New Voluntary Market Mechanism

Methodology

Infinite Forest Carbon

Corporate Patrimonial Titles Derived from Green Principles

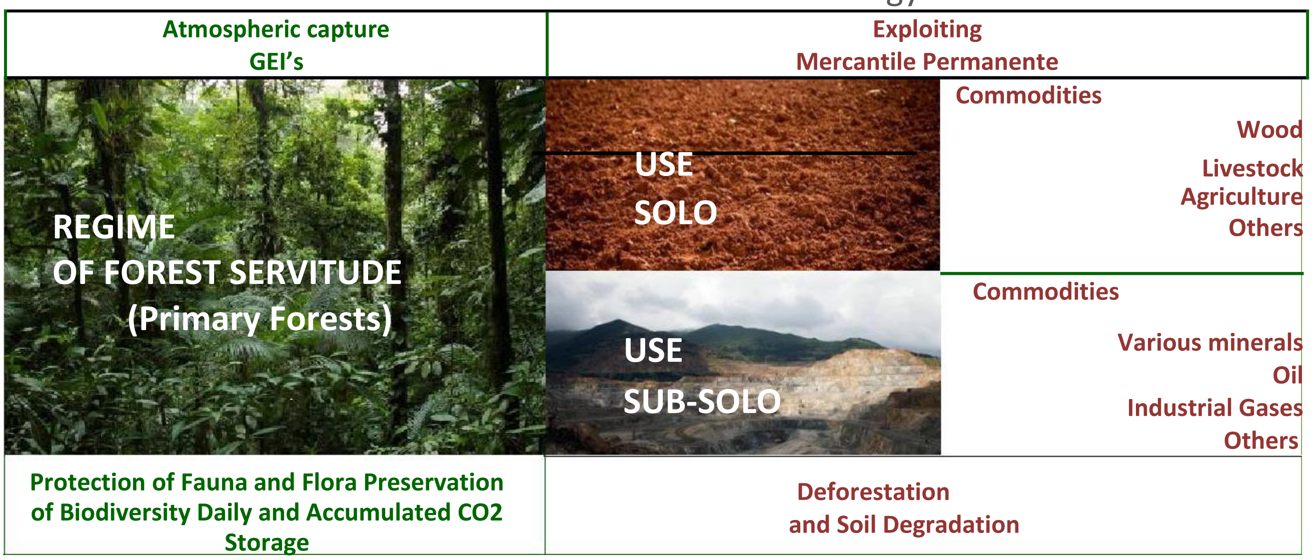
[Type in text]

SDGs: corporate finance titles according to ecological principles:

The technical-scientific methodology (IFC), naturally covers 100% of the issuance of corporate bonds with green principles, has been studied and developed by the team of FICO Carbon Bank Florestal Ltda, with Brazilian inscription in the Fiscal Register CNPJ / MF: 30.461.740 / 0001-96, and classified in CNAE 02.30-6 -00 / 66.30-4-00, controlled by the company domiciled abroad Foreign Investment Company S/A (FICO) CNPJ: 29.289.880/0001-40, controlled by its parent, Foreign Investment Company S/A (FICO), Public Registry in the Republic of Panama Nº: 1.323.308, with the institutional support of the International Leadership Training Center: CIFAL Argentina-UNITAR/UN and the Embaixada do Clima Institute that is an Observer Member of ICMA - International Capital Market Association, in Brazil.

The IFC Methodology determines a corporate asset value for the Voluntary Carbon Market originating in the Primary Forest, based on the perpetual or temporary exemption (Forest Servitude Regime) calculated within technical, logical and scientific parameters, from 1950, and prospecting until 2050, with the objective of protecting the Ecological Environment through the Preservation of Biodiversity in the Native Forest (primary). The IFC methodology acts as a motivating and incentive factor for the private business sector in the forest segment, as it transforms the corporate environmental impact through land use (destruction of primary forests), in an option for business activity in the forest segment, which produces and maintains a sum of carbon dioxide measurable in $tCO2_{.e}$[1].

Rationale and the IFC Methodology



1 $tCO_{2}.e$: Initials of "tonnes of carbon dioxide equivalent".

Figure 01: Structural basis of IFC Methodology - Carbon Infinite Florestal

The use of the IFC methodology, brings to light the Climate Finance segment an axiomatic and safe test through a retroactive and future comparative spreadsheet, which represents the approximate average revenue that would be obtained if commodity exploration existed in the virgin Primary Forest.

1 - Composition and rationale of the IFC methodology:

Figure 02: New Voluntary Market Mechanism.

2 - Foundation and Ecosystem Origin of Corporate Assets:

Forest Ecosystem Rating & Environmental Protection and Conservation Service				
Water Resources	**Biodiversity**	**GHG neutralisation**	**Scenic beauties**	**Natural Sanctuaries**
Sedimentation of rivers	Medicinal Plants - Research	Past & Future Uptake	Mountains, Rocks	Endangered animals
Pollution of Manatiales	Micro-organic balance	Storage of CO2.e	Waterfalls, Rios	Invertebrates
Drinking Water	Intangibility of the Biome	Decarbonization of the Planet	Ethnic cultures	Archaeology

In addition to any permanent stock of CO2, transformed into corporate assets, that is, into a financial asset, this permanent stock of CO2 measured in tCO2.e must be added a proportion of 30%, equivalent to the Opportunity Cost, with reference to other existing assets in that biome, in addition to the assets obtained from carbon dioxide capture and storage shall be the sum of all the Assets arising from tCO2.e Capture, plus the Assets considered Cost of Renounced Opportunities[2], this equation shall confer a total volume of carbon credit to be traded on the voluntary carbon market as a life-based Real Financial Asset at a pre-established FIXED price, without market fluctuations in stock exchange shares; contrary to the Kyoto Protocol and the standards of the Chicago[3] and/or other stock exchanges around the world.

3 - USE or NON-USE OF LAND AND SUBSOIL AND TANGIBLE AND INTANGIBLE ASSET VALUES PER OPTION:

Economic value				
Value for Direct Use	**Value of Indireto Use**	**Option value**	**Legacy values**	**Stock values**
Food	Carbon storage	Biodiversity	Habitats	Habitats
Wood	Control of LLuvias	Preservation of Habitats	Cultural riches	Specimens in Extinction
Minerals	Flood Protection	Deforestation-free	Endangered species	Biodiversity
Tourism - Medicinal products	Maintenance of the water cycle	No Degradation	Decarbonization of the Planet	Humanity

It is important to highlight that the fixed price set in this methodology, in addition to the strong support for the global call defined at COP-21 / Paris, involving

2 *Monetary Opportunity Cost or "opportunity cost" is the alternative cost that is waived when a particular decision is made. This includes the benefits that could have been obtained had the other option been chosen.*

3 *The Chicago Climate Exchange or Chicago Climate Market (CCX) was the only voluntary emissions trading system in North America focused on greenhouse gases from emission sources and abatement projects in North America and Brazil.*

the UN 2030-2050 Agenda, which provides for the decarbonisation of the planet, is also a form of development for the voluntary rebate market, through the new 'MDS[4]' Sustainable Development Mechanism' based on green principles for the voluntary market, for example: ODS Corporate Financing Obligations, Payment for Ecosystem Services - PSE[5], among other derivatives required by Banking Platforms, Private Investors, as well as by Bodies operating the Emission Offset Control, whether for the Private Sector or Governments.

We also stress that the price per tonne of forest carbon credit cannot become an investment product through stock exchanges, as the profile of the negotiations is not, nor will it ever be compatible with the goals set out in the 2030/2050 Climate Agenda established by the UN (United Nations), which seeks to maintain the equilibrium of our planet's temperature at the level of the pre-industrial era according to its agendas, because the climate must not depend on the risks exposed to the variation of market prices, nor become a target or victim of speculation on stock exchanges.

The forest easement (perpetual or centennial) determined as IFC methodology developed by The Carbon Bank FICO (FICO Carbon Bank Florestal Ltda,) is a determining factor that promotes safety to the voluntary market and allows to establish the average price between a period of Forest Servitude (perpetual or centennial) retroactive since 1950, and the expected future up to 2050 in terms of the revenue-earning prospects that would be obtained from business production in the exploration of soil and subsoil with major commodities.

4- Determination of the price Fixed per t.CO2.e, Forestry

<table>
<tr><th>Comparison of gross revenue by activity with traditional products</th><th>Gross revenue compared x tonne/ha price. As Credit expressed in tCO2.e</th></tr>
<tr><td>1 - Gross Revenue - Ha / Tropical Timber - Production Period 50 years (Rotation) - Quantity Expected: 30.00 m³ / Hectare - Tropical Wood Content: Hardwood / Laminated / Export - Total Volume of Wood: 1 Cycle / Period - Average Market Price: USD 441.18 / m³ Gross activity income per hectare: USD 13,225.49 / Period + By-products.
2 - Gross Revenue - Ha / Industrial Soya - Period of Production - 50 years (Rotation) - Quantity Expected: 20.31 bags 60 kg / ha - Tropical Soybean Content: 1 crop / Hectare - Volume Total Soy: 1 Cycle / Period - Average Market Price : USD 60.00 / bag / unit - Gross Income of the activity per hectare: USD 12,186.00 / Period + By-products.
3 - Gross Income - Ha / Beef Cattle - Production Period 50 years (Rotation) - Quantity Expected: 12 head / Hectare / Year Bovine Fattening Content: 180 kg of meat per animal - Total Volume of Cattle for Fattening: 180 kg per head X 12 animals X 1 cycle - Price Market median: USD 3.00 / 1 kilogram - Gross activity income per hectare: USD 7 266.66 / Period + By-products</td><td rowspan="2">Carbon credit - Expected amount: 272.70 gross tonne measured per hectare, is = Biomass + tCO2.e, under Retroactive Calculations from 1950 with Future Prospection until 2050, calculated during the entire cycle, the net volume of 16 Ton / Hec as a result in Ton / CO2.e by equivalence of: 1 tonne = 1 carbon credit entitlement, this result is added to the 30% increase in other environmental assets called 'Opportunity Cost' due to the corporate option of giving up the extremely high ecological impact activity:
Comparison of gross income per hectare - among traditional commodities, as left of the spreadsheet, referring to the gross income per hectare, in each option activity per hectare with land and subsoil use, as follows:

- Madera Tropical: .... USD 13.225,49 Ha - In addition to the income of coal Vegetale and briquettes.
- Soya Industry: .... USD 12.186,00 Ha - In addition to revenue with its Derivative Products.
- Cattle: .... USD 7,266.66 Ha - In addition to the income from the 2nd annual cycle.
USD 28.000,00 Ha
- Gross gold 98%: .... - ....
USD 12.000,00 Ha
- ....
- Iron ore... .

* Gross Rounded Income: USD 72,000.00 Ha / 5 (-) 30% of Opportunity Cost = USD 9.80 Ha
(-) assigned variation factor of USD 1.80 Ha = fixed minimum price of USD 8.00 per tonne /
credit in tCO2.e</td></tr>
<tr><td>4 - Gross revenue - Ha / Gross gold - Production period - 50 years (Rotation - Quantity

expected: 500,000 Ton / Hectare - Gold content: 1.50 Gross / Ton / Degree of purity 98% - Total Gold Volume: 700 Kg Average Market Price: USD 40.00 / 1 gram - Revenue gross activity per hectare: USD 28,000.00 / + By-products.
5 - Gross revenue - Ha / iron ore - Production period - 50 years (rotation) - Expected quantity: 500,000 tons / hectare Iron ore content: 400.0 ton / Degree of purity 60% - Total volume of iron ore: 200 ton / hectare - Average price market: 60.00 USD / 1 tonne - Gross income from activity per hectare: 12.000.00 USD / Period + By-products.</td></tr>
</table>

Considering the gain/income per hectare, if that same area of primary forest were devastated by the use of soil and subsoil in the corporate commercial exploitation of traditional products, this parameter was a basic comparative factor, applied in the IFC Methodology, and with that it was concluded that the standard price should be set at US $ 8.00 (eight US dollars) per tonne quantified for a credit asset

4 *MDS: Sustainable Development Mechanism. The Paris Agreement establishes the "Sustainable Development Mechanism" (SDM). It is a new market mechanism based on the Clean Development Mechanism. Parties may voluntarily participate in the SDM as a way to "increase their aspirations". Over the next two years, the UNFCCC will undertake the task of developing the rules and modalities of the UNFCCC.* https://forestsnews.cifor.org/39046/no-es-perfecto-pero-es-analizando-en-profundidad-el-acuerdo-de-paris?fnl=en .

5 *PSE: Payment for Ecosystem Services.*

measured carbon, and thus, for each carbon credit asset a monetary value of US $ 8.00 (eight US dollars) per tonne (tCO2.e) is determined.

In determining the FIXED price, the IFC Methodology was based on the "Corporate Activity Benchmarking" (on the approximate FUTURE average price index, applied by the OTC Market), used worldwide, for commercial use, in the form of Corporate Values in the voluntary forest carbon market, under a FAIR CONDITION of Intangible Raw Materials, without leaving aside so many other corporate sources that produce GHG neutralisation.

5- Opportunities and New Capital Markets

a) - Escrow Banking Documentary Credit - Derivative Issuance.
b) - Concession to Third Parties for Financial Structuring - Temporary.
c) - Concession to Third Parties for Emissions Compensation - Temporary.
d) - Banking Union to constitute Investment Fund - Retail.
e) - Adaptation of the Patrimonial Accounting for Investment in Stock Exchanges.
f) - Others.

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