[BME RINCÃO DO IVAÍ ENERGIA S.A.]

[BME CAPÃO DA CONVENÇÃO ENERGIA S.A.]

VCS ISSUANCE DEED OF REPRESENTATION

THIS DEED OF REPRESENTATION is made on 06/09/2011

BY:

(1) BME Rincão do Ivaí Energia S.A. - Avenida Brasil, 2530, Sala H, Hermani, Ibirubá, Rio Grande do Sul State, Brazil, ZIP 98200-000;

(2) BME Capão da Convenção Energia S.A. - Avenida Brasil, 2530, Sala H, Hermani, Ibirubá, Rio Grande do Sul State, Brazil, ZIP 98200-000.

THIS DEED WITNESSES as follows:

1. **INTERPRETATION**

1.1 In this Deed:

"**Accountholder**" means the holder of an account in the Verra Registry;

"**AFOLU**" means agriculture, forestry and other land use;

"**Approved GHG Program**" means a GHG Program that has been approved by the Verra Board, through a gap analysis, as a VCS Program approved GHG Program;

"**GHG**" means greenhouse gas;

"**GHG Program**" means a formal or organized program, scheme or arrangement for the recognition of activities leading to Reductions, or the crediting or issuance of instruments representing, or acknowledging, Reductions;

"**Issuance Representor**" is each party to this Deed, as set out at the start of this Deed, each Issuance Representor being one or more of: (i) a Project Proponent (ii) any entity to whom a Project Proponent 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 jointly with the other Issuance 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 Verra to act as Validation/Verification Body in respect of verification of Projects;

"**Monitoring Report**" means the document that records data to allow the assessment of the Reductions generated by the Project during a given time period in accordance with the monitoring plan set out in the Project Description, covering the Reductions generated from 01/01/2016 to 30/06/2019;

"**Project**" means ENGENHEIRO ERNESTO JORGE DREHER AND ENGENHEIRO HENRIQUE KOTZIAN SHPS VCS PROJECT (JUN1120);

"**Project Crediting Period**" means the time period for which Reductions generated by the Project are eligible for issuance as VCUs, the rules with respect to the length of such time period and the renewal of the project crediting period being set out in the *VCS Standard;*

"**Project Description**" means the document that describes the Project's Reduction activities and that uses either the *VCS Project Description Template* or the project description template specified by the relevant Approved GHG Program;

"**Project Documents**" means the documents required to register the Project and/or issue VCUs, as set out in VCS document *Registration and Issuance Process*;

"**Project Ownership**" means the legal right to control and operate the project activities. Distinct from proof of right;

"**Project Proponent**" means the individual or organization that has overall control and responsibility for the Project, or an individual or organization that together with others, each of which is also a Project Proponent, has overall control or responsibility for the Project. The entity(s) that can demonstrate Project Ownership in respect of the Project. For the avoidance of doubt where an individual executes this Representation in their capacity as an authorized office holder of the company who is the Project Proponent, this Representation is made by the company, not the authorized office holder;

"**Reduction**" means a reduction or removal of one (1) metric tonne of CO_2 equivalent caused by the activities of a Project during the Project Crediting Period;

"**Validation/Verification Body**" or "**VVB**" means an organization approved by Verra to act as a validation/verification body in respect of providing validation and/or verification services in accordance with the VCS Program Rules;

"VCS Program" means the GHG Program operated by Verra which establishes the rules and requirements that operationalize the VCS to enable the validation of GHG projects and programs, and the verification of GHG emission reductions and removals;

"**VCS Program Rules**" means the rules and requirements set out in the *VCS Program Guide*, *VCS Standard*, *Registration and Issuance Process*, and the other VCS Program documents, as such rules and requirements may be updated from time to time;

"**Verification Period**" means the time period 01/01/2016 to 30/06/2019 specified in the Verification Report during which the Reductions were generated and have been verified by the VVB;

"**Verification Report**" means the written report of the verification covering the Reductions generated by the Project during the Verification Period and prepared by the VVB in accordance with the VCS Program Rules; and

"**Verified Carbon Unit" (VCU)** means a unit issued by, and held in the Verra Registry representing the right of an Accountholder in whose account the unit is recorded, to claim the achievement of a Reduction that has been verified by a validation/verification body in accordance with the VCS Program Rules. Recordation of a VCU in the account of the Accountholder at the Verra Registry is *prima facie* evidence of that Accountholder's entitlement to that VCU.

"**Verra Project Database**" means the database that provides public access to all Project and VCU information, including retirement and tracking of the AFOLU pooled buffer account (and serves similar functions for other Verra programs);

"**Verra Registry**" means the registry used by Verra that ensures all required Project and program documents have been submitted, maintains accounts of VCUs, issues and ensures the seamless flow of VCUs between registry accounts, and maintains custody and records of VCU legal ownership;

1.2 Documents referred to in this Deed but not defined shall be the VCS Program documents, as updated from time to time, to which the relevant term relates.

2. REPRESENTATIONS

2.1 Each Issuance Representor complies with the definition of an "Issuance Representor", as set out in Clause 1 of this Deed, in relation to the Project.

2.2 Each and every Issuance Representor hereby represents and warrants that:

2.2.1 All factual information the Issuance Representors provide in relation to this Deed is to the best of the Issuance Representors' knowledge following due inquiry true, accurate and complete in all material respects and the Issuance Representors have not made or provided, and will not make or provide, false, fraudulent or misleading statements or information in relation to this Deed;

2.2.2 The Monitoring Report and any other Project Documents for which the Issuance Representors are collectively responsible, and are supplying to the Verra Registry and any other person in relation to the operation of the Project under the VCS Program Rules, are true and accurate in all material respects and do not contain any false, fraudulent or misleading statements or information;

2.2.3 The Issuance Representors collectively hold full and exclusive legal and equitable title and rights to all and any Reductions generated by the Project for which the Issuance Representors are collectively eligible to request VCU issuance during the Verification Period free and clear of all encumbrances; and

2.2.4 The Issuance Representors have not submitted, sought, requested or received any recognition of the Reductions generated by the Project during the Verification Period and for which the Issuance Representors are requesting VCU issuance from any GHG Program other than under the VCS Program or as any other form of GHG- or renewable energy-related environmental credit (including without limitation as renewable energy certificates), or the Issuance Representors have provided evidence to the Verra Registry in accordance with the VCS Program Rules that any such credits have not been used and have been cancelled under the relevant environmental credit program.

2.3 The Issuance Representors hereby acknowledge and agree that:

2.3.1 The following persons may rely on and enforce the terms of this Deed:

(a) Verra;

(b) each person who is an Accountholder holding VCUs relating to the Project at any given time;

(c) each person on whose behalf VCUs relating to the Project were retired by an Accountholder; and

(d) each of the successors and assigns of those persons listed in clauses 2.3.1(a), 2.3.1(b) or 2.3.1(c);

2.3.2 Neither Verra, nor any of its respective affiliates, directors, employees, agents, licensors and/or contractors, shall be liable with respect to any claims whatsoever arising out of this Deed or erroneous information within the Project Documents

submitted to the Verra Registry for indirect, consequential, special, punitive or exemplary damages, including, without limitation, claims brought against Verra by Accountholders, Project Proponents, Validation/Verification Bodies or any other third party. This paragraph shall apply regardless of any actual knowledge or foreseeability of such damages;

2.3.3 The Issuance Representors have read, understood and will abide by the VCS Program Rules; and

2.3.4 Verra has an absolute right to amend any of the VCS Program Rules at any time and shall not bear any liability for loss or damage or liability of any kind sustained by any Issuance Representor or any other party involved in the Project in any way under the VCS Program as a consequence of such amendment.

2.4 I hereby acknowledge that Verra:

2.4.1 Reserves the right to take action against any or all Issuance Representors where Verra deems, acting reasonably, that there has been a material erroneous issuance of VCUs in respect of the Project, as a result of the fraudulent conduct, negligence, intentional act, recklessness, misrepresentation or mistake of any Issuance Representor; and

2.4.2 Will determine such action having regard to the VCS Program Rules. Such action may include:

(a) Directing the Verra Registry to cancel erroneously issued VCUs;

(b) Requiring the Issuance Representors to cancel erroneously issued VCUs held in its Verra Registry account;

(c) Requiring the Issuance Representors to replace an equivalent number of VCUs from subsequent issuances of VCUs to the Project;

(d) Requiring the Issuance Representors to purchase and cancel an equivalent number of replacement VCUs; or

(e) Where the Issuance Representors or Project Proponents fails to compensate for the erroneous issuance of the VCUs, other action including without limitation the application of restrictions to the registry account activities of the Issuance Representors or Project Proponents until the compensation has been provided.

Verra will use reasonable efforts to work with the Issuance Representors to ensure that any adverse impacts on the Project Proponents of actions taken under this Clause 2.4 are minimised to the extent possible.

2.5 I further acknowledge that any action under Clause 2.4 may be commenced by Verra only in relation to VCUs for which the Verification Report is published on or after 8 April 2014 and up to the later of:

(a) Six (6) years after the date of issuance of the VCU referred to in Clause 2.4; or

(b) 12 months after the date upon which any second Verification Report with respect to the erroneously issued VCU is accepted on the Verra Registry.[1]

2.6 I acknowledge and agree that the claim periods contemplated in Clause 2.5 exist notwithstanding any other statute of limitations in applicable law.

3. **LIABILITY**

Each Issuance Representor acknowledges and agrees that the Issuance Representors are jointly and severally liable for the representations, warranties and obligations expressed to be assumed by the Issuance Representors in this Deed.

4. **GOVERNING LAW AND JURISDICTION**

This Deed and any non-contractual obligations arising out of or in connection with it are governed by 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. **SOVEREIGN IMMUNITY**

To the extent that any of the Issuance Representors enjoy any right of immunity from set-off, suit, execution, attachment or other legal process with respect to its assets or its obligations under this Deed, each and every Issuance Representor waives all such rights to the fullest extent permitted by law.

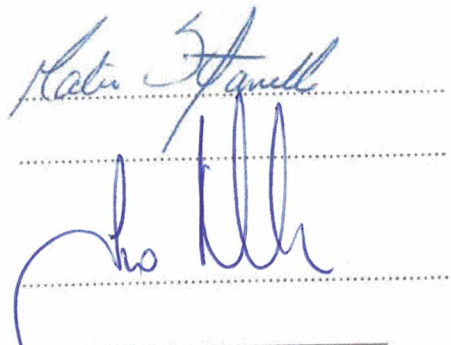
6. **COUNTERPARTS**

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.

7. **DELIVERY**

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

EXECUTED by BME Rincão do Ivaí Energia S.A. as a deed



Signature of director

Mateus Stefanello/Diretor Adm. e Financeiro

Signature of director/secretary

[1] The intention is that a VCU will be issued following acceptance of the Verification Report for the Project. For some types of AFOLU projects in particular, the verification cycle may be longer than 6 years. In this regard, if the second Verification Report shows a VCU has been erroneously issued Verra will have an additional 12 months to deal with that issue. Note also that where a VCU is erroneously issued from the last Verification Report of the Project, Clause 2.5(a) applies.

..... Ivo Rischbieter/Diretor Engenharia e Operação

EXECUTED by BME Capão da Convenção Energia S.A as a deed

..... Signature of director

..... Mateus Stefanello/Diretor Adm. e Financeiro

..... Signature of director/secretary

..... Ivo Rischbieter/Diretor Engenharia e Operação