

APPENDIX B – Sale of Low Carbon Fuel Credits

Summary of Typical Contract Terms

- Clause allowing the company to re-sell the carbon credits at their discretion and at a price that is not less than 75% of the original contract price received from the City;
- Term of the contract typically ongoing/auto renewals, with the option to terminate the contract by either party providing 10 days' written notice;
- Standard mutual indemnity clause for actions that may be brought against either party for damages that arise from the breach of the agreement or for the purchase/use of the credits. An indemnity is essentially a promise by one party to compensate the other party for the losses suffered from the actions of the party at fault;
- Confidentiality clause requiring both parties to keep the terms of the contract confidential, except where required to disclose such terms pursuant to the Freedom of Information and Protection of Privacy Act or other applicable legislation.