: 01336740111
REA: SP-120313
www.carbonsink.it
info@carbonsink.it

Duly represented by

Antonio Guiso

Regional Director, Climate Projects
antonio.guiso@carbonsink.it

Date: **18/03/2026**

Contact Person

Michele Rumiz

Senior Regional Manager, Climate Projects Commercial, Europe
+393440418979
michele.rumiz@carbonsink.it

Signature:



Carbon Sink Group S.r.l.
Piazza Beverini, 4
19121 La Spezia (Italy)
P.IVA 01336740111



Contents

1. Description of previous experience in developing carbon credit projects	02
2. Proposal for a suitable standard and methodology	03
3. Scope of Work	05
4. Description of the service by stages	06
A. Stage A - Grouped Project Design (one-off)	06
B. Stage B - Grouped Project Validation (one-off)	08
C. Stage C - Instance project(s) verification cycles (recurrent)	09
D. Stage D - issuance (registration) of verified carbon credits, and credit management (recurrent)	10
E. Stage E - Credit Sales (recurrent)	11
5. Extent of state land under RMK's management covered by the activities	11
6. Estimated timelines (in months)	13
7. Potential risks and mitigation measures	14
8. Proposal for the remuneration model (combined fee)	15
9. Explanatory note on the Annexes	18
<i>ANNEX 01 - South Pole General Terms and Condition</i>	
<i>ANNEX 02 - Statement of Work, template contract</i>	
<i>ANNEX 03 - Emission Reduction Purchase Agreement, template contract</i>	

1. Description of previous experience in developing carbon credit projects, including reference to at least one project

Carbonsink is a subsidiary of South Pole. The two companies have integrated their operations and team, and together they **manage a portfolio of over 850+ carbon projects** across the globe and throughout all ranges of technology and practices, including in forestry, regenerative agriculture, sustainable cooking stoves, blue carbon, renewable energy, energy efficiency, sustainable transport and waste management. To date, **these projects have successfully generated over 200 million carbon credits**, accelerated low-carbon transformations across several sectors, and provided measurable benefits to communities vulnerable to climate change.

South Pole and its affiliates have been a trusted partner and advisor to governments, public sector organisations, and leading businesses on their decarbonisation journeys. South Pole **serves over 1,000 clients across the world**, and its global team of experts has helped many Fortune 500 businesses implement comprehensive strategies that help build resilience and turn climate action into long-term business opportunities.

Carbonsink and South Pole have proven references in carbon project management, both in the sector and the geography relevant for RMK. South Pole has **over 20 years of experience** in the carbon market and has maintained its position at the forefront of carbon project development and policy. Some recent achievements include supporting the first ever Paris Agreement Article 6.2 transactions between the governments of Switzerland and Thailand. Here is just a selected list of our forestry projects under ICROA endorsed standards.

Proven experience with ARR methodology carbon projects:

- [Reforestation of Degraded Forest Reserve Areas in Ghana, West Africa](#) (implemented by Miro Forestry); Verra ID: 2410
- [Reforestation of degraded land in Sierra Leone](#) (implemented by Miro Forestry); Verra ID 2401
- <https://registry.verra.org/app/projectDetail/VCS/2498> , Paraguay (implemented by Miller Forest Investment AG), Verra ID 2498
- [Reforestation with Teak CO2e TeakMex, Mexico](#) (implemented by Agropecuaria Santa Genoveva S.A.P.I. de C.V), Verra ID: 1740
- [Arborise reforestation in Upper Guinea](#), Gold Standard for the Global Goal; ID: 12203
- [Carboforst](#), Germany, EVA Ecosystem Value Alliance, Wald Klimastandard (ICROA conditionally approved); ID: DE00050

Proven experience with carbon projects following improved forest management (IFM) methodologies:

- [Forest Conservation in Boumba-et-Ngoko](#), Cameroun, Verra; ID: 2897
- [North Pikounga](#), Congo; Verra ID: 1052

Proven experience in Estonia:

- [eAgronom sustainable farming in Central and Eastern Europe](#) (Estonia, Latvia, Lithuania and Poland), (implemented by eAgronom); Verra ID: 4835

Proven experience with GIS & Remote Sensing applied to carbon projects: **10-year track record in geospatial analysis**, providing the technical framework and remote-sensing based deliverables necessary for the full lifecycle of carbon projects. We utilize a **hybrid technology stack—integrating ArcGIS** with a Google Cloud Platform infrastructure—to manage large-scale datasets and deploy custom Google Earth Engine web portals. Our core workflows include:

- Feasibility & Site Selection: Multi-temporal analysis of land cover and deforestation rates to identify viable project areas.
- Baseline & Carbon Stock Modeling: Quantifying historical biomass and soil organic carbon through remote sensing to establish rigorous credit baselines.
- Stratification: land cover classification and ecosystem stratification.
- MRV (Monitoring, Reporting, and Verification): Continuous forest cover and land cover monitoring and risk detection (e.g., fire, degradation) to ensure compliance with registry standards and third-party audits.
- Operation delivery and reporting: cloud-native geospatial pipelines, and standardized outputs tailored for project developers.

2. Proposal for a suitable standard and methodology (IFM/ARR or other), including justification

Several ICROA-endorsed standards—including Verra, Gold Standard, and Puro.earth—provide robust methodologies for Afforestation, Reforestation, and Revegetation (ARR). However, Verra maintains a distinct advantage as it is the primary standard offering comprehensive protocols for Improved Forest Management (IFM), and its ARR methodology (VM0047) is widely considered to be the strongest and most updated methodology in the market to date.

To maximize operational efficiency and streamline the certification process, we recommend adopting the **Verra, VCS standard**. This approach allows RMK to integrate both ARR and IFM methodologies within a single, cohesive project framework, ensuring administrative simplicity while meeting the highest international benchmarks for carbon integrity.

Within Verra we recommend focusing on 3 main methodologies:

VM0047: Afforestation, Reforestation, and Revegetation (ARR)

The primary goal of VM0047 is to incentivize the establishment of new forest cover on lands that have been cleared of native vegetation for a significant period. This methodology is designed to be highly versatile (e.g. direct plantation, natural regeneration), supporting a wide range of activities from commercial plantations to conservation-focused restoration of degraded ecosystems.

VM0003: Methodology for Improved Forest Management (IFM) through Extension of Rotation Age ,

It focuses on lands that are already categorized as forests but are being managed in ways that limit their carbon storage potential. The goal of this methodology is to extend the harvest cycles to store more CO₂ and for longer before harvesting. It is applicable only when there is a valid Forest Management Plan which states the rotation age when trees are supposed to be harvested.

VM0012: Improved Forest Management in Temperate and Boreal Forests:

A methodology specifically tailored for the northern hemisphere that provides a rigorous framework for IFM projects within temperate and boreal ecosystems. The methodology's main feature is its focus on shifting from "baseline" conventional logging practices to "project" scenarios that prioritize carbon retention through forest conservation schemes that prioritize the carbon storage. Similarly to VM0003, a valid Forest Management Plan is needed, in which the harvesting is detailed (e.g. volumes, rotation, areas to harvest, species, etc.)

Alternatively, **Verra "Methodology for Improved Forest Management Using Dynamic Matched Baselines from National Forest Inventories (VM0045)** may also constitute an option for improved forest management activities. However, this methodology would require the adoption of an ad hoc module to cover Estonia forest areas, which in turn would require the submission of a methodology revision: a procedural requirement would result in higher upfront costs and a more extended certification period

compared to existing "off-the-shelf" methodologies¹. Carbonsink acknowledges this option, and remains open to discuss it with RMK, and to adapt its offer (budget and timeline) accordingly.

Having clarified this, the present proposal (scope, timeline and costs) relates to the development of a project under Verra, applying VM0047, VM003, and VM0012.

Grouped Project pathway

A Grouped Project under Verra is a unique project structure designed to allow for the expansion of activities over time without requiring a full new project registration for every new site. Instead of registering a single fixed location, a developer registers a project activity and a defined geographic area. This allows "instances" - individual sites or landholdings that meet pre-defined eligibility criteria - to be added to the project in batches during the monitoring period. This pathway, while being more time and resource intensive at validation, would significantly reduce the costs to include new areas.

We understand **RMK is willing to include in the project both the areas under its direct management, as well as to act as an aggregator for other local-level landowners**. For this reason, we strongly recommend this pathway as it will give more flexibility to RMK to define what areas to include in the project from its inception, and will translate in a facilitated pathway as the project scales.

3. Scope of Work

Carbonsink proposal encompasses **all stages of carbon asset development**: project design, project validation, through each verification cycle, and credit sales. Carbonsink aims at establishing a full and strong partnership with RMK, which is necessary for the project success. This will include the constant exchange of data, materials and information, and constant communication through weekly updates.

While Carbonsink will secure the sound and timely implementation of all carbon asset development activities, the project will only be possible if RMK implements the Project in

¹ The reason a new module or a "methodology revision" is required for VM0045 in Estonia is primarily due to its geographic and data-specific design. VM0045 was originally developed for the United States, utilizing the U.S. Forest Service's Forest Inventory and Analysis (FIA) database. While Verra is working to expand its scope, the methodology does not yet cover most of Europe. To use it in Estonia, RMK would need to formally prove that the Estonian National Forest Inventory (NFI) data is compatible with the methodology's rigorous statistical requirements, and this is done through the process of methodology revision.

accordance with the project design document, including the establishment and maintenance of data measurement and collection systems for all monitoring parameters and indicators, throughout the duration of the project.

Below is an overview of each phase, and tasks provided by Carbonsink.

4. Description of the service and stages

Stage A - Grouped Project Design (one-off)

A.1 Preliminary assessment

Pre-Feasibility Carbon Screening

In drafting this offer, Carbonsink lacked access to certain foundational datasets required for a Pre-Feasibility Carbon Screening. While we acknowledge the ambition to encompass Estonia's entire forest estate, specific Shapefiles are requisite to generate a reliable high-level estimate of expected tons of Co₂e sequestration.

If selected for further negotiation, **Carbonsink is prepared to conduct this Initial Eligibility Screening at no cost. This analysis will provide the empirical baseline necessary for both parties to define the commercial terms** and conditions for future credit management and sales support.

A preliminary phase will be necessary to adequately review the forest management practices undertaken by RMK, and the eligibility of the areas targeted by RMK intervention. This will also include an evaluation of the possible monitoring, reporting, and validation (MRV) strategies, and select the best-suited one(s) for the current project.

An early evaluation of the areas to be included under the different methodologies would be needed at this stage. Furthermore a desk review will be conducted regarding the Estonian forest, legal framework for forestry in Estonia, property rights and ownership. Moreover, a list of specific information would be requested (including forest management plans, stakeholders information, as well as any other information requested by the standard before starting the project) at this stage.

The assessment phase will include a technical analysis of areas eligible for carbon activities. This is based on Carbonsink's Remote Sensing platform, and geared around our 2-steps eligibility framework:

Step 1) area applicability analysis: identifies the areas meeting the minimum methodological applicability conditions, such as being covered forest before the project start date, stratification of the forestland and exclusion of the areas

classified as croplands, grasslands or water areas; this step maximizes efficiency at scale, identifying hot spots of applicability across large areas in a few minutes; Step 2) The feasibility analysis builds upon the outputs of the previous step by applying the applicability conditions related to the definition of Temperate and Boreal forests and by incorporating national georeferenced spatial datasets, such as Land Use/Land Cover (LULC) maps derived from Earth Observation sources. This step provides a more robust and defensible spatial assessment for the precise delineation of the potential Project Area.

This activity is a key component in the development of the Project Design Document (PDD). At this stage, the identification of eligible areas for each relevant carbon methodology is further refined to enable an ex-ante stratification into homogeneous units—specifically, strata under VM0003 and polygons or analysis units under VM0012. The stratification process should be based on critical variables such as forest species, age class, site index, and expected growth performance, integrating 10 m resolution remote sensing data, including Sentinel-2 and, where applicable, Landsat-derived products, together with machine learning classification methods within a GIS environment. Furthermore, this spatial analysis is required to demonstrate that project activities do not occur within Natura 2000 sites or other legally protected areas, unless formal approval has been granted. Under VM0012, the identification and mapping of legal land-use restrictions and protected areas is a mandatory prerequisite for isolating the Timber Harvesting Land Base (THLB), defined as the merchantable and operable forest land genuinely available and eligible for economic timber extraction under both baseline and project conditions.

A.2 Grouped Project Design Document development

The PDD constitutes the backbone of any carbon project, and describes in detail the planning of a carbon project and how it meets each of the requirements of a particular carbon project standard and methodology.

Based on input delivered by RMK, and in constant cooperation with it, Carbonsink will deliver the Project Design Document (PDD) and other required documentation for the carbon project.

Carbonsink relies on RMK's engagement in the project design and the delivery of data, which will include:

- Project details (e.g. location, scale, measures, funding)
- Specific baseline data
- Input on laws and regulations relevant to the Project
- Input on monitoring and sampling design relevant to the Project
- Details of relevant local stakeholders to be consulted

- Details relevant to safeguarding

As a result of this phase, Carbonsink will be able to deliver the draft PDD, which will include:

- Establishment of monitoring plan and sampling design;
- Establishment of baseline scenario;
- Estimation of Sustainable Development Goal (SDG) contributions;
- Quantification of the emission reductions that the project could claim;
- Establishment of project additionality;
- Safeguarding assessment of the project;
- Design and delivery of stakeholder engagement process;
- Permanence Risk Assessment

A.3. Local Stakeholder Consultation

To be eligible, a project needs to conduct a stakeholder consultation prior to its registration. Stakeholder consultation is critical to achieving successful outcomes and avoiding or minimising adverse impacts of development and climate projects. By involving stakeholders and incorporating their concerns and feedback, project/programme developers can improve project design and outcomes, identify and control external risks, and establish a basis for ongoing collaboration with relevant parties. Effective consultation helps build the capacity of stakeholders to develop appropriate benefit sharing arrangements, and generates ownership of the decisions made. Carbonsink will support RMK in **setting up the stakeholder consultation process in a manner that is consistent with the standard's requirements**; and will ensure that its findings and recommendations are included in the Project Design Document.

Stage B - Grouped Project Validation (one-off)

Once the documentation is finalised, the project can be submitted for registration and validation. This is the phase when the project is vetted against the selected standard and methodology, first by a third-party auditor (validation), and then by the standard (registration). Once validation has been concluded, the project proponent may submit the project for registration with the respective program, and is considered validated (i.e. approved).

B.1. Project listing

Carbonsink will make sure all the documentation required for project validation is assembled according to the standard's requirements. Once ready, the project can be submitted and pre-listed under the selected standard.

B.2. Open consultation

Once submitted, the project is published, and a period of open consultation is provided by the standard to leave room for additional public comments and contributions. Carbonsink will take care of any additional remark or improvement suggested by contributors.

B.3. Third-Party Validation

The project's eligibility, additionality and emission reduction calculations (presented in the PDD), as well as any relevant co-benefits, negative environmental impacts and stakeholder consultations, are validated by a third-party auditor.

Carbonsink will take care of selecting a third-party auditor accredited by the standard, on behalf of RMK. Carbonsink will then provide all documentation to the auditor, accompany the auditor during the audit field visit (together with RMK), and answer any additional query raised by the auditor (maximum 3 rounds of findings).

B.4. Registration with the Certification Standard

The Certification standard reviews the validation audit report and supporting documentation, and raises any additional clarification requests if required. If approved, the PDD together with the Validation Report issued by the Auditor are registered on a public registry. The project is now validated. During this phase, Carbonsink will be at the standard's disposal to answer any additional rounds of questions it may raise (max. 3 rounds of findings).

Stage C - Instance project(s) verification cycles (recurrent)

Once the grouped project is validated, it can proceed with the verification and issuance of carbon credits. Verification is the process of verifying the project performance, including monitored data and calculation of project impact. Each time the project owner (RMK) will have achieved a number of credits it deems appropriate, it may initiate a verification cycle. At this stage, new project instances (new project areas) can be added at each verification cycle without significant additional third party costs for the project developer.

C.1. Preparation of the monitoring report

Based on the monitoring, report and verification pathway outlined in the grouped project design document, Carbonsink, through input and ground data collected by RMK, will develop the report of the project performance and emission reductions. This report is submitted for verification with a third-party auditor and subsequently with the standard. Once accepted by the standard, the credits are issued and can be retired by the client.

C1.2 Inclusion of new project instances (optional)

In case RMK is willing to add new sites as new project instances, Carbonsink will support RMK in ensuring these sites comply with the Eligibility Criteria established in the original, validated Project Description (PD). These criteria typically include: Geographic Boundary, baseline and additionality, and applicability conditions. New instances will be added in the verification report.

C.2. Verification audit

Based on the information included in the monitoring report, a third party auditor reviews the project performance for the relevant monitoring period.

Carbonsink will be responsible for selecting a third-party auditor accredited by the standard, on behalf of RMK. Carbonsink will then provide all documentation to the auditor, accompany the auditor during the audit field visit (together with RMK), and answer any queries raised by the auditor in order for them to complete a final verification report (up to 3 rounds of findings). Upon completion of the verification audit with the third party auditor, the documentation is submitted to the standard for a further verification review.

C.3. Standard review and completion of each verification cycle

During this phase, Carbonsink will be at Verra's disposal to answer any additional rounds of questions it may raise (up to 3 rounds of findings) until approval of the Monitoring and Verification Report, including the confirmation of the number of certificates to be issued.

Stage D - issuance (registration) of verified carbon credits, and credit management (recurrent)

Upon negotiation, RMK should clarify whether it expects to establish its own registry account under Verra for the purposes of submitting project documentation for review, and managing credit issuances. If not, RMK can utilise Carbonsink's registry account. This will highly impact the ability and effort required to manage the credits the project will issue on behalf of RMK.

Following each verification cycle completion, RMK will be entitled to claim a corresponding amount of credits to be issued by the standard. Upon sales of credits, in case the account is managed by Carbonsink, Carbonsink will ensure the credits are issued by the standards, and either transferred to or retired on behalf of the clients.

Stage E - Credit Sales (recurrent)

Carbonsink/South Pole is uniquely positioned to provide RMK with comprehensive credit sales support. With over two decades of industry leadership, we are amongst the leading credit retailers in the world. **In 2024 alone, we have successfully delivered more than 22.5 million carbon credits to our clients.**

Our approach leverages a sophisticated ecosystem of private and public sector partners, underpinned by an unrivaled understanding of carbon market dynamics. Furthermore, our presence in key European hubs—including Paris, London, Amsterdam, Zurich, Berlin, and Milan—ensures RMK receives localized expertise from our dedicated regional sales teams.

Please note that Carbonsink / South Pole's ability to support the sales of RMK credits depends on a series of factors, including, but not limited to, the target sales price set by RMK, minimum sales price set by RMK to cover the capex and opex costs, as well as on the volumes available at each issuance.

5. Extent of state land under RMK's management covered by the activities

The present proposal is designed so that the project can encompass forests and land managed by RMK, as well as third-party forests and land for which RMK will serve as an aggregator. All land areas included under the Project will be subject to an eligibility check to ensure that they comply with the requirements of the relevant methodology and standard; that all relevant land rights and titles are secured for the duration of the project; and that free, prior, and informed consent is gained for including the land within the project. The eligibility check would include a GIS review conducted by South Pole's in-house GIS expert team and would incorporate a historic look back of the land parcels in compliance with the requirements of the relevant methodology.

Based on the methodologies initially proposed, the land and activities that would be eligible would include:

- Lands that have been cleared of native vegetation for a significant period where new forest cover can be established (VM0047)
- Lands that are already categorized as forests but are being managed in ways that limit their carbon storage potential (VM0003)
- Lands where "baseline" conventional logging practices are carried out that can be transitioned to "project" scenarios that prioritize carbon retention through forest conservation schemes (VM0012)

6. Estimated timelines (in months)

Phase	timeline (months)
Stage A - Project Design (one-off)	8
Stage A.1 Pre-assessment	3
A.2 Grouped Project Design Document development	5
A.3. Local Stakeholder Consultation (as part of the design document preparation)	3
Stage B - Project Validation (one-off)	12.5 - 15.5
B.1. Project listing	0.5
B.2. Open consultation	1
B.3. Third-Party Validation	3 - 4
B.4. Registration with the Certification Standard	8 - 10
Stage C - Instance project(s) Verification cycles (recurrent)	14 - 17
C.1. Preparation of the monitoring report	4
C.1.2 Inclusion of new project instance (included in the monitoring report)	
C.2. Verification audit	3 - 4
3.3. Standard review and completion of each verification cycle	7 - 9
Stage D - Credit management (recurrent)	
credit issuance	0.5
credit transfer/retirement	0.5

***Third party (standard or third party auditor) dependant.**

Timeline is based on current project pipeline under Verra VCS.

Please note that under Verra’s Verified Carbon Standard (VCS), **it is possible to undergo a joint validation and verification, bringing together its initial design assessment and its first assessment of project performance simultaneously.** This integrated approach is typically used during the first reporting period to increase efficiency and reduce costs, as a single auditor (Validation/Verification Body) can review the project’s adherence to the methodology alongside the recorded monitoring data in one combined site visit and report. However, this opportunity should be assessed while the PDD is under development, and should be negotiated between the parties at due time.

7. Potential risks and mitigation measures

Anticipation of risks is crucial for successful project development. The per-assessment phase is precisely designed to identify potential concerns and red flags, as well as the needed technical corrective actions to be put in place ahead of project implementation. In addition, it will serve to set clear financial expectations over the project performance. Carbonsink will use its **remote sensing team and platform to assess indicators of natural risk** during the assessment phase and across all project phases, and contribute to identifying corrective actions to mitigate the identified risks.

Moreover, throughout project design and development, RMK will rely on the support of **South Pole in-house risk function - a specialized quality management unit designed to go beyond the baseline requirements of standard carbon certifiers**. Carbonsink will thus apply a market-leading Quality Management Framework early in the process, to ensure the project isn't just "compliant" with Verra, but is resilient against evolving market scrutiny.

South pole in house risk function will utilize a nine-step integrity process that will help RMK to identify potential red flags. This includes:

- **Adverse Media & KYC Screening:** Vetting project partners and counter-parties to prevent reputational blowback.
- **Technical Reviews:** Independent risk experts conduct in-depth assessments of project design documents.
- **Mitigation Action Plans:** If a risk is identified (e.g., a high risk of leakage), the risk function will help define specific mitigation actions to "de-risk" the project before it hits the market.

To maintain high integrity, particular attention will be paid on how the project accounts for **international leakage risk**, and how it will mitigate the threat of 'displaced logging,' ensuring Estonian conservation doesn't inadvertently drive up emissions in developing regions with more sensitive forest ecosystems, or higher emissions per unit of wood.

Furthermore, the project will be able to rely on **South Pole's internal ERP system, to constantly monitor sales tradeable volumes**, guarantee accurate credit management, as well as support the timely and efficient execution of credit sales.

By following Verra ARR/IFM methodologies, RMK project can reasonably expect to generate credits that are **EU CRCF (Carbon Removal Carbon Farming framework) compliant**, hence be eligible for what is set to become the largest market for carbon removal in the world, further driven by the European Commission effort to establish a

Buyers' club for short-term removals. However, Carbonsink will closely monitor the evolution of the European framework, and highlight any major potential risk/opportunity it may generate for the project.

8. Proposal for the remuneration model (combined fee)

The following proposal brings together a combined approach that increases South Pole's exposures as the project approaches credit issuance. Carbonsink exposure to risk will increase as the project moves across approval stages, until both parties are strongly bound to project and market performance.

Service delivery fees

Phase	Carbonsink fee (in EUR, VAT excluded)
Stage A - Project Design (one-off)	128,000
Stage A.1 Pre-assessment	56,000
A.2 Grouped Project Design Document development	54,000
A.3. Local Stakeholder Consultation (as part of the design document preparation)	18,000
Stage B - Project Validation (one-off)	47,000
B.1. Project listing	2,000
B.2. Open consultation	
B.3. Third-Party Validation audit	30,000
B.4. Registration with the Certification Standard	15,000
Stage C - 1st project verification cycle	60,000
C.1. Preparation of the monitoring report	33,000
C.2. Verification audit	16,000
3.3. Standard review and completion of each verification cycle	11,000
Stage D - Credit management (recurrent)	0.00
credit issuance	
credit transfer/retirement	
Stage E - Credit Sales	Defined in the carbon credit sales section
TOTAL fee until first credit issuance	235,000

For each new project instance inclusion required by the client, South Pole will charge an additional **30,000 EUR** to each monitoring cycle.

C.1.2 Inclusion of new project instance (optional, to be included in the monitoring report)	30,000
--	---------------

A 50% discount will be applied from the second verification cycle and following.

Stage C - 2nd Instance project verification cycle (and following)	30,000
C.1. Preparation of the monitoring report	16,000
C.2. Verification audit	9,000
3.3. Standard review and completion of each verification cycle	5,000

RMK and Carbonsink will collaboratively determine the optimal timing for each verification cycle, thereby establishing the frequency of the process. The parties will jointly define when it is most appropriate to start.

Please also note that the Fees quoted herein shall apply for 2026. For any services rendered after 31 December 2026, an annual escalation rate of 3% will be applied to the Fees.

Please note the above budget does not include third party fees, i.e. the fees due to third party auditors and the standard. As of today, Verra fees schedule is the following:

Stage B - Project Validation (one-off)	Verra Fee in USD
B.1. Project listing	1,500
B.4. Registration with the Certification Standard	3,750
Stage C - Project Verification cycles (recurrent)	
3.3. Standard review and completion of each verification cycle	5,000
Stage D - Credit management (recurrent)	
credit issuance	0.3 x VCU
credit transfer/retirement	0.02 x VCU

Third party auditing for validation and for verification vary depending on the selected VVB and project complexity.

Fee for carbon credit sales services (principles)

Carbonsink is willing to negotiate how to reward its contribution on credit sales services, in the form of a commission fee upon credit sales. However, setting commission fees on credit sales can only be done once the project partner (RMK) defines a minimum sale price and a target sales price, and once more clarity is provided over the expected yields of the project (n° of issuances, volume per issuances).

As described on page 6, If selected for further negotiation, **Carbonsink is prepared to conduct this Initial Eligibility Screening at no cost. This analysis will provide the empirical baseline necessary for both parties to define the commercial terms and conditions** for future credit management and sales support.

As of this proposal (March 2026), IFM removals ICROA certificates generated in the EU are exchanged at 28-35 EUR, with higher price paid for ARR projects, up to 55-60 EUR for ARR projects located in key European markets, such as Germany. Nature-based-Solution projects based in Estonia currently exchange certificates at **40-50 EUR per carbon credit**.

As a reference point to start negotiations, we may hypothetically think of a **5-10% commission fee until target sales price, and an additional 25% for any euro above target sales price**. However, this cannot be advanced as an official offer from Carbonsink, as a credible forecast of project expected issuance will only be possible once the pre-assessment phase is completed.

In exchange for **exclusivity upon credit sales**, South Pole will include RMK project into his project portfolio, generate ad hoc marketing materials *pro bono*, and propose the project amongst its unique portfolio of clients. South Pole - with its experience and support to structured carbon funds, may also explore opportunities to identify potential offtakers for the project's carbon credits, hence providing RMK with additional resources ahead of the credit issuance.

9. Explicatory note on the annexes

The present proposal is sided by 3 annexes to meet the RfP requirements for the provision of the draft standard contract.

1. Annex 01 is the General terms & Conditions South Pole and its affiliate apply when implementing service delivery mandates.
2. Annex 02 is the standard template for Statement of Work we provide to our clients when implementing service delivery mandate
3. Annex 03 is South Pole's template Emission Reduction (or Removal) Purchase Agreement, that is used to negotiate and regulate the sales and go-to market rights between the parties involved in a carbon project.

All 3 documents in the Annexes are propriety of South Pole, must be considered business secrets and cannot be disclosed to third parties.