SERVICE LEVEL AGREEMENT FOR RENEWABLE ENERGY CERTIFICATES CREATION AND TRADING

Entered into by and between

ZAMBIAN CARBON INITIATIVES LIMITED (ZAMREC)

86 Independence Avenue, Prospect Hill, Lusaka, Zambia

(Hereinafter referred to as “ZCI”)

AND

………………………………………………………………………………………………………..

(Address)………………………………………………………………

(Hereinafter referred to as “(Your Organisation…Replace with your acronym”)

(“ZCI” and “.......” are referred to herein as the “Parties”)

This Agreement is made the \_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 2025 and entered into between: -

**ZAMBIAN CARBON INITIATIVES LIMITED (“ZCI”)** a company duly incorporated in Zambia and having its registered offices at 86 Independence Avenue, Prospect Hill, Lusaka, Zambia; and

**(Your Organisation Name)........................................... (“...”)** a company duly incorporated in Zambia and having its registered offices at 61 Independence Avenue, Prospect Hill, Lusaka, Zambia

(Each referred to as a “Party” and collectively as the “Parties”).

1. **WHEREAS** ZCI in its ordinary course of business facilitates the creation and trading of Renewable Energy Certificates (RECs) to support investment in renewable energy generation assets and to reward companies already engaged in renewable energy generation.
2. **WHEREAS** …………………….is a company duly registered and incorporated in terms of the laws of the Republic of Zambia which in its ordinary course of business generates renewable energy electricity.
3. **WHEREAS** ZCI and ……………… desire to take advantage of available markets for energy attributes, which may allow for the registration of the RECs on a Renewable Energy Certificate programme, registry or platform ("REC Programme"), and the subsequent creation and sale of RECs to third parties (“REC Sale and Purchase Agreement”).

**NOW, THEREFORE,** in consideration of the mutual promises and undertakings contained herein, and intending to be legally bound, the Parties hereby agree to the terms and conditions set forth in this Agreement.

# DEFINITIONS AND INTERPRETATIONS

## Definitions

In this Agreement, unless clearly inconsistent with or otherwise indicated by the context:

* + 1. **“Commercially Reasonable”** means taking actions that are fair, in good faith, and in accordance with commonly accepted commercial practices;
    2. **“Device Registration”** means the registration of a renewable energy generating device or facility with an I-REC Registry or a REC Registry;
    3. **“External Fees”** means the upfront payment of any registration, verification and issuance fees which prices shall match that of the I-REC registry related to these Renewable Energy devices;
    4. **“Governmental Authority”** means [ ];
    5. **“I-RECs”** means International Renewable Energy Certificates that document renewable energy consumption issued by an I-REC Registry;
    6. **“I-REC Registry”** means International Renewable Energy Certificates Registry;
    7. **“Parties”** means Zambia Carbon Initiatives Limited and ...........................................;
    8. **“RECs”** means Renewable Energy certificates;
    9. **“REC Sale and Purchase Agreement"** means a legal binding contract between a buyer and Zambia Carbon Initiatives outlining the terms and conditions of a REC transaction including details of the quantity of the REC, price, payment terms and other relevant provisions;
    10. **“REC Registry”** means a Renewable Energy Certificates Registry;
    11. **“REDs”** means Renewable Energy generating devices or facilities;
    12. **“Sales Revenue”** means the total income to be earned or received from the sale or trade of RECs;
    13. **“Termination Date”** means the date on which this Agreement is terminated in accordance with Clause; and
    14. **“USD” or “US$”**, means United States Dollars, the lawful currency of the United States of America;

## Interpretations

* + 1. a Schedule is a schedule to this Agreement;
    2. a Clause or paragraph is a reference to a Clause of this Agreement (other than the Schedules) or a paragraph of the relevant Schedule;
    3. The headings used in this Agreement are for convenience only and shall have no effect upon the interpretation of this Agreement; and
    4. Words imparting the singular number shall include the plural and vice versa.

# Effective Date and Duration of Agreement

* 1. As used herein, the “Effective Date” shall mean the date on which this Agreement is signed by the last participating party.
  2. This Agreement shall remain in effect for a term of six (6) years from the Effective Date. Upon expiration of the initial term, this Agreement may be renewed upon mutual consent of both parties.

# Rights, Responsibilities and Obligations of the Parties

* 1. ZCI shall be responsible for the following:
     1. Attending to and handling the Device Registration process and payment of Device Registration fees.
     2. Submission of all documents required to register and facilitate verification of the REDs on the REC Registry under ZCI’s registry account on such REC Registry as ZCI deems fit.
     3. Undertaking tasks within its control that are required to facilitate the issuance and trading of RECs from the REDs.
     4. Attending to and handling the RECs issuance process.
     5. Transferring RECs to the accounts of REC buyers in accordance to RECs trading deal notes or sales agreements.
     6. Making payments for any registration, verification and issuance fees which prices shall match that of the I-REC registry related to these REDs (hereafter referred to as “External Fees”).
     7. Executing the RECs trading process.
     8. Providing trade/sale confirmations.
     9. With respect to Over The Counter (OTC) trades, at the time of negotiating any draft Customer Sales Contract, ZCI will provide your organisation with a copy thereof and seek written consent of your Chief Executive Officer to execute the aforesaid contract.
     10. Making payments to your organisation for its share of the Sales Revenue.
  2. (Your organisation) shall be responsible for the following obligations in terms of this agreement:
     1. To provide ZCI with all the relevant documentation necessary in the execution of its duties and any other additional documentation that it may request from time to time.
     2. The completion of documentation requested by ZCI in order to enable (Your organisation) to successfully execute its duties as indicated in terms of Clause 3.1 above.
     3. To ensure that at all times the REDs are operational at the time of making requests for certificate issuances.
     4. To immediately notify ZCI in writing should it be made aware that any of Your Organisation’s REDs no longer perform in a manner consistent with its certification as a RED or the terms of any REC Registry.
     5. To immediately notify ZCI in writing should Your Organisation’s interest in any RED be transferred or affected in any way. This AGREEMENT shall automatically transfer to any new or additional owner who shall be bound by its terms. Your Organisation shall ensure any transferee of a RED identified under this Agreement executes, any document of novation, declaration, assignment or other instrument necessary to preserve the rights and interests of ZCI under this Agreement notwithstanding any change of ownership of a RED.
     6. Grant access to authorised personnel and agents of ZCI and the REC Registry(ies), including independent verifiers to the premises of the registered REDs of Your Organisation and any documents, records or any other information relating to the REDs.

# Exclusivity

For the duration of this Agreement, ZCI shall have the exclusive right to sell all I-RECs generated from the REDs included in this Agreement. Your Organisation shall not, directly or indirectly, sell, transfer, or negotiate any I-RECs to any third party without the prior written consent of ZCI. This exclusivity applies to the entire volume of I-RECs generated within the defined scope of this Agreement. Any breach of this Clause shall entitle ZCI to seek appropriate remedies, including but not limited to injunctive relief and/or damages.

# Commission

ZCI shall be entitled to 30% of the RECs Sales Revenue as compensation for creating and trading the RECs on behalf of Your Organisation. Upon receipt of sale proceeds ZCI shall deduct its commission and external fees and pay the balance into the following nominated bank account.

# Market Strategy

* 1. RECs will be traded on international REC Exchanges or OTC trades to specific buyers through REC Sale Agreements
  2. ZCI will make commercially reasonable efforts to negotiate REC Sale and Purchase Agreements in the best interests of Your Organisation and REC Sale and Purchase Agreements may be for partial lots or for RECs from certain REDs or defined periods of electricity generation.
  3. Short and/or long term fixed and/or variable price contracts may be entered into in Sale and Purchase Agreements if they are deemed to be in the best interests of both parties at the time of entering them.

# Representations of the Parties

* 1. Each of the Parties represents and warrants to the other Party that:
     1. This Agreement and the transactions contemplated herein have been duly approved by all necessary corporate, partnership or other such actions on its part;
     2. This Agreement represents valid and binding obligations, enforceable at law;
     3. Neither the execution of this Agreement nor the consummation of the transactions contemplated herein is prohibited by, nor will it result in the breach of any term or provision of, or constitute a default under, or cause the acceleration prior to stated maturity of any debt created pursuant to:

1. its organizational and governing documents;
2. any agreement or other instrument to which it is a party or by which it is bound; or
3. any order, writ, injunction, decree, statute, rule or regulation, nor will it result in the creation of any lien, charge or encumbrance on any of its assets.
   * 1. Neither the Party, nor to the knowledge of the Party, any director, officer, agent, employee, affiliate of or a person acting on behalf of the Party engaged in any activity or conduct which would violate any applicable anti-bribery or anti-corruption law or regulation and which activity or conduct would be material in the context of the rights and obligations under this Agreement; and
     2. It has instituted and maintains policies and procedures designed to prevent bribery, corruption and money laundering by the Party, the group of companies it belongs to, persons associated to it, its responsible persons, its beneficial owners and ultimate beneficial owners.
   1. Your Organisation further warrants that the qualifying energy, for which RECs are being applied:
      1. Has not, and will not be sold, or otherwise consumed (including such consumption by a self-producer), as having the attributes evidenced by the RECs unless such RECs accompany the energy subject to such sale or consumption.
      2. Has not been produced under a public consumption obligation where consumers are deemed to have bought the attributes through a levy or similar national arrangement
   2. The RECs registered from the RED accurately reflect the attributed qualifying energy produced by or and or generated from the RED.

# Termination

* 1. This Agreement can be terminated in the following instances:
     1. In the event of either Party committing a breach of any of the terms of this Agreement and failing to remedy the same within a period of thirty (30) days of being called upon to do so by the non-defaulting Party;
     2. In the event that either Party is declared to be insolvent in terms of the Corporate Insolvency Act No.9 of 2017 and thus deemed incapable of carrying out its obligations in terms of this Agreement;
     3. By the mutual agreement of the Parties to the Agreement; and
     4. As a result of *Force Majeure* as defined in Clause 12 hereunder.
  2. If and when this Agreement should terminate for whatsoever reason, such termination will have no effect on the subsistence of any RECs Sale and Purchase Agreements and any RECs Sale and Purchase Agreements will continue to subsist in accordance with their terms and as between the parties thereto. Notwithstanding the termination of this Agreement, it shall continue to apply between the Parties in respect of their relationship as it relates to any RECs and/or RECs Sale and Purchase Agreements.

* 1. The termination of this Agreement shall not affect the payment of any amounts due from one Party to the other Party, which are accrued but unpaid as of the Termination Date, or the settlement and distribution of amounts due to each Party as provided herein.

# Indemnification

Each Party agrees to indemnify, defend, and hold harmless each of the other Parties from and against any loss, cost, or damage of any kind (including reasonable outside attorneys' fees) to the extent arising out of its breach of this Agreement or any project Agreement, or its gross negligence, wilful misconduct or fraud occurring while such Party had obligations under this Agreement or any project Agreement. Under no circumstances shall any Party be liable for any indirect, incidental, special, or consequential damages in the event of breach by another Party.

# Change in Law

* 1. The occurrence, after the date of this Agreement, of any of the following shall amount to a Change in Law:
     1. The adoption or taking effect of any law, rule, directive, regulation, or treaty;
     2. Any change in any law, rule, directive, regulation or treaty or in the administration or application thereof by any Governmental Authority; or
     3. The making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority.
  2. If a Change in Law happens, the Parties shall agree on the amendments (if any) to the Agreement as are necessary to take into account such Change in Law so that the Agreement may continue in full force and effect and the Parties may lawfully comply with their obligations hereunder.
  3. The purpose of any such amendments is solely to enable the Agreement to continue in full force and effect and any new and additional or reduced costs, expenses, or risks which arise as a result of such Changes in Law are not intended to be allocated from one party to the other by virtue of this provision, save that if due to the Change in Law any Party is prevented from lawfully performing the Agreement, then such circumstance shall constitute a *Force Majeure Event* and the Parties will terminate the Agreement in accordance with Clause 8 hereof.

# Force Majeure

* 1. Any event or circumstance which is unforeseeable, unavoidable and beyond the reasonable control of the affected Party, that could not, after using reasonable efforts, be overcome and which makes it impossible for the affected Party to perform its obligations under this Agreement (a “Force Majeure Event”), which may include but not be limited to:
     1. The suspension or absence of a Project then in effect;
     2. An act of God, peril of the sea, war, riot, insurrection, civil commotion, martial law, flood, earthquake, epidemic, quarantine, radiation, radiative contamination; and/or;
     3. A legal impediment under the applicable laws to transferring or receiving Issued Carbon Credits. Each Party shall give the other Parties prompt written notice of any event or circumstance that is or is reasonably likely to result in a *Force Majeure* Event, and the anticipated duration thereof. Any Party may terminate this Agreement with immediate effect at the time a *Force Majeure* event lasts for ninety (90) days.

# Relationship Between the Parties

Except with respect to the transaction as described herein, each of the Parties shall be free to engage in any other business activity for its exclusive benefit. Neither ZCI nor Your Organisation, shall be deemed a partner of, or an agent for, the other, except to the extent necessary to carry out the Agreement as described herein.

# Notices

* 1. All notices, demands, elections, requests or other communications which any party to this Agreement may desire or be required to give hereunder shall be in writing (email being sufficient) and shall be given by mailing the same by email or a recognized overnight delivery service, addressed as set forth below:
  2. For the purposes of this Agreement, the Parties' respective addresses shall be:
     1. as regards ZCI: 86 Independence Avenue, Prospect Hill, Woodlands, Lusaka

email:

marked for the attention of:

* + 1. as regards (Your Organisation): [ ]

email:

marked to the attention of:

13.2 Notices shall be deemed effective as of the next business day after actual delivery. Unless otherwise specified herein, all such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5p.m. on a business day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed to have been received on the next succeeding business day in the place of receipt.

# Assignments, Successors and Assigns

Except as expressly authorized under this Agreement, no Party shall assign all or any portion of its rights or obligations under this Agreement without each other Party’s prior written consent, which consent shall not be unreasonably withheld. Any assignment or transfer not in accordance with this Agreement shall be void. This Agreement shall be binding upon the Parties and their respective successors and assigns and shall inure to the benefit of the Parties and, except as otherwise provided herein, their respective successors and assigns.

# Entire Agreement

This Agreement and its Schedules constitutes the entire understanding of the Parties with respect to the subject matter hereof. There are no other terms, provisions or conditions except as set forth herein. No term or provision of this Agreement may be amended, waived or modified except by an instrument in writing signed by the authorised representatives of the Parties to be charged.

# Further Assurances

Each party to this Agreement agrees to execute, acknowledge, deliver, file and record such further certificates, amendments, instruments and documents, and to do all such other acts and things, as may be required by law, or as may be necessary or advisable to carry out the intents and purposes of this Agreement.

# Dispute Resolution

* 1. In the event of any dispute between the Parties pertaining to the construction, meaning or implementation of this Agreement or the rights, obligations or liabilities of either of the Parties, arising out of or in connection with this Agreement, including after termination or cancellation of the Agreement such dispute shall initially be referred to the Executive Heads of the Parties for resolution by mutual agreement.

* 1. In the event that any dispute between the Parties is not resolved by the above process within thirty (30) calendar days, either Party may, by notice, in writing to the other, refer the matter to arbitration by a single arbitrator appointed by agreement of the Parties provided that if the Parties are unable to so agree the arbitrator shall be appointed by the incumbent President of the Law Association of Zambia.
  2. It is the intention of the Parties that any matter referred to arbitration shall be concluded within thirty (30) days of the arbitrator being appointed.
  3. The Parties irrevocably agree that the determination of the arbitrator:
     1. Shall be final and binding upon the Parties;
     2. May be made an order of any court of competent jurisdiction;
     3. Shall include such order as to costs as the arbitrator may deem fit; and
     4. Shall not result in the award of a cancellation of this Agreement unless the breach complained of is found by the arbitrator to go to the root of this Agreement and is a breach that cannot be compensated for by an award of damages.

* 1. This clause shall be severable from the remaining provisions of this Agreement and shall continue to be of application notwithstanding the termination or purported cancellation of this Agreement at any stage in whatever manner.
  2. The provisions of this Clause shall not preclude either party from access to an appropriate Court of Law in Zambia for:
     1. Interim relief in the form of an interdict, *mandamus* or order for specific performance pending the outcome of an arbitration in terms hereof or in respect of such arbitration; or
     2. Any other form of relief on the basis of facts which are not disputed provided that if a bona fide dispute of facts arises in the course of the proceedings, the proceedings shall be stayed pending an arbitration on the dispute in terms hereof or an order for the payment of a liquidated amount in money on the basis of facts which are not bona fide in dispute at the commencement of such proceedings.

# Confidentiality & Non-Circumvention

* 1. Each Party shall safeguard and treat as private and confidential all information, documents and materials which it acquires in the course of negotiations for, or during the term of, this Agreement and which concerns the other Party (“Confidential Information”) and shall not use the Confidential Information for its own purposes (except to the extent necessary to carry out obligations under this Agreement) without in any such case (and only to the extent permitted by) the prior written consent of the Party concerned.
  2. Each Party shall be permitted to disclose all or part of the Confidential Information:
     1. as required by any applicable laws;
     2. to its representatives, agents, consultants, subcontractors or advisors provided always that they have a reasonable need to know the Confidential Information and have entered into an agreement relating to the Confidential Information on no less onerous terms than those set out in this Clause 18;
     3. to any authority or to any of the shareholders (direct or indirect), agents, consultants, contractors, subcontractors, advisers, Lender, financiers, potential financiers, investors, potential purchasers of the interests of a shareholder (direct or indirect), insurers or lenders (including its advisers) of such Party or its affiliates, in any such case for the purpose of enabling the disclosing Party to comply with its obligations under this Contract, provided that:

1. such Party notifies the recipient at or about the time of such disclosure that the information is confidential and may not be disclosed by the recipient to third parties;
2. such Party will be responsible for ensuring that the recipient keeps the Confidential Information confidential and will accordingly be responsible for any failure of the recipient to do so;
3. if required by any court, any arbitrator or administrative tribunal or an expert in the course of proceedings before it to which the disclosing Party is a party; or
4. if so, agreed in writing by the Parties prior to the disclosure.
   1. The obligations of confidentiality in this clause 18 (Confidentiality) shall survive the termination of this Agreement and shall continue until all or any part, as the case may be, of the Confidential Information enters the public domain through no fault of the either Party or its agents whereupon the obligation of confidentiality will cease only in respect of the Confidential Information which has so entered the public domain.
   2. Your Organisation agrees that whether alone or with others, shall not negotiate or participate in any transaction or series of transactions or related transactions of any nature which circumvents ZCI.
   3. Your Organisation will not in any way whatsoever circumvent or attempt to circumvent ZCI by directly or indirectly dealing with any party which, the identity of which would fall within the definition of confidential information, in any present or future transactions; and/or
   4. In any other way, directly or indirectly, use any of the confidential information to benefit or advance the business of your Organisation or any of its clients other than in terms of any written agreement between the parties according to which Your Organisation has obtained the contractual rights to such confidential information.
   5. In the event that the terms of this Clause are breached, the aggrieved Party shall be entitled to sue the defaulting Party for monetary damages as a result of the conduct of the defaulting Party.

# Media Releases

* 1. Neither Party may advertise or issue any information, publication, document or article for publication or media releases or other publicity relating to this Agreement or any Project without the prior written approval of the other Party except that a Party may disclose such information and other matters:
     1. to its shareholders, directors, officers, employees, contractors or consultants, and to any Authorities or community consultative committees who have a specific need to have access to such information and other matters; or
     2. as required by any law.
  2. Each Party must refer to the other any enquiries from the media concerning the other Party’s business and activities and the Parties must cooperate in respect of any public relations activities relating to this Agreement.

# Validity and Variation of Agreement

* 1. The invalidity of any portion of this Agreement shall not affect the validity of the remainder thereof.
  2. The terms of this Agreement can be varied by the mutual agreement of the Parties. No variations to this Agreement shall be valid unless reduced to writing and signed by both Parties.

# Counterparts

This Agreement may be executed in counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement. A signed copy of this Agreement delivered by e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

# Governing Law

This Agreement shall be governed and construed in accordance with the laws of the Republic of Zambia

**IN WITNESS WHEREOF**, the parties hereto have executed this Partnership Agreement as of the date first written above.

SIGNED by **ZAMBIA CARBON INITIATIVES LIMITED** )

In the presence of: )

WITNESS

Name: …………………………………………………………………….

Address: ………………………………………………………………….

Occupation: …………………………………………………………….

SIGNED by **(Your Organisation Name)** )

In the presence of: )

WITNESS

Name: ………………………………………………………………………

Address: …………………………………………………………………..

Occupation: ……………………………………………………………..