

REGEN Farmers Mutual

UPPER CLARENCE
HEADWATER CUSTODIANS
INFORMATION PACK

May 25 2024



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Introduction

Project Name: Headwater Custodians Landscape Impact Program

Website:

<https://sites.google.com/regenfarmersmutual.com/headwatercustodianswebsite/home>

About the Program

The Landscape Impact Program by Regen Farmers Mutual is a co-design process that runs over 20 weeks and helps groups of farmers and a nominated Working Group to define, test and launch a landscape-scale transaction in their local area.

The program has funding support from the NSW Government in association with Regen Farmers Mutual.

The Headwater Custodians project is the Landscape Impact Program for the Upper Clarence river catchment.

It has been guided by a small farmer led “Working Group” and “Pilot 10”. The Pilot 10 farmers/landholders are from across the region who have identified 2 potential carbon market transactions that mean farmers and land managers reduce carbon emissions and increase biodiversity locally whilst being rewarded financially and boosting farm business productivity and sustainability.

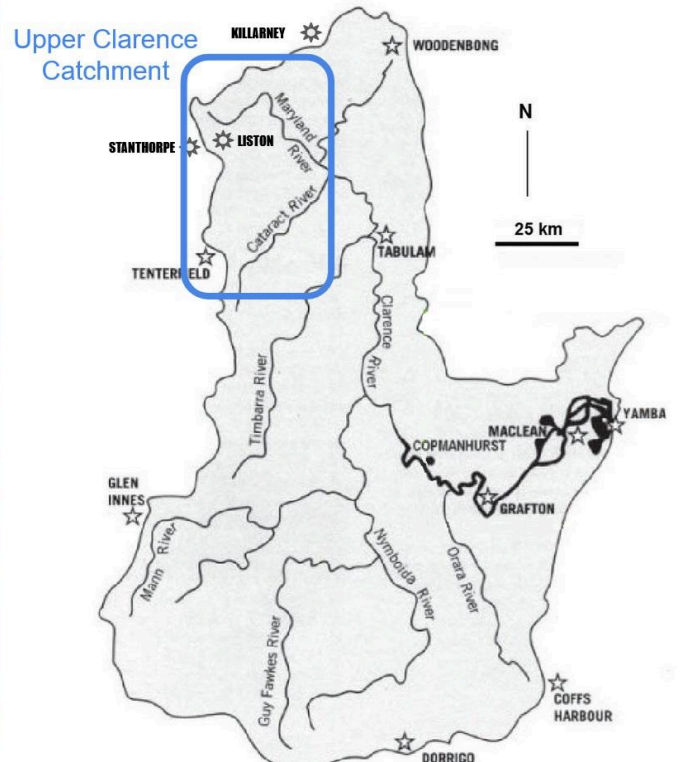
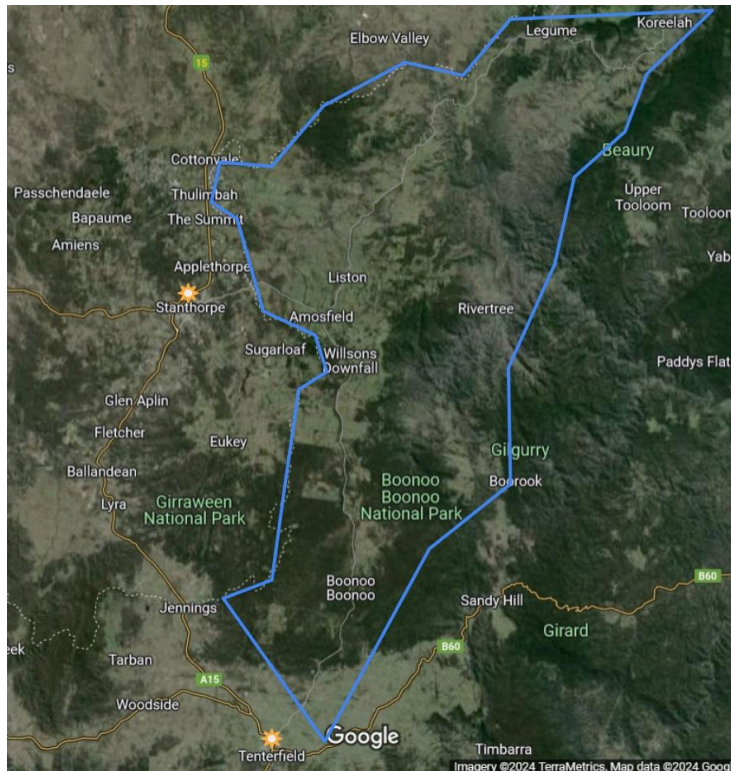
The transaction includes soil carbon and environmental plantings as well as riparian management and strategic grazing options to sequester carbon and restore biodiversity on-farm.

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Introducing The Landscape

There are 3 distinct regions containing many farming families and opportunities within the Headwaters initial pilot group.



Hydrology

Rainfall varies across the region from 1125 to 700ml.

The Headwater Custodians are so named because the area runs from the top of the watershed (QLD/NSW border) to the beginning of the formal “Clarence River” and encompasses four upper tributaries of the Clarence River, the Boonoo Boonoo, Acacia Creek, Maryland and Cataract Rivers. To the West it includes the Mole River.

The Headwater Custodians are at the start of two of our nation’s mighty rivers - one flowing East - the Clarence - and another West - into the Mole River and into the Murray Darling system.

Altitude

The region is high up in the Great Dividing Range. Altitude ranges from just over 1000 m to 500 m above sea level.

Land Use

The majority of the land is used for cattle grazing and some sheep grazing in the upper areas. There are a number of National Parks and State Forests in the area -

Boonoo Boonoo, Bald Rock, and Maryland National Parks, Sugarloaf, Yabbra, Washpool, Bookookoorara and Timbarra State Forests.

Recreational and Tourism use based on the Clarence River and the National parks is becoming more important, with many parks being significant areas for wildflowers, endangered species, bird watching and general recreation pursuits. The area has a large proportion of healthy remnant natural vegetation, running creeks and rivers, strong biodiversity values and intact riparian connectivity.

Soils

The soils are largely of granite origin.

Climate

The climate is described as a temperate oceanic or subtropical highland climate.

Carbon

Carbon is explored in detail in the following sections. Carbon sequestration is possible through improved soils and the “Soil Carbon Method” and via growing of new forests through planting or direct seeding of new mixed-species plantations.

Future methods proposed via the ERF or inset opportunities put forward by supply chains may make other actions suitable for carbon sequestration and/or abatement, but details for these don't exist at the time of publication.

Biodiversity

Rich in biodiversity, this area's high rainfall and latitudes in the sub-tropics provide for massive trees and diverse ecosystems. The area includes habitats for flora and diverse fauna, including koalas, quolls, gliders, platypus and glossy black cockatoos. The area is home to at least two Threatened Ecological Communities: Box Gum Grassy Woodlands and Derived Native Grasses and New England Peppermint.

Community

A few small towns and villages are included in the project area; Tenterfield, Liston, Legume.

Introducing The Participants

Headwater Custodians was catalysed via the Landscape Impact Program run by Regen Farmers Mutual (Nov 2023 - June 2024) and funded by the NSW Department of Climate Energy & Water PIPAP grant. The Project has been supported by Carbon8, Granite Borders Landcare, Mulloon Institute, Northern Tablelands Local Land Services and Bush Heritage Australia. The working team is collaborating with local communities and farmers as well as various industry and environmental groups.

The Landscape Impact Program working team that co-designed this transaction include:

- Shane Gregg - Local Farmer, Influencer, Farmer Voice
- Ian Perkins - Local Farmer, Influencer, Chair
- Kym Wilson - Regen Advisor
- John Dean - Local Farmer, Financial Manager
- Justin Everbloom - Local Farmer, Marketing



Executive Summary

This report represents the outcome of investigations and co-design over 20-weeks. During the Landscape Impact Program a “Working Team” co-designed with a number of landholders (the “Pilot10”) in the region. This included investigating the common carbon emissions profiles of local farmers, mapping the individual farms and shared landscape, field trips and co-design sessions with Rabo, Bush Heritage, The Mulloon Institute and the Traprockers.

The project aims to ultimately “connect and coordinate” landholders’ efforts to enhance and manage biodiversity, improve soils, reduce pollutants, sequester carbon, control erosion and manage the hydrology of the region in a way that will provide local benefits locally and downstream.

The name “Headwater Custodians” talks directly to this leading role at the top of the catchment.

Landholders represented in the Headwater Custodians group manage land across a diverse range of land types and ecosystems. Whilst unanimously the co-designers see the benefits of farmer aggregation, landscape coordination, reduced cost for participants and environmental impact, there are several challenges for individual landholders.

The investigative period of this project found a convergence of carbon markets with supply chains was imminent. Mandatory reporting in 2024/5 is catalyzing supply chains to fully report carbon emissions including those generated on farm - by farmers - at the start of supply chains. This further compels farmers into carbon markets. Yet, farmers in the region aren’t keen to engage with carbon markets because of the long time frames and the mixed messaging about carbon markets. Farmers often lack the scale to make significant returns and have to consider sale and/or succession events amongst other criteria in the next 25 years.

Local farmers are engaged in techniques such as regenerative grazing, reforestation, wetland restoration, and other sustainable agriculture practices that are employed to mitigate runoff and filter pollutants. On the ground activities adapt to each farm’s unique landscape—ranging from open grazing fields to timbered and riparian zones. This holistic approach aims to ensure the long-term health of the river and connected ecosystems, but doesn’t address current carbon markets or biodiversity markets at the time of writing.

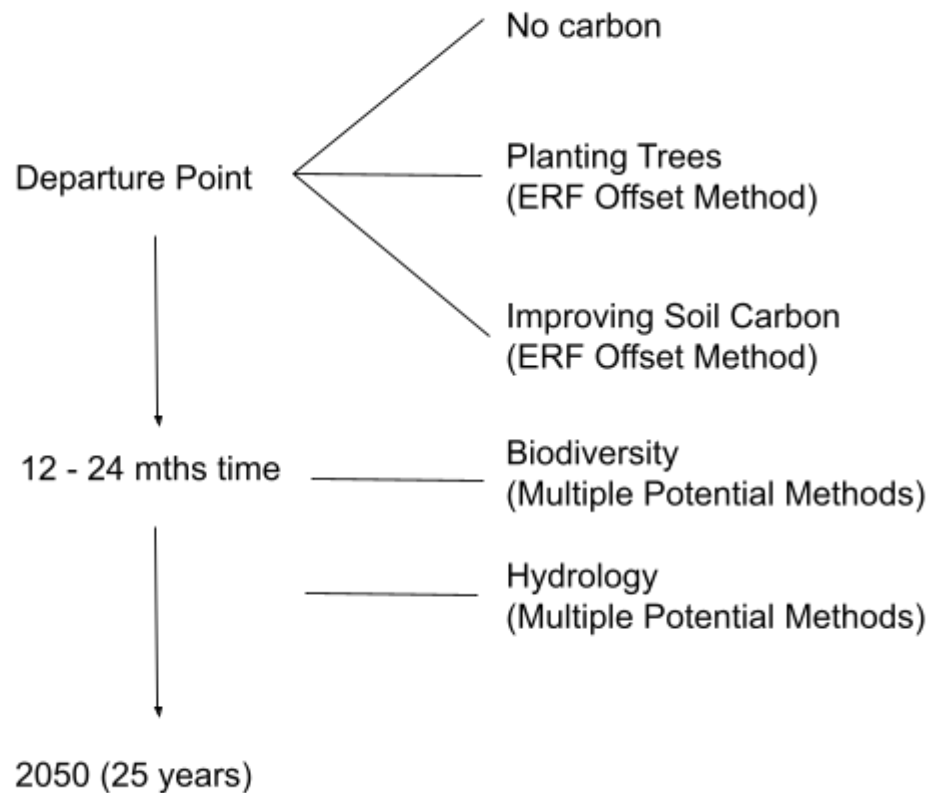
Improved biodiversity protection and restoration in the area would enrich habitats for flora and diverse fauna, including koalas, quolls, gliders, and glossy black cockatoos. But again how these potential benefits translate to markets today is a challenge.

In the coming 12-24 months we should know what the Nature-Repair Markets look like. Further clarity around BCT initiatives that don’t require covenants are coming along. Private conservation groups like (Bush Heritage) are bringing new products to market. Additionally, we should have private markets being compelled to report on nature impacts akin to what corporations are now reporting with respect to climate and carbon.

There is now the opportunity for the farmers that participated in the Pilot10 to receive up to \$10,000 in financial support to register carbon projects. The time taken for this process - and the second phase of 10 additional farmers that receive \$5,000 in support - should enable biodiversity markets to mature.

Carbon markets are an appropriate first step but may not be of interest to every landholder. For those that are interested to start the process. The rest of this document will detail how someone can participate in the Headwater Custodians project.

Headwater Custodians development over time



Benefits to Farmers

This document has to avoid making claims that could be construed as financial advice or misleading claims. We therefore won't be able to present numbers in this document or make statements as direct as: "if you do x, you'll make y\$".

¹Making money by doing good by the environment - *is* - the core idea shared by all our farmers (members). Making an environmental impact can be obvious, getting an economic outcome simultaneously is harder and requires significant investigation that was possible during this Landscape Impact Program.

Locally the Working Team and Pilot10 Farmers have been engaged in genuine efforts to identify the best path forward both in the near term and longer term from a financial perspective.

Near Term (July - Dec 2024): This program has identified at least two ERF methods that farmers can qualify for in the region. Pilot10 Farmers can receive \$10,000 in financial assistance "CER-Readiness Grants" in the next phase of this program. This will support farmers wanting to plant 20 - 200 hectares of trees or make measurable soil carbon increases over the next 25-years. The grant de-risks the investigation, feasibility and registration of a carbon project for the Pilot 10. Details follow in later sections.

Medium Term (Jan 2025 onwards): After availing themselves of the CER Readiness Grants, the Pilot10 farmers will have registered carbon projects. They can choose to go ahead (or not) as a "self proponent" or have Regen Farmers Mutual be the proponent on their behalf.

Where Regen Farmers Mutual becomes a proponent it provides the farmer with no upfront project costs and an income from year 1 to year 25.

Long Term: The Headwater Custodians narrative is strong and will get stronger as it grows over time and across the physical landscape. As more farmers join the narrative and social value increases it attaches to the carbon sequestered a premium amongst carbon buyers that will be presumably better than an individual on their own can claim.

Through The Term: The Headwater Custodians project is looking at ways to reward farmers for biodiversity, hydrology, specific species and through all market opportunities that may emerge over the next few years. The transaction is designed to be additive or "stack" over time. By this we mean that you can have a carbon project and then on top of it have a biodiversity project and on top of it have a native species project. Multiple future incomes that compliment existing production or land use.

¹ The Regen Farmers Mutual is owned collectively by all our members on a one-member, one-vote basis. Our definition of regen is: "economic AND environmental profit".

In the future a project linked directly to a consumer brand or supply chain deal with brand-specific outcomes is possible. The next few years will be interesting and usually hard for individual farmers to stay up to date with the market.

By being in the Headwater Custodians a farmer gets access to more value over time and this value increases as more farmers join in with connection and coordination.

Benefits to Nature

The project region of the Upper Clarence has large remnant areas of native bush including at least two endangered ecosystems, Box Gum Grassy Woodlands and New England Peppermint Grassy Woodlands. There is a diverse representation of vulnerable and endangered fauna and flora across a range of ecosystems.

More than 50 endangered plants and animals call the region home. Priority species in the Threatened Species Strategy include Koala, Quoll, Glider, Regent Honeyeater and Swift Parrot.

The project aims to manage the landscape for the benefit of these species across differing ecosystems.

The Headwater Custodians Landscape Project is aiming to regenerate the endangered ecosystems and provide improved habitat for a range of the abovementioned species.

The project has ambitions to regenerate the previous extent of Open Box Gum Grassy Woodland Forest as well as regenerate other priority ecosystems and connect riparian zones across the upper catchment of the Clarence River in an effort to steward the catchment whilst maintaining or increasing production on farms.

Benefits to Community

It is proposed that farmers in the region aggregate together under the Headwater Custodians banner with Regen Farmers Mutual being the project proponent on behalf of all. This way there's aggregated negotiating power. Farmers do have the ability to be self-proponents and can use the services of the Regen Farmers Mutual but would miss out on the value of being in the community of Headwater Custodians.

This negotiating power of the farmers will be improved with each additional farmer.

Not all farmers have to engage with all activities. Some activities do not have market mechanisms yet, most notably biodiversity and hydrology markets are emergent.

Group power will be particularly relevant as Supply Chains seek partners to deal with at a supply shed level with respect to environmental outcomes. Headwater Custodians can play that role on behalf of all.

During the course of this Landscape Impact Program a tailored onboarding service has been created. This enables further farmers to reap the benefit of the work done by the working team and still to come with Pilot10 farmers that avail themselves of the grants.

Future farmers entering into a group of farmers that have been working in simplifying the often arduous processes that come with carbon projects and are expected with further biodiversity markets..

Collectively the Headwater Custodian gives farmers in the region a pathway to reduced costs and less difficulties associated with gaining carbon credits and environmental outcomes..

Additionally, working together increases the connectivity and coordination of BGGW regeneration, which has a material impact on the distribution of habitat for many native endangered species that call the place home.

By working as a collective, each farmer is contributing to impacts across financial, natural, social and inspiration metrics. These metrics are measured and reported on as part of this project using the 4 Returns Framework.

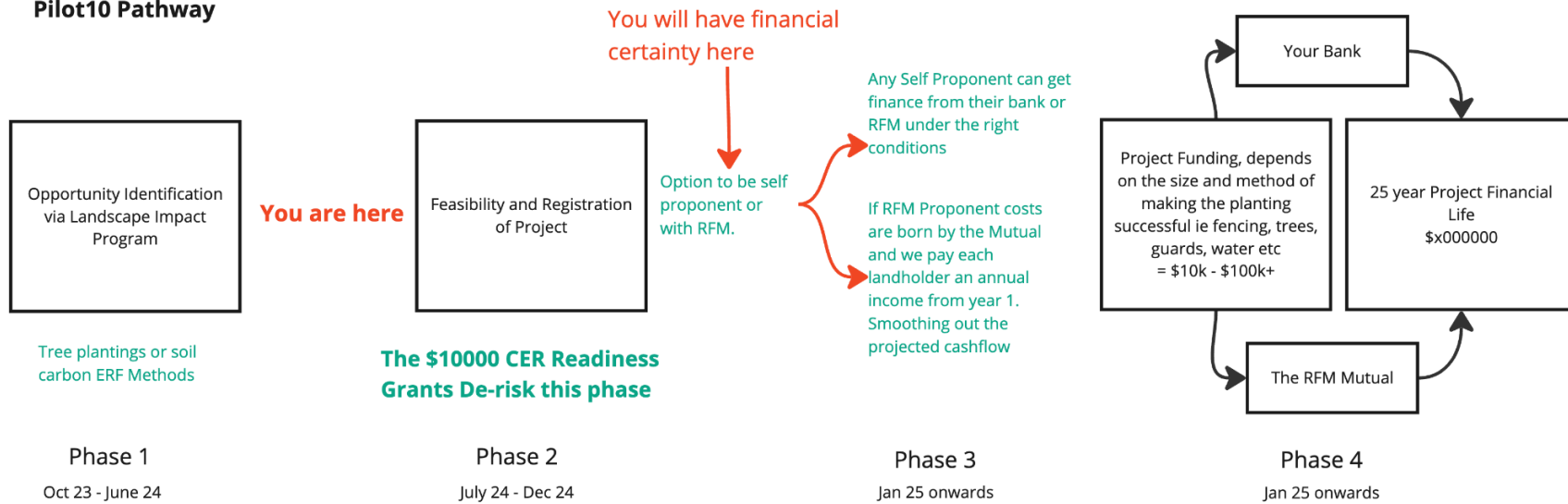


What is the deal for Pilot10?

The Pilot 10 have access to \$10000 each towards Eligible Project Discovery via the CER Readiness Grants described in detail later.

- Grants to de-risk early part
- Financing available
- Paid from get-go
- ACCU price premium
- Peer Group
- 1st Access to Biodiversity Credits on top

Pilot10 Pathway



Qualifying a Project Area

Land Management Unit	Hectares	Checking Questions?	Potential Method/ Intervention			
Opening grazing country	min100ha	Can you sustain a change in practice? Eg. smaller paddocks and holistic grazing, see method link - Project Requirements https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods/estimating-soil-organic-carbon	Soil Carbon using measurement	Beef Herd Management		
Open grass country or regrowth under 2 m	min20ha	An area you have considered to plant back to timber and would be more than 20ha Planting timber belts for wind, shelter, hydration erosion purposes (20m width min.) https://cer.gov.au/document/guide-to-reforestation-environmental-or-mallee-plantings-fullcam-method	Environmental Planting Carbon	Planting and protection	Biodiversity (Koala Carbon)	Hydrology
Timbered Country		Is there a specific ecosystem identified? Eg BGGW Can you extend/connect the area?	Protection	Planting	Biodiversity	
Riparian		Is it an area of significance? Eg 3rd order stream or higher. Can it be fenced and managed? eg Off zone watering points Does it connect to other landowners in the project?	Protection	Planting	Biodiversity	Hydrology
Regrowth country		Do you have right to clear? Can it be managed for plantings? Eg fenced out for a period of time	Protection	Planting	Biodiversity	

Accessing CER-Readiness Grants

Each landholder (Pilot 10 participant) is entitled to up to \$10,000 in funding to identify the feasibility of their project and register the project as either a self proponent or with RFM being the Proponent.

In order to seek funding of these expenses the Pilot 10 participant should complete the following form.

<https://forms.gle/HJEzXzRifMuHwJHr5> and attach the invoices that demonstrate the funds have been put towards CER readiness.

Eligible expenses include:

- Consulting with respect to environmental markets and ERF methods
- GIS work done in preparation of a CER Project
- Identification of Carbon Estimation Areas (CEA)
- Forward Abatement Estimations (FAE) for the Carbon Estimation Area.
- Customisation of GIS work based on the FAE of each CEA
- Financial modeling and projections of cashflow / financing etc
- Legal or accounting work required to submit in compliance with the CER requirements
- Assistance in acquiring Eligible Interest Holder Consent from the bank or eligible party with an interest in the CEA.
- Submission of CER project
- Project Management and administration of the CER registration process
- Site preparation

You will need to submit the following information to receive funding

- Your name
- A brief description of how this moves you towards CER registration
- The amount you are requesting
- Your bank account details (we pay you, the farmer)
- Evidence. Just attach the invoice for the job you are wanting done and are requesting the funding to pay.

What is the deal for farmers following the Pilot10?

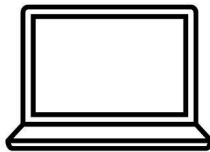
New farmers can be “onboarded” to Headwater Custodian and provided Membership of Regen Farmers Mutual. That doesn’t mean they will also get CER-Readiness Grants. These are for the Pilot10.

You’ll be set up and given a clear idea if there is an opportunity (or not) based on paying a fee (usually \$800-\$1000).

How’s this work?

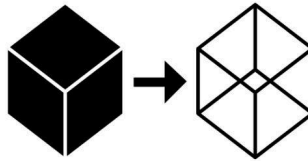
Onboarding with your local Regen Advisor. After this expense you will know if there is an opportunity or not.

Video Conference



Onboarding

Digital Twin of Farm



Membership and Tech

Emissions and Opportunities



Opportunity Check

If you have an opportunity and invest further, your farm will be assessed in multiple ways using our in-house models. The Regen Advisor will crunch the numbers and you will be presented with an estimate of the project opportunities and costs.

You will also be provided with an investment pack that you can use with your bank, lawyer or accountant to understand the eligible investment amount. In principle, this is the amount of money required in order to invest in the project on your farm.

Members Onboarding

To join the Mutual and this transaction will cost new farmers in onboarding fees. Onboarding includes identifying if there is an opportunity and path forwards.

- Regen Digital Platform setup
- Establish the legal boundary of the farm
- Carbon Footprint Estimation
- Farm Story, inclusion in the Landscape Story
- Post session report on opportunity and next steps.
- The Onboarding is customised for Headwater Custodians

The Onboarding process provides a common understanding between the farmer and Regen Advisor.

Assuming the Onboarding Process identifies an opportunity the Regen Advisor will offer the farmer the opportunity to undertake the Eligible Project Discovery. This includes identifying the economics of a project and provides clarity.

Farm Story

Your Regen Advisor will look for triggers and opportunities based on your Onboarding.

The farm boundary is used to identify GIS data for the relevant area. This will provide you with a Farm Story and inclusion in the Landscape Story drawing on NSW Government and National Government sources showing useful layers that support broader NRM goals.

[Introduction](#) [Your Catchment](#) [Climate](#) [Terrain](#) [Vegetation](#) [Soil](#)

Water is the lifeblood of your farm

The availability and movement of water on your farm dictates what you can grow, the challenges you might face, and the strategies you'll employ to harness or mitigate its effects.

The movement and availability of water on your farm are influenced by several key factors:

- **Climate:** Determines how much rain you get and how quickly water evaporates.
- **Terrain:** The shape and slope of your land direct water flow and impact how water collects or drains.
- **Vegetation:** Plants affect how much water the soil retains and how it's used.

Analysis

The Carbon Estimation Areas (CEA) are identified on the farm. The farmer via Regen Farmers Mutual then runs these Carbon Estimation Areas through our in house processes to derive the FullCAM results that inform the financial model..

Financial Model

The Regen Advisor uses the outputs of the analysis of the financial model to show the scenario for the farmer and given the identified CEA areas. This model can be tweaked and iterated between the farmer and the Regen Advisor.

Ultimately, it can inform the decision to be a self proponent, RFM proponent or any aggregations.

Eligible Investment Offer

The CEA and assumptions in the financial model will inform an offer of financing subject to the farmer signing a Carbon Agreement (appendix 1) and associated Management Agreement.

Financial Model for Feasibility

Regen Farmers Mutual process for assessing feasibility of projects goes as follows.

Take a copy of the Financial Model from the Landscape Impact Program GDrive. It will be similar to this

<https://docs.google.com/spreadsheets/d/1G7CaounOeHTFLu5M87INfxzVNDL7PPhi/edit?usp=sharing&oid=100663850570523801323&rtpof=true&sd=true>

Rename to: [Name of Farm] - [date] - [financial model]

Take a copy of the expense database and modify for your landscape / context

https://docs.google.com/spreadsheets/d/1iM_T4pSzIlt9LsiHKFqs1_ee4U3Ka8_sI9LPXKjYOyI/edit?usp=sharing

Complete the Project Page inputs for each project according to the method ie Avoided Clearing, Environmental Plantings or Soil Carbon

Enter the ACCU's estimate and cost estimate into the financial model.

You may change the 'General Inputs' page to see the impact of interest, inflation and ACCU price on the resulting figures.

Once you have completed the financial model (Usually with the assistance of a Regen Advisor) you can submit this work to the Mutual and be offered an Agreement (subject to Due Diligence by RFM).

If your project is deemed unfeasible, you may be offered an aggregated agreement.

If your project is deemed feasible you may decide to be a self proponent or have RFM be the proponent.

Your Regen Advisor

The local Regen Advisor is notified when you buy the Headwater Custodian product. Whilst providing the onboarding product the Regen Advisor can educate the Member on the Landscape Transaction.

The Regen Advisor provides orientation / furnishes the farmer with details becoming 'trusted' in the process.

The Regen Advisor assists the farmer interact with their farm.

Project Management - Planting Trees

The Step by Step for the ERF Method: Environmental and Mallee Plantations and the ERF Method: Environmental Plantings Pilot method is available as a module in the Regen Digital Platform.

The module makes the decision trees and step by step easier than even the spreadsheet version of the module. Shown below

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V
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Project Management - Soil Carbon

Soil Carbon Step by Step is to be turned into a module within the Regen Digital Platform (See appendix B).

Economics of Go-Along Self Proponent versus RFM Proponent and Aggregation

Whilst being your own project proponent is a valid strategy within Regen Farmers Mutual and one that we support as an organisation. It is considered - based on our last 6-months co-design unwise for most farmers in the Upper Clarence region to be self proponents.

We do not recommend “go it alone” as a singular project proponent in the Upper Clarence based on the following concerns:

1. The high costs of establishment
2. The high levels of complexity, which without peer support is overwhelming for most
3. The ongoing high costs of Measurement, Verification and Reporting
4. The requirement that a CEA on its own exceed 2000 ACCU's cumulatively before any ACCU's can be traded or retired. This has the effect of delaying cash flow from ACCU's generated
5. The lower biodiversity benefit of going alone
6. The reduced negotiating power of 'go it alone'

Instead we invited Upper Clarence farmers to check if they have an opportunity by getting onboarded. Then, if that's positive, pay to investigate your eligible funding amount. And if that's positive, joining the joint project as described throughout.

Self Proponent, RFM Proponent and Aggregated Proponent

Features	Self Proponent	RFM Proponent	RFM Aggregated
Project Type	Individual Project that you manage	Individual Project that RFM manages	Too small for individual project. RFM manages.
Proponent	You face regulator	Regen Farmers Mutual faces the regulator	Regen Farmers Mutual faces the regulator
Who gets the ACCU's	You	Regen Farmers Mutual	Regen Farmers Mutual
Who Pays Costs	You	Regen Farmers Mutual	Regen Farmers Mutual
Finance for project costs	Your Choice including via your bank or RFM	Regen Farmers Mutual pays the costs	Regen Farmers Mutual pays the costs
Convenience / Ease of Management	Inconvenient	Convenient	Convenient
Community Connection and Coordination	None	Yes	Yes
Ability to add biodiversity	Unknown	Emerging	Emerging
Annual Payment from year 1	Lumpy from year 5	Annual payment from year 1	Annual payment from year 1
ACCU price premium	Spot Price	Likely Premium	Likely Premium
Ownership in the underlying asset	You, directly	You, via Membership own RFM & Regen Digital	You, via Membership own RFM & Regen Digital
Surplus Rebates (if generated)	None	Yes	Yes

The decision of how to do a project is determined by the farmer. Factors to consider include the size of a project, willingness and ability to manage the project, financial requirements and ability/interest in stacking biodiversity and landscape scale outcomes as the years progress.

Funding over the Project Life

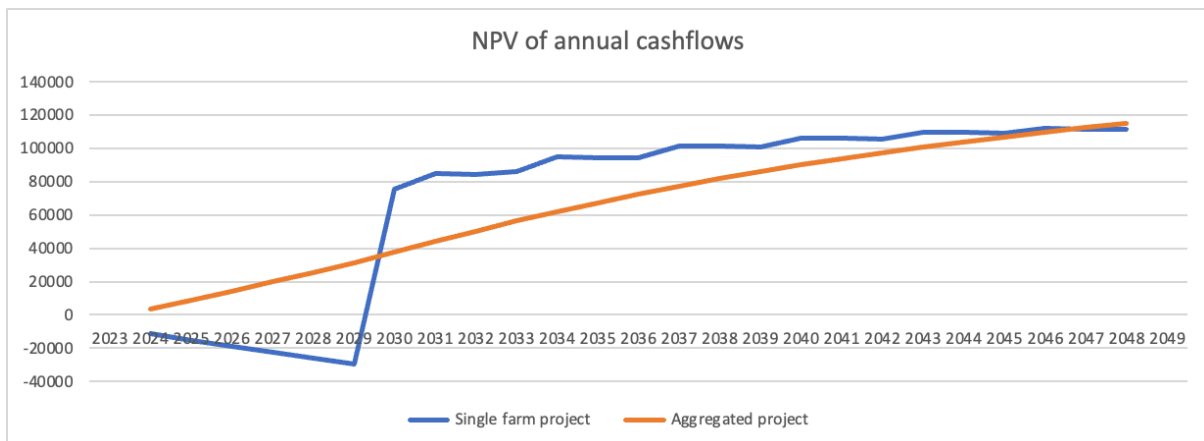
In the case of Self Proponents, they will need to fund their projects. This will include the options of the farmer paying for trees, planting, cores, fences etc

They can fund this directly if a self proponent and / or ask RFM to supply financing. RFM can supply funding subject to conditions for the self proponents.

In the case of the farmer making an Agreement with RFM where RFM is the proponent, then RFM will fund the project expenses because RFM is the Project Proponent.

Where RFM is the project proponent, RFM will smooth the cashflow of the 25 year project so that in year 1 the farmer is still being paid (approximately 1/25th of the project value).

Where the farmer is a self proponent it is typical that expenses are incurred up front but it takes several years for the project to yield.



Carbon Agreement

Where Regen Farmers Mutual is the Proponent of an individual or aggregated project the process requires they enter into an Agreement with Regen Farmers Mutual. This agreement allows Regen Farmers Mutual to become the proponent and assigns the carbon rights for the project to Regen Farmers Mutual.

The Agreement is as follows in Appendix A.

Market Findings from Landscape Impact Program

What is Driving Environmental Markets

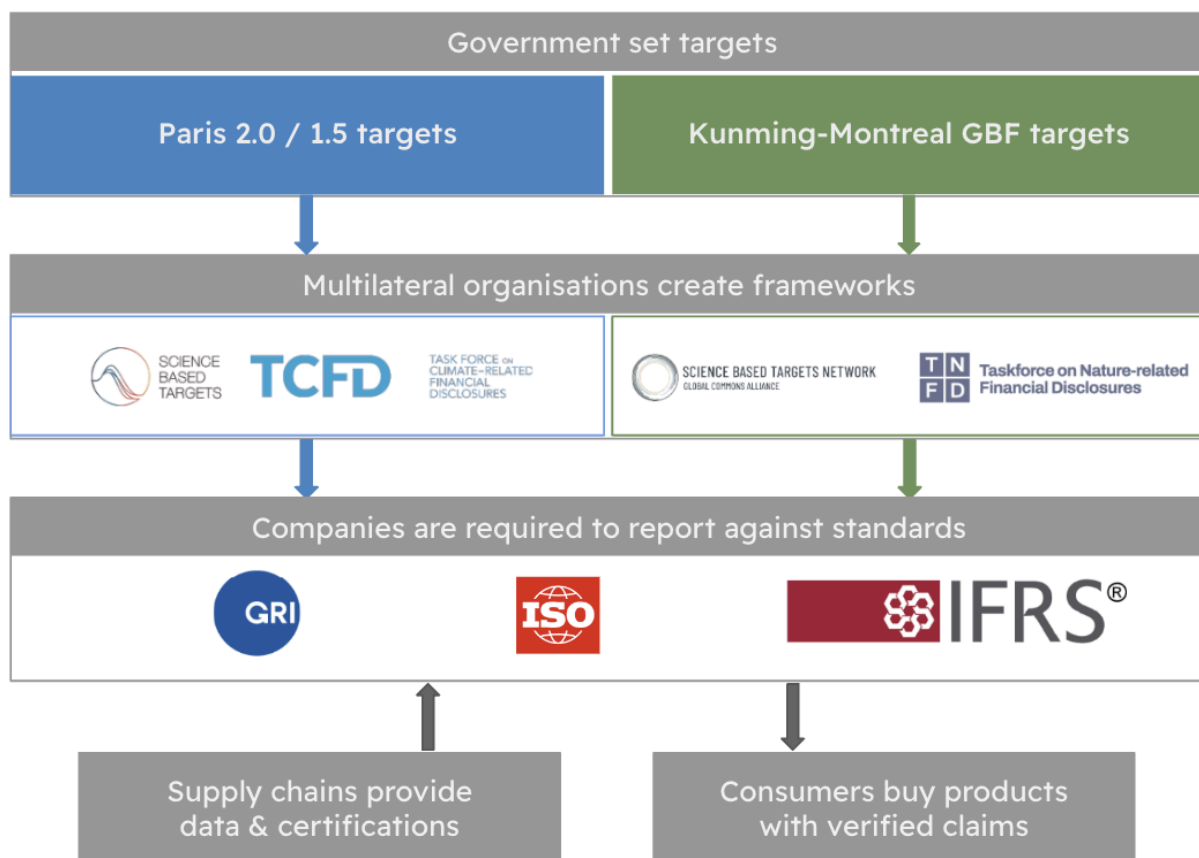
Carbon projects under the ERF last for 25 years.

The market concept of “additionality” means you’ll want to do carbon projects prior to commencing biodiversity projects.

Biodiversity projects rely on biodiversity methods and markets that are still emerging.

A couple of years into the carbon project, it is likely that biodiversity can be stacked onto the existing carbon project and in other suitable land areas of the farm.

It is important that the farmers think about the opportunity to stack over the coming decades. It is carbon first up, but potentially farmers have greater interest and rewards from biodiversity and hydrology markets as they come online in the coming years. Driven in part by Sustainability Reporting on Nature.



Environmental Markets Over Time				
	Now	12-24 mths	2030	2050
Carbon	ERF Offsets	ERF Offsets with Integrated Farm Methods and Supply Chain Insets	MLA Target Carbon Neutral al 2030	Australian Target Carbon Neutral
Biodiversity	BCT Offsets	BCT offsets, Nature Repair Market, Private Conservation (BHA), Nature Positive Credits Plus TNFD Sustainability Reporting	TBD	TBD
Hydrology	Volumetric Water Benefit (VWBS)	Unsure if included in Nature Repair Market	Likely to be focus on driest continent on earth	Likely to be significant issue

The relative maturity of different environmental markets has carbon as the most mature and hydrology as the least mature. This is in contrast with the interest of the Pilot 10 farmers who are most interested in hydrology and biodiversity and then carbon. However, carbon market design around additionality and emissions reporting pressure on farmers is making carbon the first market or “departure point” for this transaction. The carbon opportunity is intended to be stacked with biodiversity and hydrology outcomes as these markets mature.

Understanding Carbon

Carbon emissions have become the single metric by which we manage “Climate Risk” as a society. Pretty much everything outside of photosynthesis has carbon emissions associated with it - burn, build or move something - and it has emissions.

Mandatory reporting on carbon emission starts in 2024/5 financial year. At this time it is recommended that you have a plan to produce Net Zero Certified commodities - or else you may find you are penalised by the estimated cost of your emissions as they enter the supply chain.

Participants should understand their own emissions and provide for these when engaging with the project.

Any CER Project (ERF Project) will be counted towards the Australian national greenhouse gas accounts. Thereby counting towards Net Zero ambitions for our

country. Voluntary carbon schemes don't necessarily provide this level of quality. However, voluntary schemes like those provided by Supply Chains will cost less and may be encouraged by your buyers.

The ERF methods produce Australian Carbon Credit Units or ACCU's as a result. An ACCU is the equivalent of 1 ton of Carbon Dioxide sequestered from the atmosphere. The ACCU is a financial product and accordingly covered by legislation and regulations.

The emissions reduction fund (ERF) isn't flexible. The methods are set out in legislation and the Clean Energy Regulator is charged with enforcing these. You can't negotiate with the Clean Energy Regulator.

Funding for farmers is expected to be contingent on assigning the Carbon Rights from their participation in the project to the Regen Farmers Mutual.

Each farmer will need to navigate through the process of creating an ERF project and generating ACCU's. See Appendix.

- Soil Carbon
- Above Ground Carbon Tree Planting and Koala Carbon habitat and Carbon Trees Planting high rainfall areas

Comparing Emissions



Farm	Type	Emissions tCO2e
Avondale	Grazing - Cattle	845
Aloomba	Grazing - Cattle	303
Sweetwater	Grazing - Cattle	44
Mossvale	Grazing - Cattle/Goats	-1832
The Ridge	Grazing - Cattle	749
Saqqarra	Intended Grazing	55.4
Dedes Pastoral	Grazing - Cattle	4355
Tenterfield Station	Grazing - Cattle	301
Maryland Rams	Grazing - Sheep	Not yet complete

Production Assessment

Grazing Opportunity Costs vs Benefits

The farmers own experience will guide this part of the assessment along with the Regen Advisor. They will consider any opportunity costs.

Soil Carbon could align with the farmers own interests.

Environmental Plantings could include removing grazing from CEA's for the first 5 years, out of 25 years = 8.3% loss of grazing potential. However, anecdotal research flies in the face of conventional wisdom and shows that properly managed Open Box Gum Grassy Woodland outperforms cleared grazing land for production and would apply to 20 of the 25 years.

Each farmer should get forage and carry capacity reports done in order to assess for the farm and the CEA what the opportunity cost to production is compared with the possible improvement over time and income from participation in this project..

Each farmer may need to consider the opportunity cost of not grazing for 5-months of the first 5-years. Does the result (benefit) justify the cost?

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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Beyond Carbon

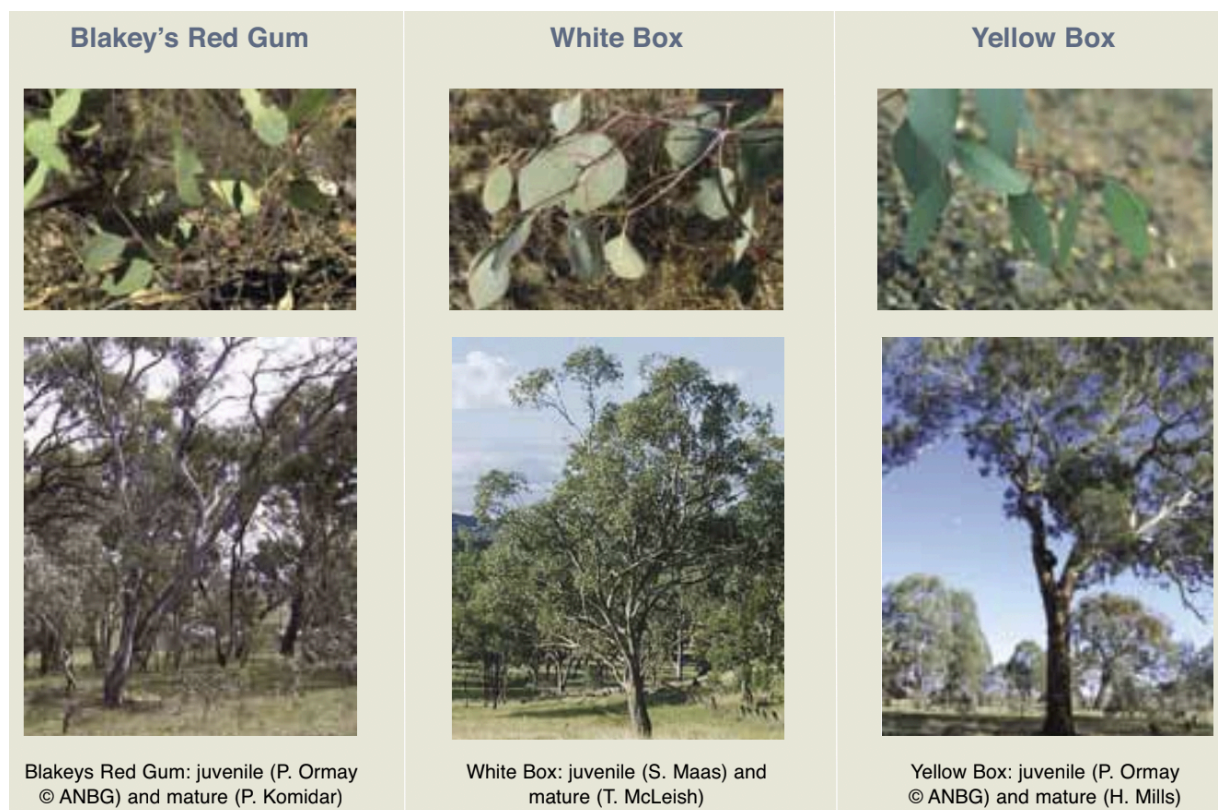
There's plenty more management for Biodiversity - TBA

Threat/Issue	Risk Level without Action	Action	Cycle	Risk after action	Wildlife/Ecosystem Addressed	Evidence/Monitoring Plan	Who
T1. Reduction in vegetation biodiversity to low species diversity	High	A1. Agreeing not to clear the vegetation to undertake intensive agriculture other than grazing	life of project	Low	all	M1. Satellite Imagery, Site Visits or Government Imagery & M2. Signatory on agreement	Farmer
T2. Displacement of wildlife	High	A2. Agree to maintaining and enhancing the current status of vegetation	life of project	Low	all	M1 & M2	Farmer
T3. Social isolation of Landholders	Low	A3. Landholder Engagement puts collective action and effort within the context of collaborative stakeholder groups at the landscape scale to regenerate working lands	life of project	Low	all	M3. Continued engagement through life of project with RFM and its advisors	RFM
T4. Lack of knowledge leading to inappropriate actions	Medium	A4. Landholder actions to be guided by the scientific directives of the national recovery plans relating to endangered or threatened species and habitats	life of project	Low	endangered/threatened species of flora and fauna	M3. Newsletters and information - Advice from Regen Advisor, NRM experts, RFM experts, newsletters from groups such as [The Quail Society of Australia] [Landcare Australia]...	RFM
T5. Failure to identify threatened ecosystems	High	A5. Baseline assessment for BGGW in forested areas using agreed methodology	Year 1	Low	critically endangered ecosystem	M5. Assessments lodged within digital twin & reviewed by regen advisor	Farmer
T6. Lack of improvement of threatened ecosystem	High	A6. Assessment of forested and regeneration areas using approved scientific based methodology	year 5, 10, 15	Medium	endangered ecosystems	M5.	Farmer
T7. Degeneration of natural ecosystem processes, and increase in competitive pressure of non-native floral species	Medium	A7. Maintain and/or improve native flora and fauna values by limiting the total groundcover of declared Noxious Weeds, Weeds of National Significance (WONS) and any environmental weeds to 10% groundcover or physical removal 4%	life of project	Low	all	M5.	Farmer
T8. Unintended harm of native wildlife	High	A8. Agrees to eliminate the use of baits such as 1080/strychnine	life of project	Low	endangered/threatened wildlife	M2	Farmer
T9. Control of Feral Animals	High	A9. Feral animals may be humanely controlled by fence exclusion, shooting or trapping (either cages or soft jaw traps depending on species). Sterilisation programs are to be agreed by Proponent prior to implementation	life of project	Low	native wildlife protection, threatened species & ecosystems	M2 & M6 Agreed by Proponent	Farmer/RFM
T10. Reduction in Habitat and usage wildlife sites	Medium	A10. Leaving Fallen trees and not remove rocks; nest boxes for birds, batgates/boxes. Do not remove or interfere with nesting sites	life of project	Low	endangered/threatened wildlife	M5 & M7 photographic evidence submitted to digital twin & M8. Trail Cameras setup to record wildlife activity	Farmer
T11. Over-grazing of non-forested regeneration areas	High	A.11 Maintain Stock-proof fencing of adjacent non-forested areas that are to regenerate - a prerequisite for receiving the regeneration payment	first 5 years or until regeneration is >30% forest cover over 2m	Medium	ecosystem regeneration	M1	Farmer

Identifying Box Gum Grassy Woodland Habitat

The Box Gum Grassy Woodlands identification tool is [here](#) - this can be used by a farmer or Regen Advisor to characterize and evaluate the condition of habitat.

	A	B	C	D	E	F	G	H	I	J	K	L
1	Traprock Box Gum Grassy Woodland and Derived Native Grasslands Assessment Sheet											
2	(Adapted from Managing farm bushland (Morsley and Tremot, 2000) and Caring for Country - A guide to managing Box Gum Grassy Woodlands (Rawlings, Freudenberger and Carr 2010)											
3	This form can be used to provide a basic assessment of your patch to assist in determining its composition.											
4												
5												
6												
7												
8	Date:			Site Identifier:								
9												
10	Name:			Route: eg North to South								
11	Native Vegetation and Habitat											
12				Score	0	1	2	3	4			
13	Features			Nil	Edges Only	Isolated Individual s	Patches	t	Abundant throughout	Notes		
14	Mature Trees											
15	Tree Seedlings/saplings											
16	Trees with fruit/flowers											
17	Native Shrubs											
18	Young Shrubs											
19	Shrubs with fruit/flowers											



An Open Box Gum Grassy Woodland requires management and investment.

Well-managed Box Gum Grassy Woodland provides both habitat for native species and good grazing. Even a relatively dense version of Open Box Gum Grassy Woodland having far more than 20 mature trees per hectare, but you can be not so dense that grass growth is impeded or animal movement would be difficult.

When bringing this habitat back to pre-clearing extent collectively, farmers across the Upper Clarence region are creating a “Regenerative Agricultural Landscape”. “Regenerative Agricultural Landscapes” are popular amongst conservation finance groups locally and internationally.

Appendix A. Carbon Agreement

Carbon Project Agreement

Parties

Landowner

Notice Details

Phone:

Email:

Project Proponent Regen Farmers Mutual Limited A.C.N 651 686 654

Notice Details 8/22-26 Elizabeth St, Hobart TAS 7000

Telephone:

Email:

Items Schedule

Item 1	Project Land	The area of land labelled "Project Land" on the map contained in Annexure C of this Agreement being [] hectares and forming part of the property situated at [] and being more properly described as:		
		Title	Lot	Plan
Item 2	Commencement Date			
Item 3	End Date			
Item 4	Term	[] years (subject to clause 1 of the Agreement)		
Item 5	Fees	See Annexure A - Fee Schedule		
Item 6	Methodology			

<p>Background</p> <p>A. The Project Proponent is a farmer-owned company limited by guarantee, that carries on the business of developing, implementing and managing nature positive projects.</p> <p>B. The Landowner is the owner of the Project Land.</p> <p>C. The Project Proponent wishes to undertake an Eligible Offsets Project on the Project Land.</p> <p>D. This Agreement sets out the terms and conditions upon which the Landowner grants the Project Proponent the right to undertake the Project on the Project Land.</p>	<p>This clause summarises the parties intentions and provides context to the Agreement. It may be used by a court to aid contractual interpretation in the event there is a dispute between the parties in relation to terms of the Agreement.</p>
<p>Agreement</p> <p>1. TERM</p> <p>This Agreement commences on the Commencement Date and, unless terminated earlier in accordance with this Agreement, continues until the End Date (Term).</p>	<p>This clause defines the term of the Agreement (that is, how long the agreement is in place for and binding on the parties). The Agreement will end on the End Date which is a defined term.</p> <p>It is recommended that the End Date should not be a date which would fall before the end of the Permanence Period of the project as the Project Proponent will continue to have obligations under the CFI Legislation for the duration of the Permanence Period.</p> <p>Alternatively, if the parties wish to have a shorter Term (than the Permanence Period) apply to the Agreement consider adding a clause in the Agreement which allows for the Landowner to assume the role of Project Proponent at the termination of the Agreement.</p>
<p>2. GRANT OF RIGHTS UNDER THIS AGREEMENT</p> <p>2.1 Right to carry out the Project</p> <p>(a) The Landowner grants the Project Proponent:</p> <p>(i) the right to carry out the Project, and the activities comprising the Project, on the Project Land; and</p> <p>(ii) subject to the Project Proponent paying the fees, the exclusive right to be issued all ACCUs generated as result of the carrying out of the Project and the activities comprising the Project.</p>	<p>In order to be registered as Project Proponent of the Project the CFI Act requires that the Project Proponent must be responsible for carrying out the Project and have the legal right to carry out the Project. The Regulator will recognise the Project Proponent as having the legal right to carry out the Project if they have been granted:</p> <p>(1) the right to carry out the project activities on the land; and</p> <p>(2) the exclusive right to be issued all ACCUs that may be generated as a result of the Project.</p> <p>This clause confers on the Project Proponent the legal rights it requires in order to act as Project Proponent of</p>

<p>(b) The Landowner consents to the Project Land being, or being part of, an Eligible Offsets Project, and will provide any document reasonably required by Project Proponent (other than this Agreement) evidencing such consent.</p>	<p>the Project.</p>
<p>2.2 Occupation and access</p> <p>(a) The Project Proponent may use and occupy the Project Land and/or permit others to access, occupy and use the Project Land subject to the Project Proponent's obligations under this Agreement.</p> <p>(b) The Landowner grants to the Project Proponent a licence to enter upon and use all roads on the Surrounding Land as is necessary to access the Project Land.</p> <p>(c) The Project Proponent will give the Landowner 72 hours notice prior to exercising its rights of access other than in the case of an emergency.</p>	<p>This clause grants the Project Proponent the right to access the Project Land for the purpose of undertaking the Project. The Project Proponent is also permitted to pass over the Surrounding Land for the purpose of accessing the Project Land (this may be necessary if the Project Land comprises only part of the Landowner's land). The Project Proponent requires the right to access the Project Land so the Project Proponent can meet its obligations under the Agreement.</p>
<p>2.3 Carbon Rights</p> <p>(a) The Landowner grants to the Project Proponent the following rights in respect to the Project Land:</p> <ul style="list-style-type: none"> (i) The Carbon Rights; (ii) The right to create, grant, transfer, assign and or apply for Carbon Credits. <p>(b) On termination of this Agreement (for whatever reason except material breach by the Landowner) all Carbon Rights vested with the Project Proponent pursuant to this Agreement shall revert to the Landowner and the Project Proponent agrees to do all things and sign all documents which may be required by Landowner to give effect to this clause.</p> <p>(c) For the avoidance of doubt, if this Agreement is terminated as a result of a material breach by the Landowner all Carbon Rights vested with the Project Proponent remain vested with the Project Proponent until the End Date.</p>	<p>This clause firstly provides that the Landowner grants the Project Proponent all Carbon Rights in the Project Land and must do all things to implement the transfer.</p> <p>Carbon rights vary from state to state but are, in essence, the legal right to commercially benefit from the carbon sequestered in trees, vegetation and soil on the land. Carbon rights are typically held by the Landowner but may be transferred to a third party which is what this clause is doing.</p> <p>This clause provides that the carbon rights will revert back to the Landowner on termination of the Agreement and the Project Proponent must do all things to implement the transfer.</p> <p>If the Agreement is terminated as a result of a material breach by the Landowner the Project Proponent will continue to hold the carbon rights until the Expiry Date.</p>

<p>2.4 Benefit of licences</p> <p>If the Landowner has the benefit of any Crown or State land licence or permit associated with the Project Land, the Landowner hereby licences, as far as the Landowner is able, the use of the land comprised in that licence or permit to the Project Proponent.</p> <p>2.5 Water rights</p> <p>(a) The Project Proponent has the benefit and use of any Water Rights that attach to the Project Land for the purpose of the Project and no other purpose.</p> <p>(b) The Project Proponent must not do anything that may result in the forfeiture or loss of any Water Rights.</p> <p>(c) At the end of this Agreement, The Project Proponent must do all things necessary to immediately return to the Landowner any Water Rights attaching to the Project Land.</p>	<p>If the Project Land is subject to a license or lease, then the Project Proponent will have the benefit of that for the Term of the Agreement.</p> <p>The Project Proponent will have the benefit of any Water Rights attaching to the Project Land for the Term of the Agreement, with such rights reverting to the Landowner after that time. This clause may be struck out if it is not applicable to the particular carbon project.</p>
<p>2.6 Registration</p> <p>The Landowner agrees to do all things and sign all documents which may be required by the the Project Proponent to procure the registration of:</p> <p>(a) The Carbon Rights as profit a prendre or carbon sequestration right on the certificate of title of the Land in favour of the Project Proponent; and/or</p> <p>(b) A caveat giving notice of the Project Proponent's rights under this Agreement in the event that this Agreement cannot be registered under clause (a).</p>	<p>A carbon right constitutes an interest in land. Depending upon the relevant state/territory legislation, it may be possible for the Project Proponent to register its interest in the Project Land on the certificate of title for the Land. The Project Proponent's right (to commercially benefit from the carbon sequestered in trees, vegetation and soil on the land) will be enforceable against any subsequent owners of the Project Land.</p>
<p>3. OBLIGATIONS TO PAY MONEY</p> <p>3.1 Fee</p> <p>(a) The Project Proponent must pay all Fees as set out in Annexure A - Fee Schedule.</p>	<p>This clause and Annexure A will reflect the negotiated commercial arrangement between the parties in terms of the consideration the Landowner is entitled to receive in return for granting the Project Proponent the rights conferred by clause 2.</p>

<p>(b) The Fees and other amounts due under this Agreement must be paid by direct transfer to the bank account notified to the Project Proponent by the Landowner from time to time and in the absence of any such notification, to the place and in the manner directed by the Landowner from time to time.</p> <p>(c) Notwithstanding the timing of a tax invoice, Fees are due on the Payment Dates.</p> <p>(d) The Project Proponent must pay interest on any amount payable by it under this Agreement which it does not pay on time. Interest is calculated from the due date for payment until the amount is paid at the interest rate that is 6% above the Reserve Bank of Australia Cash Rate Target.</p>	
<p>3.2 Project Costs</p> <p>(a) Subject to clauses (b) and (c) and unless expressly provided otherwise in this Agreement, all costs and expenses under this Agreement are to be borne by the party who is otherwise liable to pay the cost or expense.</p> <p>(b) The Project Proponent is liable for all costs and expenses incurred in undertaking and/or providing the Project Proponent Activities as specified in the Project Management Plan.</p> <p>(c) The Landowner is liable for all costs and expenses incurred in undertaking and/or providing the Landowner Activities as specified in the Project Management Plan.</p>	<p>This clause addresses which parties are responsible for costs associated with the Project. The starting position is that if a party incurs a cost or expense under the Agreement it is liable to pay the cost or expense. Then clauses 3.2(b) and (c) provide that the parties are liable for all costs and expenses incurred in undertaking and/or providing those activities which are specified in the Project Management Plan as being their responsibility.</p> <p>It is recommended that the Landowner give consideration to the financial impacts of the Project on its landholdings before entering into a Carbon Farming Project Agreement. In this context, it is noted that the costs of undertaking the Project may extend beyond the crediting period, depending upon the length of the permanence period. For example if a Permanence Period of 100 years is chosen, this would extend beyond the standard 25 year Crediting Period for carbon sequestration projects.</p>

<p>3.3 Outgoings in relation to the Project Land</p> <p>(a) The Project Proponent must pay any charges, taxes or rates imposed as a consequence of or relating to the Project Proponent’s activities on the Project Land or the rights granted to The Project Proponent under this Agreement.</p> <p>(b) The Landowner must pay all other amounts due with respect to the Project Land including fees, rates, charges, land lease payments and taxes.</p>	
<p>3.4 Agreement costs</p> <p>(a) Each party will pay their own costs associated with the preparation and negotiation of this Agreement.</p> <p>(b) If there are any duties imposed on the Agreement, they must be paid by the Project Proponent.</p> <p>(c) The Project Proponent must pay the costs of registration of the Agreement. The Landowner will be responsible for registering the Agreement if reasonably required by the Project Proponent.</p>	

3.5 GST

- (a)** Words or expressions used in this clause which are defined in the A New Tax System (Goods and Services Tax) Act 1999 (Cth) have the same meaning in this clause.
- (b)** Fee and other monies payable under this Agreement do not include an amount on account of GST.
- (c)** The Project Proponent must in addition to the consideration payable under this Agreement also pay to the Landowner at the same time as the consideration is payable, an amount on account of the GST payable to be calculated by multiplying the consideration for that supply by the rate of GST prevailing at the time that the supply is made.
- (d)** If a payment to a party under this Agreement is a reimbursement or indemnification then the payment will first be reduced by the amount of any input tax credit to which that party is entitled in relation to that payment.
- (e)** A recipient need not pay the amount on account of GST until the supplier has given the recipient a tax invoice for the supply to which the payment relates.

<p>4. THE PROJECT</p> <p>4.1 Project Proponent Obligations</p> <p>(a) Without limiting any other provision of this Agreement, the Project Proponent must:</p> <ul style="list-style-type: none"> (i) maintain its status as a Fit and Proper Person; (ii) subject to clause (b), meet all of its obligations as Project Proponent of the Project under the CFI Legislation and Methodology; (iii) undertake the Project Proponent Activities in accordance with the Project Management Plan; (iv) hold and maintain all necessary consents and approvals required in order to perform its obligations under this Agreement; and (v) use its best endeavours to observe and fulfil the requirements of the Code of Conduct when dealing with the Landowner and meeting its obligations under this Agreement. <p>(b) The Parties agree that the Project Proponent is not required to satisfy any obligation it has as Project Proponent of the Project under the CFI Legislation and Methodology which is specified as being the responsibility of the Landowner under the Project Management Plan.</p>	<p>This clause addresses the key obligations of the Project Proponent. As the Landowner’s remuneration is tied to the performance of the Project these obligations ensure that the Project Proponent won’t compromise the performance of the Project.</p> <p>The first obligation on the Project Proponent is to maintain its status as a Fit and Proper Person within the meaning of the CFI Act, as they cannot act as Project Proponent of the Project unless they qualify as a Fit and Proper Person.</p> <p>The second obligation on the Project Proponent is to comply with its obligations as Project Proponent of the Project under the CFI Legislation and Methodology. This would include matters such as submitting offsets reports, arranging audits for the Project, keeping Project records etc. If an obligation which would otherwise rest with the Project Proponent of the Project pursuant to the CFI Legislation and Methodology is specified as being the responsibility of the Landowner under the Project Management Plan, the Project Proponent is not required to meet this obligation.</p> <p>The third obligation of the Project Proponent is to undertake those matters and activities that are defined as the Project Proponent Activities in the Project Management Plan.</p> <p>The final obligation on the Project Proponent is to use its best endeavours to observe and fulfil the requirements of the Code of Conduct when dealing with the Landowner and meeting its obligations under this Agreement. The Code of Conduct aims to define best practice for carbon Project Proponents and, among other things, sets out rules and standards with respect to communication with, and the provision of advice to, Landowners.</p>
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<p>4.2 Landowner Obligations</p> <p>Without limiting any other provision of this Agreement, the Landowner must:</p> <ul style="list-style-type: none"> (a) undertake the Landowner Activities in accordance with the Project Management Plan; and (b) not undertake, and use reasonable endeavours to ensure no third party undertakes, any Restricted Activities on the Project Land. 	<p>This clause addresses the key obligations of the Landowner.</p> <p>The first obligation on the Landowner is to undertake the Landowner Activities in accordance with the Project Management Plan.</p> <p>Typically, the matters and activities that the Landowner will be responsible for will have to do with the physical (rather than administrative) development, implementation and management of the Project (for example undertaking planting, maintaining fences, maintaining fire breaks) although the activities may also be administrative (such as recording keeping).</p> <p>The second obligation on the Landowner is not to undertake, and use reasonable endeavours to ensure no third party undertakes, any Restricted Activities on the Project Land. The Project Management Plan will specify certain activities that are not to be undertaken on the Project Land (i.e. the 'Restricted Activities'). The list of Restricted Activities will be prepared having regard to the Methodology but may include such things as restrictions on grazing, restrictions on clearing vegetation etc. The purpose of this clause is to ensure that the performance of the Project isn't compromised by the actions of the Landowner or a third party.</p> <p>Breach of these obligations may result in the Project Proponent having the right to terminate the Agreement. Clause 10 addresses the termination rights of the Parties.</p> <p>It is important for a Project Proponent, when contracting with a Landowner, to ensure that the Landowner has an accurate understanding of the obligations they will be under if they enter into the Project Agreement.</p>
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<p>4.3 Eligible Interest Holder Consent</p> <p>(a) The Parties must cooperate to:</p> <ul style="list-style-type: none"> (i) undertake all reasonable steps to ensure that all Eligible Interest Holders are identified; and (ii) obtain the necessary consents required from Eligible Interest Holders under the CFI Legislation. <p>(b) Nothing in this Agreement shall be construed as requiring one or both Parties to agree to pay any monies, or otherwise remunerate in any manner, an Eligible Interest Holder in order to secure its consent.</p>	<p>This clause addresses the extent to which the parties are required to cooperate to ensure the necessary consents required from Eligible Interest Holders under the CFI Legislation are obtained. Eligible Interest Holders are, in essence, a person who holds some form of legal interest in the Project Land (for example, a bank who holds a mortgage over the Project Land). The CFI Legislation requires all Eligible Interest Holders to consent to an Eligible Offsets Project being undertaken on land in which they hold an Eligible Interest.</p> <p>The Project can be registered (conditionally) prior to the consent of Eligible Interest Holders being obtained.</p> <p>While an Eligible Interest Holder may agree to provide their consent in consideration for some form of remuneration, clause 4.3 makes it clear that neither party is required under the Agreement to pay any monies, or otherwise remunerate in any manner, an Eligible Interest Holder in order to secure its consent.</p>
<p>4.4 Management Agreement</p> <p>(a) The Landowner acknowledges that the Project Proponent will contract a party ("the Manager") to carry out management activities on the Project Land.</p> <p>(b) The Manager may be the Landowner or an entity related to the Landowner.</p> <p>4.5 Landowner to assist Manager</p> <p>The Landowner will do all things necessary to assist the Manager to carry out its obligations under its management agreement with the Project Proponent.</p>	

<p>4.6 Mutual obligations</p> <p>Without limiting any other provision of this Agreement, each party must:</p> <ul style="list-style-type: none"> (a) not do anything which would lead to a Project being revoked as an Eligible Offsets Project, unless mutually agreed between the parties in writing; (b) not do anything which would lead to a Disturbance, Reversal or a Relinquishment Notice being issued by the Regulator; (c) not do anything that would reduce the amount of ACCUs a Project was capable of generating; (d) promptly share and disclose information with the other party which it considers to be of relevance to the performance of the Project (for example changes in the climatic conditions of the Land or government policy which may impact on the amount of ACCUs that will be generated by the Project); and (e) promptly provide any information, and deliver any documents that are reasonably required by the other party in order to allow them to fulfil their obligations under this Agreement (including, but not limited to, the sharing of any correspondence from the Regulator). 	<p>This clause sets out the mutual obligations of the parties i.e. the obligations that apply to both parties. Subclauses 4.6(a) to (c) are aimed at ensuring both parties do not compromise the performance of the Project whilst clause 4.6(d) seeks to ensure the parties are sharing information which may be of relevance to the performance of Project.</p> <p>Subclause 4.6(e) requires the parties to provide information and documents reasonably required by the other party in order for them to fulfil their obligations under the Agreement. As noted above, it is particularly important that the Landowner share information with the Project Proponent which the Project Proponent requires in order for them to meet their obligations as Project Proponent of the Project (such as preparation of offsets reports).</p>
<p>4.7 Project Reporting and Auditing</p> <p>The Landowner must co-operate with the Manager and with the Project Proponent in relation to all Project reporting and audits as reasonably required by the Project Proponent.</p>	

<p>4.8 Reversal and Relinquishment</p> <p>(a) The Parties acknowledge that they understand the consequences that may arise under the CFI Legislation in the event of a Reversal, which may include:</p> <ul style="list-style-type: none"> (i) issuance of a Relinquishment Notice; and (ii) the declaration of a Carbon Maintenance Obligation over the Project Land. <p>(b) The Landowner agrees to use reasonable endeavours to:</p> <ul style="list-style-type: none"> (i) prevent the occurrence of a Disturbance or a Reversal; and (ii) minimise the adverse impacts on the Project in the event that such a Disturbance or Reversal occurs. <p>(c) The Landowner must immediately upon becoming aware of an actual or threatened Disturbance or Reversal notify the Project Proponent and provide the Project Proponent with sufficient details to enable the Project Proponent to notify the Regulator.</p> <p>(d) The notification by the Landowner under clause (c) must detail whether the actual or threatened Disturbance or Reversal occurred as a result of conduct by the Landowner or a third party.</p> <p>(e) Subject to clause (f), the Project Proponent is responsible for complying with a Relinquishment Notice issued in respect of the Project.</p> <p>(f) Without limiting any remedy that may be available to the Project Proponent for breach of contract, if the Reversal occurs as a result of the act or omission of the Landowner, the Landowner must reimburse the Project Proponent the reasonable costs associated with Project Proponent complying with the requirements of:</p> <ul style="list-style-type: none"> (i) Clause (b)(ii)); and (ii) the Relinquishment Notice. 	<p>This clause sets out the parties respective obligations in relation to a Disturbance or Reversal.</p> <p>Disturbance is defined as an event, or conduct engaged in by a party, which may have the effect of causing a release of carbon dioxide back into the atmosphere which had otherwise been sequestered as a result of the Project. Reversal is defined as the release of carbon dioxide back into the atmosphere which had otherwise been sequestered as a result of the Project, however such a reversal is caused.</p> <p>Clause 4.8(b) requires the Landowner to use reasonable endeavours to prevent the occurrence of a Disturbance or a Reversal and minimise the adverse impacts on the Project in the event that such a Disturbance or Reversal occurs. These obligations rest with the Landowner as they are the party with day to day access to the Project Land and in the best position to monitor and act on any threat to the vegetation or soil in which the carbon is stored. ‘Reasonable endeavours’ can be broadly characterised as the actions a person acting reasonably would take having regard to the circumstances.</p> <p>Clause 4.8(e) provides that the Project Proponent is responsible for complying with a Relinquishment Notice issued in respect of the Project. A Relinquishment Notice is a notice requiring the Project Proponent of a Project to relinquish (i.e. give back) a specified number of ACCUs to account for a Reversal. A Relinquishment Notice will only be issued by the Regulator if the Reversal is a ‘Significant Reversal’ within the meaning of the CFI Legislation. A Relinquishment Notice won’t be issued by the Regulator if the Significant Reversal was caused by a natural disturbance (defined under the CFI Act as flood, bushfire, drought, pest attack and disease), or the actions of a third party (where those actions were not within the reasonable control of the Project Proponent) provided the Project Proponent took reasonable steps to mitigate the reversal.</p> <p>If the Project Proponent fails to comply with a Relinquishment Notice, the Regulator is able to declare a Carbon Maintenance Obligation over the land on which the project is being undertaken. It is important to note that a Carbon Maintenance Obligation can require the owner or occupier of the land (as opposed to the Project Proponent) to ensure that the amount of carbon sequestered in the vegetation or soil on the land is not further reduced. To date, there have been</p>
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	<p>no Carbon Maintenance Obligations declared over land so it is difficult to provide further guidance as to how they will operate.</p> <p>Clause 4.8(e) has been drafted to align with the CFI Legislation as under the CFI Legislation the requirement to comply with a Relinquishment Notice rests with the Project Proponent of a Project. Nevertheless, if the Reversal was the result of the act or omission of the Landowner, clause 4.8(f) requires the Landowner to reimburse the Project Proponent the reasonable costs associated with Project Proponent complying with the requirements of the Relinquishment Notice.</p>
<p>4.9 Co-operation</p> <p>The Project Proponent and the Landowner will use all reasonable endeavours to co-operate with each other in developing opportunities in relation to the Project Land and the Surrounding Land to:</p> <ul style="list-style-type: none"> (a) improve the soil, water, biodiversity and other environmental factors; (b) protect cultural heritage; (c) participate in data collection and traceability initiatives. 	<p>This clause recognises that the Project Proponent and the Landowner may wish to undertake other projects or activities on the Project Land or Surrounding Land.</p>

<p>5. INTELLECTUAL PROPERTY</p> <p>5.1 Filming</p> <p>(a) The Landowner hereby consents to the Project Proponent filming on the Project Land and reproducing that film by any media including social media.</p> <p>5.2 Intellectual Property</p> <p>(a) The Parties agree that:</p> <p>(i) the Project Proponent will own all of the Project Proponent IP; and</p> <p>(ii) the Project Proponent will own all data created or developed by the Project Proponent in the performance of its obligations under this Agreement (“Project Proponent Data”); and</p> <p>(iii) all IP of either party must be kept confidential.</p> <p>(b) The Landowner hereby assigns to the Project Proponent all right, title and interest in any Project Proponent IP and Project Proponent Data to the extent that the Landowner has any such right, title and interest.</p> <p>(c) The Project Proponent will share the Project Proponent Data with the Landowner on request. Unless otherwise agreed in writing between the Parties, the Project Proponent Data is not to be treated as Confidential Information and may be disclosed by the Landowner for those purposes as agreed with the Project Proponent.</p> <p>(d) The Parties agree that the Landowner will own all data created or developed by the Landowner in the performance of its obligations under this Agreement (“Landowner Data”).</p> <p>(e) The Project Proponent hereby assigns to the Landowner all right, title and interest in any Landowner Data to the extent that the Project Proponent has any such right, title and interest.</p>	<p>This clause first provides for the Project Proponent to have the right to film on the Project Land.</p> <p>Then this clause addresses who owns the intellectual property (IP) (and data) created or developed by the parties in the performance of their obligations under the Agreement.</p> <p>In short, each party owns the IP and data that was created or developed by them in the performance of their obligations under the Agreement. A party will also continue to own any IP they owned at the commencement of the Agreement (and any improvements, derivative works or modifications to that IP).</p> <p>To facilitate improved transparency around ACCU Scheme projects, the Parties must share with each other data that was created or developed by them in the performance of their obligations under the Agreement and that data is not to be taken to be Confidential Information unless agreed between the Parties i.e. the Parties’ respective data can be disclosed by the other party to any third party and for any purpose unless the Parties agree otherwise in writing.</p>
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<p>(f) The Landowner will share the Landowner Data with the Project Proponent on request. Unless otherwise agreed in writing between the Parties, Landowner Data is not to be treated as Confidential Information and may be disclosed by the Project Proponent.</p>	
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<p>5.3 Confidential Information</p> <p>(a) Each party must treat as confidential information all information provided by the other party under this Agreement, that is:</p> <ul style="list-style-type: none"> (i) Personal Information; (ii) Identified by the party at the time of providing it as being confidential information; and (iii) agreed between the Parties to be confidential or proprietary. <p>(b) Each party must not use the other party's Confidential Information for any purpose other than for exercising rights and satisfying obligations in connection with this Agreement.</p> <p>(c) Each party must not disclose the other party's Confidential Information to any person except:</p> <ul style="list-style-type: none"> (i) if required for the purpose of satisfying obligations under the CFI Legislation or in connection with this Agreement; (ii) as required by law; (iii) to its affiliates, employees, contractors and professional advisors for the purpose of obtaining advice in connection with this Agreement or the Project; (iv) with the other party's prior written consent; or (v) if it is in the public domain without a breach of this Agreement by the first party. <p>(d) Following termination of this Agreement, the Landowner may use and disclose the Project Proponent's Confidential Information if it is reasonably necessary for the Landowner to do so for the purpose of undertaking the Project and satisfying its obligations under the CFI Legislation.</p>	<p>This clause addresses the parties' mutual obligations in relation to maintaining the confidentiality of the other party's Confidential Information. Clause 5.3 (c) sets out the various situations in which it is permissible for a party to disclose the other party's Confidential Information.</p> <p>Importantly, it is permissible for a party to disclose the other party's Confidential Information if it is required for the purpose of it satisfying its obligations under the CFI Act or in connection with this Agreement. For example, if the Landowner provided certain personal information to the Project Proponent which they required in order to register the Project as an Eligible Offsets Project, the exemption contained in clause 5.3(c)(i) allows the Project Proponent to disclose this information for the purpose of registering the Project as an Eligible Offsets Project.</p> <p>The definition of Confidential Information has been drafted narrowly so as not to not overly restrict the Parties in their ability to publicly share information regarding the Project. This has been done to facilitate improved transparency around ACCU Scheme projects having regard to the recommendations of the 2022 Independent Review of Australian Carbon Credit Units.</p> <p>The obligations of the parties under this clause survive termination of the Agreement, meaning the parties are required to maintain the confidentiality of the other party's Confidential Information even after the Agreement comes to an end. Importantly, the Landowner can use and disclose the Project Proponent's Confidential Information if it is reasonably necessary for the Landowner to do so for the purpose of undertaking the Project and satisfying its obligations under the CFI Legislation. This is to cover situations where the Landowner is continuing with the Project despite the termination of the Project Agreement.</p>
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<p>6. COMPLIANCE</p> <p>6.1 Compliance with laws</p> <p>(a) The Project Proponent must, at its own expense:</p> <ul style="list-style-type: none"> (i) comply with all laws and requirements of all Authorities in connection with the Project Proponent’s use and occupation of the Project Land; and (ii) comply with all the requirements of all permits, consents or licences referable to the Project Land and not by any act or omission cause any such permit, consent or licence to lapse or be cancelled. <p>(b) The Landowner must, at its own expense:</p> <ul style="list-style-type: none"> (i) comply with all laws and requirements of all Authorities in connection with its use and occupation of the Project Land; and (ii) comply with all the requirements of all permits, consents or licences referable to the Project Land and not by any act or omission cause any such permit, consent or licence to lapse or be cancelled. <p>(c) Each party must immediately provide the other with a complete copy of any notice from any Authority received by or served upon them in relation to the Project Land.</p> <p>(d) If a party fails to comply with this clause ("the Non-complying Party") the other party may without prejudice to any of its other rights in respect of non-compliance, elect to either wholly or partially comply with any law or notice served on the Non-complying Party at the Non-complying Party's expense.</p> <p>6.2 Work health and safety</p> <p>(a) The Landowner acknowledges that it has management and control of the Project Land for the purposes of any legislation dealing with work health and safety.</p>	<p>This clause is a general requirement on both parties to comply with all Applicable Laws when meeting their respective obligations under this Agreement. Applicable Laws is defined broadly and means ‘all applicable legislation, rules, policies, codes and methodology and all legally binding interpretations, judgements, injunctions and orders of any authority, court or tribunal applicable to the Project under this Agreement.’</p>
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<ul style="list-style-type: none">(b) The Project Proponent will obey any reasonable instruction given by the Landowner in relation to the Project Land relating to work health and safety.(c) The Landowner and The Project Proponent must consult with each other in relation to work health and safety.(d) The Project Proponent warrants that it has appropriate work health and safety systems in place to address any hazards related to its use of the Project Land.(e) The Project Proponent must:<ul style="list-style-type: none">(i) immediately notify the Landowner of any work health safety Incident in connection with the Project Land that requires notification to an Authority; and(ii) provide to the Landowner any safety-related prohibition or improvement notice issued in connection with the Project Land within 5 Business Days after the receipt of any such notice.	
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<p>7. ASSIGNMENT & NOVATION</p> <p>7.1 Assignment</p> <p>(a) The Project Proponent is not permitted to transfer, novate or assign the Agreement without the Landowner’s prior written consent.</p> <p>(b) The Landowner may withhold its consent if the proposed assignee is not in the Landowners opinion:</p> <ul style="list-style-type: none"> (i) Capable of meeting the obligations under the Project; or (ii) Financially sound or able to comply with the financial conditions in this Agreement. <p>7.2 Sale or Lease of Land</p> <p>(a) The Landowner must require any future owner or lessee of the Project Land to enter into a deed of novation with the Project Proponent whereby the future owner or lessee agrees to assume the rights and obligations of the Landowner under this Agreement (“Novation Deed”).</p> <p>(b) In the event that the Novation Deed cannot be secured prior to the sale, transfer or disposal of the Project Land (or any extended time agreed in writing between the parties), it will constitute a material breach of this Agreement.</p>	<p>Clause 7.1 provides the Landowner with rights to prevent the assignment of the Agreement to a third party</p> <p>Clause 7.2 inhibits the Landowner transferring ownership of the Project Land to a third party without the consent of the Project Proponent unless the condition contained in the clause is satisfied. This clause is important as it protects the interests of the Project Proponent who would otherwise not have a legally enforceable agreement with the new owner of the Project Land if the land was transferred without a Deed of Novation being entered into.</p> <p>If the Agreement terminates because the Landowner is unable to secure a Deed of Novation, the parties would need to determine whether any compensation is payable by the Landowner to the Project Proponent.</p>
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8. RISK AND INSURANCE

8.1 Risk

- (a) The Project Proponent enters upon and uses the Project Land at its own risk.
- (b) The Project Proponent indemnifies the Landowner against all liability directly or indirectly arising from, or incurred in connection with:
 - (i) Damage to or loss of any property; or
 - (ii) Injury to, or the death of, any person;

caused or contributed to by the act, omission, negligence or default of the Project Proponent.

- (c) The Landowner indemnifies the Project Proponent against all liability directly or indirectly arising from, or incurred in connection with:
 - (i) Damage to or loss of any property; or
 - (ii) Injury to, or the death of, any person;

caused or contributed to by the act, omission, negligence or default of the Landowner.

8.2 Insurance

- (a) Both parties must at their own expense take out and keep current:
 - (i) a public risk policy in connection with the Project Land providing for a minimum cover of \$20 000 000;
 - (ii) a worker’s compensation policy in respect of all persons employed by a party who work on the Project Land.
- (b) The Landowner must at its own expense insure the insurable improvements for damage covering usual and economically insurable risks including fire.

This clause provides that each party is required to maintain appropriate insurances. The insurance policies it is appropriate for a party to maintain will be dependent on the activities that the party will be responsible for under the Project Management Plan.

<p>9. DEFAULT</p> <p>9.1 Default</p> <p>(a) The Project Proponent is in default of this Agreement if:</p> <ul style="list-style-type: none"> (i) Any Fee is not paid within 90 days of the due date; (ii) An Insolvency Event occurs in respect of the Project Proponent; or (iii) The Project Proponent has not complied with a Compliance Notice from the Landowner. A Compliance Notice is a notice from the Landowner that: <ul style="list-style-type: none"> (A) Specifies a breach of the Agreement by the Project Proponent; and (B) Specify the steps required of the Project Proponent to rectify the breach; and (C) Gives the Project Proponent a reasonable time to rectify the breach, being not less than 30 days. <p>(b) The Landowner is in default of this Agreement if:</p> <ul style="list-style-type: none"> (i) An Insolvency Event occurs in respect of the Landowner; or (ii) The Landowner has not complied with a Compliance Notice from the Project Proponent. A Compliance Notice is a notice from the Project Proponent that: <ul style="list-style-type: none"> (A) Specifies a breach of the Agreement by the Landowner; and (B) Specify the steps required of the Landowner to rectify the breach; and (C) Gives the Landowner a reasonable time to rectify the breach, but such time need not exceed 30 days. 	<p>This clause sets the events that would lead to a default and therefore breach of the Agreement.</p> <p>For the Project Proponent, there are three types of default 1) a fee is not paid within 90 days of its due date 2) the Project Proponent becomes insolvent 3) or a term of the Agreement has not been met and remains unremedied at least 30 days after receiving a Compliance Notice.</p> <p>For the Landowner, there are two types of default 1) the Landowner becomes insolvent 3) or a term of the Agreement has not been met and remains unremedied at least 30 days after receiving a Compliance Notice.</p>
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<p>9.2 Step in rights</p> <p>(a) If the Landowner has not complied with a Compliance Notice, or, in the Project Proponent's reasonable opinion, the Landowner has not complied with it fully or properly, the Project Proponent may do that thing at the Landowner's expense.</p> <p>(b) The Project Proponent may deduct the cost incurred under 9.2 from any monies owing to the Landowner.</p> <p>(c) The Landowner irrevocably appoints the Project Proponent its attorney for valuable consideration. As the Landowner's attorney, the Project Proponent may, if the Landowner is in default under this Agreement, do anything which the Landowner may lawfully authorize an attorney to do in connection with this Agreement or the Project Land which is reasonably necessary to give effect to this Agreement.</p>	<p>This clause empowers the Project Proponent to undertake remedial action to rectify a breach of the Agreement. The Project Proponent can offset the costs of the action against monies owing to the Landowner, and has authority to act as attorney for the Landowner to give effect to such action.</p>
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10. TERMINATION

10.1 Automatic Termination

In the event that:

- (a) the Parties are unable to secure registration of the Project as an Eligible Offsets Project within # months of the Commencement Date; or
- (b) any Eligible Interest Holder does not provide consent prior to the end of the Project’s first reporting period,

this Agreement is automatically terminated.

10.2 Termination by agreement

The Parties may terminate this Agreement by mutual agreement.

10.3 Termination for breach

- (a) Either party may terminate this Agreement if:
 - (i) That party has given the other party (the "Defaulting Party") a notice (including a notice in a particular form required by law) requiring the Defaulting Party to remedy the default within 14 days after the date the notice is given; and
 - (ii) The Defaulting Party has not complied with that notice on time; or
 - (iii) If a party suffers an Insolvency Event then the other party may terminate this Agreement with immediate effect by giving the first party notice in writing.
- (b) The Project Proponent may terminate this agreement if a Relinquishment Notice is issued.
- (c) If the Landowner terminates this Agreement the Project Proponent must within 14 days vacate the Project Land.

This clause specifies two circumstances which will result in the automatic termination of the Agreement (failure to secure registration of the Project as an Eligible Offsets Project or obtain Eligible Interest Holder consent within specified timeframes). As the Agreement is wholly premised on the implementation and running of the Project under the CFI Legislation, if this cannot be achieved it would be impossible or futile for the parties to exercise their rights or perform their obligations under the Agreement and as such, the Agreement should be terminated.

In relation to clause 10.3, it is important to note that a breach of material obligation of the Agreement does not give rise to a right to terminate the Agreement. The breaching party must first be given the opportunity to remedy the breach (if the breach is capable of being remedied).

Where the agreement is terminated prior to the conclusion of the Project, the Project Proponent will no longer hold the ‘legal right’ to undertake the Project. Should the Landowner wish for the Project to continue they would need to take on the role of Project Proponent or contract with another Carbon Project Proponent.

The revocation of the Project prior to the conclusion of the Project’s Permanence Period may result in a requirement for the Project Proponent to relinquish a specified number of ACCUs (which could form the basis for a damages claim if the Agreement was terminated on the breach of the Landowner).

On termination of the Agreement the parties are no longer bound by the terms of the Agreement. This clause, however sets out certain exceptions to this general rule and provides that:

1. termination of the Agreement does not extinguish a party’s rights against the other party in respect of any past breach and the associated indemnity for all costs etc; and
2. certain clauses (being, the Transfer of Carbon Rights, Confidentiality, Intellectual Property and Data,

<p>(d) The Project Proponent is liable for and irrevocably and unconditionally indemnifies the Landowner against all liability, loss, penalties, payments, costs, charges and expenses directly or indirectly arising from or incurred in connection with any breach of this Agreement by the Project Proponent.</p> <p>(e) The Landowner is liable for and irrevocably and unconditionally indemnifies the Project Proponent against all liability, loss, penalties, payments, costs, charges and expenses directly or indirectly arising from or incurred in connection with any breach of this Agreement by the Landowner.</p> <p>(f) The costs, charges and expenses referred to in this clause include, legal costs, charges and expenses on a full indemnity basis whether incurred by or awarded against the non defaulting party.</p> <p>(g) This indemnity is independent from a party's other obligations under this Agreement and does not come to an end when this Agreement is terminated.</p>	<p>Dispute Resolution and Effect of Termination clauses) continue to bind the parties following termination.</p>
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11. DISPUTE RESOLUTION

11.1 Dispute Resolution

- (a) If a dispute arises in connection with this Agreement (“Dispute”), a party to this Agreement must not commence any court proceedings unless the Parties have complied with clauses (b) and (c) except where a Party seeks urgent interlocutory relief or such other provisional judicial relief as it considers necessary to avoid irreparable damage.
- (b) A party to this Agreement claiming that a Dispute has arisen must give written notice (“Dispute Notice”) to the other party or parties of the Agreement specifying the nature of the Dispute.
- (c) Within 10 Business days of receipt of the Dispute Notice (or such further period as agreed in writing by them) the Parties must agree as to;
 - (i) the dispute resolution mechanism (e.g. expert determination, mediation, arbitration etc.) and procedures to be adopted;
 - (ii) the timetable for all steps in those procedures; and
 - (iii) the selection and compensation of the independent person required for such a mechanism.

11.2 Mediation

- (a) If the Parties fail to reach agreement under clause 11.1(c) within the stipulated or agreed timeframe, the Dispute must be submitted to mediation in accordance with clause (b).
- (b) The mediation must be administered by the Australian Disputes Centre (ADC) in accordance with the ADC Guidelines for Commercial Mediation operating at the time the matter is referred to ADC.
- (c) The Parties must pay the mediator’s remuneration in equal shares. Each party must pay its own costs of the mediation.

This clause specifies how disputes between the parties are to be resolved. The aim of this clause is for the parties to avoid (if possible) legal proceedings.

Under the clause a party is prevented from commencing court proceedings in relation to a dispute until the process specified in clauses 11.1 and 11.2 have been followed. Under the clause the parties are given the opportunity to agree on the dispute resolution mechanism and process. If the parties are unable to reach agreement (on the dispute resolution mechanism and process) within the time frame specified in clause 11.1(c) the dispute must be referred to mediation.

Mediation is a process whereby a neutral third party (mediator) assists the parties to attempt to resolve their dispute by agreement. A resolution cannot be forced on to the parties, it has to be agreed to by both parties. If the parties don’t agree a solution to the dispute (through mediation) it will remain unresolved and the parties can commence court proceedings in relation to the dispute.

12. WARRANTIES

12.1 Mutual warranties and representations

In addition to and despite all other warranties, express or implied, in this Agreement, each party represents and warrants to the other that:

- (a) it has the right, power and authority, and has taken all action necessary and has obtained all authorisations required or desirable, to enter into and perform its obligations under this Agreement;
- (b) the entry into force and performance of this Agreement will not cause it to be in breach of any law or regulation, its constitutional documents or, to the extent it could reasonably be expected to have a material adverse effect on the performance of its obligations under the agreement, any obligations to a third party;
- (c) it is not presently suffering or is aware of circumstances that may soon cause it to suffer an Insolvency Event;
- (d) all information supplied to the other in the performance of this Agreement is accurate and complete in all material respects; and
- (e) it has no actual knowledge of any fact or circumstances which would prevent or limit the use of the Project Land for the purposes of the Project as anticipated under this Agreement.

12.2 Fit and proper person

- (a)** The Landowner warrants that it has not:
- (i) Been convicted of any offence against a law of the Commonwealth or the State in where the offence relates to:
 - (A) Dishonest conduct;
 - (B) The conduct of a business;
 - (C) The Environment or the protection of the Environment; or
 - (D) Work health and safety;
 - (ii) Been convicted of making a false and misleading statement or the like under the Commonwealth Criminal Code;
 - (iii) Been the subject of a pecuniary penalty under the Competition and Consumer Act 2012;
 - (iv) During the 3 month period preceding this agreement been provided with an enforceable undertaking or been the subject of litigation in relation to a law relating to the Environment or work health and safety;
 - (v) Breached the CFI Act or been refused registration in any renewable energy scheme.
- (b)** The Project Proponent warrants that it is a fit and proper person under the CFI Act and will during the term of the Agreement maintain its status as a fit and proper person.

12.3 No existing adverse conditions

- (a)** The Landowner warrants that:
- (i) it is not aware of any Contamination on the Project Land;
 - (ii) there are no tips or buried rubbish on the Project Land; and
 - (iii) there are no underground fuel tanks or sheep or cattle dips on the Project Land;
- other than as disclosed to The Project Proponent

<p>(b) The Landowner warrants that the Project Land has not been the subject of any other Projects or environmental or biodiversity schemes and has not been used as a set-off area for the clearing of native vegetation.</p>	
<p>12.4 Project Proponent Warranties and Representations</p> <p>(a) In addition to and despite all other warranties, express or implied, in this Agreement, the Project Proponent represents and warrants that its employees, contractors and sub-contractors have the necessary skills and expertise to undertake and/or provide the Project Proponent Activities as specified in the Project Management Plan.</p>	

13. ACKNOWLEDGEMENTS

13.1 Landowner

- (a)** The Landowner has been offered the opportunity, and recommended, to obtain independent legal, financial and taxation advice before entering into this Agreement.
- (b)** The Landowner acknowledges that all Carbon Credits created on the Project Land belong to the Project Proponent.
- (c)** The Project Proponent makes no warranty, representation or guarantee in relation to, among other things, the following:

 - (i)** successful registration of the Project as an Eligible Offsets Project;
 - (ii)** the amount of ACCUs that may be generated by the Project; or
 - (iii)** the Landowner’s financial or commercial gains or losses that may result from the Project.

13.2 Regen Farmers Mutual

- (a)** The Project Proponent has inspected the Project Land and satisfied itself about the condition of the Project Land and its appropriateness for The Project Proponent’s activities.
- (b)** The Landowner gives no warranty, and the Project Proponent acknowledges it has not relied upon any promise or representation by the Landowner, as to:

 - (i)** any particular characteristics of the Project Land;
 - (ii)** any particular characteristics of any vegetation or fauna present on the Project Land; or
 - (iii)** the suitability of the Project Land for the Project Proponent’s business or activities.

14. GENERAL

14.1 Force Majeure

- (a) If a party (Affected Party):
 - (i) is prevented from or delayed in performing an obligation (other than to pay money) by a Force Majeure Event;
 - (ii) as soon as possible after the Force Majeure Event occurs, notifies the other party of full particulars of:
 - (A) the Force Majeure Event;
 - (B) the effect of the Force Majeure Event on performance of the Affected Party’s obligations;
 - (C) the anticipated period of delay; and
 - (D) the action (if any) the Affected Party intends to take to mitigate or remove the effect and delay; and
 - (E) promptly and diligently acts to mitigate or remove the Force Majeure Event and its effect;

then the obligation is suspended during, but for no longer than, the period the Force Majeure Event continues and such further period as is reasonable in the circumstances.

- (b) If the Affected Party is prevented from or delayed in performing the obligation by the Force Majeure Event for at least 120 Business Days, any party may by notice to the other party terminate this Agreement.

14.2 Change in law

- (a) If there is a Change of Law that would make it unlawful, impossible or futile for a party to exercise a material right or perform a material obligation under this Agreement, then the Parties agree to vary this Agreement, only to the extent necessary or appropriate, so that the Parties can comply with the Change of Law and give effect to the objectives and terms of this Agreement.

This clause specifies the consequences of a force majeure event and the obligations on the affected party. A force majeure event is generally defined as an event that is beyond the control of one party which effects the ability of that party to perform its obligations under the Agreement. In this Agreement ‘Force Majeure Event’ is given the following specific and narrower meaning:

Force Majeure Event means any of the following events:

- (a) fire, storm, frost, wind, flood, heatwave, drought or any other adverse weather or climatic condition or natural disaster;
- (b) act of God;
- (c) biosecurity or pest incursion, disease, epidemic, national emergency, war, terrorism, riot, insurrection, vandalism or sabotage;
- (d) strike, lockout, ban, limitation of work or other industrial disturbance; or
- (e) law, rule or regulation of any government or governmental agency, and executive or administrative order or act of general or particular application;

which:

- (f) is unforeseen by the Affected Party;
- (g) is beyond the control of the Affected Party; and
- (h) occurs without the fault or negligence of the Affected Party.

Clause 14.1 provides that a Party which is prevented from or delayed in performing an obligation under the Agreement by a Force Majeure Event will not be in breach of the Agreement provided it satisfies the preconditions contained in subclause 14.1(a).

- (b) If it is not possible to vary this Agreement to achieve the outcome set out in clause a, then either party may terminate this Agreement with immediate effect by giving the other party notice in writing.

14.3 General Clauses

- (a) The parties agree to keep the terms of this Agreement confidential.
- (b) This Agreement constitutes the entire agreement between the parties.
- (c) Rights in connection with a breach of this Agreement are not affected by the end or termination of this Agreement.
- (d) This Agreement may be executed in counterparts.
- (e) Nothing in this Agreement is to be construed as creating a partnership between the Landowner and The Project Proponent.

14.4 Governing law and jurisdiction

This deed is governed by the laws of state in which the Project Land is situated. Each party irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of that State.

14.5 Variation

- (a) No variation of this deed is effective unless made in writing and signed by each party.

14.6 Waiver

- (a) No waiver of a right or remedy under this deed is effective unless it is in writing and signed by the party granting it. It is only effective in the specific instance and for the specific purpose for which it is granted.
- (b) A single or partial exercise of a right or remedy under this deed does not prevent a further exercise of that or of any other right or remedy.
- (c) Failure to exercise or delay in exercising a right or remedy under this deed does not operate as a waiver or prevent further exercise of that or of any other right or remedy.

14.7 Notices

- (a) All notices under or in connection with this Agreement must:

- (i) Be in writing;
 - (ii) Be signed by the party giving it or the party's authorised officer, attorney or lawyer;
 - (iii) Be sent to the address of the party as set out in this Agreement.
- (b)** A notice is taken to be received:
- (i) If delivered, on delivery;
 - (ii) If posted in Australia, on the third business day after posting,
 - (iii) If sent by email on the day the email was sent provided that if the sender receives a report stating that the email was delivered the email will not be taken to have been delivered;
 - (iv) If received after 5pm or on a day that is not a business day, the notice is taken to have been received at 9.00am on the next business day.

14.8 Interpretation

In this Agreement the following rules of interpretation apply unless the contrary intention appears:

- (a)** Any reference to a party in this Agreement includes any person who is an agent, employee, contractor or invitees of that party and actions of a party include the actions of their agents, employees, contractors or invitees.
- (b)** the singular includes the plural and vice versa;
- (c)** where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (d)** the words 'such as', 'including', 'particularly' and similar expressions are not words of limitation;
- (e)** a reference to:
 - (i) a party includes its agents, successors and permitted assigns;
 - (ii) a document includes all amendments or supplements to that document;

<ul style="list-style-type: none">(f) a monetary amount is in Australian dollars and all amounts payable under or in connection with this deed are payable in Australian dollars;(g) an agreement on the part of two or more persons binds them jointly and each of them severally;(h) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this deed or any part of it; and(i) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day.	
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14.9 Definitions

In this Agreement the following terms have the meanings indicated unless the context otherwise requires:

Agreement means this document including any schedule or annexure to it.

ANREU means the Australian National Registry of Emissions Units.

Australian Carbon Credit Unit (ACCU) has the meaning given to that term in the CFI Act.

Australian Consumer Laws means all applicable laws, legislation, codes of practice, interpretative guidelines and guidance material relating to the protection of consumers.

Authority includes any federal, state or local government, statutory or other authority, body or regulator.

Best Agricultural Practice means the best and most advanced practices and procedures relating to the production of crops, animal husbandry, soil and water management and environment and conservation practices used in the area in which the Property is located and includes any best management practices published by any agricultural industry body.

Biosecurity Risk means anything that could increase the impacts of pests, diseases, weeds or contaminants on the Land.

Business Day means a day on which banks are normally opened for business in the state in which the Land is situated.

Carbon Abatement Purchasing Process has the meaning given to that term in the CFI Act.

Carbon Maintenance Obligation has the meaning given to that term in the CFI Act.

Carbon Rights means the right to commercially benefit from the carbon sequestered by vegetation or soil on the Project Land and includes rights conferred by applicable state or

territory legislation, including rights commonly known as ‘carbon sequestration rights’ in Victoria, New South Wales and Tasmania, ‘carbon rights’ in South Australia and Western Australia and ‘carbon abatement interests’ in Queensland.

Carbon Credits includes Australian Carbon Credit Units and any other similar concepts created under any law in relation to credits obtained from sequestering carbon in living biomass, dead organic matter and/or soil

carbon sequestration means the absorption from the atmosphere of carbon dioxide by land or anything on land, and the storage of carbon in land or in anything on land.

CFI Act means the Carbon Credits (Carbon Farming Initiative Act 2011 (Cth) and any applicable rules or regulations made under the CFI Act from time to time

Change of Law means the introduction of or material change in any law, regulation, binding rules, policy, codes or requirement of an authority, including a change to the CFI Legislation or the Methodology, (or a change in the interpretation of these by a Court), which directly affects the matters the subject of this Agreement.

Code of Conduct means the Australian Carbon Industry Code of Conduct, currently administered by the Carbon Market Institute, as amended from time to time.

Commencement Date means the date specified in Item 2 of the Items Schedule

Contamination means the presence in, on or under the land or water of a substance at a concentration that presents a risk of harm to human health or any other aspect of the environment

Crediting Period has the meaning given to that term in the CFI Act.

<p>Disturbance means an event, or conduct engaged in by a party, which may have the effect of causing a release of carbon dioxide back into the atmosphere which had otherwise been sequestered as a result of the Project.</p> <p>Default Notice means a notice given under clause 10.3 of this Agreement</p> <p>Eligible Interest Holder means a person or organisation that has a specific legal interest in the Project Land.</p> <p>Eligible Offsets Project has the meaning given in the CFI Act.</p> <p>End Date means the date specified in Item 3 of the Items Schedule</p> <p>Force Majeure Event means an event or circumstance beyond the reasonable control of the Party affected that cannot, after the use of all reasonable efforts, be overcome and which prevents that Party from performing its obligations under this Agreement including:</p> <ul style="list-style-type: none"> (a) Fire or flood or natural disaster (b) epidemic, national emergency, war, terrorism, riot, insurrection, vandalism or sabotage; (c) law, rule or regulation of any government or governmental agency, and executive or administrative order or act of general or particular application including a biosecurity order; <p>Insolvency Event means a person:</p> <ul style="list-style-type: none"> (a) Being a body corporate becomes insolvent within the meaning of section 95A of the Corporations Act 2001 (Cth) or is subject to any type of external administration under Part 5 of the Corporations Act 2001 (Cth); (b) Being an individual is placed into bankruptcy, is the subject of an application to place it into bankruptcy, enters an arrangement with creditors under parts IX or X of the Bankruptcy Act 1966 (Cth) or is otherwise deemed to be insolvent for the purposes of the Bankruptcy Act 1966; or 	
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(c) Has a judgement or order made against them that remains unsatisfied after 30 days.

Intellectual Property Rights or Intellectual Property (**IP**) means any and all existing and future rights throughout the world conferred by statute, common law, equity or any corresponding law in relation to any copyright, designs, patents or trade marks, domain names, know-how, inventions, processes, trade secrets or confidential information, circuit layouts, software, computer programs, databases or source codes, including any application, or right to apply, for registration of, and any improvements, enhancements or modifications of, the foregoing, whether or not registered or registrable.

Landowner Activities means those matters and activities specified in the Project Management Plan as being the responsibility of the Landowner to perform and/or undertake.

Manager means the person appointed by the Project Proponent to carry out obligations under the Project including obligations under the Project Management Plan

Natural Disturbance has the meaning given to that term in the CFI Act.

Payment Dates means the dates set out in Annexure A.

Permanence Period has the meaning given to that term in the CFI Act.

Personal Information has the meaning given to that term in the *Privacy Act 1988 (Cth)*.

Project means the project intended to be registered as an Eligible Offsets Project and undertaken on the Project Land in accordance with the Methodology.

Project ACCUs means all ACCUs issued in respect of the Project.

Project Improvement means any plant or equipment fittings, fences, roads, tracks, signage, environmental protection structures in, on, or fixed to the Project Land by or on behalf of the Project Proponent.

Project Land means the Land specified in Item 1 of the Items Schedule

Project Management Plan means the document contained in Annexure B.

Project Proponent Activities means those matters and activities specified in the Project Management Plan as being the responsibility of the Project Proponent to perform and/or undertake.

Regulator means the authority appointed by the Commonwealth to administer the CFI Act, being the Clean Energy Regulator and includes any successor body.

Relinquishment Notice means a notice issued under the CFI Act by the Regulator requiring a number of ACCUs to be relinquished to the Regulator.

Restricted Activities means those activities specified in the Project Management Plan as not permitted on the Project Land.

Reversal, in relation to the Project, means a reversal of the removal of carbon dioxide from the atmosphere by the Project, however such reversal is caused, and includes a Significant Reversal.

Significant Reversal means a Reversal which under the CFI Act is taken to be a significant reversal.

Surrounding Land means that land owned by the Landowner or an entity related to the Landowner that is contiguous with the Land or as agreed with The Project Proponent

Term means the term of this Agreement as specified in Item 4 of Items Schedule

Water Rights includes all entitlements, authorities and approvals relating to the use or diversion of water attached to or associated with the Project Land

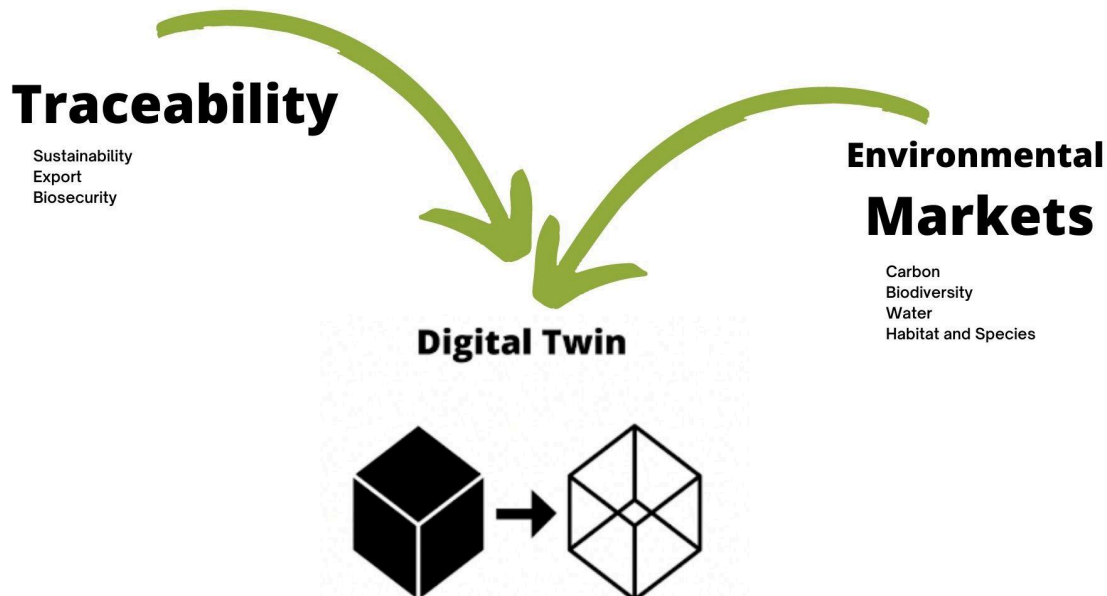
WHS Laws means legislation dealing with work health and safety in Australia from time to time, as well as any regulations, codes of practice and/or advisory standards made under or in connection with the legislation.

Appendix B Regen Digital Platform - RDP

The Regen Digital Platform

- Shows assets - Land, Water, Structure and Digital
- Project areas - Land use, land type and interpretations
- Logs actions - What's been done at location and point in time
- Logs observations - What's been observed during the course of time
- Stores documents including in-field counts

The Regen Digital Platform and the data it contains is used by each farmer to show their compliance with the project that is being managed and is anticipated this data is able to be verified and prove any claims linked to the project.



The Regen Digital Platform contains modules for managing projects such as:

- Carbon Emissions (SB GAF)
- Environmental Plantings (ERF)
- Box Gum Grassy Woodlands (Australian Farm Biodiversity Certification Standard) - As of August 24
- Soil Carbon (ERF) - As of August 24.

With more coming in 2025 such as

- Native Animal
- Native Bird
- Farm Dam
- Landscape Rehydration

Allowing for a step-by-step allows the farmers to know what is coming up, how to do things and how to report on those things.