

July 6, 2010

BUYER PARTICIPATION AGREEMENT

between

[INSERT NAME OF BUYER PARTICIPANT]

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
AS TRUSTEE OF THE CARBON FUND AND THE CARBON ASSET DEVELOPMENT FUND
OF THE CARBON PARTNERSHIP FACILITY

regarding the
First Tranche of the
Carbon Fund of the Carbon Partnership Facility

Whereas:

- A. [INSERT NAME OF BUYER PARTICIPANT] submitted a letter to the International Bank for Reconstruction and Development (“**IBRD**”) acting as Trustee of the Carbon Fund (“**Trustee of the Carbon Fund**”) of the Carbon Partnership Facility (“**CPF**”) dated [INSERT DATE] (“**Expression of Interest**”) in which it expressed its interest in participating as Buyer Participant in the Carbon Fund of the Carbon Partnership Facility (“**Carbon Fund**”); and
- B. The Trustee of the Carbon Fund, after having reviewed the Expression of Interest, has determined that [INSERT NAME OF BUYER PARTICIPANT] is an Eligible Buyer Participant of the Carbon Fund.

[INSERT NAME OF BUYER PARTICIPANT], as Buyer Participant in the First Tranche of the Carbon Fund (hereinafter referred to as “**Buyer Participant**”), and the IBRD acting as Trustee of the Carbon Fund and as trustee of the Carbon Asset Development Fund (“**Trustee of the CADF**”) of the CPF (together referred to as “**Trustees**”) agree to enter into this Agreement on the terms and conditions set forth below:

I. DEFINITIONS

Section 1.1 Unless defined otherwise herein, capitalized terms used in this Agreement, shall have the meaning ascribed to them in the Instrument, and the terms set forth below shall have the following meanings:

- (a) “**Additional Contribution**” means the Buyer Participant’s contribution to the First Tranche of the Carbon Fund that is in addition to its initial Contribution;

- (b) **“Agreement”** means this Buyer Participation Agreement, as amended from time to time, including the attachments to this Agreement;
- (c) **“Amendment to the Participation Agreement for an Additional Contribution”** means an amendment to this Agreement for an Additional Contribution as provided for in **Attachment B** to this Agreement;
- (d) **“Contribution”** means the Buyer Participant’s contribution to the First Tranche of the Carbon Fund in the amount specified in Section 3.5 of this Agreement;
- (e) **“Governmental Authority”** means any national, regional or local governmental agency or authority in any country, and any other governmental or quasi-governmental entity, agency, organization, commission, secretariat, executive board, mechanism, conference or authority, including any existing or future international, regional or multi-national governmental or political bodies or establishments, including, but not limited to, those established by the parties to the UNFCCC or the Kyoto Protocol or the member states of the European Union, and any subordinate entity, technical body, expert, validator, certifier, operational entity or authority of, recognized by, reporting to, mandated by, or acting on behalf of any of the foregoing;
- (f) **“Information Memorandum”** means the confidential information memorandum of the CPF dated November 20, 2008 for prospective participants in the CPF as may be modified or supplemented from time to time;
- (g) **“Instrument”** means the Instrument Establishing the Carbon Partnership Facility dated November 20, 2009_ incorporated into this Agreement by reference, as amended from time to time;
- (h) **“Note”** means the promissory note, substantially in the form of **Attachment A** to this Agreement, in the amount of the Contribution or any Additional Contribution, as the case may be, issued by the Buyer Participant and made payable to the Trustee of the Carbon Fund on demand;
- (i) **“Prepaid Contribution Fund Agreement”** means an agreement between the IBRD and the Buyer Participant substantially in the form of **Attachment C** to this Agreement; and
- (j) **“Standard Provisions”** means the standard terms and conditions applicable to the administration by the Trustee of the CADF of all sources of funds available for the CADF, including the CADF Charge and any interest generated by the Prepaid Contribution Fund, as provided for in **Attachment D** to this Agreement.

II. THE INSTRUMENT

The parties to this Agreement agree to be also bound by the terms and conditions of the Instrument. The Instrument shall be an integral part of this Agreement.

III. PURCHASE OF INTEREST IN THE CARBON FUND

Section 3.1 The Buyer Participant and the Trustee of the Carbon Fund agree that the Buyer Participant hereby purchases an interest in the First Tranche of the Carbon Fund on the terms and conditions set forth in this Agreement (“**Interest**”).

Section 3.2 The Buyer Participant acknowledges that in the event that at the time the Trustee intends to enter into any ERPA, the Buyer Participant has no rating or does not have a rating of Baa or higher by Moody’s Investor Services Limited, a rating of BBB or higher by Standard and Poor’s Rating Services, or a rating of BBB or higher by Fitch’s Ratings the Trustee may, prior to entering into such ERPA, demand that such Buyer Participant (i) prepay that portion of the amount of its Contribution that corresponds to such Buyer Participant’s pro rata share of the amount payable by the Trustee under such ERPA by entering into a Prepaid Contribution Fund Agreement substantially in the form of Attachment C or (ii) provide an irrevocable standby letter of credit, in form and substance satisfactory to the Trustee, issued from a financial institution acceptable to the Trustee for such amount of its Contribution drawable over the term of the ERPA or such other form of security for such amount as is acceptable to the Trustee. If the Buyer Participant fails to make any such pre-payment or provide such letter of credit or other form of security within thirty (30) days following such demand from the Trustee, Section 14.2 of the Instrument shall apply. Any such pre-payment shall be considered a Prepaid Contribution and Section 7.4 of the Instrument shall apply.

Section 3.3 The Trustees and the Buyer Participant hereby agree that this Agreement shall not become effective unless and until the Trustee of the Carbon Fund has received an executed Note covering the amount of the Contribution.

Section 3.4 The Buyer Participant acknowledges that the Interest is subject to the restrictions on transfer and other terms and conditions set forth in this Agreement and those set forth in the Instrument. The Interest may not be offered for sale, pledged, sold, assigned, or transferred at any time except in compliance with the terms and conditions of the Instrument and the Buyer Participant bears the risk of its Contribution and Additional Contribution, if any, for an indefinite period of time.

Section 3.5 The Buyer Participant hereby agrees to make a contribution of EURO _____ (in words: _____ Euros) to the First Tranche of the Carbon Fund (“**Contribution**”), being not less than the Minimum Contribution required under the Instrument

Section 3.6 The Tranche Property in the First Tranche shall be fully disbursed by the Trustee by June 30, 2024, unless otherwise decided by the Trustee of the Carbon Fund and the Buyer Participants in the First Tranche.

IV. PAYMENT OF CONTRIBUTIONS

Section 4.1 The Buyer Participant shall pay its Contribution through the issuance and delivery of a Note to the Trustee of the Carbon Fund.

Section 4.2 Except as otherwise provided for in the Instrument and without prejudice to Section 4.3 below, Demands for Payment shall be issued by the Trustee of the Carbon Fund to the Buyer Participant on a *pro rata* basis, at the Trustee of the Carbon Fund's sole and absolute discretion, having regard to the financial requirements of the First Tranche of the Carbon Fund, including, but not limited to, any anticipated payments to parties under Emission Reductions Purchase Agreements entered into by the Trustee for the Carbon Fund.

Section 4.3 The Buyer Participant shall pay to the Trustee of the Carbon Fund the CADF Charge, being an amount equal to nine percent (9%) of the Contribution, to be transferred to and administered by the Trustee of the CADF to fund the CADF in accordance with Section 7.5 of the Instrument. The CADF Charge shall be paid in three equal installments in three consecutive years, as follows: (i) the first installment shall be paid fifteen (15) days after the effectiveness of this Agreement; (ii) the second installment shall be paid thirty (30) days after receipt by the Buyer Participant of written notice from the Trustee of the Carbon Fund of the first anniversary of Operational Date of the First Tranche; and (iii) the third installment shall be paid thirty (30) days after receipt by the Buyer Participant of written notice from the Trustee of the Carbon Fund of the second anniversary of the Operational Date of the First Tranche.

Section 4.4 In advance of the CADF Charge being due or any Demand for Payment by the Trustee of the Carbon Fund, the Buyer Participant will be entitled to prepay up to the entire amount of its Contribution as Prepaid Contribution into the Prepaid Contribution Fund in accordance with Section 7.4 of the Instrument and subject to the terms and provisions of the Prepaid Contribution Fund Agreement to be entered into prior to payment of any Prepaid Contribution to the Prepaid Contribution Fund. Any interest generated by the Prepaid Contribution Fund shall be transferred to and administered by the Trustee of the CADF to support the implementation of the CADF.

Section 4.5 The Trustee of the CADF shall administer the CADF Charge and any interest generated by the Prepaid Contribution Fund in accordance with the Instrument and the Standard Provisions.

V. ADDITIONAL CONTRIBUTIONS

Section 5.1 At any time after the receipt of the Note covering the amount of the Contribution by the Trustee of the Carbon Fund, the Buyer Participant and the Trustee of the Carbon Fund may agree that the Buyer Participant makes an Additional Contribution to the First Tranche of the Carbon Fund and enter, together with the Trustee of the CADF, into an Amendment to the Participation Agreement for an Additional Contribution in accordance with Section 7.2(c) of the Instrument.

Section 5.2 The Buyer Participant and Trustee of the Carbon Fund acknowledge and agree that the Buyer Participant shall not be obligated to make any Additional Contributions and the Trustee of the Carbon Fund shall not be obligated to accept any offer of the Buyer Participant to make an Additional Contribution.

Section 5.3 The Trustees and the Buyer Participant hereby agree that any Amendment to the Participation Agreement for an Additional Contribution shall not become effective unless and until the Trustee of the Carbon Fund has received an executed Note covering the amount of the Additional Contribution.

Section 5.4 Article IV of this Agreement shall apply to the payment of Additional Contributions, including the CADF Charge, which shall be paid fifteen (15) days after the effectiveness of the Amendment to the Participation Agreement for an Additional Contribution. All Additional Contributions made by the Buyer Participant shall be subject to the terms and conditions of this Agreement and of the Instrument.

VI. REPRESENTATIONS AND WARRANTIES OF THE TRUSTEES

Section 6.1 The Trustees represent and warrant that:

- (a) Each of them has all necessary power and authority to act as Trustee of the Carbon Fund and as Trustee of the CADF respectively; and
- (b) The individual signing this Agreement on behalf of the Trustees is an authorized signatory of the IBRD.

VII. REPRESENTATIONS, WARRANTIES, ACKNOWLEDGMENTS AND COVENANTS OF THE BUYER PARTICIPANT

Section 7.1 The Buyer Participant hereby represents, warrants, acknowledges and agrees with the Trustees as follows:

- (a) There is no guarantee that Emission Reduction Programs or any Emission Reductions generated by the Emission Reduction Programs of the Carbon Fund or otherwise contracted for by the Trustee of the Carbon Fund will be recognized, documented, confirmed, validated, certified, approved, credited, supported, registered, accounted for or agreed to by any Governmental Authority.
- (b) In participating in the First Tranche of the Carbon Fund, the Buyer Participant hereby assumes the risks referred to in the Information Memorandum including, but not limited to, the following:
 - (i) The Kyoto Protocol may not be extended into a second commitment period and any related agreement adopted by any Governmental Authority may not enter into force for whatever reason, including reasons that were unforeseen or unexpected at the time this Agreement is entered into or those reasons that would otherwise qualify as force majeure, and any other current or future facts, circumstances or developments may prevent the CPF from achieving its objectives or otherwise materially affect Programs of the Carbon Fund or the Emission Reductions generated by Programs of the Carbon Fund or otherwise contracted for by the Carbon Fund, or the markets for those Emissions Reductions;
 - (ii) In case an International Agreement is not agreed upon or does not provide for the generation of project or Program-based Emission Reductions or any national or regional regime limits or prohibits the use of post-2012 Emission Reductions, the market for ERs may decrease or even cease to exist and ERs generated by Programs may lose its value or may not be eligible for compliance purposes under such

- national, regional or international regulatory regimes, including emissions trading schemes;
- (iii) There is no guarantee that Emission Reductions generated from Programs of the Carbon Fund will be recognized by the UNFCCC, any regime under the auspices of the UNFCCC, or any other national, regional or international regulatory system;
 - iv) The investment in Programs, rather than individual projects, is a relatively new area, with no Programs being registered as such in accordance with the International Rules to date. The rules for creating a Program introduce several new concepts into the regulatory system, many of which are yet to be tested in practice. As the area develops, the rules may well evolve over time, potentially having an adverse impact on the ability of Programs under the CPF to generate ERs. Given the uncertainty around the CDM and JI rules post-2012 and the lead times involved in implementing Programs, there may be limited ability to create and utilize ERs created by such Programs;
 - v) A Program is made up of multiple underlying Program activities. A Program activity is a single measure, or a set of interrelated measures, to reduce greenhouse gas emissions. If any relevant Governmental Authority identifies an error that disqualifies a Program activity from inclusion into the Program, the Program activity may be excluded from the Program. The consequences of such exclusion includes that the excluded Program activity may not be re-included again in that or any other Program and the inclusion of new Program activities and the issuance of Emission Reductions for that Program may be put on hold; and
 - (vi) Any regulatory regime enacted or adopted by any Governmental Authority, including, but not limited to, those regulating, relating to or applicable to climate change, commodities, securities or Emission Reductions, may limit or prevent the Carbon Fund or the Buyer Participant from generating, creating, contracting, producing, selling, transferring, assigning, allocating, distributing, controlling, holding, mortgaging, pledging, disposing, using, benefiting or deriving benefits from, or owning Emission Reductions.
- (c) The Interest being purchased by the Buyer Participant is purchased for the account of the Buyer Participant only and not with a view to, or with any intention of, a distribution or resale thereof, in whole or in part, or the grant of any participation therein by subdivision or otherwise. The Buyer Participant also understands that there will be no public market for the Interests and that it may not be possible for the Buyer Participant to liquidate its Interest. The Buyer Participant is prepared, therefore, to hold its Interest indefinitely.
 - (d) The Buyer Participant has received and carefully reviewed the Information Memorandum and the Instrument, as each may be supplemented, revised or amended, prior to the date hereof, this Agreement, and all appendices, schedules and attachments to each of the foregoing, understanding that each such document supersedes all prior versions thereof and any inconsistent portions of previously distributed materials relating to the Carbon Fund. Based on this review, the Buyer Participant has determined that the Interest being purchased for herein is suitable for the Buyer Participant. The Buyer Participant recognizes that participation in the

Carbon Fund involves certain risks and it has taken full cognizance of and understands all of the risk factors, including those described in the Information Memorandum relating to the purchase of an Interest.

- (e) The Buyer Participant acknowledges that the CPF has only recently been established and has no financial or operating history, that Contributions and Additional Contributions, if any, to the Carbon Fund have to be agreed upon with the Trustee of the Carbon Fund, that no Governmental Authority has passed upon the Interest or made any finding or determination as to the fairness of the Contribution and Additional Contribution, if any, made hereunder.
- (f) The Buyer Participant has or will have all necessary power and authority (i) to enter into this Agreement, any Amendment to the Participation Agreement for Additional Contribution, any Note issued and, if any, the Prepaid Contribution Fund Agreement, (ii) to purchase an Interest in the Carbon Fund in the amount of its Contribution and any Additional Contribution, if any, and (iii) to participate in the Carbon Fund.
- (g) The Buyer Participant has or will have duly authorized, executed and delivered this Agreement, any Amendment to the Participation Agreement for an Additional Contribution, any Note issued and, if any, the Prepaid Contribution Fund Agreement.
- (h) The Buyer Participant acknowledges that the tax consequences to the Buyer Participant of a Contribution and an Additional Contribution, if any, in the Carbon Fund may depend on its circumstances and that the Buyer Participant should consult with its own tax advisor regarding any and all applicable national, federal, state, and local tax considerations applicable to such contributions to the Carbon Fund. The Buyer Participant is relying solely upon the advice of its own tax and legal advisors, and shall not rely upon the general discussion set forth in the Information Memorandum with respect to such matters.
- (i) The Buyer Participant has no need for the liquidity of its Contribution and Additional Contributions, if any, and has sufficient knowledge and experience in financial and business matters, as well as the relevant applicable environmental matters, together with sufficient resources, to analyze and evaluate the merits, risks and suitability of the Carbon Fund in the context of its financial position and particular circumstances.
- (j) The Buyer Participant has conducted such investigation and analyses of the Trustees and the CPF, participation in the CPF, and environmental and other issues affecting the Trustees and the CPF as it deems necessary to arrive at an independent evaluation of the Trustees and the CPF and its participation therein. The Buyer Participant understands that the Trustees have made no representation or warranty with respect to the information provided in the Information Memorandum. The Buyer Participant warrants that its decision to participate in the CPF is not the result of any reliance upon the IBRD or its employees, executive directors, officers or agents for any investment, tax, legal, or other advice in connection with its decision to participate in the CPF. More specifically, but without prejudice to the generality of the foregoing, the Buyer Participant confirms that it has consulted with its own financial and legal advisors as to the risks and other considerations arising from acquiring or disposing of an Interest in the Carbon Fund such as, but not limited to, its eligibility to receive credit under the International Rules and with its tax advisors as to the possible application of income and/or other taxes of any jurisdiction applicable to it.

- (k) The execution and delivery of this Agreement, any Amendment to the Participation Agreement for an Additional Contribution, any Note issued, the Prepaid Contribution Fund Agreement, if any, and any other documents executed and delivered by the Buyer Participant in connection herewith do not, and the performance and consummation of the terms and transactions set forth or contemplated herein will not contravene or result in a default under any provision of existing law or regulations to which the Buyer Participant is subject, the provisions of the charter, by-laws or other governing documents of the Buyer Participant as applicable, or any indenture, mortgage or other agreement or charter to which the Buyer Participant is a party or by which it is bound, and does not require on the part of the Buyer Participant any approval, authorization, license, or filing from or with any government board or agency that has not already been obtained.
- (l) The Buyer Participant understands that the Trustees, the Facility Coordinator, their respective members, their respective affiliates and various clients advised by one or more affiliates thereof may engage in activities that are competitive with that of the CPF and agrees to such activities even though in some circumstances there may be conflicts of interests inherent therein. The Buyer Participant agrees that by acquiring an Interest, it will be deemed to have acknowledged the existence of the actual and potential conflicts of interest identified in the Information Memorandum, as specified therein, and to have waived any claim the Buyer Participant or any person claiming through it may have with respect to the existence of any such conflict of interest.
- (m) The Buyer Participant understands that it has to fully disclose to the Facility Coordinator any potential conflicts of interest in accordance with Article 16 of the Instrument and may have to recuse itself from any deliberations among members of the CPF in connection with such conflicts of interest. The Buyer Participant further understands that any failure to disclose such potential conflicts of interest in a timely manner will constitute a breach of the Instrument and may result in sanctions to be determined in accordance with Article 16 of the Instrument.
- (n) The Buyer Participant understands that, following the provision of information on a proposed Program, it will not, except with the Trustee's prior written consent, undertake any competing activities as described in Section 16.2 of the Instrument.
- (o) The Buyer Participant agrees to make all payments required by this Agreement, any Amendment to the Participation Agreement for an Additional Contribution, any Note issued when the same shall become due and payable and to provide any security required under this Agreement or under the Instrument.
- (p) The Buyer Participant agrees to be bound by the terms and provisions of this Agreement and the Instrument in the form delivered to it which are applicable to it as a Buyer Participant, and has read, is familiar with and understands the nature and scope of the rights and remedies provided to the Trustees in the event of the Buyer Participant's failure to pay or to secure payment of any part of its Contribution and Additional Contribution, if any, when due, and is prepared to accept the exercise against the Buyer Participant of such rights and remedies in the event of such failure on the Buyer Participant's part.

VIII. COOPERATION REQUIREMENTS

The Buyer Participant covenants to execute any other document, agreement, certification, authorization or instrument, or to take any other action, in each case as reasonably requested by the Trustees, to facilitate, effectuate, approve, support, validate, reinforce, sanction, confirm, authenticate or corroborate the registration of Programs and related projects under any Governmental Authority, the issuance of any Emission Reductions generated by any Program and related projects or otherwise contracted for by the Trustee of the Carbon Fund, and the transfer, assignment or distribution of such Emission Reductions.

IX. SURVIVAL, SUCCESSORS AND ASSIGNS

This Agreement and any Amendment to the Participation Agreement for an Additional Contribution shall be binding upon, and inure solely to the benefit of the Buyer Participant and the Trustees and their respective representatives, successors and assigns.

X. AMENDMENT

Section 10.1 This Agreement may only be amended with the written consent of the parties hereto.

Section 10.2 Any Amendment to the Participation Agreement for an Additional Contribution shall upon becoming effective, without any further action, amend this Agreement.

XI. TERMINATION

This Agreement may be terminated by written notice in accordance with the terms and conditions of the Instrument.

XII. NOTICES

All communications of the parties relating to this Agreement shall be in writing (including telex and facsimile communications), or by telephone (to be promptly confirmed in writing) or, in the case of communications to the Buyer Participant, by electronic mail. Each communication will be made to the relevant person at the address, facsimile number, telex, telephone number or electronic mail address, from time to time designated by that party to the others for that purpose. The address, facsimile number, telex, telephone number and electronic mail address so designated are set out below:

Buyer Participant:

Name: _____

Address: _____

Attention: _____

Telephone: _____

Facsimile: _____

Telex: _____

Electronic Mail: _____

Trustees:

Name: International Bank for Reconstruction and Development,
acting as Trustee for the Carbon Fund and as Trustee of the
Carbon Asset Development Fund of the Carbon Partnership Facility

Address: 1818 H Street, N.W. Washington, D.C. 20433 U.S.A.

Attention: _____

Telephone: _____

Facsimile: _____

Telex: _____

Electronic Mail: _____

XIII. MISCELLANEOUS

Section 13.1 The Buyer Participant shall keep confidential and not publish, disclose or otherwise divulge to anyone (and shall cause its officers, directors, employees, agents and representatives to keep confidential, and not publish, disclose or otherwise divulge to anyone) any information to which it gains access in relation to the operation of the Carbon Fund, the CADF or the CPF or as a result of its participation in the CPF, unless specifically authorized to be disclosed under the IBRD's general disclosure policy, or as otherwise agreed in writing by the Trustees. The Trustee shall keep confidential and not publish, disclose or otherwise divulge to the public, other than the Participants in the CPF, information that is indicated as confidential by the Trustees in relation to the operation of the Carbon Fund or the CPF or commercial negotiations leading to an ERPA and the ERPA itself, in accordance with the terms of the ERPA.

Section 13.2 The Trustee will disclose this Agreement and information on the Carbon Fund, the CADF and the CPF in accordance with the IBRD's general disclosure policy, i.e. the World Bank's Policy on Access to Information. By entering into this Agreement, the Buyer Participant consents to disclosure of this Agreement and related information on the Funds and the CPF.

Section 13.3 The Buyer Participant agrees that, upon demand, it will furnish promptly to the Trustees such information and execute and deliver such documents as may reasonably be required by the Trustees to comply with, or to confirm compliance with, any applicable laws or regulations or other obligations of the Trustees or the CPF.

Section 13.4 The Buyer Participant understands and agrees that the Trustee of the Carbon Fund, in its sole and absolute discretion, may at any time either withdraw and terminate the offering of the

Interests in whole or in part or in respect of any particular jurisdiction if any such offering would, in the Trustee of the Carbon Fund's opinion, adversely affect the operations or objectives of the Carbon Fund.

Section 13.5 Words importing the singular number hereunder shall include the plural number and vice versa, and any pronoun used herein shall be deemed to cover all genders.

Section 13.6 This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof.

Section 13.7 Within ten (10) days after the receipt of a written request from either Trustee, the Buyer Participant agrees to provide such information and to execute and deliver such documents as reasonably may be necessary to comply with any and all laws and ordinances to which the respective Trustee, the Carbon Fund, the CADF or the CPF is subject to.

Section 13.8 The representations and warranties of the Buyer Participant set forth herein shall survive the sale of any Interest to the Buyer Participant pursuant to this Agreement.

Section 13.9 Every provision of this Agreement is intended to be severable, and if any term or provision herein is held to be illegal or invalid for any reason whatsoever in any jurisdiction, such illegality or invalidity shall not affect the validity of the remainder hereof or of such term or provision in any other jurisdiction.

XIV. EXECUTION IN COUNTERPARTS

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed this Agreement on the date set forth below.

[Name of the Buyer Participant]

By: _____
[Signature of Authorized Representative]

Name: _____

Title: _____

Date: _____

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT ACTING AS TRUSTEE OF
THE CARBON FUND AND AS TRUSTEE OF THE
CARBON ASSET DEVELOPMENT FUND OF THE
CARBON PARTNERSHIP FACILITY**

By: _____
[Signature of Authorized Representative]

Name: _____

Title: _____

Date: _____

ATTACHMENT A

PROMISSORY NOTE

1. For value received, [INSERT NAME OF BUYER PARTICIPANT], as buyer participant (the “**Buyer Participant**”) of the First Tranche of the Carbon Fund (“**Carbon Fund**”) of the Carbon Partnership Facility (“**CPF**”), having an address at [INSERT ADDRESS], hereby promises to pay to INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, AS TRUSTEE OF THE CARBON FUND OF THE CARBON PARTNERSHIP FACILITY (the “**Trustee of the Carbon Fund**”), having an address at 1818 H Street, N.W., Washington, D.C. 20433, as specified below, the sum of EURO [] (in words: [] Euros), without interest.

2. An amount equal to nine percent (9%) of the above sum shall be paid in accordance with the the Buyer Participation Agreement entered into between [INSERT NAME OF BUYER PARTICIPANT] and the IBRD acting as Trustee of the Carbon Fund and as Trustee of the Carbon Asset Development Fund of the CPF on [INSERT DATE], as amended from time to time (“**Participation Agreement**”), following demand made in writing or by fax or by electronic email to [*Buyer Participant’s officer’s title NOT name (i.e. minister, CEO or company president, etc)*] at the address provided in the Participation Agreement..

3. If payment of a part only of said sum shall be demanded and made, a notation of such partial payment shall be endorsed on the reverse of this promissory note or, at the option of the Trustee of the Carbon Fund, a new promissory note, in substantially the same form as this promissory note, for the sum remaining unpaid shall be executed and delivered in exchange for this promissory note. Any such notation shall constitute *prima facie* evidence of the amount remaining under this promissory note.

4. The Buyer Participant may pay more than the amounts demanded by the Trustee of the Carbon Fund from time to time but neither such over funding payments nor any other payments made by the Buyer Participant under this promissory note shall entitle the Buyer Participant to receive, or obligate the Trustee of the Carbon Fund to pay any interest on the principal balance of this promissory note outstanding from time to time.

5. This promissory note is executed and delivered to the Trustee of the Carbon Fund pursuant to the Participation Agreement.

6. This promissory note is non-negotiable.

7. The Buyer Participant and the undersigning representative(s) of the Buyer Participant represent and warrant that it has full power and authority to execute and deliver this promissory note and that the execution and delivery of this promissory note has been duly authorized and does not conflict with or constitute a default under any law, judicial order or other agreement affecting the Buyer Participant.

8. If the Buyer Participant consists of more than one person, the obligations and

liabilities of each such person hereunder shall be joint and several.

Date: _____

[Name of Buyer Participant]

By: _____

Name: _____

Title: _____

ATTACHMENT B

**AMENDMENT TO PARTICIPATION AGREEMENT
FOR AN ADDITIONAL CONTRIBUTION**

between

International Bank for Reconstruction and Development (“**IBRD**”)
acting as Trustee of the Carbon Fund (“**Trustee of the Carbon Fund**”) and as Trustee of the
Carbon Asset Development Fund (“**Trustee of the CADF**”) of the Carbon Partnership Facility

(together referred to as “**Trustees**”)

and

[INSERT NAME OF BUYER PARTICIPANT]

(“**Buyer Participant**”)

1. The Buyer Participant and the Trustees have entered into and executed a buyer participation agreement on [INSERT DATE] for the participation of the Buyer Participant in the First Tranche of the Carbon Fund (the “**Participation Agreement**”). Unless defined otherwise herein, capitalized terms used in this Amendment to the Participation Agreement for an Additional Contribution (“**Amendment**”), shall have the meaning ascribed to them in the Participation Agreement.
2. The Buyer Participant hereby agrees to make an Additional Contribution in the First Tranche of the Carbon Fund, in addition to any Contribution and Additional Contribution, if any, already made, in the amount of up to EURO _____ (in words: _____ Euros) and in accordance with the Participation Agreement.
3. Pursuant to Section 5.03 of the Participation Agreement, this Amendment shall not become effective unless and until the Trustee of the Carbon Fund has received an executed original of the Note covering the amount of the Additional Contribution.
4. The Buyer Participant herewith repeats all representations, warranties, acknowledgement and covenants made in Article VII of the Participation Agreement and warrants that these are still true and accurate as of the date of its signature.
5. This Amendment shall become an integral part of the Participation Agreement. Unless expressly amended or modified by this Amendment, all other terms and conditions in the Participation Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed this Amendment on the dates specified below.

[Name of Buyer Participant]

By: _____

Name: _____

Title: _____

Date: _____

**INTERNATIONAL BANK FOR RECONSTRUCTION AND
DEVELOPMENT ACTING AS TRUSTEE OF THE CARBON
FUND AND AS TRUSTEE OF THE CARBON ASSET
DEVELOPMENT FUND OF THE CARBON PARTNERSHIP
FACILITY**

By: _____

Name: _____

Title: _____

Date: _____

ATTACHMENT C

PREPAID CONTRIBUTION FUND AGREEMENT

between

[INSERT NAME OF BUYER PARTICIPANT]

(**“Buyer Participant”**)

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

(**“IBRD”**)

WHEREAS

- A. The IBRD is pleased to acknowledge the intention of the Buyer Participant to make available to the IBRD grant funds as Prepaid Contribution to the First Tranche of the Carbon Fund to be held by the IBRD in the Prepaid Contribution Fund (**“Fund”**) pending subsequent transfer to the IBRD acting as trustee (**“Trustee of the Carbon Fund”**) of the Carbon Fund (**“Carbon Fund”**) of the Carbon Partnership Facility (**“CPF”**). Any interest generated by the Fund is intended to be held by the IBRD in the Fund pending subsequent transfer to the Carbon Asset Development Fund (**“CADF”**) of the CPF.
- B. The Buyer Participant wishes to make available such grant funds as Prepaid Contribution to the First Tranche of the Carbon Fund in accordance with the Instrument establishing the CPF (**“Instrument”**) and the Buyer Participation Agreement entered into between the Buyer Participant and the IBRD acting as trustee of the Carbon Fund (**“Trustee of the Carbon Fund”**) dated [] (**“Participation Agreement”**).

Therefore, the parties to this Prepaid Contribution Fund Agreement (**“Agreement”**) agree as follows:

Article I
Definitions

Unless expressly defined otherwise in this Agreement, all capitalized terms used in this Agreement shall have the meaning ascribed to them in the Participation Agreement.

Article II
Establishment of Fund

The IBRD has established the Fund as a multi-donor trust fund into which any buyer participant under a Tranche of the Carbon Fund is entitled to pay up to the entire amount of its respective Contribution to a Tranche of the Carbon Fund in advance of any CADF Charge being due to or Demand for Payment being issued by the Trustee of the Carbon Fund. All Prepaid Contributions to the Fund will be held in Euros (**“EURO”**) and shall be irrevocable.

Article III
Prepaid Contribution to the Fund

The Buyer Participant herewith agrees to pay an amount of EURO [] (in words: [] Euros) as Prepaid Contribution to the Prepaid Contribution Fund by [INSERT DATE]. The payment shall be made in EURO and credited to an IBRD's cash account to be determined by the Trustee [promptly following execution of this Agreement].

Article IV
Use of Fund assets

Section 4.1 The Prepaid Contribution shall be used to meet the Buyer Participant's obligations under the Instrument and the Participation Agreement to pay its Contribution with respect to the First Tranche of the Carbon Fund (including the CADF Charge) when due. Any interest generated by the Fund shall be used to fund the implementation of the CADF. The Buyer Participant herewith authorizes the IBRD to make the Fund assets available to the Carbon Fund and/or the CADF in accordance with Section 4.2 below. The Fund assets:

- (a) will be provided by IBRD to the Carbon Fund and/or the CADF in accordance with Section 4.2 below;
- (b) will be accounted for by IBRD as a multi donor trust fund and will be kept separate and apart from other funds of the IBRD;
- (c) may be commingled with other trust fund assets, including other buyer participants' Prepaid Contributions, maintained in the same account; and
- (d) will be invested by IBRD pending their disbursement in accordance with IBRD's policies and procedures concerning the investment of trust funds administered by IBRD.

Section 4.2 The IBRD shall draw down from the Fund and transfer

- (a) to the Carbon Fund any amounts requested by the Trustee of the Carbon Fund with respect to any Demand of Payment made in accordance with the Instrument or any CADF Charge being due;
- (b) to the CADF each March 31, June 30, September 30, and December 31 of a calendar quarter any interest generated by the Fund in order to meet the financial requirements of the CADF.

Article V
Administration

The IBRD will manage and administer the Fund until the earlier of either (i) the CPF has been terminated or (ii) until such time as no more Prepaid Contributions are or are expected to be made with respect to any Tranche of the Carbon Fund and the Fund assets have been withdrawn and fully transferred from the Fund in accordance with this Agreement.

Article VI
Express Obligations Only

The IBRD shall be responsible only for performing those functions specifically set forth herein and shall not be subject to any other duties or responsibilities to the buyer participants of the Carbon Fund, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing herein shall be considered a waiver of any privileges or immunities of the IBRD under its Articles of Agreement or any applicable law, all of which are expressly reserved.

Article VII
Financial Statements

Section 7.1 The IBRD will maintain separate records and ledger accounts in respect of the aggregate Prepaid Contributions provided to the Fund and disbursements made thereof (including any generated interest). Within ninety (90) days of each March 31, June 30, September 30, and December 31, as long as any Fund Assets remain in the Fund, IBRD will prepare a cash-based unaudited statement of receipts, disbursements and fund balance in EURO and forward a copy to the Buyer Participant.

Section 7.2 The IBRD will, within six (6) months following the end of each IBRD fiscal year, provide the Buyer Participant with a management assertion together with an attestation from the IBRD's external auditors concerning the adequacy of internal controls over cash-based financial reporting for trust funds as a whole. The costs of such attestations will be borne by the IBRD.

Article VIII
Withdrawal of Buyer Participant

In case the Buyer Participant withdraws its participation in the Facility in accordance with Section 15.2 of the Instrument, the IBRD, upon request of the Trustee of the Carbon Fund, shall return to the Withdrawing Buyer Participant any amount the Withdrawing Buyer Participant is entitled to pursuant with Section 15.2 of the Instrument.

Article IX
Effectiveness and Termination

The arrangements provided for herein will enter into force on the day of signature by both parties under this Agreement and will remain in force, unless (1) this Agreement is terminated by mutual agreement of the IBRD and the Buyer Participant, (2) the CPF has been terminated or (3) the IBRD is notified by the Trustee of the Carbon Fund that no more Prepaid Contributions are or are expected to be made with respect to any Tranche of the Carbon Fund and the Fund assets have been withdrawn and fully transferred from the Fund in accordance with this Agreement.

Article X
Disclosure

The IBRD may disclose this Agreement and information relating to the Fund in accordance with its disclosure policy.

Article XI
Action upon Termination

If this Agreement is terminated in accordance with Article IX, within six (6) months following such termination, the IBRD shall furnish to the Buyer Participant unaudited cash-based statement of receipts, disbursements and Fund balance in EURO with respect to the Prepaid Contributions made by the Buyer Participant to the Fund. Any remaining amount of such Prepaid Contributions will be returned to the Buyer Participant and the IBRD's functions hereunder in relation to the Buyer Participant will be considered terminated.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed this Agreement on the date set forth below.

[Name of the Buyer Participant]

By: _____
[Signature of Authorized Representative]

Name: _____

Title: _____

Date: _____

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

By: _____
[Signature of Authorized Representative]

Name: _____

Title: _____

Date: _____

ATTACHMENT D

**STANDARD PROVISIONS
APPLICABLE TO ALL CADF FUNDS UNDER THE CADF**

The following provisions (hereinafter referred to as “**Standard Provisions**”) shall be applicable to the administration of all funds under the CADF which include (i) the CADF Charge paid by Buyer Participants and transferred to the CADF, (ii) any investment income generated by the Prepaid Contribution Fund and transferred to the CADF, (iii) any investment income generated by the Carbon Fund and transferred to the CADF, (iv) any investment income generated by the CADF itself and (v) the Contribution from various Donors to the multi-donor trust fund (“**CADF Multi-Donor Trust Fund**”) established by the Bank for the CADF (together referred to as “**CADF Funds**”) and shall form an integral part of all Buyer Participation Agreements and Administration Agreements. Unless defined otherwise herein, capitalized terms used in the Standard Provisions shall have the meaning ascribed to them in the Instrument establishing the Carbon Partnership Facility (“**Instrument**”).

1. Administration of the CADF Funds

The IBRD acting as Trustee of the CADF (hereinafter referred to as the “**Trustee**” or the “**Bank**”) shall be responsible only for performing those functions specifically set forth in the Instrument and the Standard Provisions and shall not be subject to any other duties or responsibilities to the Donors, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in the Standard Provisions shall be considered a waiver of any privileges or immunities of the IBRD and IDA under their Articles of Agreement or any applicable law, all of which are expressly reserved.

2. Commingling, Exchange and Investment of the CADF Funds

2.1. The CADF Funds shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the Bank. The CADF Funds may be commingled with other trust fund assets maintained by the Trustee.

2.2. The CADF Funds may be freely exchanged by the Trustee into other currencies as may facilitate their disbursement.

2.3 The Trustee shall invest and reinvest the CADF Funds pending their disbursement in accordance with the Trustee’s policies and procedures for the investment of trust funds administered by the Trustee. The Trustee shall credit all income from such investment to the CADF Multi-Donor Trust Fund to be used for the same purposes as the CADF Funds.

3. Grants to Recipients

3.1. The Trustee may, as administrator of the CADF and in accordance with the Instrument and any additional documents related thereto, enter into grant agreements (the “**Grant Agreements**”) with one or more entities (the “**Recipients**”) for the provision of CADF Funds.

3.2. The Trustee shall be solely responsible for the supervision of activities financed under the Grant Agreements.

4. Employment of Consultants and Procurement of Goods

The employment and supervision of consultants and the procurement of goods financed by the CADF Funds, if any, shall be the responsibility solely of the Trustee and shall be carried out in accordance with its applicable policies and procedures. The Grant Agreements shall provide that the CADF Funds shall be used by the Recipients to prepare Programs under the CPF subject to the Bank's guidelines on "Procurement under IBRD Loans and IDA Credits" and the Bank's guidelines on the "Selection and Employment of Consultants by World Bank Borrowers," as in effect at the date of the Grant Agreements.

5. Accounting and Financial Reporting

5.1. The Trustee shall maintain separate records and ledger accounts in respect of the CADF Funds deposited in the CADF account and disbursements made therefrom.

5.2. The Trustee shall provide, for information purposes, to all Buyer Participants and Donors, an annual financial statement prepared on a Modified Cash Basis of Accounting. The financial statement shall be audited by the Bank's auditor as appointed from time to time.

6. Withdrawal; Refund

6.1. It is expected that the CADF Funds will be fully disbursed by the Trustee in accordance with the provisions of the CADF Multi-Donor Trust Fund agreement by June 30, 2024. The Trustee shall only disburse CADF Funds for the purposes of CADF after such date with the written approval of the Donors.

6.2. In case a Donor or Buyer Participant withdraws its respective participation in the Facility in accordance with the terms of the Administration Agreement or Article 15 of the Instrument, respectively, the Trustee will, subject to the Administration Agreement or Article 15 of the Instrument, as the case may be, return to such Buyer Participant or Donor on a pro rata basis any remaining balance of the CADF Charges or Donor Contributions, as the case may be, that is not committed by the Trustee.

6.3. Upon closure of the CADF, the Trustee shall return any remaining balance of the CADF Funds to the Donors and Buyer Participants on a *pro rata* basis in accordance with Section 24 (a)(iii) of the Instrument.

7. Disclosure

The Trustee will disclose Administration Agreements, Participation Agreements, Grant Agreements and information on the CADF Multi-Donor Trust Fund in accordance with the Trustee's policy on Access to Information.