

Memorandum of Agreement

Note: Nothing contained in this Memorandum of Agreement will be deemed a commitment on the part of either Party to consummate the transaction described herein or any aspect thereof, nor will any component contained herein constitute an offer to buy or sell credits.

This Memorandum of Agreement is entered into on the ninth day
of November, 2022

BETWEEN

Emergent Forest Finance Accelerator, Inc. (Emergent)

AND

The Government of Nepal (Host Jurisdiction)

A. Whereas,

- i. The Lowering Emissions by Accelerating Forest finance (“LEAF”) Coalition is a public-private coalition that seeks to end tropical deforestation and significantly reduce global greenhouse gas emissions by rewarding jurisdictions with tropical and sub-tropical forests that successfully reduce deforestation and forest degradation;
- ii. Emergent is a U.S. based non-profit organization that serves as the administrative coordinator of the LEAF Coalition;
- iii. Emergent transacts emission reductions (“Contract ERs”) from jurisdictional programs that are generated under the Architecture for REDD+ Transactions (“ART”), whereby each Contract ER represents one metric tonne of carbon dioxide equivalent of emissions reduced;
- iv. On November 3, 2021, the Host Jurisdiction and Emergent (each a “Party” and together, the “Parties”) signed a Letter of Intent under which they agreed to initiate negotiations of an emission reduction purchase agreement (“ERPA”) that would govern the terms of a transaction for Contract ERs generated by the Host Jurisdiction (“Transaction”).
- v. The Parties have made significant progress in the negotiations of the ERPA and wish to formally express their intent to use good faith efforts to sign a binding ERPA in the timeframe mentioned below.

B. Cooperation Principles

- i. The objective of this Memorandum of Agreement (“MOA”) is for the Parties to

express their desire to cooperate, and to set a clear roadmap towards signing a binding ERPA, including to engage into any interim joint communication around this cooperation.

- ii. The Parties agree to negotiate the terms of the ERPA in good faith.
- iii. This MOA will be made publicly available. The Parties will endeavor to cooperate on the initial public announcement regarding the signing of this MOA. Until such time as an ERPA is signed between the Parties, each Party will treat as confidential any discussions regarding commercial terms of the ERPA being negotiated (including terms and conditions and price), provided that the Parties may disclose the content of these discussion only to its employees or contactors who need to know this confidential information to further the purposes of this MOA and who are bound to protect the confidential information. Emergent may also share the content of such discussions with corporate and sovereign donor participants of the LEAF Coalition that are instructed to keep such information confidential, and the Host Jurisdiction will not reveal the identity of LEAF Coalition participants. The Parties agree to make the ERPA publicly available after the ERPA is signed.

C. Progress to Date

- i. The Host Jurisdiction and Emergent have made substantial progress in negotiating an ERPA that would govern the terms of a Transaction for Contract ERs.
- ii. Emergent is interested in transacting for certain vintages of Contract ERs generated by the Host Jurisdiction between 2022-2026.
- iii. The Host Jurisdiction has identified a financial intermediary qualified as an accredited entity by the Green Climate Fund ("**Financial Intermediary**"). Emergent would make all payment for Contract ERs through the Financial Intermediary and funds would be used consistently with the terms of the ERPA.
- iv. The Host Jurisdiction is making progress in the review of the 2022-2024 emission reductions' estimates to avoid double accounting of emission reductions in areas that relate to prior contractual commitments from Nepal.
- v. The Host Jurisdiction has informed Emergent that it is engaging with stakeholders and making progress in developing its consultation plan for benefit sharing arrangements.

D. Transaction Conditions

The Parties acknowledge that each of the following conditions, among others, are necessary to complete the Transaction:

- i. Compliance by the Host Jurisdiction with the requirements of v2.0 of ART's REDD+ Environmental Excellence Standard ("TREES"), including the Host Jurisdiction's submission of a concept note, the TREES Registration Document and TREES Monitoring Report and obtaining verification of those reports, the related emissions reductions, and the Host Jurisdiction's conformance with environmental/social safeguards pursuant to TREES;
- ii. Execution of an ERPA and an agreement with the Financial Intermediary; and
- iii. Issuance of the Contract ERs in accordance with TREES, the fully executed delivery of the Contract ERs and payment made as per the terms of the ERPA.

E. Next Step

The Parties wish to formally express their intention to negotiate and enter into a binding ERPA, and Financial Intermediary Agreement by March 31, 2023.

F. Expenses Responsibility

Each of the Parties shall pay all costs and expenses incurred by it in negotiating an ERPA, the agreement with the Financial Intermediary, and evaluating the potential Transaction.

G. Agreement

Once executed, this MOA will constitute a non-binding indication of interest of the Parties to, in good faith, continue discussions and use all reasonable efforts to negotiate an ERPA and the Financial Intermediary Agreement. Nothing in this MOA creates any legally binding rights or obligations for either Party, except as regards to preserving the confidentiality of ERPA commercial terms negotiated in advance of any ERPA signing and related information pursuant to Section B(iii) above. This MOA may be executed in counterparts.

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Authorized Representative for Emergent Forest Finance Accelerator, Inc.



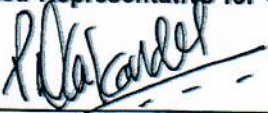
Signature

Printed Name: ERON BLOOMGARDNER

Title: CEO

Date: 2 Dec 2022

Authorized Representative for Government of Nepal



Signature

Printed Name: Dr. PEM NARAYAN KANDEL

Title: SECRETARY

Date: 9th NOV, 2022



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