

Effective From: 17/08/2011 CCP.VOL0916



PROPOSAL FOR THE

Validation of

Energy Efficiency and Solid Waste Diversion Activities within a Sustainable Community for Will Solutions Inc

Date:

Proposal Number: CCP.VOL0916 01-10-2012



Voluntary Validation and Verification (VCS)

Issue 4

Effective From: 17/08/2011

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Proposal Submitted to: Will Solutions Inc

- Company Name: Will Solutions Inc
- Company Address: 116 rue Desjardins, Beloeil, QC, J3G 5Z5, Canada.
- Contact Name: Martin Clermont
- Contact Details: Phone number: 514.774.6601 E-mail: martin@gedden.com

Your contact at SGS for the purpose of this proposal:

- Company Name: SGS United Kingdom Limited
- Company Address: SGS United Kingdom Limited, SGS House, 217-221 London Road, Camberley, GU15 3EY, UK.
- Contact Name: Kyle Martin
- Contact Details: Phone Number: +44 20 3008 7882 E-mail: kyle.martin@sgs.com

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Member of the SGS Group (SGS S.A.)

1. Introduction

1.1 The Verified Carbon Standard (VCS Version 3)

The VCS Version 3 for project proponents, validators and verifiers provides a global standard for voluntary GHG emission reduction and removal projects and their validation and verification. It uses, as its core, the requirements in ISO 14064-2:2006, ISO 14064-3:2006 and ISO 14065:2007.

The VCS Version 3 is part of the broader VCS Programme. The VCS Programme provides a robust global standard, programme framework and institutional structure for validation and verification of voluntary GHG emission reductions or removals. The VCS Programme aims to:

- Standardize and provide transparency and credibility to the voluntary carbon market by establishing
 the VCS Programme as a rigorous, global standard for voluntary GHG emission reductions and
 removals and create a trusted and fungible voluntary GHG emission reduction and removal credit;
 the VCU;
- Experiment and stimulate innovation in GHG mitigation technologies and validation, verification and registration processes and offer lessons that can be build into other programmes and regulations;
- Provide a secure, custodial service for all VCUs that offers assurance against double counting and provides transparency to the public; and
- Provide assurance for investors, buyers and other users that the VCUs they are purchasing are real, additional and permanent.

1.2 SGS

SGS is a global leader in the verification, testing and certification industry. Working with about 64,000 employees and a presence in over 140 countries, the SGS network comprises over 1250 offices and laboratories. SGS works according to a strict quality policy with an emphasis on independence, impartiality, competence, confidentiality and professional ethics.

The SGS Climate Change Programme provides worldwide services for validation of project design and verification/certification of GHG emissions and emission reductions. The SGS Climate Change Programme has undertaken validation and verification of potential CDM and voluntary projects around the world. As a result of this work, SGS' Climate Change experts are familiar with the GHG monitoring protocols, CDM requirements, the verification process and issues around acceptability, baselines, monitoring, uncertainty, leakage and sustainable development.

"Responsible Party" means the party taking the obligations outlined in Appendix II. These responsibilities include but are not limited to: preparing project documentation in compliance with the rules of the CDM, determining additionality and baseline emissions of the project activity using approved methodologies or scientifically appropriate protocols as required by the Greenhouse Gas (GHG) Programme, and preparing a monitoring plan consistent with the rules of the CDM in order to gather the necessary data and report such data in a complete, transparent and accurate manner.

2. Scope of Services

2.1 Overview

This proposal responds to the request submitted by Will Solutions Incand its scope of services covers the validation of:

Energy Efficiency and Solid Waste Diversion Activities within a Sustainable Community

By signing this agreement, the Client confirms that no services are provided directly or indirectly to the project or the Client by SGS other than the VCS services (covered by the present agreement).

This proposal is based on the questionnaire received from Martin Clermont on behalf of Will Solutions Incdated 13/02/12; the client confirms that such information is correct;

By signing the services agreement, the client confirms that such information is correct. Should this information prove to be incorrect or changes during the course of the validation, SGS will be entitled to put the validation on hold until a new scope is agreed with the client, and this may include additional fees. If no agreement is reached within 30 (thirty) days from suspension of the validation, SGS will be entitled to terminate the contract.

The project will be assessed in accordance to the Verified Carbon Standard (VCS Version3). This means that the project will be validated against the VCS version 3 standards and verified against the validated Project Description (PD) and the relevant methodology (ies) as approved by the VCSA.

Note that this proposal assumes conformity of the implementation and operations of the actual project activity with the relevant approved methodology (ies).

Methodology deviations shall be permitted where they do not impact negatively on the conservativeness of the VCS Programme approved methodology's criteria and procedures to quantify data leading to GHG emission reductions or removals. These deviations and their consequences shall be reported as part of the public validation and verification report.

Under the VCS Programme, revision of methodologies or additionality performance standards must be assessed by two independent parties (double approval process). SGS, as an accredited VCS validating entity, can perform the first assessment. The VCS Secretariat would then appoint a different VCS Programme accredited validator or verifier to carry out a second assessment. This is not covered in the scope of this contract.

2.2 Project Validation (steps for projects undergoing CDM validation or registered under CDM)

The projects which are still undergoing CDM validation, SGS shall issue an opinion only after the project is registered by the CDM Executive Board (EB). The services agreed under this proposal will be terminated by SGS if the project is rejected by the validating DOE or the CDM EB.¹

Should the project be registered as a CDM Project, SGS will follow the guidance from VCS Version 3 (clause 3.12.4) for projects that are participating under other GHG Programme).

This further validation will be completed as part of the services agreed under this proposal. The results of this validation, accompanied by a validation representation, will be included in the verification report as per the provision provided in article 3.1.5 (3) of "Registration and Issuance Process" document for VCS version 3.

2.3 Project Validation (steps for projects not registered under another VCS recognised GHG Programme)

In general, the validation of the project will be completed through a review and assessment of the Project Description (PD) including the monitoring plan, selected methodology, additionality standard, compliance with legislation and environmental impact assessment (if necessary).

The project validation entails:

1. Preparation: This will involve assembly of the project documentation, checklists, guidance material and communication with all team members. This work will be undertaken by the Lead Assessor.

2. Stakeholder Consultation: Project proponents should undertake stakeholder consultations and mechanisms for on-going communication and report them in the PD.

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¹ Projects which are rejected by the validating DOE or the CDM EB may be re-assessed according to the guidance provided by the VCS Association and additional fees will apply (not included in this proposal).

Upon receipt of a PD for validation, the Lead Assessor will review any comments as they arise and where necessary, revert to the Client for further information / action. For this reason, you should ensure that the PD is as close to the final version as possible and meets all of the requirements of VCS Version 3.

- 3. Document Review: All active team members will review the PD and the Monitoring Plan. Inadequacies in the documentation (if any) will be highlighted at this stage if possible. The team will also confirm whether:
 - The Project qualifies as:
 - micro projects: under 5,000 tCO2-e per year;
 - projects: 5,000 1,000,000 tCO2-e per year; and
 - mega projects: greater than 1,000,000 tCO2-e per year.
 - The baseline methodology, monitoring plan and additionality standards approved by the VCS Board are correctly applied in the PD. In case deviation to an approved methodology is involved, SGS shall assess the consequences that the deviation will have on the conservativeness of emission reduction calculations (assessment of deviation might involve extra costs which shall be mutually agreed with the client at this stage).
 - Should a new, or revised, methodology be selected by the project proponent, additional time and effort will apply, as the VCS version 3 requires this situation to undergo a double approval process. SGS reserves the right to charge for the assessments undertaken, and shall negotiate a new contract with the client for assessment of revisions or assessment of a new methodology.
- 4. Preparation of Validation Checklists: The Lead Assessor will undertake the preparation of the main validation and the local assessment checklists. The local assessor will validate assumptions in the PD, the local stakeholder consultation process and liaise with environmental regulators to confirm that there are no existing restrictions on GHG emissions through a site visit. A Lead Assessor may also visit the site where deemed necessary.
- 5. On site visit is planned and an audit plan is provided to the client
 - SGS will draw the validation protocols and provide a local assessment checklist and a findings list to the client, requesting pertinent documentation, information, evidence of the project activity. The Lead Assessor will raise Corrective Action Requests (CARs) and Clarification Requests (CLs) where appropriate. This will provide the client with an opportunity to come into compliance by submitting the appropriate evidence or by taking corrective action.
- 6. Validation Assessment: Using the findings of the local assessment, on site visit and the results of the document review, the Lead Assessor will undertake the final assessment of the Project Description against the main checklist.

The final validation assessment will specifically address:

- Baseline and leakage: This involves comparing alternative scenarios and checking that barriers exist for the implementation of the project scenario. The assessors shall test the data presented in this section in order to verify that the project itself is not the baseline. Although leakage might not be an issue, the case for the absence of leakage will be carefully reviewed.
- Monitoring Plan: The monitoring plan must show how the data on project activities are to be collected and handled in order to calculate the project emission reductions. The parameters used to predict the emission reductions will be cross-checked against the monitoring plan to ensure that those parameters which have a very strong bearing on the reported results will be collected with the highest accuracy. The assessment team will be particularly interested to see how data is collected and how quality of data is assured. Please note that sufficient detail will be required to enable this assessment to take place. The monitoring plan must also cover environmental and social impacts as required by the EIA and other regulatory authorities.
- Review of the local stakeholder consultation process, compliance with host-country legislation and an assessment of the proposed social and environmental programmes in comparison to the normal level of performance.
- Review of projected emission reductions: This involves the calculation of the baseline and with-project emissions. These will be checked using a spreadsheet to re-calculate projected emission

reductions using the parameters defined within the project and the approved methodology. These parameters will then be checked to ensure that they are appropriate and conservative.

The Findings from the Validation reported as Clarification Requests (CLs) and Corrective Action Requests (CARs) should be closed for SGS to issue a positive opinion. In cases where a CAR cannot be closed or a CL is upgraded to a CAR, new timeframe(s) for closing the CAR(s) should be agreed with the client at this stage.

7. Draft Validation Report Preparation: the Lead Assessor will prepare a Draft Validation Report, including an assessment of baseline and additionality covering the ex-ante estimation of emission reductions. The draft validation report will be forwarded to the client for comments/approval.

A draft report is issued to the client summarizing the validation outcomes.

- 8. Validation Report: Outstanding Issues, if any shall be addressed within the agreed timeframes. The Lead Assessor shall complete the final version of the validation Report, and submit it for final technical review.
- 9. Technical Review

The role of the Technical Reviewer is to study the Lead Assessor's recommendation and ensure that it is justified in the report and documentation provided. The Technical Reviewer also checks that the Lead Assessor has followed all of the necessary procedures in the appropriate manner. Findings can be raised at this stage and Client must address them within agreed timeline. The Technical Reviewer either accepts or rejects the Lead Assessors recommendation.

- 10. Completeness Check: SGS United Kingdom Limited will carry out a completeness check as part of its quality assessment process. During this quality assessment process, the verification assessment may be selected for further technical spot-check by the UK Technical Competence Centre team.
- 11. Issue of the Validation Reports including the Validation Conclusion.

Issuance of a Final Validation Report with its corresponding Validation Conclusion, provided all VCS requirements have been met.

2.4 Project Verification

1. Outline Audit Plan

Upon receiving the VCS Project Description (following the guidance/Template) and the monitoring report, the Lead Assessor will provide the auditee with an outline audit plan, summarizing the on site visit activities that will enable them to make the necessary preparations.

2. Assessment

2.1 On Site Verification

The team will verify the GHG emissions under the baseline and project scenarios and determine the avoided emissions. Data on GHG emissions will be collected through document review, interviews with staff, observation and corroboration of processes and data, and by collecting hard copies of samples of data to support their findings. Any databases or Excel sheets used will be audited on screen or by performing parallel calculations to corroborate the output. Where possible, findings from other assurance processes may also be taken into account, for example, results from statutory inspections etc

2.2 Audit Findings

Before the draft verification report is issued, the assessment team will produce an overview which summarizes the audit findings. Findings will be reported as Clarification Requests (CLs) and Corrective Action Requests (CARs). CLs can usually be resolved on site, whilst CARs have a more significant impact and may need other changes. They are usually "closed out" by desk review and exceptionally by another site visit. If necessary, additional costs may be charged for the closure of CARs/CLs. The client will be given opportunity to comment and to come into compliance, if necessary, by submitting the appropriate evidence or by taking corrective action.

Note that this proposal assumes conformity of the implementation and operations of the actual project activity with the relevant approved methodology(ies). Should any deviation be indentified, the approach, timeline and fees should be renegotiated.

3. Preparation of Assessment Pack

At the end of the verification, the Lead assessor will prepare an "Assessment Pack" which contains the verification report and a recommendation supported by objective evidence (field documents, checklists, spreadsheets etc). Following the completion of the verification assessment, the "Assessment Pack", will be submitted for Technical Review.

4. Technical Review

The role of the Technical Reviewer is to study the Lead Assessor's recommendation and ensure that it is justified in the report and documentation provided. The Technical Reviewer also checks that the Lead Assessor has followed all of the necessary procedures in the appropriate manner. Findings can be raised at this stage and Client must address them within agreed timeline. The Technical Reviewer either accepts or rejects the Lead Assessors recommendation.

SGS shall arrive at its opinion upon consideration of the following matters and reporting as to any aspect with which SGS is not satisfied, namely whether:

- (a) data records are being collected and handled in accordance with the monitoring plan;
- (b) proper records are being kept by the Client;
- (c) the monitoring report agrees with the records;
- (d) SGS has obtained all the information and explanations it thinks necessary for the purpose of its review.
- 5. Completeness Check: SGS United Kingdom Limited will carry out a completeness check as part of its quality assessment process. During this quality assessment process, the verification assessment may be selected for further technical spot-check by the UK Technical Competence Centre team.

3. Confidentiality

SGS will hold all information confidential until the client instructs otherwise.

Deliverables

4.1 Validation Report

Assuming a positive opinion, the Report including a validation statement is issued.

If SGS cannot reach a positive opinion, SGS reserves the right to issue a negative opinion report.

4.2 Deed of Representation

Assuming a positive opinion, SGS will issue a Deed of Representation in respect of validation.

5. Assessment Team

The proposed assessment team for your project has been selected to bring together a range of skills including specific knowledge of the particular requirements of the Kyoto Protocol, CDM, VCS and knowledge of local circumstances and language. The team leader will represent the team in communication with the PP(s). Please note that the communication from the PP(s) to SGS should also be channelled through one designated contact point. The accepted method of communication will be by email using the contact details on page 2.

SGS confirms that the assessment team members are completely independent of all other aspects of the project or any of its components.

The following people have been selected:

Role	Person
Team Leader/ Lead	Siddharth Yadav
Assessor	Anshuman Shukla
Trainee	Kyle Martin
Expert	Scope 3 - Vikas Bankar Scope 13 - A.T. Surendra
Technical Reviewer	SGS United Kingdom Limited

Table 1 - Proposed Validation Team

CVs of team members are available on request.

The Client confirms by signing the attached Validation Services Agreement, that the Client has no objection to the appointment of above team members. Note that the Client may raise a valid objection to the team composition by sending an email to ukclimatechange@sgs.com, said valid objection should contain sufficient justification for the reason for the objection. The Regional Quality/Technical Manager(s), in consultation with Global Quality/Technical Manager(s) will consider the request and should the objection be valid, the team will be changed.

Should SGS disagree with the objection to the team composition, SGS will endeavour to resolve this issue with the Client. If agreement cannot be reached, the contract will not proceed.

Whilst efforts will be made to use the team as described above, for various reasons and in particular in consideration of the unpredictable timing of Validation services, team members may be replaced by others with equivalent or better qualifications in consultation with the Client. The client will have three working days from receipt of notification of team change to inform SGS of a valid objection. The process for notifying an objection is as set out above.

Should the objection be valid, the team member will be changed. Should SGS disagree with the objection to the team member, SGS will endeavour to resolve this issue with the Client. If agreement cannot be reached, SGS will be entitled to terminate with immediate effect upon written notice.

6. Time Table

The following table gives general indication for the timeline. This timeline is restricted by the deadline indicated in your request for proposal, the availability of our staff and the availabilities of flights to the project site. Please note this is a tight schedule and your full cooperation is required to ensure deadlines can be met. The timely finalisation of any Validation depends on all necessary documents being provided by the client at the start of the Validation and the rapid close out of any corrective action request and/or new information request if required.

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6.1 Indicative Time Table for Validation

Timing	Step	Milestone	Deliverable by SGS
Starting date*	1	Submission of final PD and pertinent documents requested by SGS	
Starting date plus 2 weeks	2	Desk study of documentation (this step might take longer if a request for deviation required)	Notify the client if deviations/revisions/nev methodology/ies are involved
Starting date plus 4 weeks	3	Site visit/ Audit Plan is finalised	Findings
Starting date plus 6 weeks (The length of this step depends on timely input by the client)	4	Validation Assessment & Closure of Findings	
Starting date plus 7 weeks	5	Preparation of Draft Validation Report and submission for client's comments	Draft Validation Report
Starting date plus 9 weeks	6	Preparation of Final Validation Report and assessment package and submission for technical review	
Starting date plus 10 weeks	7	Technical review	
The length of this step depends on the number of possible additional findings and time for close out of those. Timely input by the client is essential.			
Starting date plus 12 weeks	8	Completeness check	Issuance of Validation Report including a Validation Conclusion

Table 2 – Indicative Timing for Validation (Project not registered under other VCS recognised GHG programme)

^{*}The start of validation is to be scheduled on a mutually agreed date not earlier than 15/10/2012.

7. Investments Associated with the Validation

The table below summarizes the investments needed based on the steps mentioned in section 2 and 6. Please specify the option you want to follow in the attached service agreement:

Activities	[EUR]
VCS Validation	14,500
Travel and accommodation	Maximum of
	2 000

Table 4 - Fees

SGS reserves the right to review the stated fees, in communication with the client, to take into consideration increases or decreases in fees, costs, and the time required to complete the work (for example, the time required may increase in case further complexities are found during the revision of the project description).

Travel and accommodation expenses are not included in this proposal. These expenditures shall be covered by the client and they include airfare, accommodation, meals and transportation to and from site (up to a maximum of EUR 2,000.

8. Obligations of the Client

- 8.1 The obligations of the Client are set forth in the present Proposal and in the General Conditions for Greenhouse Gas Validation & Verification Services (attached under Appendix I).
- 8.2 The Client shall provide SGS with copy of the "Declaration of the Responsible Party" (attached under Appendix II) signed by the Responsible Party prior to the performance of the Services.
- 8.3 If the Client does not provide SGS with the signed "Declaration of the Responsible Party" for any reason whatsoever, including if the Client and the Responsible Party are the same entity, prior to the commencement of the performance of the Services, the Client hereby agrees that the obligations provided for at paragraphs 1 to 18 of the Declaration of the Responsible Party (attached under Appendix II) become the obligations of the Client, in addition to the ones set forth in the present Proposal and in the General Conditions for Greenhouse Gas Validation & Verification Services (attached under Appendix I).
- The Client shall not engage or offer employment to any employee of SGS with whom the Client has had contact arising out of or in the connection with the provision of the Services, during the term of the Services and for a period of three (3) years thereafter.

9. Terms of Payment

The validation would be subject to the following Payment Terms:

- 1. Payments are to be made to SGS United Kingdom Limited, Climate Change Programme
- Client will be invoiced 60% of the fees for the services to be provided following the instruction to commence the validation. The balance of the fees will be invoiced after delivery of the final report; Please note that validation work will only begin once the payment (60% of the fee) has been received by SGS.
- 3. Additional charge will be made for extra time arising from non conformance being identified, e.g. requests for deviations, re-assessments and unscheduled surveillance visits, and (at our discretion) for cancellations by client of pre-notified visits.
- 4. These fees and costs do not include any local or international taxes, which will be charged to the client as applicable at the time of invoicing.
- 5. The proposal is valid for 30 days after the date of issue. If the client signs the services agreement after the validity period expires, the conditions of this proposal may be changed by SGS at its convenience.

We believe that SGS can provide you a highly efficient and effective result based on a combination of technical knowledge, local presence, experience and a proven track record.

If you would appoint SGS to undertake the validation as described in this proposal, please complete the form on the following page and return this to us by:

email to kyle.martin@sgs.com and ukclimatechange@sgs.com

or mail to SGS United Kingdom Limited, SGS House, 217-221 London Road, Camberley, GU15 3EY, UK.

If a translation of this agreement is available in local language, it is provided for convenience only, the English version shall prevail.

Revision Control (office use)

Any changes to this document will be issued using the following revisions, which will be identified as follows:

Rev 0

Official issue

Rev 1 to n

Future revisions as necessary

Rev.	Issue Date	Description	Written/Modified	Sign (initials)	Approved	Sign (initials)
0	13/02/2012	Official issue	Siddharth	SY/KM	Siddharth Yadav	SY
		1	Yadav/Kyle Martin			
1	27/09/2012	2	Siddharth	SY/KM	Siddharth Yadav	SY
			Yadav/Kyle Martin			
2	01/10/2012	3	Siddharth Yadav/Kyle Martin	SY/KM	Siddharth Yadav	SY

Distribution

Document Copy No.	Revision No.	Issued Media	Issued To	Date
Master	3	.doc File	SGS United Kingdom Ltd	01/10/2012
Copy 1	3	.pdf File	The Client	01/10/2012

_Document Copy No __One____

Validation Services Agreement for

Energy Efficiency and Solid Waste Diversion Activities within a Sustainable Community

This Validation Services Agreement (this "Agreement") is entered into as of 01/10/2012 (the "Effective Date") by and between:

SGS United Kingdom Limited, a corporation organised and existing under the laws of England and having its registered offices at Rossmore Business Park, Ellesmere Port, Cheshire CH65 3EN (hereinafter referred to as "SGS")

And

Will Solutions Inc, a corporation organised and existing under the laws of Canada and having its registered offices at: 116 rue Desjardins, Beloeil, QC, J3G 5Z5, Canada (hereinafter referred to as the "Client").

SGS and the Client to be referred to individually as a "Party" and collectively, when the context so permits, as the "Parties".

The Client wishes to appoint SGS for the purpose of assessment of Validation against the requirements of the Verified Carbon Standard Version 3 (the "Scheme") further described in proposal number CCP.VOL0916 issued to the Client on 01/10/2012 (the "Proposal") and SGS wishes to accept such appointment.

During the term of this Agreement and for a period corresponding to the life of the project plus two (2) years thereafter, the Client shall use reasonable endeavors to facilitate access for SGS and representatives of the VCSA to the site/equipment for the purpose of performing the verification services or in the course of a revision or audit requested by the VCSA. SGS will use reasonable endeavors to notify in advance the Client of such access requirement.

The Proposal as well as the General Conditions for Greenhouse Gas Validation & Verification Services attached under Appendix I shall constitute an integral part of this Agreement.

This Agreement has been drafted in English. Should any discrepancies exist between the English version and its translation, the English version shall prevail.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers on the dates indicated below.

The persons signing below on behalf of Client and SGS are duly authorized to do so.

Camberley, 01/10/2012

Name: Jonathan Hall

For and on behalf of SGS United Kingdom Limited

on the Mill

Sign

Title: Global Head - Climate Change Programme

For and on behalf of WILL SOLUTIONS INC

Signature:

ame*: \angle

Title of Authorised Signatory*: 1/2

GICHEZ

* In Capital Letters.

A. Annex 1

APPENDIX I - SGS General Conditions for GHG Validation and Verification Services

APPENDIX II - Declaration of the Responsible Party