

INTERNATIONAL DISTRIBUTION AGREEMENT

THIS AGREEMENT dated the 26th day of July 2010

BETWEEN

The Ministry of Agriculture, Forestry and Food Security of the Government of the Republic of Sierra Leone (hereinafter "the Ministry"),

The Ministry of Lands, Country Planning and the Environment of the Government of the Republic of Sierra Leone,

And The Sierra Leone Environmental Protection Agency on one part,

AND

Enviro Carbon Access SL, a company registered in Sierra Leone of 47 Siaka Stevens Street, Freetown, Sierra Leone (hereinafter "Enviro Carbon Access SL") on the other part.

1. Preamble

- 1.1 The Government of the Republic of Sierra Leone is desirous to promote and encourage local and international companies for the production of the commodities described in Article 3.
- 1.2 Each approved project will be assigned a unique identifying Project Identification Number (PIN).

2. Appointment

- 2.1 In relation to the projects conducted within the concession areas, the Ministry and SLEPA hereby appoint Enviro Carbon Access SL as a Distributor to solicit and collect orders for the environmental commodities described in Article 3, from customers in the territory stipulated in Article 4, and Enviro Carbon Access SL accepts such appointment.
- 2.2 Under this appointment, in relation to the projects conducted by Enviro Carbon SL, Enviro Carbon SL will be responsible for:
 - A. Coordination of certification of environmental commodities as they are specified in Article 3.1.
 - B. Aggregation and consolidation of environmental commodities as they are specified in Article 3.1.
 - C. Sale and forward sale of environmental commodities as they are specified in Article 3.1.
 - D. Collection of the proceeds of sale and arrangement of payment to the Ministries and to the Carbon Credit Project Originator as such apportionments will be agreed and instructed to Enviro Carbon Access SL by the parties involved.
- 2.3 SLEPA (The Sierra Leone Environmental Protection Agency) shall monitor the implementation of this agreement and shall receive an amount of 1% of Enviro Carbon Access SL's revenue to effectively carry out its duties. In monitoring the Agreement SLEPA, shall notify the parties of any failure to comply with a provision of the Agreement by a party.
- 2.4 Enviro Carbon Access SL is aware of and will comply with the principle of Corporate Social Responsibility which is the continuing commitment by the business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. Enviro Carbon Access SL will commit to constructing roads, schools, hospitals etc, as well as sponsor programmes geared towards national development. To meet this commitment, Enviro Carbon Access SL will spend a minimum of 5% of its profit. An escrow or trust fund account will be set up into which the allocated funds will be paid after the first year of operation to meet with Enviro Carbon Access SL corporate and social responsibility. This account will act as a guarantee and the full amount will be returned to Enviro Carbon Access SL once the corporate and social responsibilities for the set minimum value have been met. Where there is a gap, the difference will be taken from this account and given to communities to implement such projects. SLEPA shall be responsible for the monitoring of the implementation of this fund.

3. Environmental Commodities

- 3.1 Voluntary Certified Emission Reduction Credits or Voluntary Carbon Credits which are all carbon credits (or substantially similar instruments) and which include (but not limited to) carbon credits which are recognised under and by the Voluntary Carbon Standard ("VCS"), Guidance for Agriculture, Forestry and Other Land Use Projects ("AFOLU") or similar, and Voluntary Carbon Credit products generated from projects within the chosen project area.
- 3.2 The provisions of clause 3.1 shall also fully apply in the event that general marketing requirements should predicate or impose the need for different nomenclature, wording, classification or derivative usage in any form for any sort of application of the same commodities.

4. Territory

- 4.1 Worldwide marketplace where voluntary carbon credit trading is permitted by international conventions and protocols.

5. Distribution of Proceeds

- 5.1 With projects within the concession area of government forests the proceeds will be split as follows – 51% GOSL and 49% Enviro Carbon Access SL.
- 5.2 All projects conducted within community areas will be negotiated individually between GOSL, Communities and Enviro Carbon Access SL in line with any Policy put in place.
- 5.3 All funds to be allocated to the Ministries, will be paid through a specified bank, which is initially identified as the Standard Chartered Bank in Switzerland at 7, Quai du Mont Blanc, 1201 Geneva, Switzerland ("Receiving Bank") to the Account of the Ministry, set and maintained by the Ministry with the Receiving Bank.
- 5.4 The proceeds of each sale will be maintained in the same currency of sale and to be paid pro-rata at the time of receipt of

- 5.5 The transfer costs and fees will be borne by the transferee.
6. Confirmation of Orders
- 6.1 The quantities, prices and consignments/vintage of the environmental commodities proposed for sale by Enviro Cabon SL by reason of this Agreement shall be confirmed for each transaction, the particulars of which are to be specified in the Sales Confirmation, which is to be signed by the two parties hereto. SLEPA shall be a party to all transactions.
7. Terms of payment
- 7.1 Notification of receipt of product by prospective buyer within 3 working days after dispatch.
Date of payment after notification of receipt of product should be within 7 working days.
The receiving bank will automatically transfer the amount due to government into a carbon account to be established by the Ministry.
- 7.2 General conditions of payment may also be agreed upon, so that they may be the customary method instead of the hereby described standard cash on delivery. Such substitutive method will be confirmed in writing by the Ministry or its designated body.
8. Banking Instructions Procedure
- 8.1 All payment of the proceeds of the sale of Voluntary Carbon Credits will be wired, according to the terms of the contract of sale in accordance with standard International use and practice, to a specified bank, which will initially be identified as the Standard Chartered Bank in Switzerland at 7, Quai du Mont Blanc, 1201 Geneva, Switzerland. The Accountant General of the Ministry of Finance and Economic Planning will be a co-signatory to this joint account, whereby both signatures will be required for the transfer of any funds.
- 8.2 The specified bank will be requested to receive payments on behalf of Enviro Carbon Access SL and will arrange that the Government and any third party developer of each individual project will automatically receive their apportionment of all incoming payments subject to the standing instructions related to the specific tranche of Carbon Credits identified by its unique project identification number (PIN).
- 8.3 The remainder of each received payment, which is to say the total amount received (in full or pro-rata) minus the related apportionments which have been transferred to the Ministry and to any third party developer, will then be transferred to an Enviro Carbon Access SL account and only at that point in time will that amount be entirely available to Enviro Carbon Access SL.
- 8.4 Once the apportionment for a specific project is determined, its tranche of Carbon Credits will be identified by its PIN number and all the paperwork related to that sale of Carbon Credits will be correlated to that PIN. This will permit Enviro Carbon Access SL, under the supervision of the GOSL, to instruct the specified bank to irrevocably and automatically forward the correct amount to the GOSL.
- 8.5 The apportionment of the received funds will be determined by the individual agreement between the Ministry and any third party developer and acted upon in accordance with the above procedures.
9. Quality Guarantee
- 9.1 In order to insure quality control and maintain value, Enviro Carbon Access SL accepts that it will have to refuse to sell any environmental commodity that will not be in conformity with the above mentioned standards.
- 9.2 Such refusal to sell sub-standard environmental commodities by Enviro Carbon Access SL will not be deemed to be a contractual breach or infringement for whatever reason.
10. Market Report
- 10.1 In order to keep the Ministries and SLEPA well informed of prevailing market conditions, Enviro Carbon Access SL will supply all three bodies, at least once a quarter or at any time when necessary, with market reports related to changes of the local regulations in connection with the sale of the environmental commodities covered by this agreement, local market tendency and Enviro Carbon Access SL comments on quality, quantity, price, etc. of the environmental commodities supplied by the Ministry under this agreement. Enviro Carbon Access SL shall also inform the Ministry about market competition on similar products of other suppliers.
11. Advertising and Expenses
- 11.1 Enviro Carbon Access SL shall submit to the Ministry all related materials intended for advertising for prior approval.
12. Duration of Agreement
- 12.1 This agreement, when duly signed by all the Parties, shall become effective from the day of signing by all Parties.
- 12.2 For all activities pertaining to the distribution of environmental commodities, this agreement will remain in force for 3 years. After such period, and after a satisfactory performance review in the broad areas of 1. Financial target achievement 2. Administrative goals achievements 3. Social Responsibility realization and 4. Marketing. Enviro Carbon Access SL will be designated "The Preferred Contractor" depending on the outcome of the review and have an exclusive one month period in which to negotiate a new International Distribution Agreement or to extend this International Distribution Agreement for a further term. GOSL reserves the right not to continue or renew the contract.
- 12.3 In the event that any post 2012 International Agreement is reached relating to carbon trading, GOSL reserves the right to ensure it is not in any way disadvantaged with regards to the overlapping period in 2013.
- 12.4 The Government of Sierra Leone may, after giving thirty days notice to the other party terminate the agreement in the event of any proven breach of contract.
13. Force Majeure
- 13.1 If either party is unable to perform its obligations under this Agreement because of a matter beyond that party's reasonable control such as lightning, flood, exceptionally severe weather, fire, explosion, war, civil disorder, industrial disputes (whether or not involving that party's employees) or acts of local or central Government or other competent authorities, or events

beyond the reasonable control of that party's suppliers, also generally described as Acts of God, that party will have no liability to the other(s) for that failure to perform.

14. Arbitration

- 14.1 Any dispute between the Parties in relation to the interpretation of, the effect of, the Parties respective rights and obligations under, a breach of and/or any matter arising out of this Agreement shall be referred to a Special Committee ("Special Committee") consisting of two representatives of Government of the Republic of Sierra Leone and two representatives of Enviro Carbon Access SL.
- 14.2 The Special Committee shall meet as soon as possible after referral of the dispute to it, and shall use its bona fide best efforts to resolve the dispute.
- 14.3 In the event that the Special Committee shall have failed, for whatever reason, to resolve the dispute by not later than 20 Business Days after the dispute shall first have arisen, the dispute shall be submitted to and decided by arbitration.
- 14.4 This agreement shall be governed by the laws of Sierra Leone, i.e the Arbitration Act, 26.
- 14.5 The arbitrator shall be if the question in issue is:
 - A. Primarily an accounting matter, an independent accountant agreed upon between the Parties;
 - B. Primarily a legal matter, a practising Senior Counsel with no less than 10 years standing agreed upon between the Parties;
 - C. Any other matter, an independent person agreed upon between the Parties.
- 14.6 If the Parties cannot agree on whether the question in issue is primarily a legal matter, primarily an accounting matter or any other matter, the question in issue shall be deemed to be a legal matter. If the Parties cannot agree upon a particular arbitrator within 7 Business Days after the arbitration has been demanded, the nomination shall be made by the AIA at the request of any Party to such dispute.
- 14.7 The decision of the arbitrator shall be final and binding on the Parties to the arbitration. A decision which becomes final and binding in terms of this clause may be made an order of a court at the instance of any Party to the arbitration.
- 14.8 Nothing herein contained shall prevent or prohibit any Party from applying to the appropriate court for interim or urgent relief.
- 14.9 The provisions of this clause shall be divisible from any other part of the Agreement and shall survive the termination or cancellation of this Agreement notwithstanding that the rest of the Agreement may be void or voidable.

15. Assignment

- 15.1 Enviro Carbon Access SL shall have the right to assign or transfer any of its rights or obligations under this agreement to a competent third party collaborator, after receiving written confirmation from the Minister such written confirmation not to be unreasonably withheld, delayed or conditioned.

16. Accounting Standards

- 16.1 It is hereby agreed that, in calculating the revenue and various sums payable under this Agreement, that the parties will use refer to and comply with International Accounting Standards as set down from time to time by the International Accounting Standards Board ("IASB").

17. Miscellaneous Provisions

- 17.1 Any reference in this Agreement to any statute or statutory provision construed as including a reference to that statute or statutory provision as from time amended modified extended or re-enacted whether before or after the Agreement and to all statutory instruments orders and regulations pursuant to it or amending it.
- 17.2 Unless the context otherwise requires words denoting the singular shall include the plural and vice versa and words denoting any one gender shall include all genders and words denoting persons shall include bodies corporate, unincorporated associations, partnerships and all lawful successors and assigns.
- 17.3 The failure by either party to enforce at any time or for any period, any one or more clauses of this Agreement shall not be a waiver of them or of the right at any time subsequently to enforce all such terms and conditions of this Agreement.

18. Severability

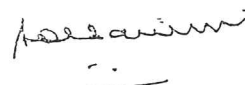
- 18.1 If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, this Agreement will be interpreted and enforceable as if such provision were severed or limited, but only to the extent necessary to render such provision and this Agreement enforceable.

19. Entire Agreement


- 19.1 This Agreement, the Exhibits and any instruments and agreements to be executed pursuant to this Agreement, sets forth the entire understanding of the parties hereto with respect to its subject matter and supersedes all prior and contemporaneous understandings with respect to its subject matter and may not be waived or modified, in whole or in part, except by a writing signed by each of the parties hereto. No waiver of any provision of this Agreement in any instance will be deemed to be a waiver of the same or any other provision in any other instance. Failure of any party to enforce any provision of this Agreement will not be construed as a waiver of its rights under such provision.

The resolution of disputes under international commercial contracts deriving from the execution of this contract will be conducted according to the courts of Sierra Leone.

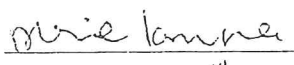
For the Republic of Sierra Leone – The Hon. Minister of Agriculture, Forestry and Food Security


Date 6th August 2010

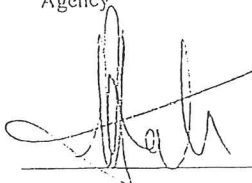
For the Republic of Sierra Leone – The Hon. Minister of Lands, Country Planning and the Environment


Date 6/8/10

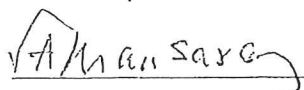
For Enviro Carbon Access SL – The Chairperson


Date August 6th 2010

For the Republic of Sierra Leone – The Executive Chairperson, Sierra Leone Environmental Protection Agency


Date

Witnessed by
The Ag. Director of Forestry,
Ministry of Agriculture,
Forestry and Food Security


Date 6th August 2010

FORESTRY CONCESSION AGREEMENT

~~CONFIDENTIAL DOCUMENT~~

THIS AGREEMENT is dated the 26th day of July 2010

BETWEEN

The Ministry of Agriculture, Forestry and Food Security of The Government of the Republic of Sierra Leone (hereinafter "the Ministry");

The Ministry of Lands, Country Planning and the Environment of the Government of the Republic of Sierra Leone,
and The Sierra Leone Environmental Protection Agency on one part,

And

Enviro Carbon Access SL, a company registered in Sierra Leone of 47 Siaka Stevens Street, Freetown, Sierra Leone (hereinafter "Enviro Carbon Access SL") on the other part.

1. Preamble

- 1.1 The autonomous Government of the Republic of Sierra Leone (the "Government") is specifically interested in welcoming inward investment into the country's natural resources as a means of enhancing national wealth and job creation;
- 1.2 The Republic of Sierra Leone is blessed in having an important natural resource in its forests that covered, as at March 2005, some 6,305,000 hectares or approximately 88 percent of the territory as detailed in the official NEPAD-CAADP report produced by the New Partnership for Africa's Development (NEPAD) and the Food and Agriculture Organization of the United Nations Comprehensive Africa Agriculture Development Programme (CAADP) Investment Centre Division document, - reference TCP/SIL/2905 (I) (NEPAD Ref. 05/23 E) - divided into closed high forest (635,000 ha), secondary forest (261,000 ha), forest regrowth or fallow bush (3,744,000 ha), savannah woodlands (1,619,000 ha) and mangroves (286,000 ha).
- 1.3 The forests of Sierra Leone comprise National Forests, which are controlled and managed by the Government, and Community Forests, which are owned by local communities but managed by the Forestry Division of the Ministry.
- 1.4 One of the main objectives of this agreement is the generation of funds for the Ministry from the sale of Voluntary Carbon Credits to compensate and motivate local communities/people (including Paramount Chiefs) into voluntarily stopping illegal logging.
- 1.5 The prevention of illegal logging is essential to obtain carbon credits which are based on avoided deforestation.
- 1.6 By offering the local communities and Paramount Chiefs alternative funds to voluntarily combat illegal logging, this program aims to be one of the best weapons against the Sierra Leone's forests' continued suffering from severe deforestation.
- 1.7 The Ministry has agreed to grant concession rights to Enviro Carbon Access SL on the terms and conditions hereinafter described.
- 1.8 This contract specifically aims to realise the Carbon Credit potential of the Forestry of Sierra Leone, from any funding it may derive internationally. It will form stage one of the overall potential that Enviro Carbon Access SL can assist Sierra Leone in achieving.

2. Definitions and glossary

In this agreement, the following words and expressions shall have the following meanings:

"afforestation"	the practice of converting abandoned cropland, pasture land or grass lands to tree cover
"carbon credit"	a permit that allows the holder to emit one ton of carbon dioxide
"carbon sequestration"	the removal and storage of carbon from the atmosphere in carbon sinks such as oceans, forests and soils, through physical or biological processes such as photosynthesis, resulting in the creation of carbon credits
"Clean Development Mechanism"	arrangement under the Kyoto Protocol which allows countries to invest in ventures that reduce carbon emissions
"Concession Area"	See Appendix B
"Ministry"	Ministry of Agriculture, Forestry and Food Security
"deforestation"	the logging or burning of trees in forested areas
"Official Carbon Credits"	carbon credits sold through the Clean Development Mechanism
"reforestation"	the reestablishment of a forest either by natural regeneration or by planting in an area where forest was removed
"UN - REDD Programme"	the United Nations collaborative programme on reducing emissions from deforestation and forest degradation
"Voluntary Carbon Credits"	carbon credits sold through voluntary markets rather than the Clean Development Mechanism

3. Grant of Concession Rights

- 3.1 The Ministry hereby grants Enviro Carbon Access SL the concession rights for the production of Voluntary Certified Emission Reduction Credits or Voluntary Carbon Credits which are all carbon credits (or substantially similar instruments) and which include (but not limited to) carbon credits which are recognised under and by the Voluntary Carbon Standard ("VCS"), Guidance for Agriculture, Forestry and Other Land Use Projects ("AFOLU") or similar, and Voluntary Carbon Credit products generated from avoided deforestation including RED and REDD initiatives and the right to project manage the generation of carbon credits, in the Concession Area, subject to clause 3.4 hereto.
- 3.2 In addition, Enviro Carbon Access SL is granted concession rights to generate and trade Official carbon credits from the Concession Area with regulated entities.
- 3.3 In the interest of safeguarding the sovereign rights of Sierra Leone, title to all carbon credits generated in the Concession Area by Enviro Carbon SL under the terms of this agreement will be initially be vested in the Ministry until such carbon credits have been verified and registered at an internationally recognized carbon credit registry such as the Bank of New York Mellon, whereupon the Ministry shall be obliged to transfer the title to such carbon credits to Enviro Carbon Access SL's appointed international carbon credit wholesaler(s). Should any carbon credits generated in the Concession Area by Enviro Carbon Access SL remain unsold either through sale or forward sale by Enviro Carbon Access SL's appointed international carbon credit wholesaler upon the date of expiry of this agreement, title to such carbon credits will revert to the Ministry unless an extension to the duration of the agreement is agreed.
- 3.4 In respect of Local Community forests in concession areas in this agreement, it is intended that Enviro Carbon Access SL will be granted permission for carbon credit generation, through atmospheric capture over these areas; however the responsibility for such negotiations and working with Local Communities in regards to protecting the Local Community forests will be borne by Enviro Carbon Access SL and their approach will be through dialogue and consultation. The Government shall assist in the negotiation process with Local Communities and will ensure that Enviro Carbon Access SL and the Local Community concerned come to a full agreement on such designated non-protected areas.
- 3.5 This agreement does not apply to any previous official commitment of the Ministry or its officially delegated bodies to projects which are already proposed for the generation of carbon credits at the date of signing this contract. Such projects, such as those in designated protected areas, will be excluded from the effects of this concession.

4. Additional Non-exclusive Initiatives Concession

- 4.1 Enviro Carbon Access SL will, on a non-exclusive basis, propose the development of reforestation, afforestation or restoration of degraded land programmes in conjunction with the Ministry and such proposals may include initiatives that can be undertaken by Enviro Carbon Access SL but these will be subject to separate agreements.

5. Duration of Concessions:

- 5.1 This agreement, when duly signed by the parties hereto, shall become effective from the date of signing.
- 5.2 For all activities pertaining to the creation of carbon credits, this agreement will remain in force for 3 years. After such period, and after a satisfactory performance review in the broad areas of 1. Financial target achievement 2. Administrative goals achievements 3. Social Responsibility realization and 4. Marketing, the extension of this agreement will be considered provided the terms of this agreement are satisfactorily carried out and will have an exclusive one month period in which to negotiate a new International Distribution Agreement or to extend this International Distribution Agreement for a further term. GOSL reserves the right not to continue or renew the contract. MAFFS in consultation with SLEPA, will determine the level of success in the delivery of the target areas.
- 5.3 In the event that any post 2012 International Agreement is reached relating to carbon trading, GOSL reserves the right to ensure it is not in any way disadvantaged with regards to the overlapping period in 2013.

6. Obedience to Law

- 6.1 Nothing contained in this agreement shall be deemed to confer any rights to Enviro Carbon Access SL which conflict with provisions contained with any relevant enactment, or permit Enviro Carbon Access SL to dispense with the necessity of applying for and obtaining any permit or authorization which Enviro Carbon Access SL may be required by law or regulation to obtain in respect of any work or activity proposed to be carried out hereunder.

7. Power of Ministry to Exclude Parts of the Concession Areas

- 7.1 The Ministry may, by reasonable notice in writing to Enviro Carbon Access SL, exclude from the Concession Area, at any time and from time to time, any part which may be required for any stated public purpose whatsoever, provided that:
- 7.1.1 The parts so excluded shall not have a surface area in the aggregate greater than twenty thousand hectares of the Concession Area;
- 7.1.2 Any parts of the Concession Area so excluded shall continue to form part of the Concession Area subject to this agreement except that no operations leading to the generation of any carbon credit and related multiple revenue streams shall be conducted on the parts so excluded;
- 7.1.3 No part of the Concession Area shall be so excluded in respect of which Enviro Carbon Access SL shall have given prior notice specifying that such part is required for strategic operations hereunder or on which active operations have commenced or are in progress (such as construction, installation, reforestation, seeding or other works related to) but, in lieu thereof, a part equal in area to any such part shall be excluded for such public purposes; and
- 7.1.4 The Ministry shall not take to itself or grant to third parties the right to execute similar activities from any part so excluded.
- 7.2 Enviro Carbon Access SL shall be relieved of all liabilities or obligations hereunder in respect of any part excluded under this paragraph except liabilities or obligations accrued prior to such exclusion.
- 7.3 In the event that any area so excluded from the Concession Area has had carbon credits generated in relation to it, that have been sold, the Ministry will adequately compensate the carbon credit holders for their loss and Enviro Carbon Access SL will not be held accountable for such appropriations.

8. Conduct of Operation

- 8.1 Enviro Carbon Access SL shall conduct all of its operations hereunder with good commercial practice, due diligence, efficiency, safety and economy, in accordance with good practice and in a proper and workmanlike manner, observing sound technical and engineering principles using appropriate modern and effective equipment, machinery, materials and methods, and pay particular regard to conservation of resources, reclamation of land and environmental protection generally.
- 8.2 Enviro Carbon Access SL shall fence off, when necessary, effectively from the adjoining lands, all works made or used under the powers hereof.

9. Notification of Discovery of Other Resources

- 9.1 Enviro Carbon Access SL shall report forthwith to the designated Minister, the Chief Executive of the Minerals Commission, the Chief Inspector of Mines and the Director of Geological Survey, the discovery in the Concession Area of any mineral deposits.
- 9.2 Enviro Carbon Access SL are prohibited from the extraction of any Minerals.

10. Health, Safety and Environmental Protection

- 10.1 Enviro Carbon Access SL shall comply with all such reasonable instructions as may from time to time be given by the Chief Inspector of Forestry and/or Environment for securing the health and safety of persons engaged in or connected with the operations hereunder.
- 10.2 Enviro Carbon Access SL shall adopt all necessary and practical precautionary measures to prevent undue pollution of rivers and other potable water and to ensure that such pollution does not cause harm or destruction to human or animal life or fresh water fish or vegetation.
- 10.3 All projects shall be required to undertake an environmental impact assessment and the preparation of a mitigation plan.

11. Liability For Damage or Injury and Indemnity

- 11.1 Nothing in this agreement shall exempt Enviro Carbon Access SL from liability for any damage, loss or injury caused to any person, property or interest as a result of the exercise by Enviro Carbon Access SL of any rights or powers granted to it under this agreement.
- 11.2 Enviro Carbon Access SL shall at all times indemnify the Ministry and its officers and agents against all claims and liabilities in respect of any loss suffered by or damage done to third Parties arising out of the exercise by Enviro Carbon Access SL of any rights or powers granted to it under this Agreement.

12. Employment and Training

- 12.1 Citizens of Sierra Leone shall be given preference for employment by Enviro Carbon Access SL in all phases of its operations hereunder to the maximum possible extent, consistent with safety, efficiency and economy.
- 12.2 Except with respect to unskilled personnel, Enviro Carbon Access SL may employ non-Sierra Leonean personnel in the conduct of its operations provided that the number of such non-Sierra Leonean personnel employed shall not exceed the quota permitted by the Ministry of Labour and Employment.
- 12.3 Enviro Carbon Access SL shall provide appropriate programmes of instruction and theoretical and practical training to ensure the advancement, development, improved skills and qualification of Sierra Leonean employees in all categories of employment.

13. Preference for Sierra Leonean Goods and Services

- 13.1 In the conduct of its operations and in the purchase, construction and installation of facilities, Enviro Carbon Access SL shall give preference to:
 - 13.1.1 materials and products made in Sierra Leone, if such materials and products are comparable or better in price, quality and delivery dates than materials and products from foreign sources; and
 - 13.1.2 service agencies located in Sierra Leone, owned by Sierra Leonean citizens or companies organized pursuant to Sierra Leonean Law, including but not limited to, insurance agencies, bidding contractors, import brokers, dealers and agents if such agencies give or provide equal or better price and quality of service than competing foreign firms and can render services at such times as Enviro Carbon Access SL may require.

14. Affiliated Company Transaction

- 14.1 Any services including services in respect of the purchase and acquisition of materials outside Sierra Leone provided by an affiliated company shall be obtained only at a price which is fair and reasonable and Enviro Carbon Access SL shall, at the request of the Ministry, provide such justification of costs as may be required, duly supported by an Auditor's certificate if necessary.
- 14.2 Any other transactions between Enviro Carbon Access SL and an affiliated company shall be on the basis of competitive international prices and upon such terms and conditions as would be fair and reasonable had such transactions taken place between unrelated parties dealing at arms' length

15. Technical Records

- 15.1 Enviro Carbon Access SL shall maintain at its registered offices complete records of the projects carried out under this agreement in such form as may from time to time be examined by persons in the service or acting

on behalf of the Ministry and authorized in writing by the relevant designated Minister, within 24 hours of receipt of request.

- 15.2 Upon expiration or termination of this agreement or the surrender of any part of the Concession Area, such records and data as are required to be maintained pursuant to this paragraph which relate to the Concession Area, or such part of the Concession Area as may have been surrendered shall be delivered to the Ministry designated office and it shall become the property of the Ministry without charge.

16. Financial Records

- 16.1 Enviro Carbon Access SL shall maintain at its registered offices detailed and complete accounts and systematic financial records of its operations as may be required by Law. The books of account shall show all revenues received by Enviro Carbon Access SL from all sources including its operations hereunder, as well as all its expenditure. Enviro Carbon Access SL shall provide for a clear basis for understanding and relating the financial records and accounts to its operations.
- 16.2 Enviro Carbon's books of account shall be kept on the basis of generally accepted accounting principles. The accountant shall be appointed by Enviro Carbon Access SL, after approval of the Ministry.
- 16.3 Enviro Carbon Access SL shall keep separately records and financial statements in terms of Sierra Leonean currency and also in terms of U.S. Dollars or other international currency and may record in foreign currency such claims and liabilities as arise in such foreign currency.
- 16.4 Enviro Carbon Access SL's books of account shall be audited within six (6) months after the close of each Financial Year by a qualified accountant and member of the Sierra Leonean Institute of Chartered Accountants or equivalent. Such auditing shall not in any way imply acceptance of its results by the Ministry or preclude the Ministry from auditing such books of account. Enviro Carbon Access SL shall deliver to the designated Minister without charge, copies of all or any part of such financial records as he may from time to time reasonably request, within 24 hours of request.

17. Reports

- 17.1 Enviro Carbon Access SL shall furnish a report each quarter, to the designated Minister, in such forms as may from time to time be approved by the designated Minister, regarding the revenue received and royalties payable for that quarter and such other information as may be required. Such reports shall be submitted not later than thirty (30) days after the end of each quarter.
- 17.2 Enviro Carbon Access SL shall furnish a report each half-year to the designated Minister, in such form as may from time to time be approved by the designated Minister summarising the results of its operations in the Concession Area during the half-year and records to be kept by Enviro Carbon Access SL pursuant to paragraphs 15, 16 and 21 hereof. Each such report shall include a description of any work carried out by Enviro Carbon Access SL in that half-year. Such reports shall be submitted not later than forty (40) days after the half-year to which they relate.
- 17.3 Enviro Carbon Access SL shall furnish a report each Financial Year in such form as may from time to time be approved by the designated Minister, summarising the results of its operations in the Concession Area during that Financial Year and the records required to be kept by Enviro Carbon Access SL pursuant to paragraphs 15, 16 and 21 hereof. Each such report shall include a description of the proposed operations for the following year with an estimate of the production and revenue to be obtained therefrom. Such reports shall be submitted not later than sixty (60) days after the end of each Financial Year.
- 17.4 Enviro Carbon Access SL shall, not later than 180 days after the end of each Financial Year, furnish the designated Minister with a copy of its annual financial reports including a balance sheet, profit and loss account, and all notes pertaining thereto, duly certified by a qualified accountant who is a member of the Sierra Leonean Institute of Chartered Accountants or equivalent. Such certificate shall not in any way imply acceptance of such reports by the Ministry or preclude the Ministry from auditing Enviro Carbon Access SL's books of account.

18. Financial Award Obligation

- 18.1 Each and every project will need to be separately assessed for the quantity of carbon credits per hectare it produces and in line with modern international public private partnerships, the revenue share of total sales for each project will be allocated as 51% for the Ministry and 49% to Enviro Carbon Access SL. 1% will be paid to SLEPA by Enviro Carbon Access SL, for its monitoring role. Failure to pay within 30 days from receipt of cleared funds will constitute a breach in contract.
- 18.2 Such percentage of the total of the proceeds of the sale of carbon credits will be allocated to the Ministry in a manner and procedure to be advised by the Ministry from time to time. Such allocation will be managed by the appropriate Governmental bodies.

18.3 For the sake of clarity for all Parties involved, Enviro Carbon Access SL alone will independently bear all the following costs and expenses:

- (PDD) Project Design Document development which includes:
 - Establishment of a team of scientists to be briefed and survey the area (on foot)
 - Provision of the aerial survey of the project area (helicopter or light aircraft)
 - Provision of satellite mapping (satellite rental)
- (PIN) Project Identification Note
- Implementation of all components described in PIN
- Recruiting of national and international expert personnel needed to manage project(s)
- Training of local forestry personnel to manage local activities
- Set-up of the projects "Social Factors" for extra qualification (Platinum Standard)
- Appointment of Verification Agencies for the project
- Register the verification with Registry (U.N. approved)
- Appointment of Registry to deposit the Carbon Credits verified by the Verification Agency jointly with MAFFS
- Production of Sales and Marketing material
- Agreements with various Exchanges to facilitate trading of Carbon Credits and Biodiversity Certificates
- Appoint sales team for marketing to create a Global Sales Force
- Creation of Internet sales vehicles and web site administration
- Insurance of Carbon Credits and provision for contingencies (e.g. fire, disease, flood, illegal logging, acts of God, etc.)
- Travel expenses
- Sales commissions
- Financial intermediary fees
- Accountancy and Audit fees
- Legal fees
- All other costs and expenses involved in the general and day to day processes from beginning to end of the projects life cycles.

The list above, which includes financial distribution and investment costs, is in no way complete but may well indicate the "behind the scenes" expenses that Enviro Carbon Access SL will face during the implementation of each individual project.

19. Confidential Treatment

- 19.1 The Ministry shall treat all confidential business information supplied by Enviro Carbon Access SL hereunder as confidential for a period of three (3) years from the date of submission of such information or upon termination of this Agreement, whichever is sooner and shall not reveal such information to third parties except with the written consent of Enviro Carbon Access SL, which consent shall not be unreasonably withheld. The Ministry and persons authorized by the Ministry may nevertheless use such information received from Enviro Carbon Access SL for the purpose of preparing and publishing general reports in connection with any dispute between the Ministry and Enviro Carbon Access SL.

20. Certification Records

- 20.1 Enviro Carbon Access SL estimates the first round of certifications for Voluntary Carbon Credits will be verified within a period of six months from the date of the signing of this agreement.
- 20.2 Enviro Carbon Access SL shall maintain at its registered offices complete and accurate technical records of its operations and related certifications in the Concession Area in such form as may from time to time be examined by the Ministry.

21. Banking Instructions Procedure

- 21.1 All payment of the proceeds of the sale of Voluntary Carbon Credits will be wired, according to the terms of the contract of sale in accordance with standard International use and practices, to a specified bank, which is

initially identified as the Standard Chartered Bank in Switzerland at 7, Quai du Mont Blanc, 1201 Geneva, Switzerland ("Receiving Bank").

- 21.2 The specified bank will be requested to receive payments on behalf of Enviro Carbon Access SL and grant the Ministry that all incoming payments will be subject to standing instructions related to the specific tranche of Carbon Credits identified by its unique project identification number (PIN).
- 21.3 The remainder of each received payment, which is to say the total amount received (in full or pro-rata) minus the related Concession Fee which had been transferred to the Afforestation Account of the Ministry, set and maintained by the Ministry with the Receiving Bank, will then be transferred to an Enviro Carbon Access SL account and only at that point will that amount be entirely available to Enviro Carbon Access SL.
- 21.4 Once the award for a specific project is determined, according to clause 18 hereto, that tranche of carbon credits will be identified by its PIN number and the paperwork related to that sale of carbon credits will be correlated to that PIN. This will permit Enviro Carbon Access SL, under the supervision of the Ministry, to instruct the specified bank to irrevocably and automatically forward the correct sum to the Ministry.

22. Special Fund for the Protection of Existing Forest ("PEF")

- 22.1 In consideration of the high investment, high returns and the need to protect and develop the forest as a national treasure, a set-aside special fund called PEF will be created and at least 20% (twenty percent) of the total of the Concession Fee due to the Ministry or its assigned body, derived from the sale of the carbon credits, will be allocated.
- 22.2 Such PEF fund is intended to be available for local residents or entities in the proximity of the protected areas in order to generate an alternative source of income to replace the income from illegal logging and Enviro Carbon Access SL and the Ministry will jointly manage this fund for afforestation, reforestation and avoided deforestation projects.
- 22.3 The remainder of the Concession Fee allocated to the Ministry, thus the net amount at that moment due, will be distributed according to the Sierra Leonean Forestry Act 1988.

23. Surrender

- 23.1 Enviro Carbon Access SL may surrender at any time and from time to time, by giving not less than three months' notice to the designated Minister, all its rights hereunder in respect of any part of the Concession Area not larger in the aggregate than 20% of the Concession Area. Enviro Carbon Access SL may surrender a larger part of the Concession Area by giving not less than twelve (12) months' notice to the designated Minister. Enviro Carbon Access SL shall be relieved of all obligations in respect of the part or parts of the Concession Area so surrendered except those obligations which accrued prior to the effective date of surrender.

24. Enviro Carbon Access SL's Right to Terminate Agreement

- 24.1 Enviro Carbon Access SL may, if in its opinion it can no longer be economically viable, terminate this Concession Agreement by giving not less than nine (9) months' notice to the Ministry. Such termination shall be without prejudice to any obligation or liability incurred by Enviro Carbon Access SL hereunder prior to the effective date of such termination.

25. Ministry's Right to Terminate Agreement

- 25.1 The Ministry may, subject to the provisions of this paragraph, terminate this Concession Agreement if any of the following events shall occur:
 - (i) Enviro Carbon Access SL shall fail to make any of the payments provided for in this Agreement within ninety days of the payment due date;
 - (ii) Enviro Carbon Access SL shall become insolvent or bankrupt or enter into any agreement or composition with its creditors or take advantage of any law for the benefit of debtors or go into liquidation, whether compulsory or voluntary, except for the purposes of reconstruction or amalgamation;
 - (iii) If the Ministry has reasonable justification, according to the laws of Sierra Leone, that there is a breach of contract, the government may terminate the agreement after giving 30 days notice.
- 25.2 If and whenever the Ministry decides there are grounds to terminate this agreement pursuant to clauses (i) and (ii) of the preceding sub-paragraph, the Ministry shall give Enviro Carbon Access SL notice specifying the particular contravention or failure and permit Enviro Carbon Access SL to remedy the same within three (3) months of such notice, or such longer period as the designated Minister may specify in such notice as being reasonable in the circumstances.

31. Notice

- 31.1 Any application, notice, consent, approval, direction, instruction or waiver hereunder shall be in writing and shall be delivered by hand or by registered mail to the address shown at the top of this agreement or such address as provided by either party for the purpose of this clause. Delivery by hand shall be deemed to be effective from the time of delivery and delivery by registered mail shall be deemed to be effective from such time as it would in the ordinary course of registered mail be delivered to the addressee.

32. Dispute Resolution

- 32.1 Any dispute between the Parties in relation to the interpretation of, the effect of, the Parties respective rights and obligations under, a breach of and/or any matter arising out of this Agreement shall be referred to a Special Committee ("Special Committee") consisting of a two representatives of Government of the Republic of Sierra Leone and two representatives of Enviro Carbon SL.
- 32.2 The Special Committee shall meet as soon as possible after referral of the dispute to it, and shall use its bona fide best efforts to resolve the dispute.
- 32.3 In the event that the Special Committee shall have failed, for whatever reason, to resolve the dispute by not later than twenty business days after the dispute shall first have arisen, the dispute shall be submitted to and decided by arbitration.
- 32.4 The said arbitration shall be held in accordance with the provisions of the Association for International Arbitration ("AIA") it being the intention that, if possible, it shall be held and concluded within twenty one business days after it has been demanded.
- 32.5 The arbitrator shall be if the question in issue is:
- A. Primarily an accounting matter, an independent accountant agreed upon between the parties;
 - B. Primarily a legal matter, a practicing Senior Counsel with no less than ten years standing agreed upon between the Parties; or
 - C. Any other matter, an independent person agreed upon between the parties.
- 32.6 If the parties cannot agree on whether the question in issue is primarily a legal matter, primarily an accounting matter or any other matter, the question in issue shall be deemed to be a legal matter. If the parties cannot agree upon a particular arbitrator within seven business days after the arbitration has been demanded, the nomination shall be made by AIA at the request of any party to such dispute.
- 32.7 The decision of the arbitrator shall be final and binding on the parties to the arbitration. A decision which becomes final and binding in terms of this clause may be made an order of the court at the instance of any party to the arbitration.
- 32.8 Nothing herein contained shall prevent or prohibit any party from applying to the appropriate court for interim or urgent relief.
- 32.9 The provisions of this clause shall be divisible from any other part of the agreement and shall survive the termination or cancellation of this Agreement notwithstanding that the rest of the agreement may be void or voidable.

33. Severability

- 33.1 If any provision of this agreement is held to be invalid or unenforceable by a court of competent jurisdiction, this agreement will be interpreted and enforceable as if such provision were severed or limited, but only to the extent necessary to render such provision and this agreement enforceable.

34. Entire Agreement

- 34.1 This agreement together with the International Distribution agreement signed by the parties contemporaneously with this agreement sets forth the entire understanding of the parties hereto with respect to its subject matter and supersedes all prior and contemporaneous understandings, oral or written, with respect to its subject matter and may not be waived or modified, in whole or in part, except in writing signed by each of the parties hereto. No waiver of any provision of this agreement in any instance will be deemed to be a waiver of the same or any other provision in any other instance. Failure of any party to enforce any provision of this agreement will not be construed as a waiver of its rights under such provision.

35. Law

The resolution of disputes under national commercial contracts deriving from the execution of this contract will be conducted in the Court of Freetown Sierra Leone, according to Sierra Leonean current Law.

For the Republic of Sierra Leone -- The Hon. Minister of Agriculture, Forestry and Food Security

6th August 2010
Date

For the Republic of Sierra Leone -- The Hon. Minister of Lands, Country Planning and the Environment

Date

For Enviro Carbon Access SL -- The Chairperson

6th August 2010
Date

For the Republic of Sierra Leone -- The Executive Chairperson, Sierra Leone Environmental Protection Agency

Date

Witnessed by
The Ag. Director of Forestry,
Ministry of Agriculture,
Forestry and Food Security

6th August 2010
Date

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Appendix A

According to research, the following three year projections will apply for the forestry aspect of Carbon Credit generation alone, provided there is a REDD strategy in place and other administrative prerequisites in Sierra Leone.

	Partnership 3 Year Projections of contract worth	Conditions
	Year 1 – Circa \$ 5-10 million Year 2 – Circa \$ 10-15 million Year 3 – Circa \$ 15-20 million	<ul style="list-style-type: none">• High level of co-operation and commitment from Community and Paramount Chiefs • High level co-operation and commitment from government • Favorable Carbon Credit Policy reviews • High Level of Participation • High global price of carbon credits