
ISSUANCE DEED OF REPRESENTATION

BY

CARBONO SOCIAL SERVIÇOS AMBIENTAIS LTDA.

CERÂMICA ARGIBEM,

OLARIA SÃO SEBASTIÃO

AND

CERÂMICA VULCÃO LTDA.

TOGETHER, THE PROJECT PROPONENT

The block contains several handwritten signatures in blue ink. The most prominent one at the top is a stylized signature followed by the text 'H103C'. Below it are two more signatures, one of which appears to be 'Opic' followed by a flourish. At the bottom of the signature group are two smaller, less distinct signatures.

THIS DEED OF REPRESENTATION is made on January 18th, 2010

BY

CARBONO SOCIAL SERVIÇOS AMBIENTAIS LTDA. Environmental Consultancy, located at Rua Borges Lagoa, 1065 - 14º andar Conjunto 146 - CEP: 04.038-032 Vila Clementino, São Paulo – SP, Brazil.

Cerâmica Argibem, Ceramic Industry located at Rua Matheus Salzano, 16 – CEP 25840-000, Bemposta, Três Rios, RJ, Brazil.

Olaria São Sebastião, Ceramic Industry located at Rod. Ministro Lúcio Meira, BR 393, Km 280 – Bairro Califórnia, – CEP 27165-000, Barra do Pirai, RJ, Brazil and

Cerâmica Vulcão Ltda. Located at Estrada Campo Alegre, 200. – B. Nanci, CEP 26317-180. Queimados, RJ, Brazil,

THIS DEED WITNESSES as follows:

1. INTERPRETATION

1.1 In this Deed:

"Accountholder" means any person holding a VCU account with a VCSA Registry;

"GHG Program" means a program, scheme or arrangement for the recognition of Reductions, or the crediting or issuance of instruments representing, or acknowledging, Reductions.

"Monitoring Report" means the report (no. 3) dated May 15th, 2009, that records data to allow the assessment of the Reductions generated by the Project in accordance with the monitoring plan set out in the Project Description;

"Project" means the Fuel Switching made by Cerâmica Argibem, Olaria São Sebastião and Cerâmica Vulcão Ltda. as a bundling, that used heavy oil as fuel to burn ceramic devices and now started the process of switching the fuel to renewable biomass;

"Project Crediting Period" means for non-AFOLU (Agriculture, Forestry and Other Land Use) Projects and Agricultural Land Management projects focusing exclusively on emissions reductions of N₂O, CH₄ and/or fossil-derived CO₂, a maximum of 10 years which may be renewed at most two times, and for AFOLU Projects other than such Agricultural Land Management projects, a minimum of 20 years up to a maximum of 100 years;

"Project Description" means the document submitted by the Project Proponent to a VCSA Registry that describes the Project's greenhouse gas emission reduction or removal activities;

"Project Documents" means the documents required to be submitted by the Project Proponent as part of its application for registration with a VCSA Registry and any additional related documents;

"Project Proponent" means each and every Representor who is a party to this Deed;

"Reduction" means a reduction or removal of one tonne of CO2e caused by the activities of a Project during the Project Crediting Period;

"Representor" is each party to this Deed, as set out at the start of this Deed; each Representor being one or more of: (i) an original Project sponsor stated in the Project Description (as validated by an organisation approved by the VCSA to act as validator in respect of a Project Description) as holding a portion of the original rights to the Project's Reductions which, together with the portions of such original rights held by the other original Project sponsors (if any) constitute the entire original rights to the Reductions of the applicable Projects Reductions, (ii) any entity to whom such original Project sponsor has assigned all of its rights to the Project's Reductions for the entire Project Crediting Period, or (iii) any entity which can demonstrate rights (either solely or in jointly with the other Representors) in respect of the entire volume of a Project's Reductions, where such Reductions have been independently verified in a Verification Report issued on or before 30 September 2009, by an organisation approved by the VCSA to act as verifier in respect of Projects;

"VCSA" means the Voluntary Carbon Standard Association;

"VCSA Registry" means a registry operating within the system established by the VCSA and holding a current registry approval from the VCSA, which provides an infrastructure for the issuance, holding, transfer, retirement and cancellation of VCUs;

"VCU" means a voluntary carbon unit;

"Verification Period" means the time period for which the Reductions generated by the Project are verified, such time period being specified in the Monitoring Report and Verification Report; and

"Verification Report" means a document produced by an organisation approved by the VCSA to act as verifier to the effect that Reductions generated by a Project have been independently verified in accordance with the VCSA rules.

2. REPRESENTATIONS

2.1 The Project Proponent is comprised solely of Representors who can comply with the definition of a "Representor" as set out in Clause 1 of this Deed in relation to the Project.

2.2 The Project Proponent hereby represents and warrants that:

2.2.1 the Monitoring Report and any other Project Documents for which the Project Proponent is responsible and that the Project Proponent supplying to a VCSA Registry are true and accurate in all material respects;

2.2.2 the Project Proponent has the right to all and any Reductions generated by the Project during the Verification Period; and

2.2.3 The Project Proponent has not submitted, sought, requested or received any recognition of, the Reductions generated by the Project during the Verification Period and for which it is requesting VCU issuance from any GHG Program other than under the VCS program.

[Handwritten signatures and initials]
NEW

- 2.3 The Project Proponent hereby acknowledges that a VCSA Registry shall hold this Deed for the benefit of Accountholders holding VCUs relating to the Project at any given time.

3. **LIABILITY**

The Representors together constitute the Project Proponent and each Representor acknowledges and agrees that the Representors are jointly and severally liable for the representations, warranties and obligations expressed to be assumed by the Representors and the Project Proponent in this Deed.

4. **GOVERNING LAW AND JURISDICTION**

This Deed is governed by and interpreted in accordance with English law, and the English courts shall have exclusive jurisdiction to settle any dispute arising from or connected with this Deed including a dispute regarding the existence, validity or termination of this Deed or the consequences of its nullity.

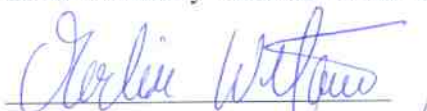
5. **COUNTERPARTS**

This Deed may be executed in any number of counterparts, each of which when executed and delivered is an original and all of which together evidence the same deed.

6. **DELIVERY**

This Deed is delivered on the date written at the start of the Deed.

EXECUTED by Carbono Social Serviços Ambientais Ltda. as a deed


STEFANO BERLIN

Signature of director

Name of director

Signature of director/secretary

Name of director/secretary

EXECUTED by Cerâmica Argibem as a deed


CEsar fernando Borges Lima

Signature of director

Name of director


MANOEL DE OLIVEIRA

Signature of director/secretary

Name of director/secretary



EXECUTED by Olaria São Sebastião as a deed

WAGNER GONCALVES

Signature of director

Maria Delmira Oliveira
Gonçalves

Name of director

M. T. O. Carvalho

Signature of director/secretary

Maria Teresa de O. G. Carvalho

Name of director/secretary

EXECUTED by Cerâmica Vulcão Ltda. as a deed

Afonso C. P. Carvalho

Signature of director

AFONSO C. P. CARVALHO

Name of director

Lita de Cassia de Moraes

Signature of director/secretary

LITA DE CASSIA DE MORAIS

Name of director/secretary

[Signature]