

Unofficial Translation*

Contract to Compensate Reversals of Carbon Credits from the Premium T-VER project in Forestry and Agriculture Sectors

THIS AGREEMENT is made at Thailand Greenhouse Gas Management Organization (Public Organization) No. 120 Moo 3 Floor 9 Rattaprasasanabhakti Building, Chaloem Phrakiat Government Center, Chaengwattana Road, Thung Song Hong Sub-district, Laksi District, Bangkok, 10210, as ofDate.....

Between

Thailand Greenhouse Gas Management Organization (Public Organization) No. 120 Moo 3 Floor 9 Rattaprasasanabhakti Building, Chaloem Phrakiat Government Center, Chaengwattana Road, Thung Song Hong Sub-district, Laksi District, Bangkok, 10210 (hereafter referred to as “Contract Acceptor”)

And

.....which has been registered as juristic person at..... with head office at.....

by....., authorized signatory of juristic person, as detailed in the Business Registration Certificate of the Office of the Company Limited and Partnership Registration.....branch, dated....., and the Power-of-Attorney dated.....(hereafter referred to as “Contract Giver”)

(In case of a person, the following statement shall be used:

And.....resided at.....

holding an identity card number.....

as attached to this Agreement.)

Contract Giver assures of being the project participant of “.....(Project Name).....” which has been registered as the Premium T-VER project and its credits issued in accordance with the Regulation of the Board of Directors of Thailand Greenhouse Gas Management Organization re: rules, procedures, and conditions for considering Thailand Voluntary Emission Reduction (T-VER) projects, B.E. 2566 (2023), and as amended.

IT IS HEREBY AGREED as follows:-

1. Purposes of the Contract

1.1 Contract Giver assures that proceedings and operations of the Premium T-VER project has fully complied with the laws, regulations, and announcements relating to the Premium T-VER projects as prescribed by the Contract Acceptor or other government agencies.

1.2 Contract Giver has duties to compensate reversals of carbon credits occurred after the date of this agreement, in accordance with the relevant regulations and announcements.

1.3 Contract Giver and Contract Acceptor intend that this Agreement to be legally binding.

2. Definitions

Apart from the definitions in this Agreement, the definitions in the regulations, and announcements relating to the Premium T-VER projects shall also be applied.

“Pooled buffer account” means buffer credits account of the Contract Acceptor in the carbon credit registry system.

“Compensate” means provision and cancellation of carbon credits to cover the reversals of carbon credits for replacement of such reversals in accordance with the criteria and conditions prescribed by the Board of Directors.

“Avoidable incidents” means incidents arising from willful acts or negligence of a participant or other persons causing greenhouse gases emissions reduction or removals of a

Premium T-VER project to be net negative compared to the baseline or previous issuance of carbon credits.

“Unavoidable incidents” means incidents arising from force majeure causing greenhouse gases emissions reduction or removals of a Premium T-VER project to be net negative compared to the baseline or previous issuance of carbon credits.

3. Applicable Date

This Agreement shall be applicable since the date of this Agreement.

4. Duties of Contract Giver

4.1 In case there is an incident that will cause the estimated greenhouse gases removal of a project decreasing more than five per cent of the amount indicated in the Project Design Document (PDD), the project participant must notify Contract Acceptor within thirty days since the date of finding of the incident.

4.2 Contract Giver must prepare and submit a Loss Event Report or a Monitoring Report which has been verified by a validation and verification body to Contract Acceptor within two years since the date of finding of the incident

4.3 Contract Giver must compensate carbon credits to cover all reversals of carbon credits from the incident.

4.4 Contract Giver must provide insurance or guarantee covering the whole period of the project to secure the compensation of the reversals of carbon credits which are CORSIA Eligible Emissions Eligible Units under this Agreement.

5. Reporting and Submitting of the Loss Event Report or Monitoring Report

5.1 In case there is an incident that will cause the estimated greenhouse gases removal of a Premium T-VER project decreasing more than five per cent of the amount indicated in the Project Design Document (PDD), Contract Giver must notify Contract Acceptor within thirty days since the date of finding of the incident; Contract Acceptor can suspend all buffer credits of Contract Giver in the pooled buffer account.

In case Contract Giver does not notify within the aforementioned time frame or within 30 days since the finding of such incident, Contract Acceptor can suspend all buffer credits of Contract Giver in the pooled buffer account as well as its carbon credits in holding account in the carbon credits registry system of Contract Acceptor.

5.2 Contract Giver must prepare and submit a Loss Event Report or a Monitoring Report which has been verified by a validation and verification body to Contract Acceptor within two years since the date of finding of the incident in clause 5.1.

6. Compensation of Reversals of Carbon Credits

6.1 Contract Giver has duties to compensate the reversals of carbon credits indicated in the report prepared under clause 5 in the following cases:

(1) Avoidable Incidents

(a) Contract Giver must compensate all reversals of carbon credits arising from such incident.

(b) Contract Giver must provide and cancel compensated carbon credits to cover all reversals of carbon credits.

(2) Unavoidable Incidents

(a) In case Contract Giver has sufficient buffer credits to cover all the reversals of carbon credits arising from the incident, Contract Acceptor shall cancel the buffer credits at the amount of the reversals.

(b) In case Contract Giver has insufficient buffer credits to cover all the reversals of carbon credits arising from the incident, Contract Acceptor shall cancel all the buffer credits and then notify Contract Giver to compensate the outstanding amount to cover all the reversals.

Contract Giver must provide and cancel compensated carbon credits to cover the outstanding amount of reversals of carbon credits, and must notify the completion to Contract Acceptor. Contract Acceptor shall check such compensation to be in accordance with the criteria,

and notify Contract Giver to rectify the compensation in case of any inaccuracies or incompleteness.

6.2 Contract Giver must compensate the reversals of carbon credits within ninety days since the date when the Board of Directors of Thailand Greenhouse Gas Management Organization has decided that Contract Giver shall compensate such reversals. The compensated carbon credits shall be Premium T-VER credits and the emission reductions shall not occurred more than five (5) years counting from the date the project participant is obligated to compensate carbon credits.

In case the reversals are CORSIA Eligible Emissions Units, compensation for such reversals must also be CORSIA Eligible Emissions Units.

6.3 In case Contract Giver cannot compensate for the reversals as per clause 6.2, Contract Giver consents that Contract Acceptor has power to proceed as follows:

6.3.1 cancelling carbon credits of Contract Giver in the carbon credits registry system of Contract Acceptor for compensation of such incident.

6.3.2 forfeiture of the guarantee

6.3.3 revoking the registration of the Premium T-VER project

7. Insuring the Compensation for the Reversals of Carbon Credits for CORSIA Eligible Emissions Units

7.1 Contract Giver has duties to provide insurance for **the compensation for the reversals of carbon credits indicating Contract Acceptor as the beneficiary, or provide a cash-backed bank guarantee.**

7.1.1 Insurance for **the compensation for the reversals of carbon credits made by Contract Giver must be indicated that Contract Acceptor is the beneficiary.**

7.1.2 Contract Giver must provide a bank guarantee issued by a legally-registered financial institution.

7.2 Insurance for the compensation for the reversals under this Agreement must be insured with a general insurance company licensed under the laws regarding general insurance.

7.3 Provision of insurance or guarantee must cover the whole period of the Premium T-VER project of Contract Giver.

8. Assurance and Pledge for Compensation of the Reversals of Carbon Credits

8.1 Contract Giver assures and pledges to Contract Acceptor that since the date of this Agreement to the end of crediting period of the project, Contract Giver has valid rights to proceed and operate the Premium T-VER project in accordance with the relevant laws, regulations, rules, or announcements; and rights to sell carbon credits or CORSIA Eligible Emissions Units; as well as execute any conducts to implement this Agreement.

8.2 Contract Giver assures and pledges that in case that Contract Acceptor has compensated the reversals of carbon credits from the incident, Contract Acceptor has legal rights to claim the compensation and relevant costs from Contract Giver. Contract Giver must make the full payment for the compensation and relevant costs to Contract Acceptor within ninety days since the date notified by Contract Acceptor.

9. Rights of Contract Acceptor

9.1 In case Contract Giver does not provide insurance or bank guarantee to cover the whole period of the project, Project Acceptor has power to revoke the registration of the Premium T-VER project.

10. Applicable Law

This Agreement and arisen relevant obligations shall be subject to Thai laws and jurisdiction of Thai courts.

11. Notice

11.1 Any notices or consents or approvals under this Agreement shall be made in writing, and shall be deemed to be validly delivered if sent to the following channels:

11.1.1 Name and Address

(1) Contract Giver.....

.....

(2) Contract Acceptor

Thailand Greenhouse Gas Management Organization (Public Organization)

No. 120 Moo 3 Floor 9 No. 120 Moo 3 Floor 9 Ratthaprasasanabhakti Building,
Chaloem Phrakiat Government Center, Chaengwattana Road, Thung Song Hong
Sub-district, Laksi District, Bangkok, 10210

11.1.2 Means of Delivery

- (1) Personal delivery to authorized person of each party
- (2) Registered post to name and address of each party indicated in this Agreement, or new address which has already informed the other party in writing.
- (3) E-mail to details given to each party, and shall be confirmed by post delivery without delay to the name and address of each party indicated in this Agreement, or new address which has already informed the other party in writing.

11.2 In case there is a change of address of any party, such party shall inform the other party in writing within seven days since the date of address change. Failure to inform the other party, any documents delivered as per clause 11.1 shall be deemed as valid.

Both parties have read and understood the Agreement thoroughly and finding that the Agreement is in accordance with their intent in every respect, have signed and seals (if any) in the presence of witnesses in evidence hereof. THIS AGREEMENT is made in duplicate, each with equal tenor and effect.

Signature.....
 (.....)
 Director of Thailand Greenhouse Gas
 Management Organization
 Contract Acceptor

Signature.....
 (.....)
 Juristic Person/Person
 Contract Giver

Signature.....
 (.....)

Witness

Signature.....
 (.....)

Witness