

**FOREST CARBON PARTNERSHIP FACILITY (FCPF)
FCPF CARBON FUND**

February 29, 2024

Action Without a Meeting

**Resolution CFM/Electronic/2024/1
Extension of the FCPF Carbon Fund**

Whereas:

1. Section 22.1(b) of the Charter Establishing the Forest Carbon Partnership Facility (FCPF or Facility), as amended from time to time (Charter), states that the FCPF Carbon Fund (Carbon Fund) shall be terminated on December 31, 2025. According to Section 22.1(a) of the Charter the FCPF Readiness Fund already terminated on December 31, 2022. Section 22.1(c) of the Charter further states that the Facility shall be terminated upon termination of both the FCPF Readiness Fund and the Carbon Fund;
2. Section 23.2(b) of the Charter states that, notwithstanding Section 23.1 of the Charter (*Extension of Term of the Facility*), the Carbon Fund Participants, by unanimous consent, may decide to continue the business of the Carbon Fund, in which case the Charter shall be amended by unanimous consent of such participants, provided that the International Bank for Reconstruction and Development (Bank) will continue to serve as trustee of the Carbon Fund (Trustee) only if the Bank's Board of Executive Directors have expressly agreed to the extension and to the terms of such extension;
3. The Participants intend to (i) extend the Carbon Fund from December 31, 2025 to December 31, 2028 and (ii) allow each Carbon Fund Participant to exit the Carbon Fund with 3-months prior written notice post-2025;
4. Section 12.5(b) of the Charter authorizes the Facility Management Team (FMT) to determine that certain action required or permitted to be taken at a Carbon Fund meeting or Tranche meeting may be taken without a meeting through electronic means on a no-objection basis in accordance with the procedures set forth in Section 12.5(b) of the Charter (No Objection Process); and
5. The FMT has determined that the decisions regarding the extension of the Carbon Fund and its terms shall be considered without a meeting following the No Objection Process.

The Carbon Fund Participants,

1. Decide to extend the Carbon Fund from December 31, 2025 until December 31, 2028 and to amend Section 22.1(b) of the Charter accordingly to read as follows:

“(b) The Carbon Fund shall be terminated on December 31, 2028; and”;
2. Decide to allow each Carbon Fund Participant to exit the Carbon Fund after December 31, 2025 with 3-months prior written notice and to amend Section 8.5 of the Charter accordingly to read as follows:

“Section 8.5 **Withdrawal**

- (a) Until and including December 31, 2025, Contributions by Carbon Fund Participants to a Tranche of the Carbon Fund are irrevocable.
 - (b) From January 1, 2026, a Carbon Fund Participant may withdraw its participation in a Tranche of the Carbon Fund to be effective at a certain date (“Withdrawal Effective Date”), provided that (i) at least three (3) months prior written notice is given to the Facility Management Team and (ii) the Carbon Fund Participant has paid to the Trustee in full the portion of its Contribution to the relevant Tranche of the Carbon Fund that has been used by the Trustee on or prior to the Withdrawal Effective Date, as determined by the Trustee in accordance with paragraph (c)(ii) below.
 - (c) Upon such Withdrawal Effective Date,
 - i. The Carbon Fund Participant’s Participation Agreement shall terminate on the conditions set forth in such Participation Agreement;
 - ii. The Trustee shall return to the Carbon Fund Participant the portion of such Carbon Fund Participant’s Contribution to the relevant Tranche of the Carbon Fund, as determined by the Trustee, which has been paid to but not committed or allocated by the Trustee and which equals its Contribution minus the Carbon Fund Participant’s pro rata share of (a) any recoverable costs incurred by the Trustee on or prior to the Withdrawal Effective Date or committed or allocated by the Trustee to services rendered on or prior to the Withdrawal Effective Date, (b) any ERPA payments for contracted emission reductions that have been delivered on or prior to the Withdrawal Effective Date and (c) any ERPA advance payment amounts which can be recouped through contracted emission reductions that have been delivered on or prior to the Withdrawal Effective Date;
 - iii. The Trustee shall forward to the Carbon Fund Participant its pro rata share of any contracted emission reductions that have been delivered on or prior to the Withdrawal Effective Date and for which the Trustee has received payment from the Carbon Fund Participant; and
 - iv. The Carbon Fund Participant agrees to forfeit its right to claim any contracted emission reductions that are delivered after the Withdrawal Effective Date.
3. Request the Trustee (1) to seek the Bank’s Board of Executive Directors (Board) to expressly agree to the above extension and to the terms of such extension and, thereby, to allow the Bank to continue to serve as Trustee and (2) to inform all Carbon Fund Participants promptly upon the Board’s corresponding decision. In the event that the Board rejects the above extension of the Carbon Fund or the terms of such extension, the above decisions, as well as the above amendments to the Charter, shall be deemed null and void.