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Contingent Financing Agreement

Dated _____

THE SECRETARY OF STATE FOR ENERGY SECURITY AND NET ZERO

as the CFA Provider

SIZEWELL C (HOLDING) LIMITED

as HoldCo

SIZEWELL C (PLEDGECO) LIMITED

as PledgeCo

SIZEWELL C LIMITED

as GenCo

Ref: L-267652

Disclaimer

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- This Document is provided for information and discussion purposes only to assist in the development of proposals for a RAB new nuclear project at Sizewell C (the "**Project**").
- This Document is provided on the condition that it (and any discussion or other engagement on the part of HMG or its representatives or officials or advisers) is and will continue to be non-binding and exploratory, and shall not constitute or form part of, or be interpreted as being or giving rise to: (i) any approved HMG policy or policy proposal; or (ii) any legal, financial, technical or other professional advice; or (iii) any offer or invitation (or the solicitation of any offer or invitation) to negotiate or provide any investment or other participation by HMG in any transaction; or (iv) any express or implied representation, concerning the availability or terms of any HMG participation in any project or transaction, whether on the basis contemplated in this Document or any other basis.
- This Document is being provided pursuant to and is subject to the terms of a Non-Disclosure Agreement dated 13 May 2021 between Sizewell C Limited (formerly NNB Generation Company (SZC) Ltd) ("**GenCo**") and the Department for Energy Security and Net Zero (formerly the Department for Business, Energy & Industrial Strategy).
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- HMG participation (if any) in any transaction in relation to the Project will (in addition to, and without limiting the generality of, the above) be subject to and conditional upon the satisfaction of all relevant transaction conditions, including (without limitation): (i) compliance with all applicable legal and regulatory requirements and constraints (including any subsidy control requirements and constraints); (ii) satisfactory completion of due diligence on all relevant financial, technical, legal, commercial and other relevant matters; (iii) the preparation, negotiation and execution of all definitive documentation and the satisfaction of all conditions precedent to their coming into effect; and (iv) receipt of all necessary ministerial, regulatory, administrative and other relevant approvals.

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This Agreement is made as a deed on _____ **between**:

(1) **THE SECRETARY OF STATE FOR ENERGY SECURITY AND NET ZERO**, whose office is at 55 Whitehall, London, SW1A 2HP, in their capacity as provider of contingent financing in accordance with the terms of this Agreement (the "**CFA Provider**");

(2) **SIZEWELL C (HOLDING) LIMITED**, a limited liability company incorporated in England and Wales with registration number 09284751 and whose registered address is at 25 Copthall Avenue, London, England, EC2R 7BP ("**HoldCo**");

(3) **SIZEWELL C (PLEDGECO) LIMITED**, a limited liability company incorporated in England and Wales with registered number 16480404 and whose registered office is at 25 Copthall Avenue, London, England, EC2R 7BP ("**PledgeCo**"); and

(4) **SIZEWELL C LIMITED**, a limited liability company incorporated in England and Wales with registration number 09284825 and whose registered address is at 25 Copthall Avenue, London, England, EC2R 7BP ("**GenCo**"),

each a "**Party**" and together the "**Parties**".

Recitals:

(A) The Secretary of State has designated GenCo as a designated nuclear company pursuant to section 2 of the NEFA and has modified GenCo's electricity generation licence in accordance with section 6 of the NEFA.

(B) GenCo, as a relevant licensee nuclear company, has been established to undertake the Project in accordance with all applicable laws and the Transaction Documents.

(C) The Secretary of State, in their capacity as the CFA Provider, has agreed to provide financial assistance to the Group Companies for, and in connection with, providing infrastructure at places in the United Kingdom (including infrastructure in connection with electricity and other services (potentially including the provision of heat)) pursuant to section 50 of the United Kingdom Internal Market Act 2020.

(D) The CFA Provider has entered into this contingent financing agreement (this "**Agreement**") to provide certain undertakings to the Group Companies in relation to the provision of certain debt financing and equity financing to the relevant Group Companies to fund Additional Allowable Spend, Equivalent Additional Allowable Spend and/or Contingent Financing Spend (as applicable), in each case in the event that the costs of designing and constructing the Regulated Assets exceed the Higher Regulatory Threshold.

(E) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

It is agreed as follows:

1 Definitions and Interpretation

1.1 Definitions

In this Agreement, the following expressions shall have the following meanings:

"**AAS Cap**" means, in relation to an IAR Application, the amount of Additional Allowable Spend approved by the Secretary of State (in their statutory capacity) for the purposes of that IAR Application, expressed in 2024/25 prices, in accordance with the NEFA and the IAR Statement;

"**Above RAB Value Transaction**" means each transaction as described in Clause 6.4;

"**Acceptable Credit Support**" has the meaning given to that term in the Investment Agreement;

"**Additional Allowable Spend**" has the meaning given to that term in the Economic Licence;

"**Affiliate**" has the meaning given to that term in the Shareholders' Agreement;

"**Aggregate Commitment**" means the amount of equity and/or debt financing to be provided by the CFA Provider in accordance with Clause 8.1.1 and/or Clause 8.1.2, as applicable;

"**Aggregate Commitment Reduction Notice**" has the meaning given to it in Clause 11.3.1;

"**Agreed Construction Indices**" or "**ACI**" has the meaning given to that term in the Economic Licence;

"**AHRT Amount**" means an amount equal to Additional Allowable Spend determined by the Secretary of State (in their statutory capacity) as necessary to complete the Project in accordance with section 7 of NEFA and the IAR Statement from time to time up to the AAS Cap;

"**AHRT Equity**" means any Class D Securities and Class E Shares;

"**AHRT Leverage Ratio**" means the ratio of AHRT Equity to AHRT Total Net Indebtedness;

"**AHRT Private Funding Proposal**" has the meaning given to it in Clause 5.1;

"**AHRT Total Net Indebtedness**" means Total Net Indebtedness provided to GenCo to fund Additional Allowable Spend and/or Contingent Financing Spend above the Higher Regulatory Threshold, including any CFA Debt;

"**Allowable Capital Spend**" has the meaning given to that term in the Economic Licence;

"**Allowable Project Spend**" has the meaning given to that term in the Economic Licence;

"**Alternative Secretary of State Transfer**" has the meaning given to it in Clause 26.5.3;

"**Approved IAR CFA Debt**" has the meaning given to it in Clause 9.1.2;

"**Approved IAR Commitment Notice**" has the meaning given to it in Clause 8.1.1;

"**Approved IAR CFA Authorised Credit Facility**" has the meaning given to that term in the Financing MDA;

"**Approved IAR CFA Authorised Credit Facility Agreement**" has the meaning given to that term in the Financing MDA;

"**Approved Mitigation Plan**" has the meaning given to it in Clause 3.11;

"**Assurance Services Agreement**" means the contract of that name entered into between GenCo and [redacted] on 12 February 2025 in relation to certain assurance services with respect to a number of Project implementation areas;

"**Attributable Price**" means the proportion of the Total Consideration received by the relevant Transferor Affiliate that is attributable to the business of the Group Companies;

"**BHRT Equity**" means the equity invested in GenCo (via HoldCo and PledgeCo) below the Higher Regulatory Threshold, including through the purchase of share capital in HoldCo and other shareholder loans;

"**BHRT Equity to IAR-Approved AHRT Equity Proportion**" has the meaning given to that term in the Investment Agreement;

"**BHRT Leverage Ratio**" means the ratio of BHRT Equity to BHRT Total Net Indebtedness;

"**BHRT Shareholders**" means the shareholders who have invested BHRT Equity;

"**BHRT Total Net Indebtedness**" means Total Net Indebtedness provided to GenCo for Allowable Project Spend below the Higher Regulatory Threshold;

"**Bonds**" has the meaning given to that term in the Financing MDA;

"**Borrower CFA Account**" has the meaning given to that term in the Common Terms Agreement;

"**Business Day**" means any day (other than a Saturday or a Sunday) on which banks in London are open for business;

"**Capital Expenditure**" means capital expenditure in relation to the Project (other than Excluded Capital Spend) stated in 2024/25 prices by way of deflation based on the Agreed Construction Indices;

"**Cash**" has the meaning given to that term in the Financing MDA;

"**Cash Equivalent Investments**" has the meaning given to that term in the Financing MDA;

"**CFA Debt**" means Approved IAR CFA Debt and/or Unapproved IAR CFA Debt, as applicable;

"**CFA Equity**" means Class D Shares, Class D Shareholder Loans, Class E Shares, as applicable;

"**CFA Utilisation Condition Precedent**" means the CFA Provider receiving from GenCo payment of the fees payable by GenCo on Revenue Commencement pursuant to Clause 14 (*Contingent Financing Arrangement Fee*) of this Agreement;

"**Charging Year**" has the meaning given to that term in the Economic Licence;

"**Civil Works Alliance Agreement**" means the contractual alliancing agreement entered into on 24 June 2025 between GenCo, [redacted] in relation to the civil works and related works in connection with the design, construction and completion of the Project;

"**Class A Authorised Credit Facility**" has the meaning given to that term in the Financing MDA and "**Class A Authorised Credit Facilities**" shall be construed accordingly;

"**Class A Financing Debt**" has the meaning given to that term in the Financing MDA;

"**Class B Authorised Credit Facility**" has the meaning given to that term in the Financing MDA and "**Class B Authorised Credit Facilities**" shall be construed accordingly;

"**Class B Financing Debt**" has the meaning given to that term in the Financing MDA;

"**Class D Securities**" has the meaning given to it in the Investment Agreement;

"**Class D Shareholder Loan**" has the meaning given to it in the Investment Agreement;

"**Class D Shares**" has the meaning given to it in the Investment Agreement;

"**Class E Return Model**" has the meaning given to it in Clause 6.6.1;

"**Class E Shares**" has the meaning given to it in the Investment Agreement;

"**Class F Proceeds**" has the meaning given to it in the Investment Agreement;

"**Class F Shares**" has the meaning given to it in the Investment Agreement;

"**Clawback Cap**" has the meaning given to it in Clause 6.5;

"**Clawback-Related Debt Amount**" means the Closing Debt Balance at the end of the Charging Year immediately prior to the date of the Above RAB Value Transaction;

"**Clawback-Related Equity Amount**" means the Equity Closing Balance at the end of the Charging Year immediately prior to the date of the Above RAB Value Transaction;

"**Closing Debt Balance**" has the meaning given to it in Clause 6.7.2(iv);

"**Codes**" means the Department for Constitutional Affairs' Code of Practice on the Discharge of Functions of Public Authorities under Part I of the FOIA and the Code of Practice on the discharge of obligations of public authorities under the Environmental Information Regulations;

"**Collaboration Agreement**" means the collaboration agreement to be entered into between GenCo and [redacted];

"**Commercial Manager Partner Contract**" means the contract of that name entered into between GenCo and [redacted] on 27 January 2025 in relation to project management, contract management and other services for the Project;

"**Commercial Operations Date**" or "**COD**" has the meaning given to that term in the Economic Licence;

"**Commercially Sensitive Information**" has the meaning given to that term in the Liaison Agreement;

"**Commitment Notice**" means an Approved IAR Commitment Notice or an Unapproved IAR Commitment Notice, as applicable;

"**Commitment Period**" has the meaning given to it in Clause 11.3;

"**Common Terms Agreement**" has the meaning given to that term in the Financing MDA;

"**Completion**" means, in respect of each Confirmed Contingent Financing Contribution Date, the CFA Provider contributing, paying or otherwise making available the relevant Contingent Financing Instalment that is identified in the relevant Commitment Notice as being payable on such Confirmed Contingent Financing Contribution Date, in each case in accordance with Clause 12 (*Completion*);

"**Conditions**" means, in respect of each Contingent Financing Instalment:

(a) the Secured Creditors and the BHRT Shareholders have invested, paid or otherwise provided all financing (whether by way of senior debt or equity) in respect of all Capital Expenditure up to the Higher Regulatory Threshold;

(b) HoldCo and/or PledgeCo (as applicable) have passed all ordinary and special resolutions necessary to:

(i) to the extent that the CFA Provider provides contingent financing by way of Class D Securities pursuant to Clause 9.1 and/or Class E Shares pursuant to Clause 10.1.1, increase the authorised share capital of HoldCo;

(ii) authorise HoldCo to execute and, if applicable, issue to the CFA Provider or another HMG Entity nominated by the CFA Provider (as applicable) the applicable Contingent Financing Documents (in form and substance satisfactory to the CFA Provider) in relation to the relevant Contingent Financing Instalment;

(iii) authorise HoldCo to take all other corporate actions necessary to authorise and give effect to the issuance of the Class D Shares and/or Class E Shares (as applicable) to the CFA Provider or another HMG Entity nominated by the CFA Provider (as applicable) in relation to the relevant Contingent Financing Instalment; and

(iv) authorise PledgeCo to take all other corporate actions necessary to authorise and give effect to the incurrence of the Class D Shareholder Loans from the CFA Provider or another HMG Entity nominated by the CFA Provider (as applicable) in relation to the relevant Contingent Financing Instalment;

(c) no Failure Event has occurred that has not been Remedied or reduced to a Remedy Event at the time of the relevant Confirmed Contingent Financing Contribution Date;

(d) the CFA Provider and HoldCo have agreed the price to be paid for the CFA Equity in accordance with the terms of the Investment Agreement; and

(e) the CFA Provider has received a steps paper or opinion from a tax and accounting adviser in form and substance acceptable to the CFA Provider in relation to the issuance of Class D Securities contemplated by this Agreement, which certifies that the relevant steps required to issue the relevant Class D Securities to the CFA Provider (including any reorganisation or restructuring) detailed in the paper or opinion have been completed in accordance with the steps paper or opinion;

"**Conditions Precedent and Escrow Agreement**" means the conditions precedent and escrow agreement entered into on _____ July 2025 between, amongst others, the Secretary of State, GenCo, HoldCo, the Secured Creditors, the Security Trustee and each Original HoldCo Shareholder;

"**Confidential Information**" means all data and information either indicated or marked as such or being of a nature which it would be reasonable to assume is of a confidential nature, regardless of form or characteristic, and shall include drawings, files, tapes, specifications or related performance or design type documents, or commercial or price information or data of any kind, whether or not patentable, disclosed orally (if confirmed in writing by the originating party no later than 30 Business Days after disclosure as being confidential), in writing or howsoever by one party to another party or parties in connection with the Project or otherwise being acquired by or coming into the knowledge of such party or parties but does not include information that at the date of disclosure is publicly known or at any time after that date becomes publicly known not as a result of a breach of any duty of confidentiality;

"**Confirmed Contingent Financing Contribution Date**" has the meaning given to it in Clause 11.1;

"**Consequential Loss**" means:

(a) any indirect or consequential loss;

(b) any cost of interest or other financing charges; and

(c) any loss of production, loss of profit, loss of revenue, loss of contract or liability under other agreements,

in each case whether or not the Party knew, or ought to have known, that such loss would be likely to be suffered, but not including costs, losses or liabilities due to third party losses and/or damages (including for injury or death) and/or fines imposed on any party;

"**Contingent Financing Amount**" means:

(a) if the CFA Provider elects to provide contingent financing in the circumstances set out in Clause 6.1, the Unapproved Amount; or

(b) in all other circumstances, the portion of the AHRT Amount in respect of which:

(i) GenCo has been unable to secure new equity or debt to fund the HRT Predicted Overrun pursuant to Clause 5 (*Requirement to Seek Financing for an HRT Predicted Overrun*); and

(ii) subject to Clause 13.3, GenCo has been or forecasts that it will be unable to finance through the application of GenCo Net Revenues and Outstanding Equity Commitments in accordance with the requirements set out in clause 8.1 of the Investment Agreement;

"**Contingent Financing Document**" means any document, agreement or instrument pursuant to which the CFA Provider provides contingent financing, either by way of debt or equity;

"**Contingent Financing Instalment**" has the meaning given to it in Clause 11.1;

"**Contingent Financing Request**" has the meaning given to it in Clause 7.1;

"**Contingent Financing Spend**" has the meaning given to it in Clause 6.2.1;

"**Control Period**" has the meaning given to that term in the Economic Licence;

"**Cross-Regulatory Information Sharing Platform**" means the working group of that name comprising representatives from, among others, GenCo, the Secretary of State, the Economic Regulator, the Environment Agency and the ONR;

"**Cumulative Actual Allowable Capital Spend (ACI)**" has the meaning given to that term in the Economic Licence;

"**Day One Debt Opening Balance**" has the meaning given to it in Clause 6.7.2(i)(a);

"**Day One Equity Opening Balance**" has the meaning given to it in Clause 6.6.2(i)(a);

"**DCA Provider**" means the Secretary of State acting in their capacity pursuant to the Discontinuation and Compensation Agreement;

"**Debt Repayments**" has the meaning given to it in Clause 6.7.2(iii);

"**Debt Return**" has the meaning given to it in Clause 6.7.2(ii);

"**Decommissioning and Waste Management Plan**" means GenCo's decommissioning and waste management plan for the purposes of section 45 of the Energy Act 2008, as updated from time to time in accordance with the Funding Arrangements Plan, the Energy Act 2008 and any other applicable law;

"**Deed of Adherence**" has the meaning given to that term in the Shareholders' Agreement;

"**Delay Event**" has the meaning given to that term in the Economic Licence;

"**Delivery Partner Contract**" means the contract of that name entered into between GenCo and [redacted] on 16 January 2025 in relation to project management, contract management and other services for the Project;

"**Direct Agreement**" means each direct agreement that is required to be in full force and effect from time to time pursuant to the terms of clause 10.1 of the Nuclear Administration and Statutory Transfers Agreement;

"**Directive**" has the meaning given to that term in the Discontinuation and Compensation Agreement;

"**Disclosure of Tax Avoidance Scheme**" means the "Disclosure of Tax Avoidance Schemes" rules which require a promoter of tax schemes to inform HM Revenue and Customs of any specified notifiable arrangements or proposals and to provide prescribed information on those arrangements or proposals within set time limits as contained in part 7 of the Finance Act 2004 and in secondary legislation made under vires contained in part 7 of the Finance Act 2004 and as extended to National Insurance Contributions by the National Insurance Contributions (Application of Part 7 of the Finance Act 2004) Regulations 2012, SI 2012/1868, made under section 132A of the Social Security Administration Act 1992;

"**Discontinuation and Compensation Agreement**" means the discontinuation and compensation agreement entered into between the DCA Provider, PledgeCo, HoldCo, GenCo and the Security Trustee on or about the date of Revenue Commencement;

"**Discontinuation Date**" has the meaning given to that term in the Discontinuation and Compensation Agreement;

"**Discontinue**" has the meaning given to that term in the Discontinuation and Compensation Agreement, and "**Discontinuation**" shall be construed accordingly;

"**Dispute**" has the meaning given to it in Clause 30.1;

"**Dispute Resolution Process**" means the process set out in Schedule 1 (*Dispute Resolution Process*);

"**Draft Mitigation Plan**" has the meaning given to it in Clause 3.3;

"**DWACC**" has the meaning given to that term in the Economic Licence;

"**Economic Guidance**" means the guidance issued by the Economic Regulator from time to time in respect of its approach to the economic regulation of GenCo;

"**Economic Licence**" means the electricity generation licence issued by the Economic Regulator to GenCo in accordance with section 6(1) of the Electricity Act 1989, as such generation licence has been modified by the Secretary of State (in their statutory capacity) in accordance with section 6 of the NEFA;

"**Economic Regulator**" means the Gas and Electricity Markets Authority or the Office of Gas and Electricity Markets, as the case may be;

"**Election Reminder Notice**" has the meaning given to it in Clause 8.9.1;

"**Enterprise Value**" means the enterprise value ("**EV**") calculated using the formula:

EV = MC + Total Debt − C;

where:

MC is the assumed open market value of the aggregate Securities in HoldCo and PledgeCo as calculated using:

(a) in respect of a Transfer of any Securities (or any Interest in any Securities) by a HoldCo Shareholder (other than the HMG Shareholder or the CFA Provider),the sale price achieved by the relevant Transferring HoldCo Shareholder at the time of the sale; or

(b) in respect of an Indirect Transfer, the Attributable Price,

in each case applied to the aggregate Securities in HoldCo and PledgeCo;

Total Debt is the total outstanding interest-bearing debt (excluding any Shareholder Loans) of GenCo and FinCo and any indebtedness incurred pursuant to Clause 6.1; and

C is the value of any Cash and Cash Equivalent Investments held by each of the Group Companies;

"**Environment Agency**" means the Environment Agency established pursuant to section 1 of the Environment Act 1995 or any successor thereof;

"**Environmental Information Regulations**" means the Environmental Information Regulations 2004 together with any guidance and/or codes of practice issued by the Information Commissioner or relevant Government department in relation to such regulations;

"**Equity Closing Balance**" has the meaning given to it in Clause 6.6.2(iv);

"**Equity Repayments**" has the meaning given to it in Clause 6.6.2(iii);

"**Equity Return**" has the meaning given to it in Clause 6.6.2(ii);

"**Equity Documents**" means the:

(a) Shareholders' Agreement;

(b) Investment Agreement;

(c) Shareholder Loan Agreement; and

(d) Sell Down Option Agreement;

"**Equivalent Additional Allowable Spend**" has the meaning given that term in the Approved IAR CFA Authorised Credit Facility Agreement;

"**Equivalent Holding Company**" has the meaning given to it in Clause 2.5.2(i);

"**Excess Sale Value**" has the meaning given to it in Clause 6.4;

"**Excess Total Value**" has the meaning given to it in Clause 6.4.4;

"**Excluded Capital Spend**" has the meaning given to that term in the Economic Licence;

"**Excluded Project Spend**" has the meaning given to that term in the Economic Licence;

"**Expenditure Plan**" has the meaning given to it in Clause 4.1.1;

"**Expiry Date**" means the earlier of:

(a) the date of the PCR Determination;

(b) the Discontinuation Date; and

(c) the Transfer Termination Date;

"**Failure Event**" has the meaning given to that term in the Discontinuation and Compensation Agreement;

"**FDP Documents**" means the following documents in relation to the Funded Decommissioning Programme, as approved by the Secretary of State:

(a) the Funding Arrangements Plan;

(b) the Decommissioning and Waste Management Plan;

(c) the Waste Agreements;

(d) the Section 46 Agreement;

(e) the FundCo Budget and Services Agreement;

(f) the FundCo Shareholders' Agreement;

(g) the FundCo Articles of Association;

(h) any other document defined as a "Document" in and for the purposes of the Funding Arrangements Plan; and

(i) any other document designated as an "FDP Document" by agreement between the Secretary of State and GenCo;

"**Fees Regulations**" means the Freedom of Information and Data Protection (Appropriate Limit and Fees) Regulations 2004;

"**Final Demand For Payment**" has the meaning given to it in Clause 11.6.2;

"**Final Maturity Date**" means the first Half-Year Date to occur at least 10 years after the date of PCR Determination, unless such day is not a Business Day (as defined in the Financing MDA), in which case the Final Maturity Date shall be the preceding Business Day (as defined in the Financing MDA);

"**Finance Documents**" has the meaning given to that term in the Financing MDA;

"**Financing MDA**" means the master definitions agreement entered into between, among others, FundCo, GenCo, HoldCo, PledgeCo, the Secretary of State and the Security Trustee on or around the date of Revenue Commencement on or around the date of Revenue Commencement;

"**FinCo**" has the meaning given to that term in the Financing MDA;

"**First Control Period**" has the meaning given to that term in the Economic Licence;

"**First Higher Regulatory Threshold Date**" has the meaning given to it in paragraph (a) of the definition of "Higher Regulatory Threshold Date";

"**FOIA**" means the Freedom of Information Act 2000 and any subordinate legislation (as defined in section 84 of the Freedom of Information Act 2000) made under the Freedom of Information Act 2000, together with any guidance and/or codes of practice issued by the Information Commissioner or relevant Government department in relation to such legislation;

"**FundCo**" means SZC Nuclear Decommissioning Fund Company, a company to be incorporated in England prior to Revenue Commencement, being the company incorporated for the purposes of managing and investing GenCo's FDP fund and holding the account into which Funded Decommissioning Programme contributions are made by GenCo;

"**FundCo Articles of Association**" means the articles of association (or other constitutional documents) of FundCo in force from time to time;

"**FundCo Budget and Services Agreement**" means the agreement between FundCo and GenCo governing how FundCo is administered and funded, dated on or about the date of Revenue Commencement;

"**FundCo Shareholders' Agreement**" means the shareholders' agreement between GenCo, each of the Independent Director Shareholders (as defined therein) and FundCo dated on or around the date of Revenue Commencement;

"**Funded Decommissioning Programme**" or "**FDP**" has the meaning given to that term in the Economic Licence;

"**Funding Arrangements Plan**" means the funding arrangements plan entered into by GenCo and FundCo which will form part of the Funded Decommissioning Programme;

"**Further IAR Application**" has the meaning given to it in Clause 4.2.4(iii)(a);

"**GenCo Net Revenues**" has the meaning given to that term in the Investment Agreement;

"**General Anti-Abuse Rule**" means:

(a) part 5 of the Finance Act 2013; and

(b) any future legislation introduced to counteract tax advantages arising from abusive arrangements to avoid national insurance contributions or other tax charges;

"**GLF Provider**" means the Secretary of State in their capacity as lender under the Government Liquidity Facility Agreement;

"**Golden Milestone**" has the meaning given to that term in the Civil Works Alliance Agreement;

"**Good Industry Practice**" has the meaning given to that term in the Economic Licence;

"**Government**" means His Majesty's government of the United Kingdom of Great Britain and Northern Ireland;

"**Government Liquidity Facility Agreement**" means the agreement of that name entered into between, among others, the GLF Provider and GenCo dated on or about the date of Revenue Commencement;

"**Government Support Package**" or "**GSP**" means:

(a) the Supplemental Compensation Agreement;

(b) the Government Liquidity Facility Agreement;

(c) this Agreement;

(d) the Discontinuation and Compensation Agreement; and

(e) the Nuclear Administration and Statutory Transfers Agreement;

"**Group Company**" means each of GenCo, HoldCo and PledgeCo, together the "**Group Companies**";

"**GSP Provider**" means the Secretary of State in their capacity as provider of the Government Support Package;

"**Half-Year Date**" means 1 April and 1 October in each year, provided that, if a Half-Year Date would otherwise be a date which is not a Business Day (as defined in the Financing MDA), that Half-Year Date shall instead fall on the following Business Day (as defined in the Financing MDA);

"**Halifax Abuse Principle**" means the principle explained in the Court of Justice of the European Union Case C-255/02, *Halifax and Others*;

"**Hedging Agreement**" has the meaning given to it in the Financing MDA, and "**Hedging Agreements**" shall be construed accordingly;

"**Higher Regulatory Threshold**" or "**HRT**" has the meaning given to that term in the Economic Licence;

"**Higher Regulatory Threshold Date**" means:

(a) unless paragraph (b) below applies, the date on which the sum of:

(i) the Cumulative Actual Allowable Capital Spend (ACI) for the period up to the end of the immediately preceding Charging Year; and

(i) any Allowable Capital Spend incurred by GenCo following the end of such Charging Year, stated in 2024/25 prices by way of deflation for such Charging Year (or part thereof) based on the Agreed Construction Indices (as defined in the Economic Licence) for that Charging Year (or part thereof),

is equal to the Higher Regulatory Threshold (the "**First Higher Regulatory Threshold Date**"); or

(b) if the Secretary of State (in their statutory capacity) has approved an AAS Cap under the NEFA and the IAR Statement, the date on which the sum of:

(i) the Cumulative Actual Allowable Capital Spend (ACI); and

(ii) any Additional Allowable Spend incurred by GenCo since the First Higher Regulatory Threshold Date, stated in 2024/25 prices by way of deflation for each relevant Charging Year (or part thereof) based on the Agreed Construction Indices for the relevant Charging Year (or part thereof),

is equal to the aggregate of the Higher Regulatory Threshold and the AAS Cap (and any other AAS Cap approved from time to time);

"**HMG Entity**" means an entity which is classified, as at the relevant time, as being a public sector body or institution by the National Accounts Classification Committee;

"**HMG Shareholder**" has the meaning given to that term in the Investment Agreement;

"**HoldCo Articles**" has the meaning given to that term in the Shareholders' Agreement;

"**HoldCo CFA Account**" has the meaning given to that term in the Common Terms Agreement;

"**HoldCo Shareholders**" means:

(a) an Original HoldCo Shareholder; or

(b) any legal person who has become a direct shareholder in HoldCo,

who in each case has not ceased to be a direct shareholder in HoldCo, and "**HoldCo Shareholder**" shall be construed accordingly;

"**holding company**" has the meaning given to that term in section 1159 of the Companies Act 2006;

"**HRT Predicted Overrun**" has the meaning given to the term "Predicted Overrun" in the Economic Licence;

"**IAR Application**" means a written application submitted by GenCo to the Secretary of State (in their statutory capacity) requesting that the Secretary of State approve Additional Allowable Spend to finance such Predicted Overrun in accordance with section 7 of the NEFA;

"**IAR Outcome Notice**" means a written notice delivered by the Secretary of State (in their statutory capacity) to GenCo confirming the outcome of an IAR Application;

"**IAR Statement**" means the statement issued by the Secretary of State (in their statutory capacity) for the purposes of section 7(6) of the NEFA;

"**Independent Technical Adviser**" means the company appointed by GenCo under the ITA Deed of Appointment;

"**Indirect Transfer**" has the meaning given to it in Clause 6.2.2(ii);

"**Industry Documents**" has the meaning given to that term in the Nuclear Administration and Statutory Transfers Agreement;

"**Information**", for the purposes of Clause 17.5 (*Freedom of Information*), has the meaning given under section 84 of the FOIA;

"**Instrumentation and Controls Contract**" means the contract of that name between GenCo and [redacted] in relation to the design, manufacture, procurement, integration, assembly, storage, packing, transport and delivery of the operational instrumentation and controls equipment, entered into on 29 September 2023;

"**Instrumentation and Controls LTSA**" means the long-term services agreement in relation to the design, manufacture, procurement, integration, assembly, storage, packing, transport and delivery of the operational instrumentation and controls equipment entered into on 4 December 2024 by GenCo and [redacted];

"**Interest**" includes, as the context requires, any direct or indirect interest of any kind in or in relation to:

(a) any Share or any right to control the voting or other rights attributable to any Share, disregarding any conditions or restrictions to which the exercise of any right attributed to such interest may be subject; or

(b) any Shareholder Loan;

"**Investment Agreement**" means the investment agreement entered into between HoldCo, GenCo, PledgeCo, the Secretary of State, EDF Energy Holdings Limited and each Investor Shareholder (as such term is defined therein) on or around the date of Revenue Commencement;

"**Issuer**" has the meaning given to it in the Financing MDA;

"**ITA Deed Dispute Resolution Procedure**" means the procedure for the resolution of disputes set out in clause 19 (*Disputes*) of the ITA Deed of Appointment;

"**ITA Deed of Appointment**" means the deed of appointment entered into between the Independent Technical Adviser, the Secretary of State, the Economic Regulator, the Security Trustee and GenCo on or around the date of Revenue Commencement;

"**IWACC**" has the meaning given to that term in the Economic Licence;

"**J Zero**" means the date on which the Golden Milestone "UNIT 2 JO Achieved (Last CRX Concrete Pour Complete)" has been achieved in accordance with the terms of the Civil Works Alliance Agreement;

"**Liaison Agreement**" means the agreement of that name entered into between the Secretary of State, GenCo, the Independent Technical Adviser and the Economic Regulator on or about the date of Revenue Commencement;

"**Liaison Committee**" means the liaison committee established pursuant to clause 5.1 (*Establishing the Liaison Committee*) of the Liaison Agreement;

"**Liquidity Guarantee**" has the meaning given to that term in the Financing MDA;

"**Longstop Date**" has the meaning given to that term in the Economic Licence;

"**Lower Regulatory Threshold**" has the meaning given to that term in the Economic Licence;

"**LRT Predicted Overrun**" means the existence of the circumstances described in paragraph (a) of the definition of "Predicted Overrun" in the Economic Licence, save that the reference in paragraph (a) of that definition to the Higher Regulatory Threshold shall be read as:

(a) prior to J Zero, a reference to the Lower Regulatory Threshold plus [redacted];

(b) on and from J Zero, a reference to the Lower Regulatory Threshold;

"**Main Works Contracts**" means the:

(a) Nuclear Services Agreement;

(b) Nuclear Services Agreement LTSA;

(c) Turbine Hall Contract;

(d) Turbine Hall LTSA;

(e) N4S Contract;

(f) N4S LTSA;

(g) Nuclear Fuel Supply Contract;

(h) Instrumentation and Controls Contract;

(i) Instrumentation and Controls LTSA;

(j) Civil Works Alliance Agreement;

(k) MEH Alliance Agreement;

(l) Delivery Partner Contract;

(m) Commercial Manager Partner Contract; and

(n) Assurance Services Agreement;

"**Material Contracts**" has the meaning given to that term in the Nuclear Administration and Statutory Transfers Agreement;

"**MEH Alliance Agreement**" means the agreement of that name to be entered into between GenCo, [redacted];

"**Minister of the Crown**" has the meaning given to that term in the Ministers of the Crown Act 1975;

"**N4S Contract**" means the contract for the design, manufacture, installation and commissioning of the nuclear steam supply system for the two Units at the Site entered into between GenCo and [redacted] on 9 April 2024;

"**N4S LTSA**" means the contract for the provision of certain long-term services (including any call-off contracts thereunder) in relation to the nuclear steam supply system entered into between GenCo and [redacted] on 9 April 2024;

"**NEFA**" means the Nuclear Energy (Financing) Act 2022;

"**Net New Committed Finance**" means any sums committed to GenCo or any other applicable Group Company (net of any costs and fees) from Non HMG Entities for the purpose of funding expenditure which would otherwise be funded by the CFA Provider;

"**Non HMG Entity**" means any person other than an entity which is classified, at the relevant time, as being a public sector body or institution by the National Accounts Classification Committee;

"**NSCo**" means [redacted] incorporated and registered in England and Wales with company number [redacted] whose registered office is at [redacted];

"**NSCo Agreements**" means the:

(a) NSCo Share Purchase Agreement;

(b) NSCo Shareholders' Agreement;

(c) NSCo Master Secondment Agreement;

(d) NSCo Corporate Services Agreement;

(e) the disclosure letter between the [redacted] and GenCo dated 20 December 2024;

(f) the asset transfer agreement between NSCo and [redacted] dated 15 October 2024;

(g) the technical services agreement between GenCo and NSCo dated 30 January 2025 as amended from time to time; and

(h) the intellectual property licence agreement to be entered into between GenCo and [redacted] dated 29 January 2025;

"**NSCo Corporate Services Agreement**" means the support services agreement entered into between [redacted] and NSCo on 24 January 2025;

"**NSCo Master Secondment Agreement**" means the master secondment agreement originally dated 16 October 2024 and novated on 17 October 2024 between NSCo, [redacted];

"**NSCo Shareholders' Agreement**" means the shareholders' agreement entered into between NSCo, [redacted] and GenCo on 30 January 2025;

"**NSCo Share Purchase Agreement**" means the share purchase agreement entered into between [redacted] and GenCo on 20 December 2024;

"**Nuclear Administration and Statutory Transfers Agreement**" or "**NASTA**" means the nuclear administration and statutory transfers agreement entered into between the Secretary of State, GenCo, PledgeCo, HoldCo, the HoldCo Shareholders and the Security Trustee on or about the date of Revenue Commencement;

"**Nuclear Fuel Supply Contract**" means the fuel supply contract for the purposes of the Project entered into between GenCo and [redacted] on 9 April 2024;

"**Nuclear Installations Act**" means the Nuclear Installations Act 1965;

"**Nuclear Services Agreement**" means the nuclear services agreement entered into between GenCo, [redacted] on 3 July 2024;

"**Nuclear Services Agreement LTSA**" means the long-term services agreement in respect of certain design and engineering services to be entered into by GenCo, [redacted];

"**Nuclear Site Licence**" has the meaning given to that term in the Discontinuation and Compensation Agreement;

"**Nuclear Transfer Scheme**" has the meaning given to that term in the Nuclear Administration and Statutory Transfers Agreement;

"**ONR**" means the Office for Nuclear Regulation or any successor thereof;

"**Operations Phase**" has the meaning given to that term in the Economic Licence;

"**Original HoldCo Shareholders**" has the meaning given to that term in the Nuclear Administration and Statutory Transfers Agreement, and "**Original HoldCo Shareholder**" shall be construed accordingly;

"**Outstanding Equity Commitments**" has the meaning given to that term in the Investment Agreement;

"**Payee**" has the meaning given to it in Clause 11.9;

"**Payment Reminder Notice**" has the meaning given to it in Clause 11.6.1;

"**PCR Determination**" has the meaning given to that term in the Economic Licence;

"**PledgeCo**" has the meaning given to that term in the Financing MDA;

"**PledgeCo CFA Account**" has the meaning given to that term in the Financing MDA;

"**PP Notes**" has the meaning given to that term in the Financing MDA;

"**PR Determination**" has the meaning given to that term in the Economic Licence;

"**Predicted Outturn Case**" has the meaning given to that term in the Liaison Agreement;

"**Predicted Overrun**" has the meaning given to that term in the Economic Licence;

"**Pre-PCR Phase**" has the meaning given to that term in the Economic Licence;

"**Price Control Financial Model**" has the meaning given to that term in the Economic Licence;

"**Priorities of Payments**" has the meaning given to that term in the Financing MDA;

"**Private Sector Shareholders**" means the parties to the Shareholders' Agreement from time to time, excluding the Secretary of State;

"**Project**" has the meaning given to that term in the Economic Licence;

"**Project Documents**" means:

(a) the Main Works Contracts;

(b) the NSCo Agreements;

(c) the Collaboration Agreement;

(d) the Material Contracts; and

(e) any other contract relating to the Project entered into or to be entered into (as applicable) between GenCo and any works contractor or supplier through which any payment is to be made by GenCo and for which GenCo intends to apply for such cost to be logged to the RAB;

"**RAB**" has the meaning given to that term in the Economic Licence;

"**RAB Value**" means the value of the RAB as calculated by the Authority as at the date on which any HoldCo Shareholder (other than the HMG Shareholder or the CFA Provider) Transfers any Securities (or any Interest in any Securities) or any Transferor Affiliate effects an Indirect Transfer in the circumstances set out in Clause 6.4, calculated in accordance with:

(a) if the Transfer occurs during the Pre-PCR Phase, Special Conditions 27.27 and 27.31 of the Economic Licence; or

(b) if the Transfer occurs during the Operations Phase, Special Conditions 46.17 and 46.21 of the Economic Licence;

"**Redemption Amount**" has the meaning given to that term in the Investment Agreement;

"**Regulated Assets**" has the meaning given to that term in the Economic Licence and, to the extent not included in that definition, any assets that may be required for the purposes of decommissioning the Regulated Assets (as defined in the Economic Licence) and the Site;

"**Regulatory Documents**" means the:

(a) Economic Licence;

(b) Price Control Financial Model;

(c) Economic Guidance;

(d) Revenue Collection Contract;

(e) Liaison Agreement; and

(f) ITA Deed of Appointment;

"**Relevant Debt Opening Balance**" has the meaning given to it in Clause 6.7.2(i)(b);

"**Relevant Equity Opening Balance**" has the meaning given to it in Clause 6.6.2(i)(b);

"**Relevant Parties**" means, for the purposes of Clause 3 (*Notifications, Draft Mitigation Plan and Approved Mitigation Plan*) and Clause 4 (*HRT Predicted Overrun, Expenditure Plan and IAR Application*), the Secretary of State (in their capacity as CFA Provider), the Independent Technical Adviser and the Economic Regulator;

"**Relevant Debt Period**" means the period during which any Unapproved IAR CFA Debt is issued and remains outstanding pursuant to the Unapproved IAR CFA Authorised Credit Facility Agreement;

"**Relevant Equity Period**" means the period from the date on which Class E Shares are first issued until the until the earlier of:

(a) the date on which all of the Class E Shares have been cancelled or redeemed in accordance with the terms of the Investment Agreement; and

(b) the date on which the Clawback Cap has been funded by HoldCo Shareholders;

"**Remaining Unapproved Amount**" has the meaning given to it in Clause 4.2.4(iii);

"**Remedied**" has the meaning given to it in the Discontinuation and Compensation Agreement;

"**Remedy Event**" has the meaning given to that term in the Discontinuation and Compensation Agreement;

"**Repayment Date**" means the date on which:

(a) the CFA Provider ceases to hold any CFA Equity invested pursuant to the terms of this Agreement; and

(b) GenCo has repaid all principal and interest in respect of CFA Debt;

"**Report**" has the meaning given to that term in the Liaison Agreement;

"**Request for Information**", for the purposes of Clause 17.5 (*Freedom of Information*), has the meaning set out in the FOIA or the Environmental Information Regulations as relevant (where the meaning set out for the term "request" shall apply);

"**Requested Contingent Financing Contribution Date(s)**" has the meaning given to it in Clause 7.2.2;

"**Revenue Collection Contract**" means the revenue collection contract in respect of the Project entered into between GenCo and the Revenue Collection Counterparty on or about the date of Revenue Commencement;

"**Revenue Collection Counterparty**" means the Low Carbon Contracts Company Ltd or such other entity as is designated by the Secretary of State as the revenue collection counterparty for the purposes of the Revenue Collection Contract in accordance with section 16 of the NEFA;

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

"**RfI Recipient**" means a Party that is subject to the FOIA and/or the Environmental Information Regulations who receives a Request for Information;

"**RWACC**" has the meaning given to that term in the Economic Licence;

"**SCA Provider**" means the Secretary of State in their capacity as the provider of supplemental compensation pursuant to the Supplemental Compensation Agreement;

"**Scheduled COD**" has the meaning given to that term in the Economic Licence;

"**Secretary of State**" means the Secretary of State for Energy Security and Net Zero;

"**Secretary of State Replacement**" means:

(a) any Minister of the Crown or any entity directly wholly-owned or controlled by a Minister of the Crown to which the Secretary of State transfers or novates its rights and obligations under this Agreement; or

(b) any other UK public body (being a single entity):

(i) with the legal capacity, power and authority to become a party to and to perform the obligations of the Secretary of State under this Agreement; and

(ii) whose obligations under this Agreement are unconditionally and irrevocably guaranteed, sponsored and/or funded by the Secretary of State, a Minister of the Crown or other Government department with the legal capacity, power and authority to perform the obligations under the guarantee, sponsorship and/or funding arrangement (as applicable) and the obligations of the Secretary of State under this Agreement,

to which the Secretary of State transfers or novates its rights and obligations under this Agreement;

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

"**Secured Creditors**" has the meaning given to that term in the Financing MDA and "**Secured Creditor**" shall be construed accordingly;

"**Secured Debt**" means any financial accommodation or reimbursement or indemnity rights that are for the purposes of the Security Trust and Intercreditor Deed to be treated as secured

debt and includes all outstanding debt of GenCo, PledgeCo, the Issuer (if incorporated) and their subsidiaries under:

(a) the HMG Term Facility Agreement;

(b) the [redacted] Covered Facility Agreement;

(c) any Liquidity Facility Agreement;

(d) any Liquidity Guarantee;

(e) the Government Liquidity Facility Agreement;

(f) any Approved IAR CFA Authorised Credit Facility;

(g) any other Authorised Credit Facility Agreement;

(h) any Hedging Agreements;

(i) any Bonds;

(j) any PP Notes; and

(k) the Discontinuation and Compensation Agreement,

as each of those terms (other than the Discontinuation and Compensation Agreement) is defined in the Financing MDA;

"**Securities**" has the meaning given to that term in the Shareholders' Agreement;

"**Security Trust and Intercreditor Deed**" has the meaning given to that term in the Financing MDA;

"**Security Trustee**" has the meaning given to that term in the Financing MDA;

"**Sell Down Option Agreement**" has the meaning given to that term in the Shareholders' Agreement;

"**Shares**" has the meaning given to it in the Shareholders' Agreement, and "**Share**" shall be construed accordingly;

"**Share to SHL Proportion**" has the meaning given to it in the Investment Agreement;

"**Shareholder-PledgeCo Facility Agreement**" has the meaning given to it in the Investment Agreement;

"**Shareholders' Agreement**" means the shareholders' agreement originally entered into between, amongst others, HoldCo, GenCo, the Secretary of State, EDF Energy Holdings Limited and each Investor Shareholder (as defined therein) on or around the date of Revenue Commencement;

"**Shareholder Loans**" has the meaning given to that term in the Shareholders' Agreement;

"**Shareholder Loan Agreement**" has the meaning given to it in the Shareholders' Agreement;

"**Site**" has the meaning given to that term in the Nuclear Administration and Statutory Transfers Agreement;

"**Special Conditions**" means the special conditions of the Economic Licence which are implemented by virtue of section 7 of NEFA, and "**Special Condition**" shall be construed accordingly;

"**Subordinated Equity Investor Liabilities**" has the meaning given to that term in the Financing MDA;

"**Supplemental Compensation Agreement**" means the supplemental compensation agreement entered into between, among others, the SCA Provider, GenCo and the Security Trustee on or about the date of Revenue Commencement;

"**Supporting Information**" has the meaning given to that term in the Economic Licence;

"**Test Date**" means, in each Charging Year:

(a) 31 March; and

(b) 30 September,

or if such date is not a Business Day, the Business Day immediately thereafter;

"**Total Consideration**" means the total amount of consideration received by a Transferor Affiliate in respect of an Indirect Transfer;

"**Total Net Indebtedness**" means, on any Test Date, the aggregate of GenCo's nominal Class A Financing Debt and/or the Class B Financing Debt (as applicable) outstanding on such Test Date under and in connection with any Secured Debt (including Unapproved IAR CFA Debt and deducting any amounts standing to the credit of the HMG Final Drawdown Account and the [redacted] Final Drawdown Account (as such terms are defined in the Financing MDA)), together with (x) all indexation accrued on such liabilities that are indexed and accretions by indexation to the notional amount under any hedging agreements and (y) where GenCo or the Issuer has entered into one or more offsetting transactions (under the hedging policy set out in the Common Terms Agreement), an amount equal to the offsetting transaction differential, excluding:

(a) any uncrystallised mark to market amounts relating to any hedging agreements (other than in relation to (x) above and that portion of any Hedging Agreement (as such term is defined in the Financing MDA) which represents an accretion by indexation to the notional amount thereof falling in (y) above),

less:

(b) the value of all Cash Equivalent Investments of GenCo and other amounts standing to the credit of the GenCo Operating Account (as such term is defined in the Financing MDA);

"**Transaction Documents**" means the:

(a) Regulatory Documents;

(b) Project Documents;

(c) Finance Documents;

(d) GSP;

(e) Equity Documents; and

(f) FDP Documents;

"**Transfer**" has the meaning given to that term in the Shareholders' Agreement;

"**Transfer Termination Date**" means the date on which this Agreement is terminated in accordance with Clause 2.3 or Clause 2.5;

"**Transferor Affiliate**" has the meaning given to it in Clause 6.2.2(ii);

"**Turbine Hall Contract**" means the contract in respect of the Project to be entered into between GenCo, [redacted] for the design, manufacture, installation, commissioning and testing of a turbine hall for both Units;

"**Turbine Hall LTSA**" means the contract for the provision of certain long-term services in respect of the turbine hall to be entered into by GenCo and [redacted];

"**Unapproved Amount**" means, as the circumstances require:

(a) if the Secretary of State (in their statutory capacity) has rejected an IAR Application in full, the amount of the HRT Predicted Overrun; or

(b) if the Secretary of State (in their statutory capacity) has approved an IAR Application in part, such that the amount of the AAS Cap determined by the Secretary of State (in their statutory capacity) is less than the amount of the HRT Predicted Overrun, the difference between the HRT Predicted Overrun and the AAS Cap;

"**Unapproved IAR CFA Debt**" has the meaning given to it in Clause 10.1.2;

"**Unapproved IAR Commitment Notice**" has the meaning given to it in Clause 8.1.2;

"**Unapproved IAR CFA Authorised Credit Facility**" has the meaning given to that term in the Financing MDA;

"**Unapproved IAR CFA Authorised Credit Facility Agreement**" has the meaning given to that term in the Financing MDA;

"**Unapproved IAR CFA Debt Return Model**" has the meaning given to it in Clause 6.7.1;

"**Unapproved IAR Outcome Notice**" has the meaning given to it in Clause 6.1;

"**Unit**" has the meaning given to that term in the Economic Licence and "**Units**" shall be construed accordingly;

"**Unsuitable Party**" means:

(a) any person whose activities, in the reasonable opinion of the Secretary of State, pose or could pose a threat to national security relating to the Project; or

(b) any person whose tax returns submitted on or after 1 October 2012 have been found to be incorrect as a result of:

(i) His Majesty's Revenue and Customs successfully challenging it under the General Anti-Abuse Rule or the Halifax Abuse Principle (and such challenge has not been subsequently successfully overturned);

(ii) a tax authority in a jurisdiction in which the person is obliged to submit a tax return successfully challenging it under any tax rules or legislation that have an effect equivalent or similar to the General Anti-Abuse Rule or the Halifax Abuse Principle (and such challenge has not been subsequently successfully overturned); and/or

(iii) the failure of an avoidance scheme which the person was involved in and which was, or should have been, notified under the Disclosure of Tax Avoidance Scheme or any equivalent or similar regime in a jurisdiction in which the person is established;

"**VAT**" means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature;

"**Waste Agreements**" means the:

(a) Waste Contract for Spent Fuel; and

(b) Waste Contract for Intermediate Level Waste;

"**Waste Contract for Intermediate Level Waste**" means the waste transfer agreement relating to the transfer of intermediate level waste arising from the Project entered into between the Secretary of State and GenCo dated on or about the date of Revenue Commencement; and

"**Waste Contract for Spent Fuel**" means the waste transfer agreement relating to the transfer of spent fuel arising from the Project entered into between the Secretary of State and GenCo dated on or about the date of Revenue Commencement.

1.2 Interpretation

1.2.1 In this Agreement, unless the context otherwise requires, the headings are inserted for convenience only and shall not affect the construction of this Agreement.

1.2.2 The Schedules shall be deemed to be incorporated into this Agreement.

1.2.3 All representations, warranties, indemnities, covenants, agreements, undertakings and obligations made or given or entered into by more than one person in this Agreement are made or given or entered into severally and not jointly.

1.2.4 Expressions in this Agreement that are appropriate to companies shall be construed, in relation to an undertaking that is not a company, as references to the corresponding persons, officers, documents or organs, as the case may be, appropriate to undertakings of that nature.

1.2.5 Unless a contrary indication appears, any reference in this Agreement to:

(i) any agreement, deed, instrument, licence, code or other document (including this Agreement and any Transaction Documents) or to a provision contained in any of these, shall be construed, at the particular time, as a reference to it as it may then have been amended, restated, varied, supplemented, modified, suspended, replaced, assigned or novated;

(ii) a "**person**" includes any person, firm, company, corporation, government, state or agency of a state, or any unincorporated body, association, foundation, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing and words denoting natural persons include any other persons;

(iii) the Secretary of State (in their capacity as the Secretary of State and in their capacity as the CFA Provider), HoldCo, PledgeCo, GenCo, the HoldCo Shareholders, the Security Trustee, the Secured Creditors or any other person includes its respective successors in title, permitted assigns and

permitted transferees to, or of, its rights and/or obligations under this Agreement;

(iv) a "**company**" includes any body corporate, wherever incorporated;

(v) a "**Clause**" or a "**Schedule**" is a reference to a Clause of or a Schedule to this Agreement;

(vi) a provision of law or a technical standard is a reference to that provision as amended, updated, extended or re-enacted and includes all laws and official requirements made under or deriving validity from it or enacting such modification;

(vii) a time of day is a reference to London time;

(viii) words indicating one gender include all genders;

(ix) words indicating the singular also include the plural and vice versa;

(x) provisions including the word "**agree**", "**agreed**" or "**agreement**" require the agreement to be recorded in writing;

(xi) unless provided otherwise, "**written**" or "**in writing**" means hand-written, type-written, printed or electronically made, in each case resulting in a permanent record;

(xii) "**includes**", "**including**", "**in particular**", "**other**" or "**otherwise**" is to be construed without limitation and the *eiusdem generis* rule shall not apply to this Agreement; and

(xiii) "**Sterling**" and "**£**" means the lawful currency of the United Kingdom.

2 Commencement and Duration

2.1 Subject to satisfaction of the conditions precedent set out in the Conditions Precedent and Escrow Agreement, this Agreement shall come into force on Revenue Commencement and, subject to Clause 2.2, shall terminate on the Expiry Date.

2.2 Subject to Clause 6.9, immediately following the Expiry Date, each Party shall cease to have any rights or obligations under this Agreement save that:

2.2.1 if the CFA Provider has provided contingent financing pursuant to the terms of this Agreement, each of the Parties' rights and obligations under Clauses 15 (*Exercising Rights*) to 30 (*Jurisdiction and Disputes*) (inclusive) and Schedule 1 (*Dispute Resolution Process*) shall continue in full force and effect until immediately following the Repayment Date; and

2.2.2 irrespective of whether the CFA Provider has provided contingent financing pursuant to the terms of this Agreement:

(i) each Party's rights and obligations under Clauses 17 (*Confidentiality and Freedom of Information*) to 30 (*Jurisdiction and Disputes*) (inclusive);

(ii) each Party's liability for any breaches occurring prior to:

(a) if the CFA Provider has not provided contingent financing pursuant to the terms of this Agreement, the Expiry Date; or

(b) if the CFA Provider has provided contingent financing pursuant to the terms of this Agreement, the Repayment Date,

as applicable; and

(iii) any rights or causes of action that arose prior to:

(a) if the CFA Provider has not provided contingent financing pursuant to the terms of this Agreement, the Expiry Date; and

(b) if the CFA Provider has provided contingent financing pursuant to the terms of this Agreement, the Repayment Date,

shall continue in full force and effect.

2.3 If a transfer of the Regulated Assets (whether partially or wholly constructed), whether by share sale or asset transfer, is directed or agreed pursuant to the Economic Licence, the NASTA, the NEFA, any Nuclear Transfer Scheme, the Discontinuation and Compensation Agreement or otherwise in accordance with law which, subject to Clause 2.4:

2.3.1 excludes the Liaison Agreement, the ITA Deed of Appointment, this Agreement or any other document forming part of the Government Support Package;

2.3.2 excludes the Economic Licence and the relevant transferee has not been granted a modification to its electricity generation licence pursuant to section 6 of the NEFA; or

2.3.3 where there is more than one transferee for the transfer, excludes the Liaison Agreement, the ITA Deed of Appointment, this Agreement, or any other document forming part of the Government Support Package in a transfer to a single transferee,

and the Secretary of State has not given their express consent to such transfer, the CFA Provider may, by notice to the other Parties, terminate this Agreement with effect from the date of such transfer. Such termination shall be without prejudice to any accrued rights or obligations under this Agreement and no Party shall have any claim against any other Party in respect of such termination.

2.4 For the purposes of Clauses 2.3.1 and 2.3.3 only, the references to "**the Liaison Agreement**", "**the ITA Deed of Appointment**", "**this Agreement**" and "**any other document forming part of the Government Support Package**" shall each be construed to exclude:

2.4.1 any documents which are not capable of being transferred at law; and

2.4.2 any documents which have already expired or terminated by operation of their terms.

2.5 If:

2.5.1 a transfer of:

(i) the Regulated Assets (whether partially or wholly constructed), whether by share sale or asset transfer; or

(ii) the shares of any of the Group Companies which results in:

(a) GenCo ceasing to maintain tax residency status in the United Kingdom;

(b) HoldCo ceasing to retain ownership of 100% of the issued share capital of PledgeCo; or

(c) PledgeCo ceasing to retain ownership of 100% of the issued share capital of GenCo,

in each case occurs as a result of, or arising from the process of, the enforcement of any security under the Finance Documents; and

2.5.2 either:

(i) the Liaison Agreement, the ITA Deed of Appointment, this Agreement and/or any other document forming part of the Government Support Package has a counterparty who ceases to be a holding company of GenCo and has not been transferred to an equivalent holding company of GenCo (an "**Equivalent Holding Company**");

(ii) the transferee, any Equivalent Holding Company or any shareholder of any Equivalent Holding Company has not entered a Deed of Adherence or a replacement shareholders' agreement in form and substance satisfactory to the Secretary of State (in their capacity as GSP Provider);

(iii) the transferee, any Equivalent Holding Company or any shareholder of any Equivalent Holding Company is an Unsuitable Party; and/or

(iv) the transferee, any Equivalent Holding Company or any direct shareholder of any Equivalent Holding Company is not resident in the United Kingdom for tax purposes; and

2.5.3 the Secretary of State (in their capacity as GSP Provider) has not given their express consent to such transfer,

the CFA Provider may, by notice to the other Parties, terminate this Agreement with effect from the date of such transfer. Such termination shall be without prejudice to any accrued rights or obligations under this Agreement and no Party shall have any claim against any other Party in respect of such termination.

3 Notifications, Draft Mitigation Plan and Approved Mitigation Plan

3.1 As soon as reasonably practicable, and in any event within two Business Days of:

3.1.1 an LRT Predicted Overrun or an HRT Predicted Overrun being identified by GenCo on the basis of the Predicted Outturn Case in accordance with the Liaison Agreement; or

3.1.2 a Delay Event being notified by GenCo to the Economic Regulator in accordance with Special Condition 42 (*Extensions to Scheduled COD or the Longstop Date*) of the Economic Licence,

GenCo shall notify the Secretary of State (in their capacity as CFA Provider) and the Economic Regulator in writing of such LRT Predicted Overrun and/or HRT Predicted Overrun and/or Delay Event (as applicable).

3.2 Within 20 Business Days of any notice issued by GenCo pursuant to Clause 3.1, GenCo shall, in respect of the applicable LRT Predicted Overrun and/or HRT Predicted Overrun and/or Delay Event, notify the Secretary of State (in their capacity as CFA Provider) and the Economic Regulator in writing of, as applicable:

3.2.1 the nature of the event or circumstance leading to the delay and/or LRT Predicted Overrun or HRT Predicted Overrun;

3.2.2 the length of any resulting delay, or value of the LRT Predicted Overrun or HRT Predicted Overrun, that GenCo considers to have been caused as a consequence of that event or circumstance;

3.2.3 how the resulting delay or LRT Predicted Overrun or HRT Predicted Overrun has been calculated;

3.2.4 the reasons why the Delay Event or LRT Predicted Overrun or HRT Predicted Overrun has occurred or is ongoing; and

3.2.5 any expected impact on the timing for achieving the Scheduled COD.

3.3 Within 40 Business Days of issuing a notice issued pursuant to Clause 3.2, GenCo shall submit to the Secretary of State (in their capacity as CFA Provider) and the Economic Regulator a draft mitigation plan that must contain, as a minimum:

3.3.1 full details of the corrective actions that GenCo has implemented or will implement to eliminate or mitigate the impact of the Delay Event or LRT Predicted Overrun or HRT Predicted Overrun;

3.3.2 details of any other potential mitigations that were considered and the reasons why they were not adopted;

3.3.3 an assessment of the costs and benefit of taking the planned and potential mitigation actions referred to in Clauses 3.3.1 and 3.3.2, in particular including an assessment of the impact from a nuclear safety perspective; and

3.3.4 any planned adjustments required to implement the mitigation and the corresponding impact, as relevant,

(a "**Draft Mitigation Plan**").

3.4 If the LRT Predicted Overrun or HRT Predicted Overrun and/or Delay Event (as applicable) may reasonably be expected to delay:

3.4.1 COD beyond the Scheduled COD; or

3.4.2 COD beyond the Longstop Date,

as applicable, the Draft Mitigation Plan shall include a business plan which shall set out the steps that GenCo proposes be taken to mitigate such delay. GenCo shall provide the Secretary of State (in their capacity as CFA Provider), within a reasonable timeframe as specified by the Secretary of State (in their capacity as CFA Provider), with any Supporting Information that the Secretary of State (in their capacity as CFA Provider) may reasonably require to enable the Relevant Parties to consider the Draft Mitigation Plan.

3.5 The Relevant Parties shall consider the Draft Mitigation Plan and, to the extent required, may (acting reasonably) provide comments to GenCo in relation to any Draft Mitigation Plan proposed by GenCo pursuant to Clause 3.3 within 15 Business Days of receipt of the Draft Mitigation Plan.

3.6 GenCo shall:

3.6.1 give due consideration to and use reasonable endeavours to incorporate any comments provided by the Relevant Parties in respect of the Draft Mitigation Plan by the deadline referred to in Clause 3.5; and

3.6.2 provide a revised version of the Draft Mitigation Plan to the Relevant Parties for further review within 10 Business Days of receiving any comments pursuant to Clause 3.5.

3.7 If there is a direct inconsistency between the comments provided by each of the Relevant Parties, GenCo shall seek to remove any inconsistencies through discussion with the applicable Relevant Parties within 10 Business Days of receiving any comments pursuant to Clause 3.6.1 and, in any event, prior to re-submitting the Draft Mitigation Plan pursuant to Clause 3.6.2.

3.8 The Relevant Parties may, acting reasonably, by no later than 10 Business Days (or such other time as the Relevant Parties and GenCo may agree as reasonable in the circumstances) after the date on which GenCo submits the revised Draft Mitigation Plan to the Relevant Parties, make additional comments to GenCo on the revised Draft Mitigation Plan that has been re-submitted by GenCo pursuant to Clause 3.6.2, and the provisions of Clauses 3.5 to 3.7 shall apply *mutatis mutandis*.

3.9 Subject to Clause 3.10, if and to the extent that there is any dispute between GenCo, the Secretary of State (as CFA Provider), the Independent Technical Adviser and/or the Economic Regulator with respect to the Draft Mitigation Plan, the relevant parties shall (each acting reasonably) meet and seek to agree to any required amendments to the Draft Mitigation Plan. If, acting reasonably, the relevant parties cannot agree the required amendments to the Draft Mitigation Plan within a further 20 Business Days (or such other period as is agreed between the Parties), the provisions of clause 19 (*Disputes*) of the ITA Deed of Appointment shall apply in respect of disputes of a technical or non-commercial nature.

3.10 It shall be for the Secretary of State (as CFA Provider), acting reasonably, to approve any Draft Mitigation Plan for the purposes of this Agreement pursuant to the terms of this Agreement. As soon as reasonably practicable, and in any event within (i) 20 Business Days of receipt of the Draft Mitigation Plan pursuant to Clause 3.3 (if the Relevant Parties have not provided comments pursuant to Clause 3.5); or (ii) 10 Business Days of receipt of the revised Draft Mitigation Plan pursuant to Clause 3.6.2 (if the Relevant Parties have provided comments pursuant to Clause 3.5) (or such other date as is agreed between the Parties), the Secretary of State (as CFA Provider) shall notify GenCo:

3.10.1 whether the Draft Mitigation Plan is the Approved Mitigation Plan;

3.10.2 whether it approves the Draft Mitigation Plan, subject to reasonable adjustments to be reflected in the Approved Mitigation Plan, along with its reasons for such adjustments;

3.10.3 whether it does not approve the Draft Mitigation Plan, along with its reasons, which may include GenCo's failure to respond to the request for Supporting Information pursuant to Clause 3.4; or

3.10.4 where the Secretary of State (as CFA Provider) (acting reasonably) requires additional time to consider the Draft Mitigation Plan, the date on which the Secretary of State (as CFA Provider) will issue its decision in respect of such Draft Mitigation Plan.

3.11 Any such Draft Mitigation Plan approved by the Secretary of State (as CFA Provider) in accordance with Clause 3.10 or fully and finally determined in accordance with the Dispute Resolution Process shall become the "**Approved Mitigation Plan**".

3.12 GenCo:

3.12.1 shall implement an Approved Mitigation Plan in all material respects, subject to any adjustments which are necessary for GenCo to comply with the Nuclear Site Licence or its obligations under law, Directives, Industry Documents or the Project Documents and which have been notified to the CFA Provider in accordance with Clause 3.14; and

3.12.2 may, at its own discretion and at its sole risk, commence the implementation of a Draft Mitigation Plan that is not an Approved Mitigation Plan and in respect of which:

(i) the Secretary of State (as CFA Provider), the Independent Technical Adviser and/or the Economic Regulator have made further comments; and

(ii) GenCo has not otherwise sought to address such further comments.

3.13 GenCo shall inform the Secretary of State (as CFA Provider) and the Economic Regulator regarding its implementation of (and progress against) any Approved Mitigation Plan at each subsequent meeting of the Liaison Committee or at such intervals as may be agreed by the Parties in writing.

3.14 If GenCo considers (acting reasonably) that the Approved Mitigation Plan requires amendments, it shall as soon as reasonably practicable:

3.14.1 submit any modification to the Secretary of State (as CFA Provider) for approval; and

3.14.2 provide any Supporting Information reasonably requested by the Secretary of State (as CFA Provider),

in which case the provisions of Clauses 3.1 to 3.13 shall apply mutatis mutandis. The Parties acknowledge and agree that GenCo shall not be required to modify or implement an Approved Mitigation Plan in a manner that would cause GenCo to breach the Nuclear Site Licence or its obligations under law, Directives, Industry Documents or the Project Documents.

4 HRT Predicted Overrun, Expenditure Plan and IAR Application

4.1 Expenditure Plan

4.1.1 If GenCo has notified the Secretary of State (in their capacity as CFA Provider) and the Economic Regulator of an HRT Predicted Overrun in accordance with Clause 3.1, GenCo shall provide the Secretary of State (as CFA Provider), the Economic Regulator and the Independent Technical Adviser with a detailed expenditure plan for the completion of the Project (the "**Expenditure Plan**") and such Expenditure Plan shall:

(i) include details of the proposed cost mitigation measures to be employed (including proposed method of delivery, timing of expenditure and GenCo's management of its contractors);

(ii) include proposals for managing regulatory approvals and consents (including any IAR Applications) in order to prevent or reduce any HRT Predicted Overrun as far as reasonably practicable;

(iii) ensure that all proposed works and activities to be undertaken comply with Good Industry Practice; and

(iv) include details of any adjustment to the relevant HRT Predicted Overrun likely to arise as a result of the measures and proposals under Clauses 4.1.1(i) and 4.1.1(ii).

4.1.2 The Relevant Parties shall consider the Expenditure Plan and, to the extent required, may (acting reasonably) provide comments to GenCo in relation to any Expenditure Plan proposed by GenCo pursuant to Clause 4.1.1 within 15 Business Days of receipt of the Expenditure Plan or such other time as has been agreed between the CFA Provider, the Economic Regulator and GenCo as being reasonable in the circumstances.

4.1.3 GenCo shall:

(i) give due consideration and shall use reasonable endeavours to incorporate any comments provided by the Relevant Parties by the deadline stipulated in Clause 4.1.2 in respect of the Expenditure Plan; and

(ii) provide a revised version of the Draft Expenditure Plan to the Relevant Parties for further review promptly (and in any event within 10 Business Days of receiving any comments pursuant to Clause 4.1.2 or such other period as the CFA Provider and GenCo shall agree in writing as reasonable in the circumstances).

4.1.4 If there is a direct inconsistency between the comments provided by each of the Relevant Parties, GenCo shall seek to remove any inconsistencies through discussion with the applicable Relevant Parties within 10 Business Days of receiving any comments pursuant to Clause 4.1.2 and, in any event, prior to re-submitting the Expenditure Plan pursuant to Clause 4.1.3(ii).

4.1.5 The Relevant Parties may, acting reasonably, by no later than 10 Business Days (or such other time as the CFA Provider and GenCo may agree in writing as reasonable in the circumstances) after the date on which GenCo submits the revised Expenditure Plan to the Relevant Parties, make additional comments to GenCo on the revised Expenditure Plan that has been re-submitted by GenCo pursuant to Clause 4.1.4, and the provisions of Clauses 4.1.2 to 4.1.4 shall apply *mutatis mutandis*.

4.1.6 Subject to Clause 4.1.7, if and to the extent that there is any dispute between GenCo, the Secretary of State (as CFA Provider), the Independent Technical Adviser and/or the Economic Regulator with respect to the Expenditure Plan, the relevant parties shall (each acting reasonably) meet and seek to agree to any required amendments to the Expenditure Plan. If the relevant parties, acting reasonably, cannot agree the required amendments to the Expenditure Plan within a further 20 Business Days, the provisions of clause 19 (*Disputes*) of the ITA Deed of Appointment shall apply in respect of disputes of a technical or non-commercial nature.

4.1.7 It shall be for the Secretary of State (as CFA Provider), acting reasonably, to approve any Expenditure Plan pursuant to the terms of this Agreement. As soon as reasonably practicable, and in any event within (i) 20 Business Days of receipt of the Expenditure Plan pursuant to Clause 4.1.1 (if the Relevant Parties have not provided comments pursuant to Clause 4.1.2); or (ii) 10 Business Days of receipt of the revised Expenditure Plan pursuant to Clause 4.1.3(ii) (if the Relevant Parties have provided comments pursuant to Clause 4.1.2) (or such other date as is agreed between the Secretary of State (as CFA Provider) and GenCo in writing), the Secretary of State (as CFA Provider) shall notify GenCo:

(i) whether the Expenditure Plan is approved;

(ii) whether it approves the Expenditure Plan, subject to reasonable adjustments to be reflected in the Expenditure Plan, along with its reasons for such adjustments;

(iii) whether it does not approve the Expenditure Plan, along with its reasons, which may include GenCo's failure to respond to the request for supporting information pursuant to Clause 4.1.9(i); or

(iv) where the Secretary of State (as CFA Provider) (acting reasonably) requires additional time to consider the Expenditure Plan, the date on which the Secretary of State (as CFA Provider) will issue its decision in respect of such Expenditure Plan.

4.1.8 If at any time GenCo considers (acting reasonably) that the Expenditure Plan requires amendment to reflect changes in costs, timing or other circumstances in relation to the Project, it may submit a revised draft Expenditure Plan to the Relevant Parties and Clauses 4.1.2 to 4.1.7 will apply to such revised Expenditure Plan mutatis mutandis. The Parties acknowledge and agree that GenCo shall not be required to modify or implement an Expenditure Plan in a manner that would cause GenCo to breach the Nuclear Site Licence or its obligations under law, Directives, Industry Documents or the Project Documents.

4.1.9 GenCo shall:

(i) provide to the Relevant Parties all supporting information comprising or relating to the Expenditure Plan that the Relevant Parties may reasonably require to enable such parties to consider the Expenditure Plan; and

(ii) subject to Clause 4.1.10, implement any cost mitigation measures set out in the approved Expenditure Plan as agreed in accordance with this Clause 4.1 (or fully and finally determined in accordance with the Dispute Resolution Process).

4.1.10 Any failure by GenCo to implement any cost mitigation measures set out in an Expenditure Plan that has been approved pursuant to Clause 4.1.7 (or updated in accordance with Clause 4.1.8) or fully and finally determined in accordance with the Dispute Resolution Process in any material respect shall constitute a Remedy Event in accordance with the terms of the Discontinuation and Compensation Agreement, provided that no Remedy Event shall occur if GenCo fails to implement such cost mitigation measures set out in an Expenditure Plan because:

(i) such Expenditure Plan envisaged or required that GenCo would incur expenditure in excess of the Higher Regulatory Threshold; and

(ii) subject to Clause 9 (*Form of Contingent Financing if an IAR Application has been approved*), Clause 10 (*Form of Contingent Financing if an IAR Application has not been approved*), Clause 11.2, Clause 11.3, Clause 11.5 and Clause 12.1, following the delivery of a Commitment Notice to GenCo, the CFA Provider has failed to pay a Contingent Financing Instalment on or by the relevant Confirmed Contingent Financing Contribution Date.

4.2 IAR Application

4.2.1 Subject to Clause 4.2.5, if and to the extent that:

(i) an HRT Predicted Overrun has been identified and such HRT Predicted Overrun has been verified by the Independent Technical Adviser in accordance with the terms of the ITA Deed of Appointment;

(ii) such HRT Predicted Overrun has not been disputed through the ITA Deed Dispute Resolution Procedure (or, if such HRT Predicted Overrun has been disputed through the ITA Deed Dispute Resolution Procedure, such dispute has been finally determined in accordance with the ITA Deed Dispute Resolution Procedure); and

(iii) either:

(a) GenCo has been unable to implement an Approved Mitigation Plan such that the HRT is not exceeded; or

(b) there is no Approved Mitigation Plan and the Draft Mitigation Plan is not being implemented or such Draft Mitigation Plan is being implemented but the HRT is still predicted to be exceeded; or

(c) GenCo has determined (and the Independent Technical Adviser has verified) that, notwithstanding the implementation of an Approved Mitigation Plan or, if there is no Approved Mitigation Plan, the Draft Mitigation Plan (provided such Draft Mitigation Plan is being implemented), the HRT would still be exceeded,

then GenCo may submit an IAR Application to the Secretary of State (in their statutory capacity) in accordance with the IAR Statement, specifying details of the HRT Predicted Overrun and the reasons for it occurring, so that the Secretary of State (in their statutory capacity) can make a determination in respect of such IAR Application in accordance with section 7 of the NEFA and the IAR Statement.

4.2.2 Following receipt of an IAR Application, the Parties acknowledge that the Secretary of State has the statutory obligation (in accordance with section 7 of the NEFA and the IAR Statement, acting in their statutory capacity and acting in accordance with its statutory duties, including those set out in section 6(4) of the NEFA) to:

(i) either:

(a) approve such IAR Application in full;

(b) reject such IAR Application in full;

(c) approve such IAR Application in part and reject such IAR Application in part; or

(d) if there is insufficient evidence of the need for all or part of the Additional Allowable Spend requested pursuant to the IAR Application, or if GenCo has otherwise not submitted the IAR Application in accordance with the requirements of the IAR Statement, reject such IAR Application in full or in part; and

(ii) provide GenCo with a copy of the Secretary of State's determination, including (if applicable), details of the AAS Cap and the annual profile of the Additional Allowable Spend.

4.2.3 If:

(i) the IAR Outcome Notice states that the Secretary of State (acting in their statutory capacity) has determined that Additional Allowable Spend is evidenced and an AAS Cap has been set; and

(ii) a further HRT Predicted Overrun is subsequently identified which will result in the aggregate of the Higher Regulatory Threshold and the AAS Cap (and any other AAS Cap approved from time to time) being exceeded,

the provisions of Clause 3 (*Notifications, Draft Mitigation Plan and Approved Mitigation Plan*) to and including Clause 6 (*Election to fund following election not to approve all or part of an IAR Application*) shall apply *mutatis mutandis*.

4.2.4 If there is an Unapproved Amount:

(i) GenCo may submit further IAR Applications in respect of the Unapproved Amount, in which case the provisions of Clause 4.2.1 to this Clause 4.2.4(i) shall apply *mutatis mutandis* in respect of such further IAR Application(s);

(ii) if the circumstances set out in paragraph (b) of the definition of Unapproved Amount apply, the CFA Provider shall not be required to provide Contingent Financing in respect of such Unapproved Amount unless GenCo has submitted at least one further IAR Application in respect of such Unapproved Amount in accordance with Clause 4.2.4(i); and

(iii) if:

(a) the Secretary of State (in their statutory capacity) has rejected an IAR Application in full; or

(b) GenCo has submitted a further IAR Application in respect of an Unapproved Amount in accordance with this Clause 4.2.4 (such further IAR Application being a "**Further IAR Application**") and the Secretary of State (in their statutory capacity) has not approved such Further IAR Application in whole,

the amount of the IAR Application or Further IAR Application (as applicable) that has not been approved by the Secretary of State (in their statutory capacity) shall be the "**Remaining Unapproved Amount**" and the CFA Provider may elect (but shall not be obliged) to provide contingent financing in respect of all or part of the Remaining Unapproved Amount in accordance

with the provisions of Clause 6 (*Election to fund following election not to approve all or part of an IAR Application*).

4.2.5 If the Secretary of State (in their statutory capacity) has elected not to approve an IAR Application on one or more of the grounds stated in Clauses 4.2.2(i)(b) to 4.2.2(i)(d), GenCo may:

(i) elect to exercise any right available to it at law to dispute such determination by the Secretary of State (in their statutory capacity); and/or

(ii) submit a further IAR Application, in which case the provisions of Clause 4.2.1 to this Clause 4.2.5(ii) shall apply mutatis mutandis in respect of such further IAR Application.

4.2.6 GenCo may only submit an IAR Application under this Clause 4.2 and/or a Contingent Financing Request under Clause 7 (*Contingent Financing Request*) on or after the date on which the GSP Provider has confirmed in writing that the CFA Utilisation Condition Precedent has been satisfied and/or waived in its entirety, such confirmation to be provided by the Secretary of State (in their capacity as GSP Provider) as soon as reasonably practicable upon satisfaction and/or waiver of the same.

4.2.7 The provisions of this Clause 4.2 are without prejudice to the Secretary of State's rights and obligations pursuant to the NEFA and the IAR Statement which shall prevail in the event of any conflict between the decision of the Secretary of State under the NEFA and the IAR Statement and the provisions of this Clause 4.2.

5 Requirement to Seek Financing for an HRT Predicted Overrun

5.1 Subject to the requirement that GenCo has applied or will apply GenCo Net Revenues and Outstanding Equity Commitments in accordance with Clause 8.1 of the Investment Agreement, if GenCo has submitted an IAR Application to the Secretary of State (in their statutory capacity) in accordance with Clause 4.2.1, GenCo and HoldCo shall as soon as reasonably practicable submit to the CFA Provider a written proposal for GenCo and HoldCo to seek to raise debt and equity financing (respectively) for Additional Allowable Spend up to the amount claimed by GenCo in respect of the HRT Predicted Overrun (subject to Clause 5.3):

5.1.1 their existing providers of debt and equity (which may include the investment by GenCo and/or HoldCo of any retained earnings, provided that the Private Sector Shareholders shall not be obliged to do so); and

5.1.2 Non HMG Entities on reasonable commercial terms, if GenCo and HoldCo are unable to obtain sufficient financing pursuant to Clause 5.1.1,

(an "**AHRT Private Funding Proposal**"), provided that each HoldCo Shareholder and/or Non HMG Entity that elects to provide equity financing for such Additional Allowable Spend must provide Acceptable Credit Support. Such AHRT Private Funding Proposal shall include the timeframes within which GenCo and HoldCo shall seek to have secured such financing and the proposed sources of such financing.

5.2 Within 20 Business Days (or such other date as the Parties may agree) of receipt of an AHRT Private Funding Proposal from GenCo and HoldCo, the CFA Provider may provide comments to GenCo and HoldCo in relation to any such AHRT Private Funding Proposal.

GenCo shall give due consideration to any such comments and shall promptly provide a revised version of the AHRT Private Funding Proposal to the CFA Provider.

5.3 Following provision of the revised version of the AHRT Private Funding Proposal to the CFA Provider, GenCo may, at its own discretion and its sole risk, commence the implementation of such AHRT Private Funding Proposal in advance of the Secretary of State (in their statutory capacity) determining the AAS Cap and AHRT Amount (if any), provided that GenCo and HoldCo shall not draw down debt and equity financing (respectively) for Additional Allowable Spend above the AAS Cap once determined by the Secretary of State in an IAR Outcome Notice.

5.4 GenCo and HoldCo shall use reasonable endeavours to obtain such debt and equity financing in accordance with any AHRT Private Funding Proposal and within their proposed timeframes for seeking such financing agreed between the Parties in accordance with this Clause 5, acknowledging that existing debt and equity providers are not required to provide financing.

6 Election to fund following election not to approve all or part of an IAR Application

6.1 If the Secretary of State (acting in their statutory capacity) delivers to GenCo an IAR Outcome Notice confirming that the Secretary of State (acting in their statutory capacity) has elected not to approve an IAR Application or a Further IAR Application (as applicable) in full in line with the circumstances set out in Clause 4.2.2(i)(b) or Clause 4.2.4(iii)(b) for reasons other than because GenCo has not provided sufficient evidence of the requirement for such additional costs (an "**Unapproved IAR Outcome Notice**"), the CFA Provider (and/or any other HoldCo Shareholder (provided that they have provided Acceptable Credit Support)) may elect (but shall not be obliged) to provide contingent financing in the amount required to fund the Unapproved Amount or the Remaining Unapproved Amount. Where a HoldCo Shareholder has provided financing in the form of:

6.1.1 Class D Securities pursuant to Clause 5.1; and/or

6.1.2 Class E Shares pursuant to this Clause 6.1,

such Class D Securities and/or Class E Shares (as applicable) shall only count as such to the extent that they are supported by Acceptable Credit Support.

6.2 Within 60 Business Days of the date on which the Unapproved IAR Outcome Notice is delivered, the CFA Provider shall deliver to GenCo a notice confirming whether:

6.2.1 the CFA Provider elects to provide contingent financing to fund spend that would have been Additional Allowable Spend had GenCo's relevant IAR Application been approved by the Secretary of State (in their statutory capacity) in the amount required to fund the Unapproved Amount or the Remaining Unapproved Amount, as applicable (the "**Contingent Financing Spend**") on the basis set out in this Clause 6.2 and Clause 13.3, in which case the CFA Provider shall deliver an Unapproved IAR Commitment Notice to HoldCo, PledgeCo and GenCo in accordance with Clause 8.1.2 and the other provisions of Clause 8 (*Commitment*) shall apply, and GenCo and/or HoldCo shall not be permitted to incur Contingent Financing Spend unless it is (or will be) incurred to achieve the Commercial Operations Date; or

6.2.2 subject to Clause 6.1, the CFA Provider elects not to provide such contingent financing, in which case the provisions of clause 3.1.1(iii)(b) or clause 3.1.1(iv) (as applicable) of the Discontinuation and Compensation Agreement shall apply.

6.3 If and to the extent that:

6.3.1 the CFA Provider and/or any other HoldCo Shareholder has elected to provide contingent financing in accordance with Clause 6.1 and the CFA Provider and/or any other HoldCo Shareholder has provided such contingent financing by subscribing to Class E Shares pursuant to clause 19.2 of the Investment Agreement and, in the case of the CFA Provider only, by providing Unapproved IAR CFA Debt pursuant to the Unapproved IAR CFA Authorised Credit Facility Agreement; and

6.3.2 either:

(i) any HoldCo Shareholder (other than the HMG Shareholder or the CFA Provider) has entered into any agreement for the Transfer of any Securities (or any Interest in any Securities) to any person (including a Transfer to an Affiliate of such HoldCo Shareholder); or

(ii) any Affiliate of such HoldCo Shareholder (a "**Transferor Affiliate**") has entered into any agreement for the transfer of any securities (or any interest (whether legal or beneficial) in any securities) which would have the effect of directly or indirectly Transferring to a transferee (the "**Transferee**") the whole or part of any Securities or Interest in the whole or any part of any Securities of such HoldCo Shareholder (an "**Indirect Transfer**"),

such HoldCo Shareholder shall notify the CFA Provider in writing of such Transfer or Indirect Transfer (as applicable) prior to the completion of such Transfer or Indirect Transfer (as applicable) and provide details of the full breakdown of the price associated with any such Transfer or Indirect Transfer (as applicable), including the Attributable Price and the Total Consideration, in the form of a certificate from the relevant director of that HoldCo Shareholder accompanied by full and complete copies of any transaction documents associated with that sale, including details of any associated transaction. Such HoldCo Shareholder shall also procure that the Transferee shall, as a condition of such Transfer or Indirect Transfer (as applicable) deliver to the CFA Provider a certificate, duly signed by the Chief Financial Officer of the Transferee, setting out details of the full breakdown of the price associated with any such Transfer or Indirect Transfer (as applicable), including the Attributable Price and the Total Consideration, and such other information as the CFA Provider may request in the circumstances, acting reasonably.

6.4 Subject to Clause 6.8, if and to the extent that:

6.4.1 the CFA Provider and/or any other HoldCo Shareholder has elected to provide contingent financing in accordance with Clause 6.1;

6.4.2 the CFA Provider and/or any other HoldCo Shareholder has provided such contingent financing by subscribing to Class E Shares in accordance with clause 19.2 of the Investment Agreement and/or (in the case of the CFA Provider only) by providing Unapproved IAR CFA Debt pursuant to the Unapproved IAR CFA Authorised Credit Facility Agreement; and

6.4.3 any HoldCo Shareholder or Transferor Affiliate effects a Transfer an Indirect Transfer (as applicable); and

6.4.4 the Enterprise Value at the time of the completion of such Transfer or Indirect Transfer (as applicable) is greater than the RAB Value at that time (the difference between the Enterprise Value and the value of the RAB Value being the "**Excess Total Value**"),

the relevant HoldCo Shareholder shall subscribe for a number of Class F Shares in the equivalent value to the proportion of the Excess Total Value corresponding to (in the case of a HoldCo Shareholder) the relevant Securities or Interest in the Securities that are the subject of the Transfer or (in the case of a Transferor Affiliate) the relevant securities or interest (whether legal or beneficial) in any securities that are the subject of the Indirect Transfer (such proportionate value being the "**Excess Sale Value**") unless and until the proportion of the Clawback Cap for which the relevant HoldCo Shareholder is responsible has been reached in accordance with Clause 6.8 and clause 20.1 of the Investment Agreement. The Class F Proceeds shall be applied in accordance with clause 20.2.5 of the Investment Agreement.

6.5 For the purposes of Clause 6.4, the "**Clawback Cap**" shall equate to the aggregate sum of:

6.5.1 the Clawback-Related Debt Amount; and

6.5.2 the Clawback-Related Equity Amount.

6.6 Where one or more of the HoldCo Shareholders has provided contingent financing by way of Class E Shares:

6.6.1 GenCo shall maintain a model (the "**Class E Return Model**") for the Relevant Equity Period which sets out the basis on which the Clawback-Related Equity Amount will be calculated by reference to each Charging Year that occurs during the Relevant Equity Period;

6.6.2 the Class E Return Model shall be maintained in accordance with the following principles:

(i) the Class E Return Model shall include:

(a) in relation to the first Charging Year to occur during the Relevant Equity Period, an opening balance of zero as at the day immediately prior to the first issuance of Class E Shares in the first Charging Year of the Relevant Equity Period (the "**Day One Equity Opening Balance**"); and

(b) thereafter, an opening balance in an amount equal to the Equity Closing Balance for the immediately previous Charging Year to occur during the Relevant Equity Period (the "**Relevant Equity Opening Balance**");

(ii) the "**Equity Return**" for each Charging Year to occur during the Relevant Equity Period, which shall be an amount calculated in accordance with the following formula:

$$\textbf{Equity Return} = \textbf{OB} \times ((1+r)(1+i)-1)$$

where:

Term	Description	Price Base
OB	means: (i) for an Above RAB Value Transaction which occurs during the first Charging Year of the Relevant Equity Period, the Day One Equity Opening Balance as described in Clause 6.6.2(i)(a); and (ii) for an Above RAB Value Transaction which occurs after the first Charging Year in the Relevant Equity Period, the Relevant Equity Opening Balance as described in Clause 6.6.2(i)(b), as applicable;	£ nominal
r	means: (i) for any Charging Year during the Relevant Equity Period which falls during the Pre-PCR Phase, the real terms cost of equity used to calculate the IWACC as may be adjusted in accordance with Special Condition 41 of the Economic Licence; (ii) for any Charging Year during the Relevant Equity Period which falls during the Operations Phase, the real terms cost of equity stated in the RWACC as determined by the Economic Regulator at the PCR Determination or the relevant PR Determination (as applicable); and	N/A

i	means the outturn CPIH inflation rate for the relevant Charging Year in the Relevant Equity Period;	N/A

(iii) the "**Equity Repayments**" for each Charging Year to occur during the Relevant Equity Period shall be an amount equal to any amounts paid to subscribe for Class F Shares during that Charging Year pursuant to Clause 6.4 by any HoldCo Shareholder; and

(iv) the "**Equity Closing Balance**" for each Charging Year to occur during the Relevant Equity Period, which shall be an amount calculated in accordance with the following formula:

Equity Closing Balance = OB + A + Rt – Rp

where:

Term	**Description**	**Price Base**
OB	means: (i) for an Above RAB Value Transaction which occurs during the first Charging Year of the Relevant Equity Period, the Day One Equity Opening Balance as described in Clause 6.6.2(i)(a); and (ii) for an Above RAB Value Transaction which occurs after the first Charging Year in the Relevant Equity Period, the Relevant Equity Opening Balance as described in Clause 6.6.2(i)(b), as applicable	£ nominal
A	means the value of the Class E Shares issued during the relevant Charging Year;	£ nominal
Rt	means the Return in relation to the relevant Charging Year calculated in accordance with Clause 6.6.2(ii) above; and	£ nominal

Rp	means the Repayments made during the relevant Charging Year as described in Clause 6.6.2(iii) above.	£ nominal

6.7 Where the CFA Provider has provided contingent financing by way of Unapproved IAR CFA Debt:

6.7.1 GenCo shall maintain a model (the "**Unapproved IAR CFA Debt Return Model**") for the Relevant Debt Period which sets out the basis on which the Clawback-Related Debt Amount will be calculated by reference to each Charging Year that occurs during the Relevant Debt Period;

6.7.2 the Unapproved IAR CFA Debt Return Model shall be maintained in accordance with the following principles:

(i) the Unapproved IAR CFA Debt Return Model shall include:

(a) in relation to the first Charging Year to occur during the Relevant Debt Period, an opening balance of zero as at the day immediately prior to the first issuance of Unapproved IAR CFA Debt in the first Charging Year of the Relevant Debt Period (the "**Day One Debt Opening Balance**"); and

(b) thereafter, an opening balance in an amount equal to the Closing Debt Balance for the immediately previous Charging Year to occur during the Relevant Debt Period (the "**Relevant Debt Opening Balance**");

(ii) the "**Debt Return**" for each Charging Year to occur during the Relevant Debt Period, which shall be an amount calculated in accordance with the following formula:

$$\textbf{Debt Return} = OB \times ((1+r)(1+i)-1)$$

where:

Term	Description	Price Base
OB	means: (i) for an Above RAB Value Transaction which occurs during the first Charging Year of the Relevant Debt Period, the Day One Debt Opening Balance as described in Clause 6.7.2(i)(a); and (ii) for an Above RAB Value Transaction which occurs after the first Charging Year in the Relevant Debt	£ nominal

		Period, the Relevant Debt Opening Balance as described in Clause 6.7.2(i)(b),	
	as applicable;		
r	means: (i) for any Charging Year during the Relevant Equity Period which falls during the Pre-PCR Phase, the real terms cost of debt stated in the IWACC; and (ii) for any Charging Year during the Relevant Equity Period which falls during the Operations Phase, the real terms cost of debt stated in the RWACC for the relevant year, as applicable;		N/A
i	means the outturn CPIH inflation rate for the relevant Charging Year in the Relevant Debt Period;		N/A

(iii) the "**Debt Repayments**" for each Charging Year to occur during the Relevant Debt Period shall be an amount equal to any amounts paid by GenCo to repay any Unapproved IAR CFA Debt pursuant to the Unapproved IAR CFA Authorised Credit Facility and/or the Investment Agreement (as applicable); and

(iv) the "**Closing Debt Balance**" for each Charging Year to occur during the Relevant Debt Period, which shall be an amount calculated in accordance with the following formula:

Closing Debt Balance = OB + D + Rt – R

where:

Term	**Description**	**Price Base**
OB	means: (i) for an Above RAB Value Transaction which occurs	£ nominal

		during the first Charging Year of the Relevant Debt Period, the Day One Debt Opening Balance as described in Clause 6.7.2(i)(a); and	
		(ii) for an Above RAB Value Transaction which occurs after the first Charging Year in the Relevant Debt Period, the Relevant Debt Opening Balance as described in Clause 6.7.2(i)(b),	
		as applicable;	
D		means the amount of any Unapproved IAR CFA Debt drawn under the Unapproved IAR CFA Authorised Credit Facility during the relevant Charging Year;	£ nominal
Rt		means the Debt Return in relation to the relevant Charging Year calculated in accordance with Clause 6.7.2(ii) above; and	£ nominal
R		means the Debt Repayments made during the relevant Charging Year as described in Clause 6.7.2(iii) above.	£ nominal

6.8 For the purposes of Clause 6.4, the proportion of the Clawback Cap for which the relevant HoldCo Shareholder is responsible shall be a proportion of the Clawback Cap which is commensurate with its economic interest in HoldCo and PledgeCo (by virtue of its shareholding in HoldCo and the value of the Shareholder Loans issued to PledgeCo) at the time of payment of the purchase price and completion of the sale.

6.9 The Parties acknowledge and agree that the HoldCo Shareholders have agreed, pursuant to clause 44.13.2 of the Shareholders' Agreement, that this Clause 6 shall bind all HoldCo Shareholders and shall continue to apply and shall survive the Expiry Date.

7 Contingent Financing Request

7.1 Subject to Clause 4.2.5 and Clause 13 (*Committed funding above the Higher Regulatory Threshold*), if:

7.1.1 the Secretary of State (acting in their statutory capacity) has delivered an IAR Outcome Notice to GenCo;

7.1.2 the Secretary of State (in their statutory capacity) has approved the Additional Allowable Spend and GenCo is unable to secure any or all of the AHRT Amount pursuant to Clause 5 (*Requirement to Seek Financing for an HRT Predicted Overrun*) within the timeframes for seeking such financing in the AHRT Private Funding Proposal proposed by GenCo and HoldCo in accordance with Clause 5.1 or, if applicable, Clause 5.2; and

7.1.3 notwithstanding that GenCo has applied or will apply any GenCo Net Revenues and Outstanding Equity Commitments to fund its capital expenditure requirements for the remainder of the then-current Charging Year in accordance with the requirements set out in clause 8.1 of the Investment Agreement, GenCo will have insufficient funds to meet its capital expenditure requirements during the remainder of that Charging Year,

GenCo and HoldCo may jointly submit a written notice to the CFA Provider requesting that the CFA Provider provide contingent financing to finance an amount not exceeding the portion of the Contingent Financing Amount that GenCo will require to meet its capital expenditure requirements during that Charging Year in accordance with the terms of this Agreement (a "**Contingent Financing Request**").

7.2 A Contingent Financing Request shall, subject to the requirement that GenCo has applied or will apply GenCo Net Revenues and Outstanding Equity Commitments in accordance with clause 8.1 of the Investment Agreement:

7.2.1 specify the total amount of contingent financing being requested for the purposes of meeting GenCo's capital expenditure requirements during that Charging Year, provided that such amount shall not exceed the Contingent Financing Amount;

7.2.2 specify the date or dates on which GenCo and HoldCo request that such contingent financing is to be made available (the "**Requested Contingent Financing Contribution Date(s)**"), provided that:

(i) the Requested Contingent Financing Contribution Date (or, if there is more than one Requested Contingent Financing Contribution Date, the earliest of the Requested Contingent Financing Contribution Dates) shall be at least 60 Business Days (or such other timeframe as the Parties may agree in writing) after the date on which GenCo delivers the Contingent Financing Request to the CFA Provider;

(ii) the Requested Contingent Financing Contribution Date (or, if there is more than one Requested Contingent Financing Contribution Date, the earliest of the Requested Contingent Financing Contribution Dates) shall be no earlier than the date reasonably required in order to allow GenCo to meet expenditure expected to be occurred in excess of the Higher Regulatory Threshold; and

(iii) all Requested Contingent Financing Contribution Dates shall be on a Business Day;

7.2.3 subject to Clause 7.2.1, if the Contingent Financing Request specifies more than one Requested Contingent Financing Contribution Date, specify the amount of contingent financing that HoldCo and GenCo request be provided on each Requested Contingent Financing Contribution Date; and

7.2.4 confirm that the requested contingent financing shall only be applied towards Additional Allowable Spend, Contingent Financing Spend and/or Equivalent Additional Allowable Spend which is incurred to achieve the Commercial Operations Date.

7.3 GenCo shall submit each Contingent Financing Request:

7.3.1 on an annual basis; and

7.3.2 no later than 60 Business Days prior to the start of the Charging Year to which it relates,

provided that the first Contingent Financing Request issued pursuant to Clause 7.1 may be issued at any time within 60 Business Days of receipt of the IAR Outcome Notice.

7.4 Contingent financing shall not be used to pay any Excluded Project Spend.

7.5 All amounts specified in a Contingent Financing Request shall be in Sterling.

7.6 GenCo and/or HoldCo shall not be permitted to submit any Contingent Financing Request for Additional Allowable Spend that is not (or will not be) incurred to achieve the Commercial Operations Date.

8 Commitment

8.1 Subject to Clauses 11.5 and 13 (*Committed funding above the Higher Regulatory Threshold*):

8.1.1 subject to Clause 8.7, if the Secretary of State has delivered an IAR Outcome Notice to GenCo approving the Additional Allowable Spend and setting any AAS Cap, by the date falling no later than 60 Business Days after the date on which the CFA Provider received the relevant Contingent Financing Request, the CFA Provider shall by written notice to HoldCo, PledgeCo and GenCo elect either to:

(i) provide equity and debt financing in an amount not exceeding the Contingent Financing Amount but otherwise sufficient to finance the portion of the AHRT Amount in respect of which HoldCo, PledgeCo and/or GenCo (as the case may be) has not been (or will not be) able to either use GenCo Net Revenues and Outstanding Equity Commitments to fund its capital expenditure requirements and/or raise equity and/or debt financing from the existing shareholders and/or any debt providers in accordance with Clause 5 (*Requirement to Seek Financing for an HRT Predicted Overrun*) (such notice being an "**Approved IAR Commitment Notice**"), provided that the Approved IAR Commitment Notice shall include details of the manner in which the CFA Provider shall pay the portion of the Aggregate Commitment that the CFA Provider will be required to pay during that Charging Year (subject to GenCo having notified the CFA Provider of how much contingent financing will be required during that period after it has applied any GenCo Net Revenues and Outstanding Equity Commitments to fund its capital expenditure requirements during that period in accordance with clause 8.1 of the Investment Agreement), including:

(a) how much of the Aggregate Commitment shall be provided as CFA Equity in the form of Class D Shares during the that Charging Year;

(b) how much of the Aggregate Commitment shall be provided as CFA Equity in the form of Class D Shareholder Loans during that Charging Year;

(c) how much of the Aggregate Commitment shall be provided as Approved IAR CFA Debt during that Charging Year;

(d) the number of instalments in which it shall pay the Aggregate Commitment during that Charging Year;

(e) the respective amounts payable in each such instalment during that Charging Year; and

(f) subject to Clause 11.1, the dates upon which each such instalment shall be paid during that Charging Year; or

(ii) Discontinue in accordance with clause 3.1.1(iii)(b) or clause 3.1.1(iv) (as applicable) of the Discontinuation and Compensation Agreement; or

8.1.2 if the CFA Provider has elected to provide equity and debt financing in an amount equal to the Unapproved Amount or the Remaining Unapproved Amount (as applicable), the CFA Provider shall within the time period specified in Clause 6.2 deliver a notice to HoldCo, PledgeCo and GenCo confirming that it will, subject to GenCo complying with its obligations to apply any GenCo Net Revenues and Outstanding Equity Commitments to fund its capital expenditure requirements during each Charging Year in accordance with clause 8.1 of the Investment Agreement, provide equity and debt financing in an amount equal to the Unapproved Amount or the Remaining Unapproved Amount, as applicable (such notice being an "**Unapproved IAR Commitment Notice**").

8.2 If the CFA Provider issues an Unapproved IAR Commitment Notice to HoldCo, PledgeCo and GenCo pursuant to Clause 8.1.2:

8.2.1 such Unapproved IAR Commitment Notice shall include details of the manner in which the CFA Provider shall pay the portion of the Aggregate Commitment that the CFA Provider will be required to pay during the then-current Charging Year (after GenCo has notified the CFA Provider of how much contingent financing will be required during that period after it has applied any GenCo Net Revenues and Outstanding Equity Commitments to fund its capital expenditure requirements during that period in accordance with clause 8.1 of the Investment Agreement), including:

(i) confirmation that 50 per cent. of the portion of the Aggregate Commitment to be paid during that Charging Year shall be provided as CFA Equity in the form of Class E Shares;

(ii) confirmation that 50 per cent. of the portion of the Aggregate Commitment to be paid during that Charging Year shall be provided as Unapproved IAR CFA Debt;

(iii) the number of instalments in which it shall pay the portion of the Aggregate Commitment to be paid during that Charging Year;

(iv) the respective amounts payable in each such instalment; and

(v) subject to Clause 11.1, the dates upon which each such instalment shall be paid; and

8.2.2 no later than 60 Business Days prior to the start of each subsequent Charging Year, GenCo shall submit to the CFA Provider a notice specifying the portion of the Aggregate Commitment that it will require the CFA Provider to pay during the relevant Charging Year after it has applied any GenCo Net Revenues and Outstanding Equity Commitments that it expects will be available to fund its capital expenditure requirements during that period in accordance with clause 8.1 of the Investment Agreement. Within 30 Business Days of receipt of such written notice from GenCo, the CFA Provider shall deliver to HoldCo, PledgeCo and GenCo a written notice confirming the matters set out in Clauses 8.2.1(i) to 8.2.1(v).

8.3 Where the Secretary of State (acting in their statutory capacity) has not approved all of or any part of an IAR Application and such decision is based on lack of evidence for the need for all or part of the Additional Allowable Spend, then the CFA Provider shall not be required to make any contingent financing available in respect of such (or such part of the relevant) IAR Application unless and until a new decision is taken in respect of such (or such part of the relevant) IAR Application.

8.4 Subject to Clause 13 (*Committed funding above the Higher Regulatory Threshold*), if the CFA Provider makes an election to provide contingent financing in accordance with Clause 8.1.1, the Aggregate Commitment shall be payable in the manner, in such instalments and on such dates as are determined in accordance with Clause 9 (*Form of Contingent Financing if an IAR Application has been approved*), Clause 11.1 and Clause 12.1 (as the case may be).

8.5 Clause 13 (*Committed funding above the Higher Regulatory Threshold*), if the CFA Provider makes an election to provide contingent financing in accordance with Clause 8.1.2, the Aggregate Commitment shall be payable in the manner, in such instalments and on such dates as are determined in accordance with Clause 10 (*Form of Contingent Financing if an IAR Application has not been approved*), Clause 11.1 and Clause 12.1.

8.6 If the CFA Provider makes an election to Discontinue in accordance with Clause 6.2.2 or Clause 8.1.1, the Discontinuation and Compensation Agreement shall apply in accordance with its terms.

8.7 Subject to Clause 11.4 and Clause 13 (*Committed funding above the Higher Regulatory Threshold*), after issuing a Contingent Financing Request to the CFA Provider, HoldCo and GenCo shall continue to use reasonable endeavours to raise financing from the Private Sector Shareholders and/or other entities for the purposes of financing any portion of the AHRT Amount that has not already been funded by the payment of CFA Equity and CFA Debt in accordance with this Agreement, irrespective of the issuance of a Commitment Notice.

8.8 Subject to Clause 8.3, the CFA Provider shall have no obligation pursuant to Clause 8.1 to respond to a Contingent Financing Request if a Failure Event subsists at the time of the Contingent Financing Request unless and until all subsisting Failure Events are Remedied or reduced to Remedy Events.

8.9 Subject to Clause 8.3 and Clause 13 (*Committed funding above the Higher Regulatory Threshold*), if the CFA Provider fails to elect either to provide contingent financing under Clause 6.2 or Clause 8.1.1 (as applicable) or to Discontinue under Clause 6.2.2 or Clause 8.1.1(ii) (as applicable):

8.9.1 within 30 Business Days of receiving (i) the relevant Contingent Financing Request; or (ii) the Unapproved IAR Outcome Notice (as applicable), GenCo shall provide a written notice to the CFA Provider referring to the requirement to make such election (an "**Election Reminder Notice**"); and

8.9.2 within 30 Business Days of receipt by the CFA Provider of the Election Reminder Notice, GenCo may by written notice to the CFA Provider request that the CFA Provider makes such election (a "**Final Demand For Election**").

8.10 Subject to Clause 8.3 and Clause 13 (*Committed funding above the Higher Regulatory Threshold*), if:

8.10.1 GenCo has issued a Final Demand For Election; and

8.10.2 the CFA Provider fails to elect either to provide contingent financing under Clause 6.2 or Clause 8.1.1 (as applicable) or to Discontinue under Clause 6.2.2 or Clause 8.1.1(ii) (as applicable) by the date falling 30 Business Days after the date on which the CFA Provider receives a Final Demand For Election from GenCo,

the provisions set out in clause 3.2 (*Genco's Right to request Discontinuation*) of the Discontinuation and Compensation Agreement shall apply.

8.11 Subject to Clause 8.3 and Clause 13 (*Committed funding above the Higher Regulatory Threshold*), the Parties acknowledge and agree that, if the CFA Provider fails to elect either to provide contingent financing under Clause 6.2 or Clause 8.1.1 (as applicable) or to Discontinue under Clause 6.2.2 or Clause 8.1.1(ii) (as applicable), the sole remedy available to HoldCo and GenCo shall be in accordance with Clause 8.10.

9 Form of Contingent Financing if an IAR Application has been approved

9.1 Subject to Clause 10 (*Payment of Aggregate Commitment*), Clause 12 (*Completion*) and Clause 13 (*Committed funding above the Higher Regulatory Threshold*), if the CFA Provider makes an election to provide contingent financing in accordance with Clause 8.1.1, the CFA Provider shall pay the Aggregate Commitment by:

9.1.1 subscribing to Class D Shares in HoldCo and making Class D Shareholder Loans to PledgeCo in accordance with clause 18.4 of the Investment Agreement (and the Parties acknowledge and agree that the price to be paid for the Class D Securities shall be determined in accordance with schedule 3 (*Determination of Proportion of BHRT Equity to IAR-Approved AHRT Equity)* of the Investment Agreement); and

9.1.2 providing debt financing to GenCo on the terms set out in the Approved IAR CFA Authorised Credit Facility Agreement ("**Approved IAR CFA Debt**"),

such that the equity portion of the AHRT Leverage Ratio shall be equal to the equity portion of the BHRT Leverage Ratio, and the debt portion of the AHRT Leverage Ratio shall be equal to the debt portion of the BHRT Leverage Ratio at the date on which the Cumulative Actual Allowable Capital Spend (ACI) was equal to the Higher Regulatory Threshold.

9.2 The Parties acknowledge and agree that, if the CFA Provider makes an election to provide contingent financing in accordance with Clause 8.1.1:

9.2.1 any CFA Equity shall be funded by way of Class D Shares and Class D Shareholder Loans in accordance with the Share to SHL Proportion (as contemplated by the Investment Agreement). The Class D Shares shall have such rights as are set out in

the HoldCo Articles and the Class D Shareholder Loans shall have such rights as are set out in the Shareholder Loan Agreement, the Investment Agreement and the Shareholders' Agreement; and

9.2.2 subject always to the terms of the Finance Documents and the other documents forming part of the Government Support Package, repayments and/or dividends (as applicable) in respect of the BHRT Equity and the Class D Securities shall be made in accordance with the BHRT Equity to IAR-Approved AHRT Equity Proportion.

9.3 The Parties acknowledge and agree that:

9.3.1 the terms of any Approved IAR CFA Debt shall be documented in the Approved IAR CFA Authorised Credit Facility Agreement as set out in the Finance Documents;

9.3.2 Approved IAR CFA Debt shall be treated as a Class A Authorised Credit Facility for the purposes of the Security Trust and Intercreditor Deed;

9.3.3 the Priorities of Payments set out in the Security Trust and Intercreditor Deed shall apply in respect of any Approved IAR CFA Debt; and

9.3.4 the final repayment date in respect of any outstanding principal on an amortising basis, together with all interest, fees and any other amounts outstanding in respect of Approved IAR CFA Debt shall be no later than the Final Maturity Date.

10 Form of Contingent Financing if an IAR Application has not been approved

10.1 Subject to GenCo ensuring it has applied or will apply GenCo Net Revenues and Outstanding Equity Commitments in accordance with clause 8.1 of the Investment Agreement and subject to Clause 11 (*Payment of Aggregate Commitment*), Clause 12 (*Completion*) and Clause 13 (*Committed funding above the Higher Regulatory Threshold*), if the CFA Provider makes an election to provide contingent financing in accordance with Clause 6.1 and Clause 8.1.2, the CFA Provider shall pay the Aggregate Commitment by:

10.1.1 subscribing to Class E Shares in HoldCo in accordance with clause 19.2 of the Investment Agreement (and the Parties acknowledge and agree that the price to be paid for the Class E Shares shall be determined in accordance with clause 19.2 of the Investment Agreement); and

10.1.2 providing debt financing to GenCo on the terms set out in the Unapproved IAR CFA Authorised Credit Facility Agreement ("**Unapproved IAR CFA Debt**"),

such that 50 per cent. of the Aggregate Commitment shall be provided as CFA Equity in the form of Class E Shares and 50 per cent. of the Aggregate Commitment shall be provided as Unapproved IAR CFA Debt.

10.2 The Parties acknowledge and agree that, if the CFA Provider makes an election to provide contingent financing in accordance with Clause 8.1.2:

10.2.1 any CFA Equity shall be funded by way of Class E Shares and that the Class E Shares shall have such rights as are set out in the HoldCo Articles, the Investment Agreement and the Shareholders' Agreement; and

10.2.2 subject always to the terms of the Finance Documents and the other documents forming part of the Government Support Package, repayments and/or dividends (as applicable) in respect of the Class E Shares shall be made in accordance with the terms of clause 20 (*Clawback pursuant to Contingent Financing Agreement and*

repayment and redemption of Class E Shares) and, if applicable, schedule 7 (*Discontinuation and Winding up Waterfall*) of the Investment Agreement.

10.3 The Parties acknowledge and agree that:

10.3.1 the terms of any Unapproved IAR CFA Debt shall be documented in the Unapproved IAR CFA Authorised Credit Facility Agreement as set out in the Finance Documents;

10.3.2 Unapproved IAR CFA Debt shall be treated as Unapproved IAR CFA Debt for the purposes of the Security Trust and Intercreditor Deed and subordinated to Class A Authorised Credit Facilities and Class B Authorised Credit Facilities (as set out in the Priorities of Payments) but senior to any Subordinated Equity Investor Liabilities for the purposes of the Security Trust and Intercreditor Deed;

10.3.3 the Priorities of Payments set out in the Security Trust and Intercreditor Deed shall apply in respect of any Unapproved IAR CFA Debt; and

10.3.4 the final repayment date in respect of any outstanding principal on an amortising basis in respect of Unapproved IAR CFA Debt shall be no later than the date falling 40 years after the date of the PCR Determination subject to the cash sweep mechanics set out in the Unapproved IAR CFA Authorised Credit Facility Agreement, the Security Trust and Intercreditor Deed and clause 20.2.5, clause 20.2.6 and clause 20.2.7 of the Investment Agreement.

11 Payment of Aggregate Commitment and VAT

11.1 Subject to:

11.1.1 Clause 9 (*Form of Contingent Financing if an IAR Application has been approved*), Clause 10 (*Form of Contingent Financing if an IAR Application has not been approved*), Clause 11.2, Clause 11.3, Clause 11.5, Clause 12.1 and Clause 13 (*Committed funding above the Higher Regulatory Threshold*); and

11.1.2 the satisfaction of the Conditions,

the CFA Provider shall pay the Aggregate Commitment in instalments for such amounts and on such dates as are specified by the CFA Provider in the Approved IAR Commitment Notice or Unapproved IAR Commitment Notice, as applicable. The CFA Provider shall determine such amounts (each, a "**Contingent Financing Instalment**") and dates (each, a "**Confirmed Contingent Financing Contribution Date**") as it specifies in the relevant Commitment Notice to enable GenCo to fund:

11.1.3 the programme of Additional Allowable Spend as detailed in the IAR Outcome Notice; and/or

11.1.4 the programme of Contingent Financing Spend as detailed in the Unapproved IAR Commitment Notice,

(as applicable), in each case in line with the programme's anticipated timeframe, provided that the first Confirmed Contingent Financing Contribution Date in relation to an Aggregate Commitment shall not be earlier than the date falling 60 Business Days from the date on which (i) the CFA Provider received the relevant Contingent Financing Request; or (ii) the date on which the CFA Provider delivered to HoldCo, PledgeCo and GenCo the Unapproved IAR Commitment Notice (as applicable).

11.2 Subject to Clause 9 (*Form of Contingent Financing if an IAR Application has been approved*) and Clause 10 (*Form of Contingent Financing if an IAR Application has not been approved*), and provided that the total of all the Contingent Financing Instalments does not exceed the Aggregate Commitment, following the delivery of (i) a Contingent Financing Request to the CFA Provider or (ii) an Unapproved IAR Commitment Notice to HoldCo, PledgeCo and GenCo:

11.2.1 each month GenCo shall provide to the CFA Provider any adjustments required to the Confirmed Contingent Financing Contribution Dates and/or the amounts of the Contingent Financing Instalments to reflect the updated programme of expenditure due to be incurred as part of the relevant Additional Allowable Spend, as detailed in the IAR Outcome Notice or the Unapproved IAR Commitment Notice (as applicable); and

11.2.2 the CFA Provider shall confirm in writing to GenCo if they agree to such adjustments or propose any alternative adjustments, acting reasonably.

11.3 Subject to Clause 11.4 and Clause 13 (*Committed funding above the Higher Regulatory Threshold*), from the date on which GenCo and HoldCo receive a Commitment Notice from the CFA Provider until the final Confirmed Contingent Financing Contribution Date in respect of such Commitment Notice (the "**Commitment Period**"), if GenCo and/or HoldCo secure additional finance from any Non HMG Entities (whether in the form of senior debt or equity, and including through the investment of any retained earnings), the receipt of which would reduce the required Aggregate Commitment, then:

11.3.1 GenCo and HoldCo shall promptly deliver to the CFA Provider a written notice confirming the same (an "**Aggregate Commitment Reduction Notice**");

11.3.2 upon the CFA Provider receiving such Aggregate Commitment Reduction Notice, the Aggregate Commitment shall be reduced by the amount of any Net New Committed Finance, and the CFA Provider may elect to revise any of the Confirmed Contingent Financing Contribution Dates, provided that:

(i) the Aggregate Commitment shall otherwise remain on the same terms as set out in the Contingent Financing Request and/or the Unapproved IAR Commitment Notice (as applicable); and

(ii) any adjustment to the Aggregate Commitment in accordance with this Clause 11.3.2 shall be implemented such that the equity portion of the AHRT Leverage Ratio shall remain equal to the equity portion of the BHRT Leverage Ratio, and the debt portion of the AHRT Leverage Ratio shall remain equal to the debt portion of the BHRT Leverage Ratio; and

11.3.3 no later than 20 Business Days after receiving such Aggregate Commitment Reduction Notice, the CFA Provider shall deliver to GenCo and HoldCo a revised Commitment Notice specifying any required revisions to any Contingent Financing Instalments and Confirmed Contingent Financing Contribution Dates.

11.4 Unless otherwise agreed by the CFA Provider, in relation to any finance secured from Non HMG Entities through equity or shareholder loans during the Commitment Period, HoldCo shall only raise such finance on the terms set out in the Investment Agreement.

11.5 GenCo and HoldCo may, by the date falling no later than 60 Business Days prior to the first Confirmed Contingent Financing Contribution Date:

11.5.1 in respect of any Contingent Financing Request, withdraw such Contingent Financing Request; and

11.5.2 in respect of any Unapproved IAR Commitment Notice, request that the CFA Provider withdraw such Unapproved IAR Commitment Notice,

in each case, in full by written notice to the CFA Provider.

11.6 Subject to Clause 11.3 and Clause 13 (*Committed funding above the Higher Regulatory Threshold*), if the CFA Provider fails to pay a Contingent Financing Instalment (or part thereof) that is due and payable under Clause 11.1 and not disputed (including a dispute in relation to the satisfaction of the Conditions):

11.6.1 by the relevant Confirmed Contingent Financing Contribution Date, GenCo shall provide a written notice to the CFA Provider referring to the requirement for the payment of such amount (a "**Payment Reminder Notice**"); and

11.6.2 within 20 Business Days of receipt by the CFA Provider of the Payment Reminder Notice, GenCo may by written notice to the CFA Provider request payment of such amount (a "**Final Demand For Payment**").

11.7 If GenCo has issued a Final Demand For Payment and the CFA Provider fails to pay the relevant Contingent Financing Instalment (or part thereof) that is due and payable under Clause 11.1 and not in dispute (including a dispute in relation to the satisfaction of the Conditions) by the date falling 10 Business Days from the date on which the CFA Provider received such Final Demand For Payment, GenCo shall have the right (but not the obligation) to request that the Secretary of State Discontinue pursuant to clause 3.2 (*GenCo's Right to request Discontinuation*) of the Discontinuation and Compensation Agreement.

11.8 The Parties acknowledge and agree that, if the CFA Provider fails to pay a Contingent Financing Instalment (or part thereof) in accordance with the terms of this Agreement, the sole remedy available to HoldCo and GenCo shall be in accordance with Clause 11.7.

11.9 Where under the terms of this Agreement one party is liable to indemnify or reimburse another party in respect of any costs, charges or expenses, the payment shall include an amount equal to any VAT thereon not otherwise recoverable by the other party or the representative member of any VAT group of which it forms part. If the costs, charges or expenses are incurred by the party being indemnified or reimbursed (the "**Payee**") in its capacity as agent of the payer and the relevant supply is treated for VAT purposes as made direct to the payer, the Payee shall use reasonable endeavours to procure that the supplier issues to the payer a valid VAT invoice.

12 Completion

12.1 Subject to Clause 13 (*Committed funding above the Higher Regulatory Threshold*) and satisfaction of the Conditions, at each Confirmed Contingent Financing Contribution Date (or such other date as may be agreed between the Parties in writing):

12.1.1 the CFA Provider shall procure that the relevant Contingent Financing Instalment is delivered to:

(i) GenCo, in the case of CFA Debt;

(ii) HoldCo, in the case of Class D Shares or Class E Shares; and

(iii) PledgeCo, in the case of Class D Shareholder Loans,

in immediately available funds to the Borrower CFA Account the HoldCo CFA Account, and the PledgeCo CFA Account (as applicable), which amount(s) shall be delivered in full, free from any deduction or withholding whatsoever (save only as may be required by law) and without regard to any lien, right of set-off, counterclaim or otherwise, provided that if any deduction or withholding is required by law, the CFA Provider shall increase the relevant Contingent Financing Instalment to the extent necessary to ensure that, after the making of the required deduction or withholding, GenCo, HoldCo and/or PledgeCo (as applicable) receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made;

12.1.2 if the CFA Provider makes an election to provide contingent financing in accordance with Clause 8.1.1, in respect of the portion of the Contingent Financing Instalment that relates to the CFA Equity and is paid by the CFA Provider to HoldCo and PledgeCo in the form of Class D Securities in accordance with Clause 9.1.1, HoldCo and PledgeCo shall issue Class D Securities to the CFA Provider in accordance with the terms of the Investment Agreement. The determination of the number of Class D Securities issued by HoldCo at each Completion and the price thereof shall be determined in accordance with the terms of the Investment Agreement;

12.1.3 if the CFA Provider makes an election to provide contingent financing in accordance with Clause 8.1.2, in respect of the portion of the Contingent Financing Instalment that relates to the CFA Equity and is paid by the CFA Provider to HoldCo pursuant to the CFA Provider's acquisition of Class E Shares in accordance with Clause 10.1.1 and in accordance with the terms of the Investment Agreement, HoldCo shall issue Class E Shares to the CFA Provider. The determination of the number of Class E Shares issued by HoldCo at each Completion and the price thereof shall be determined in accordance with the terms of the Investment Agreement;

12.1.4 each of the Parties undertakes to the other that it shall take the actions and perform the obligations required of it to effect the arrangements set out in Clauses 12.1.1, 12.1.2 and 12.1.3, including any consents, clearances, authorisations or permissions required for such arrangements from the Economic Regulator or other governmental authority.

12.2 HoldCo and PledgeCo shall each apply all amounts received from the CFA Provider as CFA Equity in accordance with clause 18.7, 18.8, 19.2.5 and/or 19.2.6 (as applicable) of the Investment Agreement.

12.3 If the CFA Provider has paid the Contingent Financing Instalment as Approved IAR CFA Debt in accordance with Clause 9.1.2 or Unapproved IAR CFA Debt in accordance with Clause 10.1.2, GenCo shall use the proceeds of the CFA Debt for the full value of the Contingent Financing Instalment from the CFA Provider to fund:

12.3.1 Additional Allowable Spend and/or Equivalent Additional Allowable Spend in accordance with the IAR Outcome Notice; or

12.3.2 Contingent Financing Spend in accordance with the Unapproved IAR Commitment Notice,

as applicable.

12.4 GenCo is only permitted to apply the proceeds of the Contingent Financing Instalment received by it from HoldCo and PledgeCo towards the Additional Allowable Spend, Equivalent Additional Allowable Spend or Contingent Financing Spend (as applicable). If GenCo identifies that all or part of a Contingent Financing Instalment that has been received by GenCo is no longer required to fund Additional Allowable Spend, Equivalent Additional Allowable Spend or Contingent Financing Spend incurred to achieve the Commercial Operations Date, GenCo, PledgeCo and HoldCo shall:

12.4.1 notify the CFA Provider within 10 Business Days of becoming aware of such circumstances; and

12.4.2 repay the relevant proportion of all or part of such Contingent Financing Instalment that has been provided in the form of CFA Debt to the CFA Provider to a bank account specified by the CFA Provider within 20 Business Days of the Commercial Operations Date or such later date as the CFA Provider may specify in writing; and

12.4.3 if applicable, repay the relevant proportion of all or part of such Contingent Financing Instalment that has been provided by the CFA Provider in the form of Class D Securities by:

(i) repaying the relevant proportion of the Class D Securities that have been provided by the CFA Provider in the form of Class D Shareholder Loans to the CFA Provider to a bank account specified by the CFA Provider within 20 Business Days of the Commercial Operations Date; and

(ii) repaying the relevant proportion of the Class D Securities that have been provided by the CFA Provider in the form of Class D Shares by HoldCo redeeming the Class D Shares and paying the relevant Redemption Amount to the CFA Provider in accordance with the terms of the Investment Agreement; and

12.4.4 if applicable, repay the relevant proportion of all or part of such Contingent Financing Instalment that has been provided by the CFA Provider in the form of Class E Shares by repaying the Class E Shares by HoldCo redeeming the Class E Shares and paying the relevant Redemption Amount to the CFA Provider in accordance with the terms of the Investment Agreement.

13 Committed funding above the Higher Regulatory Threshold

13.1 Unless otherwise defined in this Agreement, defined terms used in this Clause 13 shall have the meanings given to them in the Investment Agreement.

13.2 In circumstances where the Secretary of State (acting in their statutory capacity) has elected:

13.2.1 to approve all or any part of the IAR Application, following the true-up in accordance with clause 17 (*Committed funding above the Higher Regulatory Threshold*) of the Investment Agreement the HoldCo Shareholders shall provide the remainder of their Outstanding Equity Commitments (drawn pro rata from each HoldCo Shareholder) to fund the IAR-Approved AHRT Equity Amount in accordance with clause 18 (*Funding above the Higher Regulatory Threshold (in case of approved IAR Application)*) of the Investment Agreement as IAR-Approved AHRT Equity in their capacity as AHRT Funding Non-HMG Shareholders through the subscription of Class D Shares and funding of Class D Shareholder Loans (in accordance with the

Share to SHL Proportion) before the Group Companies seek to draw any other funding (including from the CFA Provider under the terms of this Agreement); and

13.2.2 not to approve all or any part of the IAR Application, following the true-up in accordance with clause 17 (*Committed funding above the Higher Regulatory Threshold*) of the Investment Agreement the HoldCo Shareholders shall provide the remainder of their respective Outstanding Equity Commitments (drawn pro rata from each HoldCo Shareholder) to fund the Unapproved AHRT Amount in accordance with (at each such HoldCo Shareholder's election) clause 19 (*Funding above the Higher Regulatory Threshold (without approved IAR Application)*) of the Investment Agreement through the subscription of Class E Shares before the Group Companies seek to draw any other funding (including from the CFA Provider under the terms of this Agreement),

save that in either case the Group Companies shall be entitled to issue Funding Requests in respect of the funding contemplated by this Clause 13 in accordance with the terms of the Investment Agreement.

13.3 Notwithstanding anything else in this Agreement, in any Charging Year following the occurrence of the Debt Repayment Trigger, GenCo may apply to the CFA Provider for 100% of the financing for any Unapproved Amounts, and the requirements to apply GenCo Net Revenues and Outstanding Equity Commitments in accordance with clause 8.1 of the Investment Agreement shall not apply.

14 Contingent Financing Arrangement Fee

GenCo shall pay to the CFA Provider an arrangement fee of [redacted] on Revenue Commencement.

15 Exercising Rights

So far as it is legally able, each Party agrees with the others to exercise all voting rights and powers (direct or indirect) available to it in relation to any person to ensure that the provisions of this Agreement are completely and punctually fulfilled, observed and performed and generally that full effect is given to the provisions set out in this Agreement and to any amendment to this Agreement which is made in accordance with Clause 23 (*Amendments*).

16 Warranties

16.1 Each of HoldCo, PledgeCo and GenCo warrants to the other Parties that:

16.1.1 it is duly organised or incorporated and validly existing under the laws of its respective place of incorporation with power to enter into this Agreement and to exercise its rights and perform its obligations hereunder;

16.1.2 all corporate or other actions required to authorise its execution of this Agreement and its performance of its obligations hereunder have been duly taken;

16.1.3 its execution of this Agreement and its exercise of its rights and performance of its obligations hereunder do not constitute and will not result in any breach of any agreement or, to the best of its knowledge, any law binding it; and

16.1.4 the obligations assumed by it in this Agreement are legal, valid and binding obligations enforceable against it in proceedings in the jurisdiction in which it is incorporated.

16.2 Each of the warranties set out in Clause 16.1 shall be construed as a separate warranty and shall not be limited or restricted by reference to or inference from the terms of any other warranty or any other term of this Agreement.

17 Confidentiality and Freedom of Information

17.1 Confidential Information

Subject to Clause 17.2 (*Disclosure of Confidential Information*) and Clause 17.5 *(Freedom of Information*)*,* the Parties shall at all times keep all Confidential Information confidential to the Party receiving it and shall not disclose such Confidential Information to any other person, except with the written authority of each Party to whom the information is confidential.

17.2 Disclosure of Confidential Information

17.2.1 Subject to Clause 17.3 (*Obligations preserved*) and Clause 17.5 *(Freedom of Information*), a Party shall, without the prior consent of the relevant other Party, be entitled to disclose Confidential Information of that other Party:

(i) that is reasonably required by the Party for the performance of its obligations under the Transaction Documents, including the disclosure of any Confidential Information to any employee, consultant, agent, officer, sub-contractor (of any tier) or professional adviser to the extent necessary to enable that Party to perform its obligations under the Transaction Documents;

(ii) to any Secured Creditors, or their professional advisers (including any rating agencies, if applicable) or insurance advisers or, where it is proposed that a person should or may provide funds (whether directly or indirectly and whether by loan, equity participation or otherwise) to GenCo or a Group Company to enable GenCo to carry out its obligations under the Transaction Documents, to that person and their advisers but only to the extent reasonably necessary to enable a decision to be taken on the proposal;

(iii) to the extent required by the Nuclear Installations Act, the NEFA or any other applicable law or pursuant to an order of any court of competent jurisdiction, any parliamentary obligation or the rules of any stock exchange or governmental or regulatory authority having the force of law, including for the purposes of the National Audit Act 1983, the Comptroller and Auditor General (as such terms are defined under the National Audit Act 1983);

(iv) to register or record any authorisations and to effect property registration that may be required;

(v) for the purpose of the examination and certification of any Party's accounts;

(vi) to enable a determination to be made under a dispute resolution process arising out of or in connection with this Agreement;

(vii) in relation to disclosure by GenCo, in order to fulfil the Economic Licence obligations;

(viii) in relation to disclosure by GenCo, to any person in connection with that person being (or in anticipation of that person becoming) a shareholder of GenCo or a Group Company, subject to the terms of any non-disclosure agreement between GenCo and any of the Parties;

(ix) required under the Nuclear Industries Security Regulations 2003 or in accordance with the ONR's Security Assessment Principles;

(x) to prospective providers of financing to GenCo and/or a Group Company; and

(xi) to any Group Company,

in each case, provided that any such disclosure is made honestly, reasonably (having regard to the terms of the Transaction Documents) and to the extent required for a legitimate purpose as set out in this Clause 17.2.

17.2.2 Nothing in this Clause 17 shall be deemed to prohibit, prevent or hinder, or render any Party liable for, the disclosure of any information by that Party to the Economic Regulator, the Parliamentary Commissioner for Administration, a Minister of the Crown or any department of the Government of the United Kingdom, Parliament, the Scottish Parliament, the National Assembly of Wales, or any department or officer of any of them for the purpose of facilitating the carrying out of its functions.

17.2.3 If the Secretary of State, the Economic Regulator and GenCo agree in writing, the Parties shall be permitted to release Confidential Information (including the contents of any Reports) to the Cross-Regulatory Information Sharing Platform, subject to such redactions as the Secretary of State, the Economic Regulator and GenCo agree are required.

17.3 Obligations preserved

Where disclosure is permitted under Clause 17.2 (*Disclosure of Confidential Information*), other than Clauses 17.2.1(iii) and 17.2.1(iv), the Party making such disclosure shall ensure that the recipient of the information is subject to the same obligation of confidentiality as that contained in this Agreement.

17.4 Exploitation of information

Subject to use of the information for the purposes expressly contemplated in Clauses 17.2.1(ii), 17.2.1(iii) and 17.2.1(v), no Party shall make use of any information arising out of the Project issued or provided by or on behalf of any Party in connection with the Transaction Documents otherwise than for the purposes of the Transaction Documents, except with the written consent of the Party by whom or on whose behalf the information was provided.

17.5 Freedom of Information

17.5.1 The Parties acknowledge that the CFA Provider is, and that GenCo and/or HoldCo may become, subject to the requirements of the FOIA and the Environmental Information Regulations and each Party may, subject to the remaining provisions of this Clause 17, elect to make representations to each other Party (as the case may be) with its Information disclosure requirements pursuant to the same in the manner provided for in Clauses 17.5.3 to 17.5.7 (inclusive).

17.5.2 Except where a Request for Information is subject to confidentiality restrictions, where an RfI Recipient receives a Request for Information in relation to Information that may in the RFI Recipient's reasonable opinion be confidential to another Party, the RfI Recipient shall provide a copy of such Request for Information to the relevant other Party within three Business Days of receiving the Request for Information.

17.5.3 The RFI Recipient may within 10 Business Days of delivering a Request for Information to the relevant other Party consult with such other Party in connection with such Request for Information, in which case the relevant other Party may make representations to the RfI Recipient as to whether:

(i) such Information requested should be disclosed and, if so, on what basis;

(ii) such Information may be or is Confidential Information or Commercially Sensitive Information; or

(iii) further Information should reasonably be provided in order to identify and locate the Information requested,

provided always that, without prejudice to the relevant other Party's rights against the RfI Recipient in respect of any disclosure of Information made otherwise than in accordance with the FOIA or the Environmental Information Regulations, the RfI Recipient shall be responsible for determining, subject to Clause 17.5.4:

(iv) whether Information is exempt from disclosure under the FOIA, the Environmental Information Regulations or any other relevant law (including the Utilities Act 2000); and

(v) whether Information is to be disclosed in response to a Request for Information,

and in no event shall the relevant other Party respond directly, or allow its sub-contractors to respond directly, to a Request for Information unless expressly authorised to do so by the RfI Recipient. If the relevant other Party elects to make representations pursuant to this Clause 17.5.3, it shall respond to the RFI Recipient within the time for compliance set out in section 10 of the FOIA or regulation 5 of the Environmental Information Regulations.

17.5.4 Subject to Clause 17.5.6, in deciding how to respond to a Request for Information which relates, or may relate, to Confidential Information or Commercially Sensitive Information, the RfI Recipient shall take into account any relevant representations by the relevant other Party in that regard that are made before expiry of the time period referred to in Clause 17.5.3, and the RfI Recipient shall not issue a response to the Request for Information before such date.

17.5.5 If the RfI Recipient decides to respond to a Request for Information which relates, or may relate, to Confidential Information or Commercially Sensitive Information by confirming that it holds Confidential Information or Commercially Sensitive Information and/or by disclosing Confidential Information or Commercially Sensitive Information, it shall notify the relevant other Party of its decision in writing at least three Business Days before issuing such response.

17.5.6 The Parties acknowledge that (notwithstanding the other provisions of this Clause 17) the RfI Recipient may, acting in accordance with the Codes, be obliged under

the FOIA or the Environmental Information Regulations to disclose Information concerning the other Parties or the Project:

(i) in certain circumstances without consulting with the relevant other Party; or

(ii) following consultation with the relevant other Party and having taken their views into account,

provided always that where Clause 17.5.6(i) applies, the RfI Recipient shall, in accordance with the recommendations of the Codes, take reasonable steps, where appropriate, to give the relevant other Party notice, or failing that, to draw the disclosure to the attention of the relevant other Party after any disclosure. Where disclosure is made under this Clause 17.5.6, the RFI Recipient shall provide the relevant other Party with a copy of the information disclosed following the disclosure.

17.5.7 The RfI Recipient shall not be liable for any loss, damage, harm or other detriment suffered by any other Party arising out of any Information in the RFI recipient's reasonable opinion required to be disclosed under the FOIA or Environmental Information Regulations, provided the RfI Recipient has complied with this Clause 17.5.

18 No Partnership or Agency

18.1 Nothing in this Agreement shall be construed as creating a partnership.

18.2 No Party shall be deemed to be an agent of any other Party and no Party shall hold itself out as having authority or power to bind any other Party in any way.

19 Notices

19.1 Communications in writing

Any communication to be made under or in connection with this Agreement shall be made in writing.

19.2 Addresses

The address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered is as follows:

19.2.1 CFA Provider

[redacted]

19.2.2 HoldCo

[redacted]

19.2.3 PledgeCo

[redacted]

19.2.4 GenCo

[redacted]

or any substitute address or department or officer as any Party may notify in writing to each of the other Parties by not less than five Business Days' notice.

19.3 Delivery

19.3.1 Subject to Clause 19.4 (*Electronic communication*), any communication or document made or delivered by one Party to another Party under or in connection with this Agreement shall only be effective:

(i) if by hand or recorded delivery, when so delivered; and

(ii) if by post (other than recorded delivery), two Business Days after being deposited in the post (postage prepaid) in an envelope addressed to the relevant Party at the relevant address,

and, if a particular department or officer is specified as part of its address details provided under Clause 19.2 (*Addresses*), if addressed to that department or officer.

19.3.2 Save as provided in Clause 11.5, any notice under this Agreement shall be irrevocable.

19.4 Electronic communication

19.4.1 Any communication to be made under or in connection with this Agreement may be made by electronic mail or other electronic means, if the Parties:

(i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;

(ii) notify the other Parties in writing of their electronic mail address and any other information required to enable the sending and receipt of information by that means; and

(iii) notify the other Parties of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

19.4.2 Any electronic communication made between the Parties will be effective only when actually received in readable form.

20 Partial Invalidity

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

21 Remedies and Waivers

No failure to exercise, nor any delay in exercising, any right or remedy under this Agreement shall operate as a waiver of any such right or remedy or constitute an election to affirm this Agreement. No election to affirm this Agreement by any Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or

other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

22 Consequential Loss

Except where expressly stated otherwise, in no event shall the Secretary of State be liable to any other Party in respect of any Consequential Loss (whether on the basis of breach of contract, indemnity, warranty, tort, breach of statutory duty or otherwise) for any matter arising out of or in connection with this Agreement.

23 Amendments

This Agreement may be amended only by an instrument in writing signed by duly authorised representatives of each Party.

24 Counterparts

This Agreement may be executed in any number of counterparts and by each Party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Agreement by email attachment shall be an effective mode of delivery.

25 Entire Agreement

25.1 This Agreement, in conjunction with the other documents forming part of the Government Support Package, the Liaison Agreement and the ITA Deed of Appointment, constitutes the entire agreement between the Parties with respect to the Government Support Package, the Liaison Agreement and the ITA Deed of Appointment, and supersedes and extinguishes all previous drafts, agreements, arrangements and understandings between them, whether written or oral, relating to the subject matter of the Government Support Package, the Liaison Agreement and the ITA Deed of Appointment.

25.2 Subject to Clause 25.3, each Party agrees that it shall have no remedies in respect of any representation or warranty (whether made innocently or negligently) that is not set out in this Agreement. No Party shall have any claim for innocent or negligent misrepresentation based upon any statement in this Agreement.

25.3 Nothing in this Agreement shall exclude or limit liability in respect of fraud, fraudulent misstatement or any other matter to the extent not permitted by law to be excluded or limited.

26 Restrictions on Assignment

26.1 This Agreement shall benefit and bind the relevant parties, their permitted assignees and their respective successors. Any reference in this Agreement to any party shall be construed accordingly.

26.2 Restriction on GenCo, PledgeCo and HoldCo

Subject to Clause 26.3 (*GenCo, PledgeCo and HoldCo exception*), neither GenCo, PledgeCo nor HoldCo shall assign, novate or otherwise transfer its rights or obligations under this Agreement in whole or in part except with the prior written consent of the Secretary of State (such consent not to be unreasonably withheld or delayed).

26.3 GenCo, PledgeCo and HoldCo exception

Any of GenCo, PledgeCo or HoldCo may create a security assignment of this Agreement in favour of any Secured Creditor and the Secretary of State shall:

26.3.1 assist in facilitating this, provided that all costs and expenses properly incurred by the Secretary of State in giving effect to such assignment are paid by GenCo, PledgeCo and/or HoldCo (as applicable); and

26.3.2 execute such documents as may reasonably and customarily be required to give effect to such assignment.

26.4 Restriction on the Secretary of State

Subject to Clause 26.5 (*Secretary of State exception*), the Secretary of State shall not assign, novate or otherwise transfer their rights or obligations under this Agreement in whole or in part except with the prior written consent of each of GenCo, PledgeCo and HoldCo.

26.5 Secretary of State exception

Subject to clause 20.2.1 (*Assignments and transfers by the GLF Provider*) of the Government Liquidity Facility Agreement, the Secretary of State may transfer or novate their rights and obligations under the Liaison Agreement, the ITA Deed of Appointment, this Agreement or any other document forming part of the Government Support Package to any Secretary of State Replacement provided that:

26.5.1 such transfer or novation is in respect of all of the Secretary of State's, or, as applicable, the previous Secretary of State Replacement's, rights and obligations under the Liaison Agreement, the ITA Deed of Appointment, this Agreement or any other document forming part of the Government Support Package;

26.5.2 the Secretary of State Replacement enters into documentation, in the same form or otherwise in a form reasonably acceptable to each of GenCo, PledgeCo and HoldCo (such approval not to be unreasonably withheld or delayed), agreeing to be bound by the Liaison Agreement, the ITA Deed of Appointment, this Agreement or any other document forming part of the Government Support Package, with any consequential amendments which may be appropriate, as fully as if the Secretary of State Replacement had been a party to this Agreement and named in the Liaison Agreement, the ITA Deed of Appointment, this Agreement or any other document forming part of the Government Support Package in place of the Secretary of State or, as applicable, the previous Secretary of State Replacement (the "**Replacement Documentation**");

26.5.3 the Replacement Documentation shall specify that if at any time the Secretary of State Replacement ceases to be a Minister of the Crown, any entity directly wholly-owned or controlled by a Minister of the Crown or a public body of the nature described in paragraph (b) of the definition of Secretary of State Replacement, then prior to such cessation the Replacement Documentation shall be transferred or novated to a Minister of the Crown or any entity directly wholly-owned or controlled by a Minister of the Crown or a public body of the nature described in paragraph (b) of the definition of Secretary of State Replacement (such transfer or novation being an "**Alternative Secretary of State Transfer**");

26.5.4 where the Secretary of State Replacement is an entity directly wholly owned or controlled by a Minister of the Crown or a public body of the nature described in

paragraph (b) of the definition of Secretary of State Replacement, the Secretary of State has produced evidence to the satisfaction of GenCo, PledgeCo and HoldCo (acting reasonably) that:

(i) the Secretary of State Replacement has the power and financial capability to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Liaison Agreement, the ITA Deed of Appointment, this Agreement or any other document forming part of the Government Support Package; and

(ii) all approvals, consents, updates and assurances required for the purposes of paragraph 26.5.4(i) are, at the time of such transfer or novation, in full force and effect;

26.5.5 if at any time the Secretary of State Replacement ceases to be a Minister of the Crown, an entity directly wholly-owned or controlled by a Minister of the Crown or a public body of the nature described in paragraph (b) of the definition of Secretary of State Replacement, the Secretary of State shall, procure that an Alternative Secretary of State Transfer (as contemplated by the Replacement Documentation and Clause 26.5.3) is effected and the requirements set out in Clause 26.5.4 shall apply in respect of such Alternative Secretary of State Transfer; and

26.5.6 all costs and expenses properly incurred by each of GenCo, PledgeCo and HoldCo in effecting such transfer or novation are paid by the Secretary of State Replacement.

27 No Third Party Enforcement Rights

A person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

28 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.

29 Governing Law

This Agreement and any non-contractual obligations arising out of or in relation to this Agreement are governed by the law of England and Wales.

30 Jurisdiction and Disputes

30.1 Subject to the Dispute Resolution Process, the courts of England and Wales have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including, without limitation, a dispute regarding the existence, validity or termination of this Agreement and a dispute relating to any non-contractual obligations arising out of or in connection with this Agreement) (a "**Dispute**").

30.2 The Parties agree that the courts of England and Wales are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

Schedule 1
Dispute Resolution Process

A reference to a Party in this Schedule 1 is a reference to each Party who is a party to a Dispute arising under this Agreement.

1 Notification and Initial Resolution

1.1 Each Dispute shall be notified in the first instance to the following contacts (the "**Contract Representatives**") of the Parties:

1.1.1 **Secretary of State**

[●]

1.1.2 **HoldCo**

[●]

1.1.3 **PledgeCo**

[●]

1.1.4 **GenCo**

[●],

or any substitute representative of a Party as that Party may notify in writing to each of the other parties to this Agreement by not less than five Business Days' notice.

1.2 The Contract Representatives shall attempt to resolve the Dispute in the first instance through negotiations for a period of 10 Business Days from the date of notification of the Dispute in accordance with paragraph 1.1 or such other period as is agreed between the Parties in writing.

2 Senior Representatives

2.1 If the Contract Representatives fail to reach agreement on a Dispute within the timeframe set out in or otherwise agreed pursuant to paragraph 1.2, the Contract Representatives shall notify the following representatives of the Parties (the "**Senior Representatives**"):

2.1.1 **Secretary of State**

[●]

2.1.2 **HoldCo**

[●]

2.1.3 **PledgeCo**

[●]

2.1.4 **GenCo**

[●],

or any substitute representative of a Party as that Party may notify in writing to each of the other parties to this Agreement by not less than five Business Days' notice.

2.2 The Senior Representatives shall attempt to resolve the Dispute through negotiations for a period of 10 Business Days from the date of notification of the Dispute in accordance with paragraph 2.1 above or such other period as is agreed between the Parties in writing.

3 Judicial Proceedings

Where the Senior Representatives of the Parties have failed to reach agreement on a Dispute within the timeframe set out in or otherwise agreed pursuant to paragraph 2.2 above, the Parties shall be entitled to commence proceedings in accordance with Clause 30 (*Jurisdiction and Disputes*) to resolve the Dispute.

In witness whereof this Agreement has been duly executed and delivered as a deed on the date first above written.

CFA PROVIDER

EXECUTED as a **DEED**

For England and Wales:

The **CORPORATE SEAL** of)
THE SECRETARY OF STATE)
FOR ENERGY SECURITY)
AND NET ZERO)

As affixed, is authenticated by)
[redacted]

EXECUTED as a **DEED** by

……	……
(Name of authorised director)	(Signature of authorised director) Director
……	……
(Name of authorised director)	(Signature of authorised director) Director

for and on behalf of **SIZEWELL C (HOLDING) LIMITED**

EXECUTED as a **DEED** by

……	……
(Name of authorised director)	(Signature of authorised director) Director
……	……
(Name of authorised director)	(Signature of authorised director) Director

for and on behalf of **SIZEWELL C (PLEDGECO) LIMITED**

EXECUTED as a **DEED** by

……	……
(Name of authorised director)	(Signature of authorised director) Director
……	……
(Name of authorised director)	(Signature of authorised director) Director

for and on behalf of **SIZEWELL C LIMITED**