 

**Application and Agreement for Climate Bonds Verifier Approval**

# Dated:

A bond auditor seeking approval as a Climate Bonds Approved Verifier (**Approved Verifier**) is required to sign this Application and Agreement for Climate Bonds Verifier Approval (**Agreement**).

# Application

To start the process of becoming an Approved Verifier with the Climate Bonds Initiative (**CBI**), you need to complete this Agreement, sign it, and return it to:

[Climate Bond Standards Board]

[40 Bermondsey Street, London, SE1 3UD, United Kingdom] [[info@climatebonds.net](mailto:info@climatebonds.net)]

By executing this Agreement, [ ] (**Applicant**) applies to the CBI for approval as an Approved Verifier (**Approval**) on the terms of this Agreement and in accordance with the Climate Bonds Standard and Certification Scheme Assurance Framework (**Framework**) in the form published on the CBI’s website as of the date of this Agreement, together with any changes to the Framework notified to the Applicant by CBI.

# Fees

* 1. Applicant is required to pay to CBI a fee of GBP 500 within thirty (30) business days of Approval, and an additional annual fee of GPB 500 payable by Applicant to CBI on each anniversary of the date hereof. Such fee shall be payable without deduction or withholding of any kind and shall not be refundable for any reason.

# Process for Approved Verifier

* 1. Applicant will be listed as an Approved Verifier on the CBI website with their geographic scope, technical scope, and relevant contact details once the Approval Letter (as defined below) is provided and this Agreement has been executed. Applicant will remain listed on the CBI website during the term of this Agreement and so long as it continues to comply with the terms of this Agreement.
  2. Upon CBI’s approval of the Applicant’s request to be an Approved Verifier, CBI shall issue a formal Letter of Approval and Certificate to Applicant (**Approval Letter**).
  3. Applicant shall remain an Approved Verifier subject to compliance with this Agreement and only during the term of this Agreement.

# Rights and Responsibilities of Applicant

* 1. After receipt of an Approval Letter, Applicant may be engaged by bond issuers to provide a report prior to bond issuance in compliance with the Framework, and detailing, among other items:
     1. the eligibility and readiness of projects and assets being financed to meet the Climate Bonds Standard in

the form published on the CBI’s website (**Standard**); and

* + 1. the readiness of the issuer’s internal processes to track and report on the use of bond proceeds in accordance with the Standard.
  1. After receipt of an Approval Letter, Applicant may be engaged by bond issuers to provide a report after bond issuance detailing:
     1. the actual use of bond proceeds;
     2. the ongoing eligibility of the projects and assets being financed to meet the Standard;

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* + 1. the use of funds not yet allocated; and
    2. the adequacy of, and output from, the issuer’s internal processes to satisfy the Standard.
  1. Applicant shall use industry accepted standards for undertaking assurance work, including but not limited to the Guidance for Verifiers document published on CBI’s website or otherwise provided to Applicant. Applicant shall include an assurance statement in all reports prepared pursuant to Section 3.2 based on the assessment and assurance activities undertaken by Applicant during the verification process.
  2. Applicant shall participate in training webinars provided by CBI, and, when provided in a suitable location, in- person training sessions and regional calibration workshops.
  3. Applicant and its clients shall not use any CBI marks or symbols in any misleading manner or in any manner not approved by CBI.
  4. Applicant shall procure and maintain an insurance policy satisfying the requirements of the Framework.
  5. Applicant shall otherwise review, remain familiar with and comply with the entirety of the Framework, including any updates to the Framework provided by CBI to Applicant.

# Requirements for Approval as Approved Verifier

* 1. Applicant hereby agrees to remain subject to by CBI for the term of this Agreement. Such assessments shall include each of the following:
     1. Applicant’s level of competence and experience;
     2. Applicant’s participation in regular training sessions;
     3. Applicant’s adherence to the oversight regime detailed in Section 5 below;
     4. Applicant’s maintenance of appropriate professional indemnity and liability insurance to cover their verification activities under the Standard; and
     5. Applicant’s compliance with its obligations under this Agreement;
  2. CBI maintains the right to revoke Applicant’s Approval should CBI determine, in their sole discretion, that Applicant has failed to meet the standards assessed in Section 4.1.

# CBI Oversight Regime

* 1. Applicant hereby agrees to remain subject to ongoing oversight by CBI for the term of this Agreement. Such oversight shall include each of the following:
     1. review of all verifier reports prepared by Applicant submitted to the Climate Bonds Standard Secretariat by issuers;
     2. detailed monitoring of the first three (3) to five (5) engagements undertaken by Approved Verifiers, including review of work plans, verification teams, risk assessments, draft reports and findings;
     3. interviews with bond issuers on the performance of the Approved Verifier;
     4. spot checks on verifier working documents, evidence and assurance procedures;
     5. on-site appraisals to review performance of verifiers in the field; and
     6. annual review of verifier competence and performance, for consideration by the Climate Bonds Standard Board.

# Liability and Indemnity

* 1. To the extent permitted by law and subject to the limitations expressly provided for in this Section 6, the Applicant agrees to indemnify, or otherwise to hold harmless, CBI, its Board members, employees and Advisory Board (**Covered Persons**) from any damages, liabilities, judgments, charges, expenses

(including reasonable attorney’s fees) and claims caused by the Applicant in connection with any breach of this

Agreement (**Losses**).

* 1. The Applicant, however, will not be liable for any:
     1. indirect, consequential, special, punitive or exemplary Loss; or
     2. Loss directly or indirectly attributable to the fraud, gross negligence or willful misconduct of any Covered Person.

# Confidentiality

* 1. CBI must keep the Confidential Information confidential and must not:
     1. use or reproduce any of the Applicant’s Confidential Information otherwise than in performing or giving effect to this Agreement or issuing or withdrawing a Applicant’s Approval without the prior written consent of the Applicant;
     2. use the Applicant as a reference without the prior written consent of the Applicant; or
     3. disclose any Confidential Information except:
        1. if required in connection with a Applicant’s Approval;
        2. if required in connection with legal proceedings relating to this Agreement;
        3. to officers, employees, legal and other advisers and auditors of CBI, provided the recipient agrees to act consistently with this Section 7;
        4. to any party to this Agreement or any affiliate of CBI, provided the recipient agrees to act consistently with this Section 7;
        5. as required by any law or stock exchange; or
        6. with the prior written consent of the Applicant.
  2. For the purposes of this Agreement, **Confidential Information** means all information (regardless of its form) disclosed or otherwise made available by the Applicant or its representatives to CBI or its representatives (before, on or after the date of this Agreement), for or in connection with this Agreement or the arrangements contemplated by it (and includes without limitation this Agreement and its contents), which:
     1. is marked or otherwise designated as being proprietary or confidential to the Applicant;
     2. is confidential to a third party to whom the Applicant owes an obligation of confidence;
     3. in the circumstances surrounding disclosure or because of the nature of the information, ought in good faith to be treated as confidential;
     4. includes, or relates to the business, financial records, staff, technology, projects, investments, intellectual property rights, trade secrets, financial position, customers and suppliers of the Applicant; or
     5. is derived or produced partly or wholly from such information, but excludes information which:
     6. is in or becomes part of the public domain otherwise than through a breach of this Agreement or an

obligation of confidentiality owed to the Applicant, one of the Applicant’s representatives or a third party;

or

* + 1. CBI can prove by contemporaneous written documentation was already known to CBI at the time of disclosure by the Applicant or any of its representatives (unless such knowledge arose from disclosure of information in breach of an obligation owed to or by a third party).
  1. On expiry or termination of this Agreement, CBI must promptly return or destroy in a manner that is fully secure and satisfactory to the Applicant any or all copies of Confidential Information, in which case any right of CBI to use, copy and disclose that Confidential Information ceases.

# Applicant is Not Subject to Sanctions; Not a Terrorist, etc

* 1. To the Applicant’s knowledge as at the date of this Agreement:
     1. the Applicant is not subject to economic, trade or transactional sanctions imposed by any government or government agency to which the Applicant is subject in any jurisdiction in which it carries on its business;
     2. neither the Applicant nor or any of its directors or material wholly owned subsidiaries appears on any list of known or suspected terrorists, terrorist organizations or other prohibited persons maintained by any jurisdiction in which it carries on its business; and
     3. the Applicant is not controlled, directly or indirectly, by any entity subject to the sanctions referred to in Section 8.1.1 or appearing on the lists referred to in Section 8.1.2.
  2. During the term of this Agreement, the Applicant will promptly notify CBI if it becomes aware of any of the circumstances in Section 8.1 changing.

# Compliance with Laws

* 1. Nothing in this Agreement prevents:
     1. CBI or the Applicant from acting in accordance with applicable laws and regulations; or
     2. CBI acting in accordance with the Climate Bond Standard in the form published on the CBI’s website as

at the date of this Agreement.

# Entire Agreement

* 1. This Agreement constitutes the complete and entire agreement between the parties regarding its subject matter.

# Limits on CBI’s Liability

* 1. CBI, its affiliates or third party providers or any of their officers, directors, employees or agents are not liable to the Applicant, the Applicant’s affiliates or any person asserting claims on the Applicant’s behalf, directly or indirectly, for any damages, claims, liabilities, costs, expenses, legal fees or losses (including without limitation lost income or lost profits and opportunity costs) in any way arising out of or relating to this Agreement except to the extent such damages or other amounts are determined in good faith to have resulted from the fraud, gross negligence or willful misconduct of CBI, its affiliates or third party providers or any of their officers, directors, employees or agents, or from CBI’s breach of this Agreement, and in no event shall CBI be liable for any consequential, special, indirect, incidental, punitive, exemplary or similar damages.
  2. In furtherance of (and not in limitation of) Section 11.1, CBI will not be liable to the Applicant, the Applicant’s affiliates or any person asserting claims on the Applicant’s behalf in respect of any decisions alleged to be made by any person based on anything that may be perceived as advice or recommendations.
  3. However, if (regardless of Sections 11.1 and 11.2) CBI is held liable to the Applicant, Applicant’s affiliates or any person asserting claims on the Applicant’s behalf for monetary damages under this Agreement, then the most that CBI can be liable to pay is an aggregate amount of [***three***] times the aggregate fees paid to CBI by the

Applicant under this Agreement, except to the extent such limitation is unenforceable by law. This Section 11.3 applies regardless of the form of action, damage, claim, liability, costs, expense or loss, whether in contract, statute, tort (including without limitation negligence) or otherwise.

* 1. Neither party waives any protections, privileges or defenses it may have under law.

# Term and Termination

* 1. The initial term for this Agreement shall be [two (2)] years from the date hereof. This Agreement shall automatically renew at the end of each term for an additional one (1) year period, unless written notice of termination is provided by either party within sixty (60) days of the end of the current term.
  2. This Agreement will terminate on the date for termination nominated by either party by giving written notice to the other party (such date being no earlier than the date of the notice).
  3. CBI may terminate this Agreement at any time:
     1. if there is a breach of this Agreement by Applicant, and such breach is not cured within sixty (60) days;
     2. if Applicant becomes insolvent, there is a petition by or on behalf of Applicant seeking an order of relief under the bankruptcy laws of any applicable jurisdiction, or any assignment of Applicant’s assets for the benefit of creditors or any similar event occurs; or
     3. in accordance with Section 4.2.
  4. Section 7 shall survive termination of this Agreement.

# Third Party Rights Not Created

* 1. A person who is not a party to this Agreement (including without limitation any third party recipient of a Certificate) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

# Assignment

* 1. Neither party may assign or otherwise deal with its rights under this Agreement without the prior written consent of the other party (which consent must not be unreasonably withheld).

# Invalid Material

* 1. If any term of this Agreement is held to be invalid, void or unenforceable, then:
     1. the remainder of this Agreement is not affected, impaired or invalidated; and
     2. each remaining term is valid and enforceable to the fullest extent permitted by law.

# Changing This Agreement

* 1. The only way this Agreement may be changed is by an authorized representative of each party executing a document agreeing to the change.

# Counterparts

* 1. This Agreement may consist of a number of copies, each signed by one or more parties to the Agreement. If so, the signed copies are treated as making up the one document.

# Dispute Resolution And Governing Law

* 1. Any party claiming that a dispute has arisen must give written notice (**Dispute Notice**) to the other party setting out the nature of the dispute and all other information relevant to the dispute.
  2. Within thirty (30) days of receipt of a Dispute Notice, the parties must escalate the dispute to the dispute resolution body appointed under the paragraph below. That body must then promptly meet and undertake discussions with a view to resolving the dispute as soon as practicable.
  3. Each party will appoint one authorized representative to form a liaison committee. Each party may replace some or all of its representatives by giving written notice to the other party. The initial representatives for each party are the contact persons set out in Section 19 (the **Liaison Committee**).
  4. The Liaison Committee will be responsible for:
     1. managing the relationship between the Applicant and CBI; and
     2. resolving any day to day operational issues which arise during performance of the Agreement.
  5. The dispute resolution body for this Agreement is the Liaison Committee.
  6. All disputes, controversies or claims arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in accordance with the Rules of Arbitration of the London Court of International Arbitration (**LCIA**).
     1. The seat of the arbitration shall be London, England and the language of the arbitration shall be English.
     2. Section 45 and Section 69 of the Arbitration Act 1996 shall not apply.
     3. The arbitration shall be conducted by three arbitrators, each of which shall be appointed in accordance with the rules of the LCIA.
  7. This Agreement shall be governed by, and construed in accordance with, the laws of England.
  8. The parties will bear their own costs of the mediation and will each bear half the costs of the mediator.
  9. Despite the existence of a dispute, each party must continue to perform its obligations under this Agreement unless those obligations are the subject of the dispute.

# Notices

* 1. All notices, consents and other communications in connection with this Agreement must be in writing, signed by an authorized officer of the sender and must be:
     1. left at the address set out below for the relevant party;
     2. sent by prepaid ordinary airmail post to the address set out below for the relevant party; or
     3. sent by email to the address set out below for the relevant party.
  2. However if the intended recipient has notified a changed address or email address, then communications must be addressed to that address or number.
  3. Communications must be marked for the attention of the contact person specified below for the relevant party, except that communications sent by email need only be marked for attention in this way but must still state the first and last name of the sender.

# The Applicant

Address: [ ]

Email: [ ]

Contact person: [ ]

# CBI

Address: [72 Muswell Hill Place, London, N10 3RR, United Kingdom] Email: [[info@climatebonds.net](mailto:info@climatebonds.net)]

Contact person: [Rob Fowler, Head of Certification, Climate Bonds Initiative.]

* 1. Communications take effect from the time they are received or taken to be received under Section 19.5 (whichever happens first) unless a later time is specified.
  2. Communications are taken to be received:
     1. if sent by post, three days after posting (or seven days after posting if sent from one country to another); or
     2. if sent by email:
        1. when the sender receives an automated message confirming delivery; or
        2. four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered, whichever happens first.

# Representations by Applicant

* 1. Applicant hereby makes the following representations to and in favour of CBI, as of the date hereof:
     1. Applicant is duly incorporated, organized, or formed (as applicable), validly existing and in good standing under the laws of the jurisdiction of its incorporation, organization, or formation (as applicable) and has the power and authority to carry on its business as being conducted;
     2. Applicant has the requisite power and authority to enter into this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby, and all necessary actions by the applicable persons necessary for the due authorization, execution, delivery and performance of this Agreement have been duly taken;
     3. this Agreement constitutes the valid and binding obligations of the Applicant, enforceable against the Applicant in accordance with its terms; and
     4. the execution and delivery of this Agreement and the consummation of all transactions contemplated herein to be performed by the Applicant does not and will not result in any material breach, violation of, or default under, any governing instrument of the Applicant, any material agreements to which Applicant is a party or by which it is bound, or under any applicable law.

# Executed as an agreement

Executed for and behalf of **The Climate Bonds Initiative** by: ………………………………………….

(Signature)

Name: Sean Kidney Title: CEO

Date:

Executed for and behalf of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ by: ………………………………………….

(Signature)

Name:

Title:

Date: