

**Grant Agreement
Between
The Partnership for Transparency Fund, Inc.
And
Globe International, Mongolia**

1. Globe International, Mongolia (GI-M) has requested financial support of The Partnership for Transparency Fund, Inc. (PTF) to implement a program for improving the transparency of the local public organizations to enable them to respond to needs of information of the communities to curb corruption. The program will be called "Transparency Campaigning at Local Government to Curb Corruption" and will commence from August 15, 2010.
2. GI-M has submitted the attached Project Proposal dated June 24, 2010, which includes background information on GI-M, an operational plan for the project, and a detailed breakdown of costs.
3. On the basis of this information, PTF has approved a grant of US\$ 30,000 (United States dollars thirty thousand) to be disbursed in three tranches, each for the purposes spelled out in the attached documents. The tranches will be disbursed as follows:
 - a) First tranche of \$ 12,000 (United States dollars twelve thousand) to be disbursed on signature of this Grant Agreement.
 - b) Second tranche of \$ 15,000 (United States dollars fifteen thousand) to be disbursed once a certified statement of expenditure is received by PTF showing the itemized use made of the first tranche funds accompanied by a brief report on progress made in the implementation of the project showing that the following activities have been completed satisfactorily: (i) preparatory work; (ii) all paper work completed; (iii) workshops and trainings implemented; (iv) project monitoring organized and started; and (v) a satisfactory mid-term report on the project progress submitted to PTF.
 - c) Third tranche of \$ 3,000 (United States dollar three thousand) to be disbursed on receipt from GI-M of a satisfactory project completion report that describes and assesses the project achievements, including an assessment of the project's impact and a final certified statement of project expenditures.
4. GI-M on its part commits to provide counterpart funding of \$ 9,500 (United States dollars nine thousand five hundred), or its equivalent in local currency, to make up the balance of the \$ 39,526 (United States dollars thirty-nine thousand five hundred) estimated total cost of the project, and any additional balances needed to complete the project.

5. The PTF grant will be made available to GI-M on the following conditions:
- a) The grant will be used only for the purposes described in the attached Project Proposal. Any material changes in the use of project funds or project design shall be made only with the prior agreement of the PTF.
 - b) If PTF finds that the its grant was not used/is not being used for the purposes or in the manner described in the Project Proposal or the conditions have changed such that the project is not likely to achieve its objectives, PTF has the right to cancel the remaining tranches of its grant. In case PTF finds that its grant funds were willfully misused GI-M PTF reserves the right to require the full refund of its grant.
 - c) Any funds disbursed by PTF remaining unutilized at the end of the project shall be returned by GI-M to the PTF.
 - d) GI-M shall keep a record of all expenditures incurred under the project and will provide PTF a full certified accounting of these expenditures, with relevant documentation, [1] following expenditure of the first tranche funds, and [2] on completion of the project, but in any event no later than August 31, 2011. These expenditures will also be subject to the regular auditing requirements of GI-M, and GI-M will furnish PTF with a copy of the relevant audit if so requested.
 - e) GI-M will make brief quarterly reports on the implementation of the project accompanied by a statement of expenditure showing the use of PTF funds and, on project completion, a full detailed final report summarizing the implementation of the project and its outcome and assessing the impact of the project on reducing corruption, its likely sustainability and the lessons learned, together with a certified final itemized statement of expenditure. The latter report will be sent within two months of the completion of the project, together with a copy of any other reports prepared under the project.
 - f) Following project completion, the PTF may make its own independent ex post evaluation of the implementation, outcome and impact of the project. GI-M will furnish the person appointed to undertake this task all possible assistance and access to all relevant documents and personnel.
 - g) GI-M will post this Grant Agreement, the Project Proposal, the final project report, and the statement of expenditures on the GI-M's website, and PTF shall have the right to post on its website such documents and any other reports received from GI-M or from its independent evaluation of the project.
6. GI-M will be responsible for securing all necessary government approvals of the grant, if any, and any necessary government filings and will be responsible for

paying any tax liability arising from the grant. GI-M shall compensate PTF in the event that PTF suffers any liability or expense as a result of GI-M's failure to obtain any such required approvals or to pay any such tax liability

7. The signed copy of this Grant Agreement and the request for the subsequent tranche releases may be sent by email to the PTF Secretary at: danielgritchie@gmail.com. The two original copies of the Grant Agreement should be mailed to Daniel Ritchie, Secretary, PTF, at 1875 Connecticut Avenue, N.W., Suite 1210, Washington, D.C. 20009, USA.

8. The responsible PTF Project Advisor in respect of this project is Khalid Siraj (Email: Ksiraj@cox.net) or such other Project Advisor as PTF may subsequently notify to GI-M. Such Project Advisor shall be GI-M's principal point of contact in respect of the project.

9. The responsible GI-M project director in respect of this project is Kh. Naranjargal (Email: hnaran@globeinter.org.mn) or such other project director as GI-M may subsequently notify to PTF. Such project director shall be PTF's principal point of contact in respect of the project.

10. Each of PTF and GI-M represents and warrants, for the benefit of the other party, that:

- a) it is a legal entity recognized under the laws of the jurisdiction of its formation or in which its principal activities are conducted; and
- b) this Grant Agreement constitutes its legal, valid and binding obligation, enforceable in accordance with its terms.

In addition, GI-M represents and warrants, for the benefit of PTF, that the information set forth in the Project Proposal does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

11. This Grant Agreement shall be governed by the laws of the District of Columbia in the United States of America, the jurisdiction in which PTF is organized as a not-for-profit corporation and in which its principal executive offices are located. In the event of any dispute between the parties in respect of the Grant Agreement, the parties shall act in good faith to resolve such dispute through discussions and negotiation, and they may seek the assistance of a third party mediator to assist them in the resolution of such dispute. In the absence of a mutually acceptable resolution, such dispute shall be resolved by arbitration in accordance with the UNCITRAL Arbitration Rules in effect on the date of this Agreement. Any such arbitration shall be conducted in the English language before

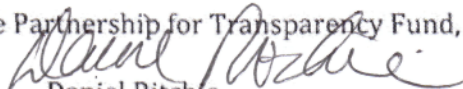
an impartial single arbitrator sitting in Washington, D.C., appointed by the American Arbitration Association as appointing authority.

Dated:

July 8, 2010

For

The Partnership for Transparency Fund, Inc.


Daniel Ritchie
Secretary

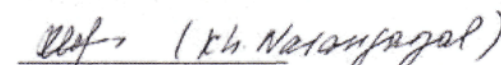
For

Globe International, Mongolia

1.


BOARD CHAIRMAN

2.


CEO

Dated:

Address for Notices:

Globe International, Mongolia

Attention: Kh.Naranjargal

Chingeltei duureg. Khoroo No 6,

Diplomat 95 Complex, Entrance No6, # 70

Ulaanbaatar, 210620-A, P.O.B 28, Mongolia

Email: hnaran@globeinter.org.mn

Attachments:

1. Project Proposal dated June 24, 2010
2. Logical framework of the project