

# **Licence Agreement**

**Carbon Count Platform**

Effective 22nd June, 2022

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## Definitions

**Carbon Credit:** 1 tonne of carbon dioxide equivalent stored or avoided by a project, recognised by a relevant authority.

**Certify/certification:** A certificate stating the total carbon tonnage across a project area following measurement using the Carbon Count Platform. Carbon Count attests to the data within its platform and provides an independent certificate tied to all calculations, measurements and analysis.

**Measure/measurement:** applying algorithms to perform random stratification analysis, and allocation of sampling locations during sampling plan generation. Following the return of lab results, Carbon Count will perform calculations to determine the total carbon tonnage across the project area. Measurement excludes the use of equipment and labour in the field.

**Offset Period:** The period encompassing two quantification events. The first offset period will include the baseline ( $T_0$  measurement), the first subsequent measurement ( $T_1$  measurement), baseline emissions accounting and first subsequent emissions accounting, concluding with the first offset report. Thereafter each offset period includes one measurement event and emissions accounting to generate an offset report. For projects commencing from a non-baseline measurement, the offset period will be the latter (the period spanning two measurements).

**Relevant Authority:** Standards body or government department supervising the regulations. In Australia, this is the Clean Energy Regulator.

**Quantification event:** A sampling round and emissions accounting finalisation.

**Sampling Round:** A quantification event where carbon stock is calculated for a given area.

**Emissions accounting:** Aggregation of emissions values for computing emissions.

This occurs yearly and is finalised when an offsets report is required.

## 1. Licence Agreement

This agreement outlines the requirements and responsibilities of the licensee and covers access to the Project Managers portal. The licensee is the user and/or customer who signs up to the Carbon Count Platform.

The Carbon Count Platform is delivered as an online Software as a Service (SaaS) platform. User accounts for licensees can be created by signing up to the Carbon Count Platform.

Carbon Count will, among other services, provide a platform (the “Carbon Count Platform”) to derive a measurement of total carbon tonnage in the soil of a project area as nominated by the Licensee. Carbon Count will provide the relevant certifications and reports which can be submitted to the relevant authorities.

The Carbon Count Platform is subject to changes over time and new features may be added at the discretion of Carbon Count.

## 2. Licensee Requirements

To become a licensee of the Carbon Count platform, customers must meet the following criteria:

- 1) Be a project developer, agricultural consultancy, carbon trader with an Australian Financial Services Licence, market advisory firm or financial services firm, or
- 2) Be a landholder with back office and geospatial information system (GIS) capabilities and intend to undertake multiple proposed soil carbon projects, or
- 3) As otherwise approved by Carbon Count as a Licensee.

Licensees are responsible for executing and managing the soil carbon project and as such, must also:

- 4) Have a thorough understanding of the relevant Carbon Credits legislation or standard. In Australia, this is, as a minimum:

*Carbon Credits (Carbon Farming Initiative— Estimation of Soil Organic Carbon Sequestration using Measurement and Models) Methodology Determination 2021*

In other countries it is:

*Verra VM0042 Methodology for Improved Agricultural Land Management*

- 5) Have a thorough understanding of other relevant offset methodologies.
- 6) If in Australia, should be, or intend to become, a signatory to the Carbon Industry Code of Conduct. In other countries, the relevant Industry Code of Conduct.
- 7) Adhere to the requirements of the relevant schemes and standards as specified by the governing bodies when using the Carbon Count platform to manage projects.
- 8) Where required, have the professional capacity to act as advisors and consultants to landholders.
- 9) Remain up to date on all financial commitments, including fees, to Carbon Count. Not doing so may result in cancellation of the licence.

The licensee must ensure that their sub-contractors, consultants and project proponents who have access to the Carbon Count platform:

- 10) Adhere to the requirements of the relevant schemes and standards as specified by the governing bodies when using the Carbon Count platform to manage projects.
- 11) Must adhere to all licence requirements as they relate to the licensee.
- 12) Be willing to be subjected to an audit by Carbon Count.

### **3. Starting a Project**

When starting a project in the Carbon Count Platform, Carbon Count will require the Licensee to provide project related information for auditing and compliance purposes. A non-exhaustive list can be seen here which is subject to change:

- 1) If not Australia, the required information of the regulatory standard followed.
- 2) Who is the project proponent.
- 3) Who is the landholder.
- 4) Land titles covered by the project.
- 5) Who is the project manager.
- 6) Who has written or will write the Land Management Strategy (LMS) for the project and provide Carbon Count with a copy of the LMS which is required by the auditing system. Any subsequent LMS updates must also be provided.
- 7) Where known, indicate the use of the Carbon Credits generated. (i.e if credits will be used for sales, offsets, insets or offer contracts) which is required to adhere to SI.2 in Schedule 1 - Project Instalments.

Projects that engage the services of the Carbon Count Platform beginning with a subsequent sampling round need to provide Carbon Count with the above mentioned, non-exhaustive list as well as project related documentation for auditing reasons. Carbon Count will also require previous lab results from sampling for the platform to produce an optimised sampling plan.

## 4. Fees

The licensee is the sole body responsible for payment of all fees listed in the Pricing Schedule which are in Australian Dollars and GST exclusive. Licensees of the Carbon Count platform will be subject to the following fees:

1. *Project Instalments* (see schedule 1)

Carbon Count will provide a 14 day grace period after the due date of any outstanding invoices before account suspension occurs.

In the event of suspension, all licensees' data within the Carbon Count Platform will remain safely stored for audit purposes. Account renewal will commence after all outstanding fees are paid in full.

## 5. Government Grants

Any project subject to a government grant should inform Carbon Count the grant name and conditions at the time of registering and creating a project as additional testing and reporting are required for some grants.

## 6. Privacy

The privacy policy hosted on <https://www.carboncount.com> outlines the applicable privacy policy for the Carbon Count Platform.

## 7. Restricted Use

For indelibility and accountability reasons, licensees must not share user access.

If unauthorised use occurs, Carbon Count reserves the right to revoke access to the platform and relevant fees will be raised to the licensee based on the stage of unauthorised use.

1. The Licensee may incorporate data from the Carbon Count Platform into reports which are provided to the Licensee's own clients from time to time (purpose) and that Licensee may use the data from the Carbon Count Platform for this purpose.
2. The use by the Licensee and incorporation of data into reports which are provided to the Licensees own clients for the purpose as contemplated by this agreement is not a breach of any intellectual property rights in the data nor will it infringe any persons rights including any intellectual property rights.

Carbon Count content must not be used for commercial purposes other than for the purposes originally intended.

## 8. Data Use and Ownership

The data policy hosted on <https://www.carboncount.com> outlines the applicable data use and ownership policy for the Carbon Count platform. An additional Data Use Explanatory Statement is available from Carbon Count.

## 9. Marketing Activities

The Licensee allows Carbon Count to display their company logo on the Carbon Count website and social media channels, and is open to supporting Carbon Count publicly in the form of customer testimonials, case studies and providing reviews.

No partner marketing materials will be made public without a licensee's consent. The Licensee will have final approval on all materials created. Licensees have the right to withdraw any publicly available marketing materials at any time.

## 13. Disclaimer

Calculations presented in the platform are accurate to the extent of Carbon Count's knowledge and where errors are identified, Carbon Count will remediate and re-run calculations. Carbon Count does not bear responsibility for estimates of actual costs associated with operations, project registration or any external sub-contractors. Additional disclaimers are provided throughout the platform where applicable.



# Schedule 1

## Project Instalments

Effective 22nd June, 2022

## Schedule 1: Project Instalments

Projects that engage the services of the Carbon Count Platform will be invoiced per the Annexure to Schedule 1 – Pricing to licensees which is subject to change. Full payment is due on completion of each offset period, therefore commencing an offset period in the Carbon Count Platform is a commitment to completing the offset period and as such will be subject to all instalments for that offset period.

The pricing schedule annexure can be varied at any time without voiding any clause in this agreement.

In the event of pricing schedule changes, the applicable *Offset Period Completion Commission* percentage is determined by the pricing schedule at time of project creation in the Carbon Count Platform.

Projects that have already commenced do not need to begin from baseline measurement in the Carbon Count Platform and can commence at any subsequent sampling round. Projects beginning with a subsequent offset period in the Carbon Count Platform must provide Carbon Count with project related documentation as well as all previous lab results from sampling to enable project processing.

### S1.1 Offset Period Initiation Instalment

At the time of committing to the offset period within the platform, the Licensee will be invoiced as referenced in the attached Pricing Schedule.

Upon receipt of payment, Carbon Count will provide access to the sampling plan, geospatial data files for submission to the relevant regulator.

### S1.2 Offset Period Completion Commission

Upon the completion of each offset period, an invoice will be triggered when the Licensee requests the offset report within the Carbon Count Platform. For each

offset period, this instalment will be calculated as a flat fee or percentage (see Annexure to Schedule 1 – Pricing) of the net abatement value as reported by the Carbon Count Platform. These instalments (see Annexure to Schedule 1 – Pricing) are calculated and invoiced as follows:

**S1.2.1 For Carbon Credit Sales or Holding Credits for Future Sales**, the *Offset Period Completion Commission* for that offset period will be calculated as either:

1. the percentage (as listed in the Annexure to Schedule 1 – Pricing) of all carbon credits generated for that offset period multiplied by the intended market spot price (for projects registered under the ERF, this will be the ACCU spot price) per carbon credit at the time the offset report is delivered. Or;
2. A flat fee (as listed in the Annexure to Schedule 1 – Pricing) multiplied by the number of carbon credits generated for that offset period as reported by the Carbon Count Platform.

**S1.2.2 For transacting Carbon Credits as an offset or inset**, the *Offset Period Completion Commission* for that offset period will be calculated as either:

1. the percentage (as listed in the Annexure to Schedule 1 – Pricing) of all carbon credits generated for that offset period multiplied by the carbon credit value in the long term contract that the landholder has agreed upon, rather than the market spot price. The project proponent must notify Carbon Count the contracted value of carbon credits to be offsetted. Or;
2. A flat fee (as listed in the Annexure to Schedule 1 – Pricing) multiplied by the number of carbon credits generated for that offset period as reported by the Carbon Count Platform.

**S1.2.3 Contracted Credits**, the *Offset Period Completion Commission* for that offset period will be calculated as either:

1. the percentage (as listed in the Annexure to Schedule 1 - Pricing) of all carbon credits generated for that offset period multiplied by the contracted price per credit. Or;
2. A flat fee (as listed in the Annexure to Schedule 1 - Pricing) multiplied by the number of carbon credits generated for that offset period as reported by the Carbon Count Platform.

Upon receipt of payment of the *Offset Period Completion Commission*, Carbon Count will deliver a certification of carbon stock, net abatement and offset report.

NOTE: projects that withdraw prior to the end of the offset period will not have any instalments refunded. Licensees are required to notify Carbon Count in the event a project ceases to operate or wishes to withdraw from the Carbon Count Platform (subject to termination fee).

# Annexure to Schedule 1

## Pricing

Effective 22nd June, 2022

## 1. Project Instalments

Project instalments relate to schedule 1 of the Licence Agreement and apply each time the licensee utilises the Carbon Count Platform to derive a measurement of the total carbon tonnage and/or net abatement for a project (see Table. 1). These are subject to change. Commencing an offset period in the Carbon Count Platform is a commitment to completing the offset period and as such will be subject to all instalments for that offset period as listed in Table. 1.

Offset Period	Offset Period Initiation Instalment	Offset Period Completion Commission
<b>Initial Offset Period</b>	AUD \$6,000 in monthly instalments or \$5,000 upfront	2.5% of net abatement value or; \$1.29 per Carbon Credit*
<b>Subsequent Offset Periods</b>	AUD \$6,000 in monthly instalments or \$5,000 upfront	2.5% of net abatement value or; \$1.29 per Carbon Credit*

Table. 1 Instalment Fee Schedule (note, projects may contain additional offset periods)

**\* For Carbon Credit Sales or Holding Credits for Future Sales**, the Offset Period Completion Commission for that offset period will be calculated as either:

1. The percentage listed in Table. 1 of all carbon credits generated for that offset period multiplied by the market spot price per carbon credit (for projects registered under the ERF, this will be the ACCU spot price) at the time the offset report is delivered. Or;
2. The flat fee listed in Table. 1 multiplied by the number of carbon credits generated for that offset period as reported by the Carbon Count Platform at the time the offset report is delivered.

**\*For transacting Carbon Credits as an offset or inset**, the Offset Period Completion Commission for that offset is calculated as either:

1. The percentage listed in Table. 1 of all carbon credits generated for that offset period multiplied by the carbon credit value in the long term contract that the landholder has agreed upon, rather than the market spot price. The invoice will be generated at the time the offset report is delivered. The project proponent must notify Carbon Count the contracted value of carbon credits to be offsetted Or;

2. The flat fee listed in Table. 1 multiplied by the number of carbon credits generated for that offset period as reported by the Carbon Count Platform at the time the offset report is delivered.

**\*Contracted Credits**, the Offset Period Completion Commission for that offset period will be calculated as either:

1. The percentage listed in Table. 1 of all carbon credits generated for that offset period multiplied by the contracted price per credit. The invoice will be generated at the time the offset report is delivered. Or;
2. The flat fee listed in Table. 1 multiplied by the net abatement recognised for that offset period as reported by the Carbon Count Platform at the time the offset report is delivered.