

## Deed of Undertaking

Dated [●] 2025

THE SECRETARY OF STATE FOR ENERGY AND NET ZERO

and

*[INVESTOR SHAREHOLDER]*

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**This Deed** is made on [●]

**Between:**

- (1) **THE SECRETARY OF STATE FOR ENERGY AND NET ZERO** (the “**Secretary of State**”);  
and
- (2) **[INVESTOR SHAREHOLDER]** (the “**Investor Shareholder**”).

**Whereas:**

- (A) GenCo intends to construct the Facility at Sizewell C and has been granted a Nuclear Site Licence.
- (B) The Act requires GenCo to submit a funded decommissioning programme (“**FDP**”) for approval by the Secretary of State, and requires GenCo to comply with the approved FDP thereafter.
- (C) The Secretary of State has approved the FDP on the basis that the liabilities arising under the FDP will be funded through the FDP Allowance Building Block in the electricity generation licence issued to GenCo under Section 6 of the Electricity Act 1989, which has been amended by the Secretary of State in accordance with their powers under section 6 of the Nuclear Energy (Financing) Act 2022 to add special conditions (as such conditions may be modified from time to time, (the “**Economic Licence**”)).
- (D) The Secretary of State has entered into the Section 46 Agreement with, among others, GenCo. The Section 46 Agreement sets out the circumstances in which the Secretary of State may exercise their powers under section 48 of the Act, the extent to which they will exercise them and the limits which they will observe in exercising them.
- (E) This Deed is entered into under section 46(3A) of the Act and restricts the manner in which the Secretary of State may impose obligations under section 48(3) of the Act on the Investor Shareholder, the TopCo and any other Affiliate of the Investor Shareholder or the TopCo as is more fully set out in this Deed.
- (F) In entering into this Deed, the Secretary of State has taken into consideration that the FDP Allowance Building Block in the Economic Licence makes prudent provision for the liabilities arising out of the FDP.

## **1 Definitions and Interpretations**

### **1.1 Definitions**

Capitalised expressions which are defined in the Section 46 Agreement shall have the same meanings when used in this Deed or its recitals unless a different definition is given to them in this Clause.

### **1.2** In this Deed and its recitals:

“**Act**” means the Energy Act 2008;

“**Affiliate**” has the meaning given to that term in the ESHA;

“**Associated Person**” means a body corporate which is associated with GenCo for the purposes of the Act, as determined in accordance with section 67 of the Act, as at the date of this Agreement;

“**Business Day**” has the meaning given to that term in the FAP;

**“Contribution”** has the meaning given to that term in the FAP;

**“Designated Technical Matters”** has the meaning given to that term in the Act and the Nuclear Decommissioning and Waste Handling (Designated Technical Matters) Order 2010;

**“Economic Licence”** has the meaning given to that term in the Recital (C);

**“ESHA”** means the shareholders’ agreement originally entered into between, amongst others, HoldCo, GenCo, PledgeCo, the Secretary of State, EDF Energy Holdings Limited and the Investor Shareholder on or about the date of Revenue Commencement;

**“FAP”** means GenCo's funding arrangements plan which forms part of the FDP as such plan may be amended or modified from time to time;

**“FDP”** means GenCo’s funded decommissioning programme for the Site as approved by the Secretary of State under section 46 of the Act and as may be amended and modified from time to time in accordance with section 48 of the Act;

**“FDP Allowance Building Block”** has the meaning given to that term in the Economic Licence;

**“FDP Implementation Company”** means SZC Nuclear Decommissioning Fund Company, a company incorporated in England and Wales (registered number [●]) and whose registered office is at [●];

**“GenCo”** means Sizewell C Generation Limited a company incorporated in England and Wales (registered number 09284825) and whose registered office is at 25 Copthall Avenue, London, England, EC2R 7BP;

**“HoldCo”** has the meaning given to that term in the ESHA;

**“Investment Agreement”** means the investment agreement entered into between, amongst others, HoldCo, GenCo, PledgeCo, the Secretary of State, EDF Energy Holdings Limited and the Investor Shareholder on or about the date of Revenue Commencement;

**“Nuclear Administration and Statutory Transfers Agreement”** or **“NASTA”** means the nuclear administration and statutory transfers agreement entered into between, amongst others, the Secretary of State, GenCo and the Investor Shareholder on or about the date of Revenue Commencement;

**“PledgeCo”** has the meaning given to that term in the ESHA;

**“Revenue Collection Contract”** means the revenue collection agreement entered into between GenCo and the Revenue Collection Counterparty on or about the date of Revenue Commencement;

**“Revenue Collection Counterparty”** means the entity designated from time to time as revenue collection counterparty by the Secretary of State pursuant to their powers under the Nuclear Energy (Financing) Act 2022;

**“Revenue Commencement”** means the date on which the Revenue Collection Contract becomes effective in accordance with its terms;

**“Secretary of State”** means the Secretary of State for Energy Security and Net Zero or such other minister who has the right to exercise the powers conferred on the Secretary of State for Energy Security and Net Zero under Chapter 1 of Part 3 of the Energy Act 2008 at

Revenue Commencement or such other person that is authorised to act on behalf of the Secretary of State for Energy Security and Net Zero or such other minister;

**"Section 46 Agreement"** means the agreement entered into between GenCo, the FDP Implementation Company and the Secretary of State under section 46(3C) of the Energy Act 2008 on or about the date of Revenue Commencement;

**"Securities"** has the meaning given to that term in the ESHA;

**"Shareholder Payments"** has the meaning given to that term in the ESHA;

**"Shareholder Payments Policy"** means the initial policy governing Shareholder Payments as set out in schedule 8 to the Investment Agreement and as may be updated or amended from time to time;

**"Technical Matters"** has the meaning given to that term in the Act;

**"Termination Date"** means the date on which this Deed terminates in accordance with Clause 2.2 of this Deed; and

**"TopCo"** means [●]<sup>1</sup>.

**1.3** In this Deed, unless otherwise specified:

- (i) references to Clauses, paragraphs and Schedules are to clauses, paragraphs of, and schedules to, this Deed;
- (ii) a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted and shall include any subordinate legislation made from time to time under that statute or statutory provision;
- (iii) references to any agreement or document include a reference to that agreement or document as amended, varied, supplemented, substituted, novated or assigned from time to time (but, in the case of the FDP, only if done in accordance with the Act and, in the case of the Economic Licence, only if done in accordance with the Nuclear Energy (Financing) Act 2022, the Electricity Act 1989 or the terms and conditions of thereof);
- (iv) references to a **"Party"** or to the **"Parties"** (other than in the expressions "third party" or "third parties") means a party or the parties to this Deed;
- (v) references to a **"company"** shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established;
- (vi) references to a **"person"** shall be construed so as to include any individual, firm, company, trust, agency, government, state or agency of a state, local or municipal authority or government body, unincorporated body of persons or association, any organisations having legal capacity or any joint venture, association or partnership (whether or not having separate legal personality) and shall include their successors and permitted assignees;

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<sup>1</sup> Note: To be the entity or entities which, directly or indirectly, exercise ultimate control over the Investor Shareholder, whether through ownership or voting rights.

- (vii) use of any gender includes the other genders and use of the singular only also includes the plural and vice versa;
- (viii) the expressions “**body corporate**” and “**subsidiary**” shall have the meaning given in the Companies Act 2006;
- (ix) any reference to a “**day**” (including within the phrase “Business Day”) shall mean a period of 24 hours running from midnight to midnight;
- (x) references to times of the day are to London time;
- (xi) references to writing shall include any modes of reproducing words in a legible and non-transitory form;
- (xii) the rule known as the ejusdem generis rule shall not apply and accordingly general words introduced by the word “**other**”, “**including**” or “**in particular**” shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things; and
- (xiii) general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

**1.4** Headings to Clauses are for convenience only and do not affect the interpretation of this Deed.

**1.5** This Deed is without prejudice to, and shall not be regarded as limiting, the Secretary of State's powers under any provision of the Act other than section 48(3) of the Act.

## **2 Term**

**2.1** This Deed shall take effect at Revenue Commencement and shall continue in full force and effect until the Termination Date.

**2.2** This Deed shall terminate on the earlier of:

- (i) the date on which the liabilities of GenCo under the FDP have been fully and finally discharged;
- (ii) the date on which the Investor Shareholder or any assignee permitted under Clause 4 ceases to be an Associated Person; and
- (iii) the date of any transfer by scheme of the shares in, or the assets, rights, obligations and liabilities of, GenCo under the NASTA or the Energy Act 2004, provided that such transfer includes the Nuclear Assets and Nuclear Liabilities (each as defined under the NASTA).

**2.3** On termination of this Deed, all rights and obligations of the Parties under this Deed shall end other than those contained in Clause 1 (*Definitions and Interpretation*), this Clause 2.3, Clause 6 (*Third Party Rights*), Clause 7 (*Announcements*), Clause 8 (*Waiver of Sovereign Immunity*) and Clause 11 (*Governing Law*) which shall continue without limit in time.

## **3 Secretary of State's Power to Impose Liabilities on Associated Persons**

**3.1** The Secretary of State is satisfied that the FDP, together with the Economic Licence includes adequate provision for the modification of the FDP in the event that the provision made by it

for Technical Matters (including the financing of the Designated Technical Matters) ceases to be prudent.

**3.2** In reaching their decision that the FDP and the Economic Licence include adequate provision, the Secretary of State has taken into consideration the following matters:

**3.2.1** subject to the Section 46 Agreement, the FAP can be modified to ensure prudent provision is maintained;

**3.2.2** the Economic Licence, as modified by the Secretary of State at Revenue Commencement includes the FDP Allowance Building Block which creates a revenue stream to fund the FDP, including the Designated Technical Matters;

**3.2.3** the Economic Licence, as modified by the Secretary of State at Revenue Commencement, includes provision for the partial revocation of the Economic Licence in accordance with special condition 12 (*Revocation*) of the Economic Licence, and provides for the provision of any shortfall in funding the FDP to be recovered under the FDP shortfall funding mechanism set out in special condition 13 (*Funded Decommissioning Programme*) of the Economic Licence; and

**3.2.4** the Secretary of State has a power under section 11A(5) of the Electricity Act 1989 to direct the Authority not to make any modification to the Economic Licence and the Authority has the obligation to comply with such direction.

**3.3** When approving the FDP the Secretary of State may make their approval, with or without modifications and unconditionally or subject to conditions. In particular, pursuant to section 46(3) of the Act, a modification may impose obligations on an Associated Person.

**3.4** The Secretary of State hereby imposes an obligation on the Investor Shareholder, at all times during which the Investor Shareholder is an Associated Person, to:

**3.4.1** use any and all powers, rights and influence as an Investor Shareholder to ensure that:

(i) in any Charging Year no dividend, distribution or other Shareholder Payment is made to any Investor Shareholder, unless and until, GenCo has made payment of a sum equivalent to the Contribution(s) that GenCo is required to make to the FDP Implementation Company in accordance with the FAP in respect of the same period to the extent the same is funded by the FDP Allowance Building Block in the Economic Licence (the “**FDP Payment**”);

(ii) no amendments are made to the Shareholder Payments Policy under the Investment Agreement (or any replacement agreement which regulates payments to the Investor Shareholder) which have, or are reasonably likely to have, any impact on GenCo’s obligation to make the FDP Payments to the FDP Implementation Company; and

**3.4.2** if:

(i) GenCo fails to make an FDP Payment when due under the FAP;

(ii) GenCo has not remedied such failure within 3 Business Days; and

(iii) upon receiving notice from the Secretary of State in that respect (a “**Shareholder FDP Notice**”),

make payment within 10 Business Days of receipt of the relevant Shareholder FDP Notice, to the FDP Implementation Company of an amount equivalent to the relevant FDP Payment.

- 3.5** The Investor Shareholder acknowledges and agrees that the Secretary of State shall be entitled to enforce against the Investor Shareholder and the TopCo if and to the extent of any breach by the Investor Shareholder of Clause 3.4, whether in full or in part.
- 3.6** Subject to the Investor Shareholder complying with Clause 3.4 of this Deed, the Secretary of State agrees that they shall not impose any liability on the Investor Shareholder or the TopCo, whether or not an Associated Person, in respect of any modification of the FDP which is fully funded by the FDP Allowance Building Block in the Economic Licence.
- 3.7** Subject to the Investor Shareholder complying with Clause 3.4 of this Deed, the Secretary of State agrees that they shall not impose any liability on the Investor Shareholder or the TopCo, whether or not an Associated Person, in respect of any modification of the FDP which is not fully funded by the FDP Allowance Building Block in the Economic Licence in excess of an amount equal to the lesser of:
- 3.7.1** an amount equal to 20% of the Investor Shareholder's equity investment in HoldCo, and/or PledgeCo by way of any Securities at the time of such modification; or
- 3.7.2** [REDACTED]
- 3.8** Subject to the Investor Shareholder complying with Clause 3.4 of this Deed, the Secretary of State agrees that they shall not impose any liability in connection with the FDP on any Affiliate of the Investor Shareholder (other than the TopCo) or any Affiliate of the TopCo, whether or not such Affiliate is an Associated Person.

## **4 Assignment**

- 4.1** Subject to Clause 4.2, no party shall assign or purport to assign all or any part of the benefit of, or its rights or benefits under, this Deed without the other party's prior written consent.
- 4.2** No party shall hold in trust for any other person all or any part of the benefit of, or its rights or benefits under, this Deed.

## **5 Costs**

Except as otherwise stated in this Deed, the Investor Shareholder shall pay its own costs and expenses in addition to the Secretary of State's costs and expenses in relation to the execution and carrying into effect of this Deed.

## **6 Third Party Rights**

- 6.1** The parties to this Deed do not intend that any term of this Deed should be enforceable, by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person who is not a party to this Deed, provided however that nothing in this Clause 6.1 shall prejudice the rights of any permitted assignee under Clause 4.
- 6.2** Any Affiliate of the Investor Shareholder (including the TopCo) and any Affiliate of the TopCo may, subject to the Contracts (Rights of Third Parties) Act 1999, rely on Clauses 3.6 to 3.8 of this Deed.



## **7 Announcements**

- 7.1** Subject to Clause 7.2, no announcement concerning the matters contemplated by this Deed shall be made by any party without the prior written approval of the Secretary of State, such approval not to be unreasonably withheld or delayed.
- 7.2** Any party may, after written notice to the Secretary of State, make an announcement concerning the matters contemplated by this Deed or any ancillary matter if required by:
- (i) any legislative or regulatory requirement having the force of law; or
  - (ii) any securities exchange or regulatory or governmental body to which that party is subject or submits, wherever situated, including (amongst other bodies) London Stock Exchange plc, the Prudential Regulation Authority, the Financial Conduct Authority or The Panel on Takeovers and Mergers, which has the force of law.

## **8 Waiver of Sovereign Immunity**

The Secretary of State irrevocably waives all immunity to which they may be or become entitled in relation to this Deed, including immunity from enforcement and all legal proceedings, both in respect of themselves and their assets to the fullest extent permitted by the laws of England and Wales.

## **9 Execution as a Deed**

Each of the parties intends this Deed to be a deed governed by English law and confirms that it is executed and delivered as a deed, notwithstanding the fact that any one or more of the Parties may only execute it under hand.

## **10 Counterparts**

- 10.1** This Deed may be executed in any number of counterparts, and by the parties to this Deed on separate counterparts, but will not be effective until each such party has executed at least one counterpart.
- 10.2** Each counterpart shall constitute an original of this Deed, but all the counterparts shall together constitute one and the same instrument.

## **11 Governing Law**

- 11.1** This Deed is to be governed by and construed in accordance with English law.
- 11.2** Any dispute arising out of or in connection with this Deed, whether contractual or non-contractual, is to be governed by and determined in accordance with English law.
- 11.3** The Courts of England and Wales shall have jurisdiction to determine and settle any matter arising out of or in connection with this Deed and both parties irrevocably submit to the jurisdiction of the Court of England and Wales.

**IN WITNESS** of which this document has been executed as a deed by each party and is delivered on the date stated at the beginning of this Deed.

*[insert signature blocks]*