

---

# **Certified Emission Reduction Purchase Agreement**

**The Norwegian Ministry of Finance  
Sindicatum Carbon Capital Limited**

---

## Contents

---

| <b>Clause Number</b> | <b>Heading</b>                                       | <b>Page</b> |
|----------------------|--|-------------|
| 1                    | Term   | 3           |
| 2                    | Preconditions  | 3           |
| 3                    | Purchase and sale of CERs                            | 4           |
| 4                    | Delivery   | 4           |
| 5                    | Payment  | 5           |
| 6                    | Post - 2012 Right of First Refusal                   | 6           |
| 7                    | Focal Point, Project Participants and Communications | 7           |
| 8                    | Costs and Taxes                                      | 8           |
| 9                    | Project ERPA   | 8           |
| 10                   | Agreements, Representations and Warranties           | 8           |
| 11                   | Force Majeure Event                                  | 11          |
| 12                   | Events of Default                                    | 12          |
| 13                   | Confidential Information                             | 13          |
| 14                   | Resolution of Disputes                               | 14          |
| 15                   | General  | 15          |
| 16                   | Definitions and Interpretation                       | 18          |
|                      | Schedule 1   | 27          |
|                      | Commercial Terms                                     | 27          |
|                      | Schedule 2   | 29          |
|                      | Statement of Modalities of Communication             | 29          |

**Date** 30 April 2008

**Parties** **The Norwegian Ministry of Finance** of Akersgaten 40, NO-0030 Oslo, Norway (*Buyer*)

**Sindicatum Carbon Capital Limited** a company registered in England and Wales under number 5406371 whose registered office is at 18 Hanover Square, London W1S 1HX, United Kingdom (*Seller*)

(each of the above Parties being referred to individually as a *Party* and together as the *Parties*)

---

## Recitals

- A Seller is entitled to purchase Certified Emission Reductions (*CERs*) from the Project Owner under the Project ERPA in respect of a project to be registered under the Clean Development Mechanism (the *Project*).
- B Seller wishes to sell and Buyer wishes to purchase those CERs purchased by the Seller under the Project ERPA.
- C Buyer and Seller agree to contract on the terms set out in this Emission Reduction Purchase Agreement (the *Agreement*).

## Operative provisions

---

### 1 Term

- 1.1 This Agreement will commence on its execution by both Parties and terminate on the fulfilment of all obligations, unless terminated earlier in accordance with this Agreement or extended by mutual agreement between the Parties.
- 

### 2 Preconditions

- 2.1 The obligations to Deliver and purchase CERs in clauses 3, 4 and 5 will not take effect until all of the following conditions have been fulfilled:
  - (a) the Project has achieved Registration with:
    - (i) Project Owner, the Seller and the Buyer listed as the only Project Participants in the Project; and
    - (ii) Subject to clause 7.9, Seller nominated as Focal Point in the Modalities of Communication submitted to the CDM Executive Board (in a form substantially the same as that set out in Schedule 2); and

- (b) the Project has been successfully commissioned and is capable of generating GHG Reductions.
- 2.2 The Parties will use all reasonable endeavours to satisfy the conditions in clause 2.1 as soon as possible.
- 2.3 The conditions in clause 2.1 are for the benefit of, and may only be waived or deferred by, Buyer.
- 2.4 If the conditions in clause 2.1 have not been satisfied or waived by the Expiry Date, then Buyer may terminate this Agreement by written notice to Seller.
- 2.5 For the avoidance of doubt, all obligations under this Agreement except for the obligations to Deliver and purchase CERs in clauses 3, 4 and 5 will take effect upon execution of this Agreement, regardless of whether the preconditions listed in clause 2.1 have been satisfied. If a failure to satisfy a precondition arises from an Event of Default on the part of a Party, then the provisions of clause 12 shall apply.
- 2.6 The Buyer shall procure the delivery to the Seller of an Annex I Party Letter of Approval for the Project within one (1) month of the date of execution of this Agreement.

---

### **3 Purchase and sale of CERs**

- 3.1 Seller agrees to sell and Buyer agrees to purchase the following CERs:
- (a) the Contract CERs at the CER Price; and
- (b) 2013 CERs and 2014 CERs, in respect of which it has exercised its Post-2012 Right of First Refusal under clause 6, at the Exercise Price,
- in accordance with the terms of this Agreement.

---

### **4 Delivery**

#### **Delivery**

- 4.1 Subject to clause 4.2, in the Request for Distribution which Seller sends to the Executive Board to procure the distribution of CERs in accordance with the International Rules, Seller will instruct the Executive Board to distribute the Buyer's Pro-Rata Share of CERs to the Buyer's CER Account. The number of CERs for the purpose of determining the Buyer's Pro-Rata Share shall be calculated net of any CERs to be deducted pursuant to the International Rules, including the Adaptation Levy.
- 4.2 The number of CERs to be Delivered by the Seller to the Buyer in respect of any Verification Period shall not exceed the Periodic CER Delivery Amount, unless the Parties otherwise agree.
- 4.3 It is acknowledged that the number of CERs Delivered or to be Delivered to the Buyer in respect of any Verification Period may be less than the Periodic CER Delivery Amount for the Verification Period.
- 4.4 Subject to clause 4.6, Delivery of CERs under this Agreement is deemed to occur when the relevant CERs have been issued into the Buyer's CER Account.

### **Establishment of Accounts**

- 4.5 Buyer shall establish its CER Account in the Norwegian National Registry and shall notify Seller of the account details at least thirty (30) Business Days prior to the first Verification of CERs from the Project (as notified to the Buyer by the Seller).
- 4.6 For so long as there is no Operational ITL, the Parties agree that Delivery of CERs under this Agreement shall be effected by forwarding CERs to the Buyer's holding account in the CDM Registry (and the terms 'Delivery' and 'Delivered' shall be construed accordingly).
- 4.7 Buyer may from time to time change its CER Account for receiving Delivery of CERs by giving at least ten (10) Business Days' prior notice to Seller.

### **Transfer of Legal Title**

- 4.8 Legal and beneficial title in each CER Delivered under this Agreement and all corresponding GHG Reductions shall pass to Buyer on Delivery.

### **Equal Ranking**

- 4.9 The Buyer's right to Delivery of CERs under this Agreement shall (on a pro-rated basis) rank equally with the rights of all other buyers of CERs produced by the Project.

---

## **5 Payment**

### **Payment for Delivered CERs**

- 5.1 On or after each Delivery of CERs, Seller will issue Buyer with an invoice setting out the amount payable in respect of that Delivery.
- 5.2 Buyer will pay to Seller the CER Price for each CER Delivered under this Agreement by the Payment Date.
- 5.3 Buyer will make payments for Delivered CERs by wire transfer in immediately available funds to Seller's Cash Account in the Nominated Currency.
- 5.4 Seller may change its Cash Account for receiving payments by giving at least ten (10) Business Days' prior notice to Buyer in accordance with the procedure for providing notice set out in clause 15.2.

### **Interest on overdue amounts**

- 5.5 A Party required to make payment to another under this Agreement must pay interest on demand on any amount due and payable by that Party under this Agreement but unpaid (including interest payable under this clause 5.5 but unpaid).
- 5.6 Interest under clause 5.5 accrues on each unpaid amount from and including the due date for payment to the date of actual payment at the interest rate, being the sum of:
  - (a) 2% per annum; and
  - (b) the Overnight Rate;calculated with reference to successive periods of 1 month starting on the due date for payment.
- 5.7 Interest under clause 5.5:

- (a) accrues from day to day;
  - (b) is calculated on the basis of the actual number of days elapsed (including the first day but excluding the last) and a 360 day year; and
  - (c) is to be compounded at 1 month intervals.
- 5.8 If a liability under this Agreement becomes merged in a judgment, the Party required to make the payment must, as an independent obligation, pay interest on the amount of that liability to the Party to which payment is due. Interest on the amount of that liability will accrue from the date the amount becomes due until the date the amount is paid, both before and after judgment, at the rate which is the higher of:
- (a) the rate payable under the judgment; and
  - (b) the rate referred to in clause 5.6.
- 5.9 This clause 5 survives termination of this Agreement.
- 

## **6 Post - 2012 Right of First Refusal**

### **Post-2012 Right of First Refusal**

- 6.1 In consideration of Buyer's agreement to purchase the Contract CERs under this Agreement, Seller irrevocably grants Buyer the right, but not the obligation, to acquire up to (i) 195,000 2013 CERs; and (ii) 195,000 2014 CERs (the *Post-2012 Right of First Refusal*), in accordance with the terms and conditions in this clause 6.

### **Procedure for Exercise of Post-2012 Right of First Refusal**

- 6.2 Seller must notify Buyer in writing of any binding, irrevocable offers it receives from arms' length potential purchasers of 2013 CERs and/or 2014 CERs within five (5) Business Days of receiving such offer (*Post-2012 CER Notice*). Seller must provide Buyer with reasonable detail regarding the terms of such offer, including the price (*Exercise Price*), volume and any other details as Buyer may reasonably request. Seller may disclose the existence of the Buyer's Post-2012 Right of First Refusal to potential purchasers of 2013 CERs or 2014 CERs.
- 6.3 Buyer may exercise the Post-2012 Right of First Refusal after receipt of each Post-2012 CER Notice by providing Seller with a written notice within five (5) Business Days of receiving such notice stating that it wishes to match the offer and purchase such volume of CERs at the Exercise Price (*Post-2012 Exercise Notice*).
- 6.4 If Buyer does not provide Seller with a Post-2012 Exercise Notice prior to the expiry of the five (5) Business Day period, Buyer will be deemed to have waived its Post-2012 Right of First Refusal in respect of the CERs which are the subject of the Post-2012 CER Notice. For the avoidance of doubt, Seller will be free to sell such CERs to any third party.

### **Delivery and Payment**

- 6.5 If Buyer exercises its Post-2012 Right of First Refusal under this Agreement, Seller must transfer, and Buyer must pay the Exercise Price for, any CER in relation to which Buyer exercises its Post-2012 Right of First Refusal in accordance with the terms and conditions that apply to the purchase and Delivery of CERs under this Agreement.
- 6.6 The Buyer's rights under this clause 6 shall lapse:

- (a) once Buyer has exercised its Post 2012 Right of First Refusal in respect of all 2013 CERs and 2014 CERs;
- (b) once Buyer is deemed to have waived its right to exercise the Post-2012 Right of First Refusal in respect of all 2013 CERs and 2014 CERs in accordance with clause 6.4 or
- (c) 30 June 2014,

whichever is the earlier to occur.

6.7 Notices under this clause 6 shall be given by facsimile in accordance with clause 15.2.

---

## **7 Focal Point, Project Participants and Communications**

- 7.1 Seller will execute, and will use its reasonable endeavours to ensure that any other Project Participant(s) execute, any document necessary to provide for Buyer to be a Project Participant in the Project under the International Rules.
- 7.2 Seller may add a Project Participant only with the prior consent of the Buyer, such consent not to be unreasonably withheld. The Parties agree that for the purposes of this clause 7, it shall not be reasonable for the Buyer to withhold consent for the addition of a Project Participant who is:
  - (a) an additional buyer of CERs from the Project; or
  - (b) a debt provider to whom the Project (or revenue streams derived from the Project) has been granted as security for the provision of debt financing to the Seller,

save that it is expressly acknowledged and agreed that the listing of specific categories of potential Project Participant in (a) and (b) shall in no way prejudice the generality of this clause.

- 7.3 The consent required for the addition of a Project Participant under clause 7.2 shall be deemed to have been given if the Seller has received no response to a request for such consent within 5 Business Days of receipt of the request by the Buyer.
- 7.4 Where any additional Project Participants are added, any such addition will not encumber or lead to any diminution in Buyer's entitlements or ability to receive CERs under this Agreement.

### **Focal Point**

- 7.5 Subject to clause 7.7, Seller will serve as the Focal Point for all communications with the CDM Executive Board and the Convention Secretariat regarding the Project, in particular with regard to the preparation and submission of the request for distribution and all other instructions regarding allocations of CERs to be Delivered to Buyer under this Agreement.
- 7.6 Within five (5) Business Days of Seller's written request, Buyer shall execute a Modalities of Communication to nominate Seller as Focal Point in accordance with the International Rules.
- 7.7 In undertaking its obligations under clause 7.5, Seller will:
  - (a) exercise its role as Focal Point in accordance with the terms of this Agreement so that all requests for distribution of CERs accord with the terms of this Agreement; and
  - (b) not hinder or delay any Deliveries required pursuant to the terms of this Agreement.

- 7.8 Each Party will immediately copy or forward to the other Parties all communications:
- (a) made by that Party to the CDM Executive Board; and
  - (b) received by that Party from the CDM Executive Board.
- 7.9 In the event that the Project ERPA is terminated or Seller ceases to become a Project Participant, the Parties will take all necessary steps to transfer the role of Focal Point to Buyer.
- 

## **8 Costs and Taxes**

- 8.1 Each Party will bear its own costs and expenses in connection with the preparation, negotiation and execution of this Agreement.

### **Responsibility for Taxes**

- 8.2 Taxes payable pursuant to this Agreement shall be paid by the Party who is legally required to pay them in the relevant jurisdiction(s).
- 8.3 Other than as expressly set out in this Agreement, all payments under this Agreement will be made without any deduction or withholding for or on account of any Tax unless such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect.
- 

## **9 Project ERPA**

- 9.1 Seller agrees that it will use its best efforts to enforce strictly the terms of the Project ERPA and in particular those provisions of the Project ERPA which create obligations on the part of the Project Owner in relation to the Verification, Validation, Monitoring and project operation and management of the Project and will assist the Project Owner in any way that may reasonably be required to ensure Registration and efficient operation of the Project.
- 

## **10 Agreements, Representations and Warranties**

### **Mutual Agreements**

- 10.1 Each Party agrees with the other that, so long as either Party has or may have any obligation under this Agreement:
- (a) it will, as soon as reasonably practicable, deliver to the other Party or as the other Party reasonably directs:
    - (i) any forms, documents or certificates relating to taxation reasonably required by the other Party; and
    - (ii) any other documents reasonably required by the other Party;
  - (b) it will use all reasonable endeavours to keep the other Party informed of all changes of addresses and other contact details as required under this Agreement, recognising

that any failure to use reasonable endeavours to inform the other Party will not relieve the first Party from any of its obligations under this Agreement;

- (c) it will use all reasonable efforts to inform the other Party of any event or circumstance of which it is aware which may impact on the ability of such Party to perform any of its obligations under this Agreement;
- (d) it will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to this Agreement and will use all reasonable efforts to obtain any that may become necessary in the future;
- (e) it will ensure that it has one or more CER Accounts, if required in order to give effect to the transactions contemplated by this Agreement;
- (f) it will conduct its affairs so as not to give any Relevant Authority cause to block, suspend, refuse, reject or cancel the transfer (whether in whole or in part) of CERs required to be made pursuant hereto, recognising that any failure to open a CER Account will not relieve the Party from any of its obligations under this Agreement;
- (g) it will comply in all material respects with all applicable laws and orders to which it may be subject, including the International Rules, if failure so to comply would materially impair its ability to perform its obligations under this Agreement; and
- (h) if required under the terms of this Agreement, it will use reasonable endeavours to assist the other Party in the transfer of CERs to the CER Account(s) nominated by Buyer.

### **Mutual Representations and Warranties**

10.2 Each Party represents and warrants to the other Party upon entry into this Agreement:

- (a) if it is a company, it is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation;
- (b) it has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other relevant documentation and to perform its obligations under this Agreement, and has taken all necessary action to authorise such execution, delivery and performance;
- (c) it has obtained all licences, authorisations and consents required with respect to this Agreement, including any financial services licence or exemption from holding such a licence, and all such licences, authorisations and consents are in full force and effect and without condition or any conditions have been fulfilled;
- (d) the entry into, and observance and performance of its obligations under, this Agreement do not violate or conflict with or require any consent or waiver under any of the terms or conditions in its governing documents or any contract to which it is a party or by which any of its assets are bound or affected, or any applicable law;
- (e) its obligations under this Agreement constitute legal, valid and binding obligations, enforceable in accordance with their respective terms by an appropriate legal remedy, subject to applicable bankruptcy laws;
- (f) there are no Insolvency Proceedings pending or being contemplated by or threatened against it;

- (g) there are no threatened or existing actions or suits which may materially and adversely affect its ability to perform its obligations under this Agreement;
- (h) it has no outstanding agreements or liabilities, contingent or otherwise (including taxes) that might adversely affect its financial condition and its ability to fulfil its obligations under this Agreement;
- (i) it is entering into this Agreement as principal (and not as agent or in any other capacity);
- (j) neither the other Party nor any of its Affiliates or agents is acting as a fiduciary for it;
- (k) it is not relying upon any representations except those expressly set forth in this Agreement;
- (l) it has consulted with its own legal advisors to the extent that it has deemed necessary, and it has made its own decision to enter into this Agreement based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the other Party or any of its Affiliates or agents; and
- (m) it is entering into this Agreement with a full understanding of the terms, conditions and risks thereof and it is capable of assuming, and willing to assume those risks.

### **Seller Agreements, Representations and Warranties**

10.3 Seller represents and warrants to Buyer, on execution of this Agreement and again on each Delivery of CERs, that:

- (a) at the date of submitting the Project Design Document to the CDM Executive Board for Registration, the information supplied in the Project Design Document is accurate, complete and correct to the best of Seller's knowledge and belief;
- (b) it does not enjoy any right of immunity from set-off, suit, execution, attachment or other legal process with respect to its assets or its obligations under this Agreement; and
- (c) at the time of each Delivery of CERs, the Buyer will receive good title to the CERs and any underlying GHG Reductions, free of any mortgage, charge, pledge, lien or other security.

10.4 Seller agrees that, so long as it has or may have any obligation under this Agreement, it will:

- (a) take all steps reasonably necessary to progress Registration of the Project as a CDM project activity as quickly as possible, and ensure that Buyer is listed as a Project Participant in the final Project Design Document submitted to the CDM Executive Board for Registration of the Project.

### **Buyer Agreements, Representations and Warranties**

10.5 Buyer agrees that, so long as it has or may have any obligation under this Agreement, it will:

- (a) purchase all the CERs that Buyer is obligated to purchase under this Agreement at the agreed CER Price pursuant to the terms of this Agreement;
- (b) make all payments due and owing by it under this Agreement as and when required under this Agreement.

- 10.6 Buyer represents and warrants to Seller, on execution of this Agreement and again on receipt of CERs, unless otherwise specified, that:
- (a) subject to the waiver of sovereign immunity in clause 15.21, the Kingdom of Norway does not enjoy any right of immunity from suit or legal processes with respect to its obligations under this Agreement;
  - (b) all records provided by Buyer to a Designated Operational Entity or Relevant Authority in respect of the generation of CERs are accurate and correct to the best of Buyer's knowledge and belief; and
  - (c) it has and will continue to have adequate funding to pay for the Delivered CERs.

### **Accuracy and Interpretation of Representations and Warranties**

- 10.7 Each representation and warranty set out in this clause 10 is true, accurate, complete and not misleading at the date of this Agreement and shall remain so until fully discharged by the relevant Party of its obligations under this Agreement.
- 10.8 The Parties mutually agree and acknowledge that each Party is entering into this Agreement on the faith and basis of the other Party's representations and warranties and is relying on the bona fides, accuracy and completeness of such representations and warranties.
- 10.9 The Parties agree that each representation and warranty set out in this clause 10 shall be construed independently and the meaning given to any one such representation and warranty shall not be restricted by reference to any other representation and warranty.

---

## **11 Force Majeure Event**

### **Force Majeure Notice**

- 11.1 If a Party (the *Affected Party*) is, or anticipates that it will be, unable to perform an obligation under this Agreement due to the occurrence of a Force Majeure Event, it will provide the other Party (the *Non-Affected Party*) with written notice providing full details of the Force Majeure Event (the *Force Majeure Notice*) within five (5) Business Days of becoming aware of such Force Majeure Event.
- 11.2 The Affected Party must take all reasonable steps to remove or mitigate the relevant effects of the Force Majeure Event.

### **Effect of Force Majeure Event**

- 11.3 If the Affected Party is unable to perform an obligation under this Agreement due to the occurrence of a Force Majeure Event, such non-performance:
- (a) will be permitted during the time and to the extent that performance is prevented, wholly or in part, by the Force Majeure Event; and
  - (b) will not give rise to any liability to the Non-Affected Party for any losses or damages arising out of, or in any way connected with, such non-performance.
- 11.4 No Party will be relieved by a Force Majeure Event from any obligation in this Agreement which it remains able to fulfil notwithstanding the occurrence of such Force Majeure Event, including any obligation to provide any notice or make any payment pursuant to this Agreement.

- 11.5 If by reason of a Force Majeure Event the Affected Party is unable to perform any obligation or condition required by this Agreement to be performed and that non-performance continues for a period of two (2) months after the Force Majeure Notice without the Parties being able to negotiate a mutually acceptable alternative means of carrying out the intentions of this Agreement by the end of that period, either Party may terminate the Agreement by written notice to the other Party.
- 11.6 Termination under this clause 11 does not affect the liability of either Party to perform any obligations under this Agreement which were not affected by the relevant Force Majeure Event (including payment for Delivered CERs or payment of costs), or the right of either Party to seek remedies for breach of this Agreement for non-performance of any such obligations.

---

## 12 Events of Default

### Event of Default

- 12.1 The occurrence at any time with respect to a Party (the *Defaulting Party*) of any of the following events (unless caused by a Force Majeure Event) which is not remedied (if capable of remedy) within thirty (30) days after written notice of such event is provided to the Defaulting Party, constitutes an Event of Default:
- (a) breach of any material covenant or obligation under this Agreement, save for a failure to Deliver the Buyer's Pro-Rata Share of CERs under clause 4.1 where such failure is due to Seller's fraud, gross negligence or wilful misconduct;
  - (b) a Party provides false, inaccurate or incomplete information, or breaches any representation or warranty made, to the other Party under this Agreement;
  - (c) there is, or has been an Insolvency Event (whether or not it is continuing or subsisting) in respect of a Party;
  - (d) the Project is not Registered within eighteen (18) months of the execution of this Agreement as a result of the failure of the Seller to comply with its obligations under clause 2.1 or 10.4 of this Agreement (in which case Seller is the Defaulting Party);
  - (e) any licence, authorisation or consent of a Party, which is necessary for such Party to fulfil its obligations or to enjoy its rights under this Agreement is:
    - (i) revoked, not renewed or suspended, or any applicable conditions are not complied with; and
    - (ii) such revocation, non-renewal, suspension or non-compliance is not remedied within thirty (30) days after notice of such revocation, non-renewal, suspension or non-compliance is given to the Party.

### Right to Terminate following Event of Default other than Delivery failure resulting from fraud, gross negligence or wilful misconduct

- 12.2 If at any time an Event of Default with respect to a Party has occurred and is then continuing:
- (a) the Defaulting Party must immediately, upon becoming aware of it, give notice of the Event of Default to the other Party (the *Non-Defaulting Party*); and

(b) the Non-Defaulting Party may, by written notice to the Defaulting Party specifying such Event of Default, designate a day not earlier than the day such notice is dated and not later than the day which is sixty (60) days after the day such notice is dated as an Early Termination Date in respect of this Agreement.

12.3 For the avoidance of doubt, the right of the Non-Defaulting Party to designate an Early Termination Date is not conditional on the Defaulting Party having given notice of the applicable Event of Default.

**Right to Terminate following Delivery failure resulting from fraud, gross negligence or wilful misconduct**

12.4 If Seller does not Deliver the Buyer's Pro-Rata Share of CERs in accordance with clause 4.1 because of Seller's fraud, gross negligence or wilful misconduct, Buyer may, by written notice to Seller, designate a day not earlier than the day such notice is dated and not later than the day which is sixty (60) days after the day such notice is dated as an Early Termination Date in respect of this Agreement.

12.5 If notice designating an Early Termination Date is given, the Early Termination Date shall occur on the date so designated, whether or not the relevant Event of Default is then continuing.

12.6 On, or as soon as reasonably practicable after, the Early Termination Date, the Buyer shall in good faith calculate its Loss in connection with the termination of the Agreement (the *Termination Payment*).

12.7 The Buyer shall notify the Seller of the Termination Payment including detailed support for the Termination Payment calculation. The Buyer is not required to enter into replacement transactions in order to determine the Termination Payment.

12.8 If the Termination Payment is a positive number, the Seller shall pay the Termination Payment to the Buyer within three (3) Banking Days of invoice or notification of the Termination Payment amount, which amount shall bear interest in accordance with clause 5.5. If the Termination Payment is a negative number, then no amount shall be payable by either Party.

12.9 The Buyer may, at its option, set off the Termination Payment against any other amounts owing (whether or not matured, contingent or invoiced) between the Parties under this Agreement or under any other agreements, instruments or undertakings between the Parties. The right of set-off is without prejudice and in addition to any other right of set-off, combination of accounts, lien, charge or other right to which any Party is at any time otherwise entitled (whether by operation of law, by contract or otherwise). If an amount is unascertained, the Buyer may reasonably estimate the amount to be set off. The Parties shall make any adjustment payment required within three (3) Banking Days of the amount becoming ascertained.

12.10 Disputed Termination Payments are to be paid by the Seller subject to refund with interest calculated in accordance with clause 5.5 if the dispute is resolved in favour of the Seller.

---

**13 Confidential Information**

13.1 Subject to clause 13.2, the existence of this Agreement may be disclosed by either Party.

- 13.2 The commercial terms of this Agreement, including the CER Price, must not be disclosed by either Party, unless such disclosure is:
- (a) required to be disclosed to the Designated Operational Entity for the Project, provided that the Designated Operational Entity acknowledges and complies with confidentiality obligations at least as stringent as those contained in this Agreement;
  - (b) required to be disclosed in proceedings before any court or tribunal arising out of, or in connection with, this Agreement;
  - (c) required to be disclosed by:
    - (i) any Relevant Authority under any law, authority, administrative guidelines, directive, request or policy, whether or not having force of law; or
    - (ii) any stock exchange on which a Party to this Agreement or its Affiliates are listed;
  - (d) required to be disclosed to obtain a Letter of Approval for the Project or under the International Rules to achieve Registration or issuance of CERs from the Project;
  - (e) permitted under the terms of clause 6; or
  - (f) disclosed by Buyer to a party to whom Buyer wishes to sell or transfer the CERs Delivered under this Agreement, or to whom Buyer may wish to assign and novate its rights and obligations under this Agreement, provided that Buyer requires that party to acknowledge and comply with confidentiality obligations at least as stringent as those contained in this Agreement.

---

## 14 Resolution of Disputes

- 14.1 Either Party may commence negotiations to resolve any dispute arising out of or in connection with this Agreement (including any question regarding its existence, validity or termination) by giving the other Party written notice of any dispute not resolved in the normal course of business (*Dispute Notice*).
- 14.2 The Parties will attempt in good faith to resolve any dispute promptly by negotiation between executives authorised to resolve such disputes.
- 14.3 If the dispute has not been resolved by negotiation within twenty (20) Business Days of delivery of the Dispute Notice, the complaining Party may submit the dispute to be resolved by arbitration in accordance with the Rules of Arbitration of the London Court of International Arbitration (LCIA) for the time being in force. The Parties agree that, if any dispute is submitted to arbitration:
- (a) the number of arbitrators will be three;
  - (b) the arbitrators will be appointed by the London Court of International Arbitration;
  - (c) the seat, or legal place, of arbitration will be London;
  - (d) the language to be used in the arbitral proceedings will be English; and
  - (e) all arbitration costs (including legal costs) will be borne by the unsuccessful Party unless otherwise determined by the arbitrator.

- 14.4 The Parties agree to carry out any arbitral award without delay.
- 14.5 Nothing in this clause 14 will prevent either Party from having recourse to a court of competent jurisdiction for the sole purpose of seeking a preliminary injunction or such other provisional judicial relief as it considers necessary to avoid irreparable damage.

---

## 15 General

### Payments

- 15.1 All payments under this Agreement will be made on the due date for value on that date in the place of the Cash Account specified in the Schedule to this Agreement, in freely transferable funds in the Nominated Currency, in the manner customary for payments in the Nominated Currency.

### Notices

- 15.2 Any notice given pursuant to this Agreement will be in writing in the English language and will be signed by a single duly authorised representative. It may be served by leaving it at or sending it by telecopier, prepaid registered delivery post, third party courier service or by facsimile to the address listed below (or such other place as a Party may from time to time notify the other):

To Buyer:

Name: Ministry of Finance  
Registered Address: Akersgaten 40  
P.O.Box 8008 Dep  
NO-0030 Oslo, Norway  
Telephone: +47 22 24 41 64  
Fax: +47 22 24 95 09  
Attention: Sigurd Klakeg

To Seller:

Name: Sindicatum Carbon Capital Limited  
Registered Address: 18 Hanover Square, W1S 1HX, London, United Kingdom  
Telephone: +44 (0)20 3008 4751  
Fax: +44 (0)20 3008 4752  
Attention: Assaad Razzouk

A notice is taken to be received at the following time:

- (a) in the case of third party courier service or in the case of notice left at the address, on the date it is delivered;
  - (b) in the case of prepaid registered post, on the date it is delivered; and
  - (c) in the case of facsimile, on the date that it is received by a responsible employee of the recipient in legible form (it being agreed that a transmission report generated by the sender's fax machine will be proof of delivery).
- 15.3 If the deemed receipt does not take place during Business Hours in the place of receipt, then the notice is to be deemed to have been received at the start of Business Hours on the next Business Day.

## **Governing Law**

- 15.4 This Agreement is governed by the law in force in England and Wales and each Party irrevocably and unconditionally submits to the exclusive jurisdiction of the arbitration body described in clause 14.

## **Waiver**

- 15.5 A provision of or a right created under this Agreement may not be waived or varied except in writing signed by the Party or Parties to be bound.
- 15.6 A failure to exercise or delay in exercising a right or remedy provided by this Agreement or these terms and conditions or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies.
- 15.7 No single or partial exercise of a right or remedy provided by this Agreement or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.

## **Entire Agreement**

- 15.8 This Agreement constitutes the entire agreement of the Parties about its subject matter and supersedes all written or oral previous agreements, understandings and negotiations on that subject matter.

## **Assignment**

- 15.9 Neither Party may assign or novate its rights and obligations under this Agreement without the written consent of the other Party, such consent not to be unreasonably withheld.
- 15.10 Any novation of obligations under this Agreement must be effectuated by the execution of a novation agreement.
- 15.11 Any purported assignment or novation that is not in compliance with this clause 15 will be void.
- 15.12 Each Party undertakes to assist the other Party to effect any assignment or novation of its obligations which is permitted by this clause 15 including by executing any agreement to effect such novation.

## **Third Parties**

- 15.13 No third party shall have any right under the *Contracts (Rights of Third Parties) Act 1999* to enforce any terms of this Agreement.

## **Amendment**

- 15.14 This Agreement may only be amended by agreement in writing signed by Buyer and Seller.

## **Rights are Cumulative**

- 15.15 The rights, powers and remedies of each Party under this Agreement are cumulative and not exclusive of any rights, powers or remedies which may exist at law.

## **Co-operation**

- 15.16 Each Party agrees that it will take any reasonable steps necessary to sign and deliver documents in relation to the Agreement.

## Severability

- 15.17 If any one or more of the provisions in this Agreement should be held invalid, illegal or unenforceable in any respect:
- (a) the validity, legality and enforceability of the remaining provisions shall not be affected or impaired; and
  - (b) the Parties will endeavour, in good faith negotiations, to replace the offending provision(s) with one or more valid, legal and enforceable provisions, the economic effect of which comes as close as reasonably possible to that of the offending provision.

## Execution in Counterparts

- 15.18 This Agreement will be executed in two counterparts, each of which shall be an original.

## Language

- 15.19 This Agreement will be executed in English in two (2) originals, one for each Party.

## Time is Essential

- 15.20 Where this Agreement specifies that an obligation must be performed by a certain date or time, the obligation must be performed by that date or time at the latest, subject only to any cure period explicitly provided for under this Agreement.

## Waiver of Sovereign Immunity

- 15.21 In the case of Buyer, to the extent that it has or may acquire any right of immunity against Seller or any other person from any legal proceedings upon this Agreement, Buyer irrevocably waives any such immunity.

## Voluntary Reduction Schemes

- 15.22 It is agreed that, in case the Project is not eligible (or fully eligible) under the International Rules to be Registered as a CDM project activity, but may be eligible under any other non-CDM emission reduction trading schemes (*Alternative Schemes*) and able to generate emission reductions tradeable under such Alternative Schemes (*VERs*), Buyer shall have, subject to the terms of the Project ERPA, the right, but not the obligation, to purchase any VERs so created.
- 15.23 The rights and obligations of Buyer and Seller, as well as other conditions, shall be stipulated in a separate agreement to be negotiated in good faith by the Parties.

## Anti-Money Laundering

- 15.24 Seller shall not, in performing its obligations under this Agreement (and shall ensure that its officers, directors, employees, agents and representatives do not) receive, transfer, retain, use or hide the proceeds of any criminal activity whatsoever, or employ or otherwise conduct business with a Designated Person. For the avoidance of doubt, Seller is required to establish, at the time of employment of or the entry into a business relationship with a person, that the person is not listed on any of the registers or listings set out in clause 15.25 below (to the extent that such registers or listings are publicly available).
- 15.25 For the purposes of clause 15.24, a *Designated Person* is any person who is publicly identified from time to time by any government or legal authority under applicable trade sanctions, export controls, anti-money laundering, non-proliferation, anti-terrorism and

similar laws as a person with whom trade or financial dealings and transactions by Seller and/or its Affiliates are prohibited or restricted, including but not limited to:

- (a) persons designated on the United Nations lists of persons subject to sanctions;
- (b) persons on the Consolidated List of Individuals and Entities subject to the UK's Financial Sanctions Regimes as maintained by Her Majesty's Treasury;
- (c) the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) List of Specially Designated Nationals and Other Blocked Persons (including terrorists and narcotics traffickers);
- (d) the U.S. Department of State's lists of persons subject to non-proliferation sanctions;
- (e) the U.S. Department of Commerce's Denied Parties List, Entity List, Unverified List, General Order 3 to Part 736 List; and
- (f) persons and entities subject to Special Measures regulations under Section 311 of the USA PATRIOT Act and the Bank Secrecy Act and its regulations.

---

## 16 Definitions and Interpretation

### Interpretation

16.1 In this Agreement, unless the context indicates a contrary intention:

- (a) headings are for convenience only and do not affect interpretation;
- (b) the expression "person" includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (c) a reference to any Party includes that Party's executors, administrators, successors and permitted assigns, including any person taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (d) a reference to any document (including this Agreement) is to that document as varied, novated, ratified or replaced from time to time;
- (e) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (f) words importing the singular include the plural (and vice versa), and words indicating a gender include every other gender;
- (g) references to Parties, clauses, schedules, exhibits or annexures are references to Parties, clauses, schedules, exhibits and annexures to or of this Agreement, and a reference to this Agreement includes any schedule, exhibit or annexure to this Agreement;
- (h) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning; and
- (i) the word "includes" in any form is not a word of limitation.

## Definitions

**Adaptation Levy** means the mandatory UN adaptation levy amounting to 2% (as may be adjusted from time to time) of CERs from the Project which are deducted by the CDM Registry upon every issuance of CERs in accordance with the Kyoto Protocol.

**Affected Party** has the meaning given to that term in clause 11 of this Agreement.

**Affiliate** means any holding company or subsidiary company of Buyer or Seller or any company which is a subsidiary company of any holding company of Buyer or Seller, and the expressions "holding company" and "subsidiary" shall have the meanings respectively ascribed thereto by Section 736 of the Companies Act 1985, as amended.

**Agreement** means this CER Purchase Agreement.

**Alternative Schemes** means any non-CDM emission reduction trading schemes, as defined in clause 15.22.

**Annex I** means the Annex I to the Convention.

**Annex I Party** means a Party to the Convention listed in Annex I.

**Banking Day** means any day (other than a Saturday or Sunday) on which commercial banks are open for general business in both the United Kingdom and Norway.

**Baseline** means the scenario with respect to the Project accepted by the CDM Executive Board at the time of the Registration that represents the anthropogenic emissions by sources of GHGs that would occur in the absence of the Project, as described in the International Rules.

**Business Day** means a day other than a Saturday, Sunday or public holiday in London, England or the capital city of the Host Country, and on which the interlinking element of the TARGET system is open (a "Euro business day").

**Business Hours** means the hours between 9.00 a.m. and 5.00 pm (in the time zone in which the relevant information or notice is being received) on a Business Day.

**Buyer's Pro-Rata Share** means the percentage share of CERs specified in Schedule 1, rounded down to the nearest whole CER.

**Carbon Dioxide Equivalent or CO<sub>2</sub>-e** means the base reference for measuring GHG Reductions, taking into account the determination of the Global Warming Potential of Greenhouse Gases in comparison to a similar amount of carbon dioxide.

**Cash Account** means, with respect to a Party, the cash account specified by such Party in the Schedule to this Agreement.

**CDM Executive Board** means the executive board of the Clean Development Mechanism that is established by the International Rules.

**CDM Registry** means the registry established and maintained by the CDM Executive Board pursuant to the International UNFCCC/Kyoto Protocol Rules to ensure the accurate accounting of CERs and the issuance, holding, transfer and acquisition of CERs.

**Certified Emission Reduction or CER** means a unit Issued pursuant to Article 12 of the Kyoto Protocol and requirements thereunder, as well as the relevant provisions in the modalities and procedures of the Clean Development Mechanism and other relevant International Rules, and is equal to one metric tonne of Carbon Dioxide Equivalent reduced by such a project below the Baseline, calculated in accordance with the International Rules

using Global Warming Potentials defined by decision 2/CP.3 or as subsequently revised in accordance with Article 5 of the Kyoto Protocol, and includes all rights to underlying GHG Reductions.

**CER Account** means, with respect to the Buyer and subject to clause 4.6, a trading account established by the Buyer and notified to the Seller (if applicable) in accordance with the terms of this Agreement.

**CER Price** means the price specified as such in Schedule 1.

**Certification** means the written assurance certified by the Designated Operational Entity that, during a time period specified therein, the Project achieved the GHG Reductions as reported in the Verification Report.

**Clean Development Mechanism** or **CDM** means the mechanism defined as such in Article 12 of the Kyoto Protocol.

**Contract CERs** has the meaning given to that term in Schedule 1.

**Convention** means the United Nations Framework Convention on Climate Change adopted in New York on 9 May 1992.

**Convention Secretariat** means the secretariat of the Convention established under Article 8 of the Convention at the first session of the Conference of the Parties in 1995.

**Crediting Period** means the period during which the Project is eligible to generate CERs, as described in the International Rules and the Project Design Document.

**Defaulting Party** means the Party determined to be such in relation to an Event of Default in accordance with clause 12.

**Delivery** or **Deliver** means the completed transfer of CERs to be delivered by Seller in accordance with clause 4 of this Agreement.

**Designated Operational Entity** means an entity designated by the CDM Executive Board on a provisional basis or designated by conference of parties to the Convention or meeting of parties to the Kyoto Protocol, based on the recommendation by the CDM Executive Board, as qualified to conduct validation, or verification and certification, in accordance with the International Rules.

**Designated National Authority** means a national authority for the CDM designated for the purposes of Section F, Paragraph 29 of the Annex to the draft decision recommended in Decision 17/CP.7 of the Marrakesh Accords.

**Designated Person** has the meaning given to that term in clause 15.25.

**Early Termination Date** means the date specified in the notice of early termination provided under clause 12 of this Agreement.

**Encumbrance** means any mortgage, charge, pledge, lien, assignment, security interest, title retention, preferential right, trust arrangement, contractual right of set-off or any other security agreement or arrangement in favour of any person by way of security for the payment of a debt or any other monetary obligation.

**Event of Default** has the meaning given to that term in clause 12 of this Agreement.

**Executive Board** means the executive board of the Clean Development Mechanism established under the International Rules.

**Exercise Price** means the CER price offered by a third party under clause 6.2.

**Expiry Date** means 9 months from the date of this Agreement.

**Focal Point** means the Project Participant nominated from time to time to the CDM Executive Board as the Project Participant responsible for the sole and exclusive communication with the CDM Executive Board with respect to the Project under the Modalities of Communication submitted to the CDM Executive Board under the International Rules.

**Force Majeure Event** means any unexpected and unpreventable act beyond the control of the Parties which makes performance of an obligation under this Agreement impossible, including, but not limited to, an act of God, peril of the sea, war, riot, insurrection, civil commotion, martial law, flood, earthquake, epidemic, quarantine, radiation or radioactive contamination, an Illegality and a Transfer System Failure, provided that such Party has not played a substantial role in bringing about the act and cannot, after using all reasonable efforts, overcome the act. For the avoidance of doubt, a Transfer System Failure or Illegality will not be a Force Majeure Event if the failure is such that there are contingency arrangements in operation under the International Rules and/or Host Country law by which Seller can reasonably be expected to Deliver CERs, as required, to Buyer's CER Account.

**Force Majeure Notice** has the meaning given to that term in clause 11.

**GHG Reduction** means the removal, limitation, reduction, avoidance, sequestration or mitigation of one metric ton of emissions of GHGs measured in CO<sub>2</sub>-e from the atmosphere.

**Global Warming Potential** means the estimate of the atmospheric warming resulting from the release of a unit mass of a particular Greenhouse Gas, in relation to the warming resulting from the release of the same amount of carbon dioxide, as accepted by the Convention or as subsequently revised in accordance with Article 5 of the Kyoto Protocol.

**Greenhouse Gas** or **GHG** means any of carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride, and any other substance recognised as a greenhouse gas under the International Rules.

**Host Country** means the People's Republic of China.

**Illegality** means an event occurring after the date of this Agreement which makes it unlawful under any applicable law or the International Rules for a Party to make or receive a payment or Delivery in respect of this Agreement when due or to punctually comply with any other material obligation, provided that the event is beyond the control of the Affected Party, and which such Party could not, after using all reasonable efforts, overcome.

**Insolvency Event** means, in relation to a Party, that it:

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

office or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official; or

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

provided that, for the avoidance of doubt, an Insolvency Event shall not occur in relation to a Party as a result of any proceeding, process or other administrative action taken which is vexatious, frivolous or an abuse of the process of the court.

***Insolvency Proceedings*** means, in relation to any person:

- (a) the making of an assignment or arrangement for the benefit of creditors;
- (b) the filing of a petition or commencement of proceedings under any bankruptcy, insolvency or similar law, or having such a petition filed against such person, which petition is not dismissed for a period of thirty (30) days;
- (c) the levy of an attachment for execution against the whole or any material part of its assets;
- (d) such person becoming (or is, or could be, deemed by a law or court to be) insolvent or unable to pay its debts; or
- (e) such person stops, suspends or threatens to stop or suspend payment of all or a material part of its indebtedness or begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or a material part of its indebtedness.

**International Rules** means the Convention, Kyoto Protocol, the Marrakesh Accords, any relevant decisions, guidelines, modalities and procedures made pursuant to them (including decisions of the CDM Executive Board) and of successor international agreements or supplementary international agreements or decisions regarding Greenhouse Gas emissions and which include those rules specifically required to be met for the issuance of CERs and the forwarding of CERs by the CDM Executive Board.

**Issuance** means the issuance of CERs by the administrator of the CDM Registry of the specified quantity of CERs into the pending account of the CDM Executive Board in the CDM Registry, upon being instructed to do so by the CDM Executive Board.

**ITL or International Transaction Log** means the UNFCCC independent transaction log established under the CDM Requirements.

**Kyoto Protocol** means the optional protocol to the Convention adopted at the Third Conference of the Parties to the Convention in Kyoto, Japan on December 11, 1997.

**Letter of Approval** means the written approval of voluntary participation from a Party involved, provided pursuant to the International Rules.

**Loss** means, for the purposes of clause 12, an amount that the Buyer reasonably determines in good faith to be its total losses and costs (or gain, in which case expressed as a negative number) in connection with the termination of this Agreement or any uncompleted portion of this Agreement, any loss of bargain, cost of funding (based on the actual costs of the Buyer whether or not greater than market costs) or, at the election of the Buyer but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or re-establishing an equivalent trading position (or any gain relating from any of them). Loss does not include legal fees or out-of-pocket expenses. Buyer may (but need not) determine its Loss by reference to quotations of average relevant rates or prices from two or more leading brokers in the CER trading market who are independent of the Parties.

**Marrakesh Accords** means Decision 2/CP.7 through to Decision 24/CP.7 inclusive of the COP in its seventh session, held at Marrakesh, Morocco from October 29 to November 10, 2001.

**Modalities of Communication** means the document submitted to the CDM Executive Board prior to Registration of the Project nominating the Focal Point and the manner in which communications with the CDM Executive Board will be governed, in the form of Schedule 2.

**Monitoring** means the monitoring of the Project in accordance with the Monitoring Plan in order to produce the Monitoring Report.

**Monitoring Plan** means the plan for monitoring the Project which complies with the International Rules and validated in final Project Design Document Registered by the CDM Executive Board.

**Monitoring Report** means the collection of data in accordance with the Monitoring Plan which is used as a basis for the Verification part of the CER creation and Verification process.

**National Registry** has the meaning given to it by the Kyoto Protocol.

**Nominated Currency** means US\$, unless otherwise agreed by the Parties in writing.

**Non-Affected Party** has the meaning given to that term in clause 11.

**Non-Defaulting Party** means the Party determined to be such in relation to an Event of Default in accordance with clause 12.

**Operational ITL** means that the ITL, and the link between the ITL, Community Independent Transaction Log and at least one Registry in which Buyer has nominated a CER Account, is established and functioning.

**Overnight Rate** means the rate (expressed as a percentage per annum) to be the last quoted ask rate for USD overnight deposits as quoted on Reuters screen USDOND page or another page that replaces the USDOND page on that system or any successor page thereto as at close of business, London time on the date closest to the due date or the date of calculation. In the event of a change in the Nominated Currency, the currency forming the basis of calculations of the Overnight Rate will be adjusted accordingly.

**Payment Date** means the due date for payment of the Seller's invoices as specified in Schedule 1.

**Periodic CER Delivery Amount** means the volume of CERs described as such in Schedule 1.

**Post-2012 CER Notice** means the notice given by the seller under clause 6.

**2013 CERs** means all CERs generated by the Project after 31 December 2012 but before 31 December 2013 and delivered or to be delivered to the Seller under the Project ERPA.

**2014 CERs** means all CERs generated by the Project on or after 1 January 2014 but before 31 December 2014 and delivered or to be delivered to the Seller under the Project ERPA.

**Post- 2012 Exercise Notice** has the meaning given to it in clause 6.

**Post-2012 Right of First Refusal** has the meaning given to it in clause 6.

**Project** means the Dahuashui Hydropower Project, China.

**Project Design Document or PDD** means the document describing the Project and estimating the volume of GHG Reductions expected to be generated by the Project during the Crediting Period, prepared and submitted for Validation and Registration in accordance with the International Rules.

**Project Owner** means Guizhou Wujiang Qingshuihe HydroPower Development Co. Ltd.

**Project Participant** means an entity authorised by a Designated National Authority to participate in a CDM project activity and listed by the CDM Executive Board as such in relation to that project activity.

**Project ERPA** means the emissions reduction purchase agreement entered into between the Seller and the Project Owner in respect of the Project dated 2<sup>nd</sup> November 2006.

**Registration** means the formal acceptance by the CDM Executive Board of the Project, as evidenced by a decision of the CDM Executive Board and the listing of such project(s) as "registered" on the Convention web site.

**Relevant Authority** means the conference of parties to the Convention, the meeting of parties to the Kyoto Protocol, the CDM Executive Board and/or the registry administrator as those terms are defined in the Marrakesh Accords or any other authority having power pursuant to any domestic law or the International Rules to issue, transfer, block, suspend, refuse, reject, cancel or otherwise affect the transfer (whether in whole or in part) of CERs, including the Designated National Authority of the countries in which the Buyer holds its CER Account(s), and the Designated National Authority of the Host Country.

**Taxes** means any present or future tax, fee, levy, impost, duty, charge, assessment, royalties, duties, including without limitation interest, penalties and additions thereto, or any sales, value added tax or stamp duty, but does not include any income tax or capital gains tax.

**Term** means the term of this Agreement as set out in clause 1.

**Termination Payment** has the meaning given to it in clause 12.6.

**Transfer System Failure** means the occurrence of any event or circumstance that arises out of:

- (a) the system established pursuant to the International Rules to facilitate and effect the transfer, issuance and forwarding of CERs into and between the CER Accounts not being operational and/or fully functional (including the non-existence of, incomplete implementation of and/or failure to function of the Convention international transaction log);
- (b) the issuance, transfer, acquisition or forwarding of CERs as contemplated in this Agreement being blocked, suspended and/or delayed as a result of any non-compliance or breach by any person (other than the Affected Party), government or nation with, or the suspension of any national or international rules, laws or regulations relating to the issuance, transfer, acquisition and/or forwarding of the CERs; or
- (c) any CER Account not being fully operational and/or fully functional such that the Delivery or receipt of CERs into that account can not be effected as contemplated in this Agreement.

**UNFCCC** means the United Nations Framework Convention on Climate Change adopted in New York, USA on 9 May 1992.

**Validation** means the process of independent evaluation of the Project by a Designated Operational Entity pursuant to the requirements of the CDM in accordance with the International Rules.

**VER** means a tradeable emission reduction credit created under any non-CDM emission reduction trading scheme, as defined in clause 15.22.

**Verification** means the periodic independent review and ex post determination by a Designated Operational Entity of GHG Reductions that have occurred during a Year as a result of the Project being carried out in accordance with the International Rules.

**Verification Period** means the periods specified as such in Schedule 1.

**Verification Report** means a written report prepared by the Designated Operational Entity of the Verification.

**Execution**

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

**Signed** for and on behalf of  
**The Norwegian Ministry of Finance**  
by its duly authorised representative  
in the presence of:

*Sig. Klavæg*  
Signature of witness

SIGURD KLAVEG  
Name of witness (please print)

*Nina Bjerkedal*  
Signature of authorised representative

NINA BJERKEDAL  
Name of authorised representative  
(please print)

**Signed** for and on behalf of  
**Sindicatum Carbon Capital Limited**  
by its duly authorised representative  
in the presence of:

*Nicholas Kelly*  
Signature of witness

NICHOLAS KELLY  
Name of witness (please print)

*Assaad Razzouk*  
Signature of authorised representative

ASSAAD RAZZOUK  
Name of authorised representative  
(please print) *Director*

*SK*