AMENDMENT TO PARTICIPATION ARRANGEMENT

OFFICIAL DOCUMENTS

Between

International Bank for Reconstruction and Development ("IBRD"),
as trustee ("Trustee") for Tranche Three of the BioCarbon Fund ("BioCF T3")

and

United Kingdom of Great Britain and Northern Ireland,
acting through the Department for Environment, Food and Rural Affairs ("Participant")

1. The Participant and the Trustee entered into and executed a Participation Arrangement dated December 17, 2013 for an initial contribution by the Participant to the BioCF T3 in the amount of GBP 25,100,000 ("Initial Contribution"), amended the Participation Arrangement on December 19, 2014 to provide an Additional Contribution by the Participant to the BioCF T3 in the amount of GBP 40,000,000 ("Additional Contribution 1") and further amended the Participation Arrangement on December 23, 2015 to provide an Additional Contribution by the Participant to the BioCF T3 in the amount of GBP 19,500,000 ("Additional Contribution 2") (together referred to as "Participation Arrangement"). Therefore, the Participant has committed an overall contribution under the Participation Arrangement to the BioCF T3 in the amount of GBP 84,600,000 ("Total Contribution"). For each such contributions, the Participant provided the Trustee with promissory notes in the respective same amounts.

2. Having received the approval of all participants in BioCF T3\(^1\), the Participant intends to reduce its Total Contribution to the BioCF T3 by an amount of GBP 33,400,000 (thirty-three million four hundred thousand Pound Sterling) in order to recommit GBP 13,900,000 (thirteen million nine hundred thousand Pound Sterling) as a contribution to the ‘BioCFplus Initiative for Sustainable Forest Landscapes – DEFRA Single-Donor Trust Fund’ (TF073003) and GBP 19,500,000 (nineteen million five hundred thousand Pound Sterling) as a contribution to the ‘Sri Lanka Ecosystem Conservation and Management Project - Additional Financing’ (TF072894), subject to the respective new administration arrangements to be executed between the Participant and the IBRD around the time of this amendment.

3. Therefore, the Participant and the Trustee herewith have jointly decided to amend the Participation Arrangement as follows:

a) The Participant’s Total Contribution to the BioCF T3 will be reduced by an amount of GBP 33,400,000 (thirty-three million four hundred thousand Pound Sterling) from GBP 84,600,000 to GBP 51,200,000. In doing so, the Additional Contribution 2 will be reduced by an amount of GBP 19,500,000 (nineteen million five hundred thousand Pound Sterling) from GBP 19,500,000 to zero and the Initial Contribution will be reduced by an amount of 13,900,000

\(^1\) Resolution/BioCF T3/Electronic No. 2017-03 - Approval of Capital Withdrawal Plan for Tranche 3 of the BioCarbon Fund
(thirteen million nine-hundred thousand Pound Sterling) from GBP 25,100,000 to GBP 11,200,000.

4. The Participant acknowledges the Trustee’s letter dated March 28, 2018 regarding the treatment of the Participant’s existing promissory notes for the Initial Contribution and Additional Contribution 2 during the process of recommitting the respective funds from BioCF3 to the ‘BioCFplus Initiative for Sustainable Forest Landscapes – DEFRA Single-Donor Trust Fund’ (TF073003) and the ‘Sri Lanka Ecosystem Conservation and Management Project - Additional Financing’ (TF072894).

5. The Participant confirms that all confirmations and acknowledgments made in the Participation Arrangement are still true and accurate as of the date hereof.

6. Unless otherwise defined in this letter of amendment, all capitalized terms used in this letter of amendment will have the same meaning as given to those terms in the Participation Arrangement. Unless expressly amended by this letter of amendment, all provisions under the Participation Arrangement will remain unchanged and in full force and effect. This letter of amendment will become effective and become an integral part of the Participation Arrangement upon being duly counter-signed and returned to the Trustee by the Participant.

PARTICIPANT:

By: United Kingdom of Great Britain and Northern Ireland, acting through the Department for Environment, Food and Rural Affairs

Name: Sarah Swash
Title: Acting Deputy Director, International Environment Strategy and Overseas Development Assistance, Department for Environment, Food and Rural Affairs

Date: 6.4.2018

TRUSTEE:

By: International Bank for Reconstruction and Development, as Trustee of Tranche Three of the BioCarbon Fund

Name: Marc Sadler
Title: Practice Manager Climate Fund Management Unit Sustainable Development VP, Climate Change

Date: 28/03/2018