

Australian Carbon Traders PTY LTD
ENFORCEABLE UNDERTAKING

Carbon Credits (Carbon Farming Initiative) Act 2011

Undertaking to the Regulator given for the purposes of section 237 of the *Carbon Credits (Carbon Farming Initiative) Act 2011*

by

Australian Carbon Traders PTY LTD
(ABN 27 121 961 144)

Glossary

1. In this Undertaking, unless the contrary intention appears, the following definitions apply:

“the Act” means the *Carbon Credits (Carbon Farming Initiative) Act 2011*

“Australian Carbon Traders” means Australian Carbon Traders Pty Ltd (ABN 27 121 961 144) of 22 Bridge Street, Harcourt, Victoria 3543

“Climate Friendly” means Climate Friendly Pty Ltd (ABN 65 107 201 025) of Level 2, 140 William Street, East Sydney NSW 2011

“Regulator” means the Clean Energy Regulator

“Rule” means the *Carbon Credits (Carbon Farming Initiative) Rule 2015*

“Undertaking” means this enforceable undertaking.

Persons giving Undertaking

2. This Undertaking is given to the Regulator by Australian Carbon Traders for the purposes of section 237 of the Act.

Background

3. Australian Carbon Traders is an Australian company limited by shares, located at 22 Bridge St Harcourt, Vic 3453.
4. Australian Carbon Traders is an authorized co-agent for carbon farming projects with Climate Friendly as provided for under section 290 of the Act.
5. As co-agents, Australian Carbon Traders or Climate Friendly may assist project proponents in undertaking actions specified in section 290 of the Act, including giving information and making requests to the Regulator.

Improper amendment of forms

6. It is alleged that Australian Carbon Traders made improper amendments to eligible interest holder consent forms submitted to the Regulator in relation to five (5) registered Emission Reduction Fund projects in accordance with section 25 of the Rule. The Regulator alleges these amendments gave the false impression that certain eligible interest holders had provided consent for the full project area, when they had not. As a consequence, not all relevant EIH consents have been obtained.
7. Climate Friendly's monitoring, information and record management procedures did not, at the time of submission of the forms by Australian Carbon Traders, identify that forms had been improperly amended.

Undertaking

8. Under section 237 of the Act, the Regulator may accept any of the following undertakings:
 - a. a written undertaking given by a person that the person will, in order to comply with this Act or the associated provisions, take specified action;
 - b. a written undertaking given by a person that the person will, in order to comply with this Act or the associated provisions, refrain from taking specified action;
 - c. a written undertaking given by a person that the person will take specified action directed towards ensuring that the person does not contravene this Act or the associated provisions, or is unlikely to contravene this Act or the associated provisions, in the future.
9. Australian Carbon Traders hereby undertakes to:
 - a. By agreement with project proponents, transition all projects for which Australian Carbon Traders and Climate Friendly are currently co-agents to a single agent model, with Climate Friendly acting as that single agent within three months of the date of this Undertaking;
 - b. Institute a documented record keeping system within three months of the date of this Undertaking;
 - c. Institute a project management system to track and manage compliance with all relevant legislative requirements within three months of the date of this Undertaking; and
 - d. Review internal standard operating, information and records management procedures related to emissions reduction fund projects and update where necessary to reflect the introduction of (c) and (d) above. The review and any necessary updated procedures will be completed to the reasonable satisfaction of the Regulator within three months of the date of this Undertaking.

Reporting

10. Australian Carbon Traders will provide the Regulator with a report documenting the implementation of this undertaking 12 months from the date of this Undertaking.

Acknowledgements

11. Australian Carbon Traders acknowledges:
- a. the Regulator will make this Undertaking publicly available, including by publishing it on the Regulator's websites;
 - b. the Regulator and officers of the Regulator will, from time to time, make public reference to this Undertaking; and
 - c. Australian Carbon Traders undertakes to pay all costs associated with its compliance with this Undertaking.

Commencement of Undertaking

12. This Undertaking comes into effect when:
- a. the Undertaking is executed by Australian Carbon Traders; and
 - b. the Regulator accepts the Undertaking so executed.
13. This Undertaking ceases to have effect once the requirements of clause 10 has been completed to the reasonable satisfaction of the Regulator.

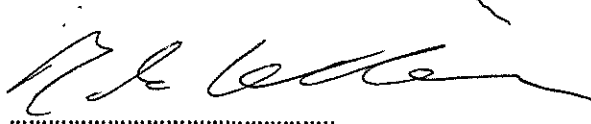
Executed by

AUSTRALIAN CARBON TRADERS PTY LTD by its authorized officers pursuant to section 127(1)(a) of the Corporations Act 2001.



Mr. Ben Keogh, Director Date: 23/9/2016

Accepted by the Clean Energy Regulator pursuant to section 237 of the *Carbon Credits (Carbon Farming Initiative) Act 2011*



Mark Williamson, Executive General Manager

Delegate of the Regulator Date: 04/10/2016