

GSP Call Option Agreement

Dated [●]

SECRETARY OF STATE FOR ENERGY SECURITY AND NET
ZERO

as the GSP Provider

and

SIZEWELL C LIMITED

as GenCo

and

SIZEWELL C (PLEDGE CO) LIMITED

as PledgeCo

and

SIZEWELL C (HOLDING) LIMITED

as HoldCo

and

[REDACTED]

as Security Trustee

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This **GSP Call Option Agreement** (this “**Agreement**”) is entered into 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 GSP Provider (the “**GSP Provider**”);
- (2) **SIZEWELL C (PLEDGE) CO LIMITED**, a limited liability company incorporated in England and Wales with registration number 16480404 and whose registered address is at 25 Copthall Avenue, London, EC2R 7BP (“**PledgeCo**”);
- (3) **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 EC2R 7BP (“**GenCo**”);
- (4) **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 EC2R 7BP (“**HoldCo**”), and together with PledgeCo and GenCo (the “**Group Companies**”); and
- (5) _____, acting in its capacity as the security trustee under and as such term is defined in the Finance Documents (the “**Security Trustee**”),

each a “**Party**” and together the “**Parties**”.

Background:

- (A) In connection with the terms of the Discontinuation and Compensation Agreement and the Nuclear Administration and Statutory Transfers Agreement, the Group Companies and the Security Trustee wish to grant a call option to the GSP Provider in respect of the shares in GenCo.
- (B) The Parties have agreed that such call option will be granted over the shares in GenCo in accordance with the terms of this Agreement.

It is **agreed** as follows:

1 Definitions and Interpretation

1.1 Definitions

Terms used in this Agreement and not otherwise defined in the Discontinuation and Compensation Agreement shall have the following meanings:

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

“**Effective Date**” means the date of Revenue Commencement;

“**Nuclear Administration and Statutory Transfers Agreement**” 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 Site Licence**” means a nuclear site licence granted by the Office for Nuclear Regulation in accordance with the Nuclear Installations Act;

“**Reserved Matters**” has the meaning given to given to the term in the Shareholders’ Agreement;

“Share Encumbrance” means any claim, charge, mortgage, lien, option, equitable right, power of sale, pledge, hypothecation, usufruct, retention of title, right of pre-emption, right of first refusal or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing;

“Term” has the meaning given to it in Clause 2 (*Term*);

“Trigger Event” means the occurrence of:

- (a) if Discontinuation occurs after First Criticality:
 - (i) payment of the Senior Debt Compensation and the Gross Equity Compensation in full; or
 - (ii) the GSP Provider and the Secured Creditors entering into Debt Assumption Documentation, the Senior Debt Compensation Lump Sum Amount having been paid and (if applicable) payment of the Gross Equity Compensation in full,(as applicable) and, in either case, payment of £1 on the terms and subject to the conditions of the Discontinuation and Compensation Agreement, as set out in clause 4.1.3 of the Nuclear Administration and Statutory Transfers Agreement; or
- (b) if the circumstances set out in clause 3.1.1 or clause 3.2.1 of the Nuclear Administration and Statutory Transfers Agreement occur, payment of £1 on the terms and subject to the conditions of Discontinuation and Compensation Agreement; and

“Trigger Event Date” has the meaning given to such term in Clause 5 (*Exercise of GSP Call Option*).

1.2 Interpretation

The provisions of clause 1.2 (*Interpretation*) of the Discontinuation and Compensation Agreement shall apply to this Agreement as if they were set out in full, except that references in that clause to “this Agreement” shall be read as references to this Agreement.

2 Term

Subject to satisfaction of the conditions precedent set out in the Conditions Precedent and Escrow Agreement and to the survival of any provisions necessary to give effect to this Agreement, this Agreement shall come into effect on the Effective Date and shall remain in effect until it terminates upon the GSP Call Option Completion Date or (if earlier) the termination of the Discontinuation and Compensation Agreement and the Nuclear Administration and Statutory Transfers Agreement (the **“Term”**).

3 GSP Call Option

3.1 The Parties acknowledge and agree that following the occurrence of a Trigger Event, the GSP Provider may issue a GSP Call Option Exercise Notice in accordance with the terms of the Discontinuation and Compensation Agreement and/or the Nuclear Administration and Statutory Transfers Agreement (as applicable). Following the exercise of such GSP Call Option Exercise Notice:

- 3.1.1** each of the Group Companies and the Security Trustee shall obtain any consents and undertake all actions necessary to enable the GenCo Shares to be transferred to the GSP Provider;

- 3.1.2 HoldCo shall procure that HoldCo Shareholders provide any consents necessary in connection with that GSP Call Option;
 - 3.1.3 each of the Group Companies shall ensure that all of the GenCo Shares are fully paid;
 - 3.1.4 the Group Companies and the Security Trustee shall ensure that all of the GenCo Shares are free from encumbrances; and
 - 3.1.5 GenCo shall duly register a transfer of the GenCo Shares to the GSP Provider,
- in each case, in the manner contemplated by, and in accordance with, this Agreement, the Discontinuation and Compensation Agreement and/or the Nuclear Administration and Statutory Transfers Agreement (as applicable).

3.2 On the date of this Agreement:

- 3.2.1 HoldCo warrants to the GSP Provider that HoldCo is the sole legal and beneficial owner of the PledgeCo Shares;
- 3.2.2 PledgeCo warrants to the GSP Provider that PledgeCo is the sole legal and beneficial owner of the GenCo Shares; and
- 3.2.3 each of the Group Companies warrants to the GSP Provider that:
 - (i) the GenCo Shares comprise the whole of the issued and allotted share capital of GenCo, have been properly and validly issued and allotted and are each fully paid or credited as fully paid;
 - (ii) the GenCo Shares have not been or are not listed on any stock exchange or regulated market;
 - (iii) the particulars contained in Schedule 1 (*Particulars of the GenCo Shares*) are true and accurate;
 - (iv) there are no Share Encumbrances on the GenCo Shares other than any Share Encumbrances permitted by the Shareholders' Agreement, the Economic Licence, the Finance Documents or the Government Support Package; and
 - (v) no person has the right (whether exercisable now or in the future whether contingent or not) to call for the allotment, conversion, issue, registration, sale, transfer, amortisation or repayment of any share or loan capital or any other security giving rise to a right over, or an interest in, the capital of GenCo under any option, agreement or other arrangement (including conversion rights and rights of pre-emption) other than as permitted by the Shareholders' Agreement, the Economic Licence, the Finance Documents or the Government Support Package.

4 Covenants

With effect from the Trigger Event Date, each of the Group Companies undertakes that to the extent reasonably practicable and permitted by applicable law (and strictly subject to any law, regulation or fiduciary duty applicable to the directors) it shall take no steps to bring about the winding up of any of the other Group Companies.

5 Exercise of GSP Call Option

- 5.1** Following the occurrence of the applicable Trigger Event (the date of occurrence of the Trigger Event being the “Trigger Event Date”), the GSP Provider may, in their sole discretion exercise the Discontinuation Call Option or Licence Exit Call Option.
- 5.2** If the GSP Provider wishes to exercise the Discontinuation Call Option or Licence Exit Call Option (as the case may be), they shall issue a GSP Call Option Exercise Notice in accordance with clause 7.5.2 of the Discontinuation and Compensation Agreement and the Group Companies shall notify the GSP Provider when such consents and actions required by clause 7.5.2 of the Discontinuation and Compensation Agreement have been obtained or completed (as applicable).

6 GSP Call Option Completion

- 6.1** Following receipt of a GSP Call Option Exercise Notice:
- 6.1.1** the Group Companies shall procure that on or prior to the GSP Call Option Completion Date any and all rights of pre-emption over the GenCo Shares are waived irrevocably by the persons entitled thereto;
 - 6.1.2** the Parties shall agree and implement a protocol pursuant to which they will each take all reasonable steps within their power to procure the consents of any third parties, regulatory approvals or other arrangements as are necessary to complete the transfer of GenCo Shares as soon as reasonably possible, taking account of the date specified in the GSP Call Option Exercise Notice; and
 - 6.1.3** following completion of implementation of the protocol referred to in Clause 6.1.2 pursuant to its terms, the Group Companies shall procure that the GenCo Shares are transferred to the GSP Provider with full title guarantee, free from any Share Encumbrances and together with all rights and advantages attaching to them as at the GSP Call Option Completion Date.
- 6.2** The consideration for the GenCo Shares shall be payable in accordance with clause 7.5.1 of the Discontinuation and Compensation Agreement and/or the Nuclear Administration and Statutory Transfers Agreement (as applicable) and no further consideration shall be required to be paid by the GSP Provider at the GSP Call Option Completion.
- 6.3** Completion of the transfer of the GenCo Shares shall take place at the offices of the GSP Provider or the GSP Provider’s legal representatives on the Business Day and at the time which is specified as the date and time of the GSP Call Option Completion by the GSP Provider, being at least 30 Business Days after the delivery of the GSP Call Option Exercise Notice to the Group Companies and the Security Trustee.
- 6.4** At GSP Call Option Completion, GenCo shall:
- 6.4.1** deliver to the GSP Provider or the GSP Provider’s nominee a duly executed instrument of transfer, together with all relevant share certificates and other documents of title, in respect of the GenCo Shares, executed in favour of the GSP Provider or the GSP Provider’s nominee;
 - 6.4.2** deliver to the GSP Provider a directors’ certificate confirming that:
 - (i) all of the GenCo Shares are fully paid; and

- (ii) there is no ability for the directors of GenCo to refuse to register a transfer of the GenCo Shares;
- 6.4.3 deliver to the GSP Provider or the GSP Provider's nominee any power of attorney under which any document is executed on behalf of any Group Company;
- 6.4.4 deliver a waiver of any applicable rights of pre-emption duly signed by or on behalf of all shareholders in, or members of, GenCo;
- 6.4.5 procure, subject only to due stamping at the expense of the GSP Provider, registration of the transfer of the GenCo Shares to the GSP Provider (or the GSP Provider's nominee);
- 6.4.6 deliver to the GSP Provider all waivers and consents as may be required by law, any regulatory requirement, GenCo's articles of association or any agreement to which GenCo is a party in order to enable the GSP Provider or the GSP Provider's nominee to be registered as legal and beneficial holder of the GenCo Shares;
- 6.4.7 deliver to the GSP Provider all Debt Termination Agreements in respect of all Financial Indebtedness owed to any Secured Creditor, duly executed by each applicable Group Company (as the case may be) and each of the counterparties thereto and which validly cancel all such Financial Indebtedness to the satisfaction of the GSP Provider, such that there is no outstanding Financial Indebtedness as at the date of the transfer of the GenCo Shares; and
- 6.4.8 at the expense of GenCo and/or HoldCo, do such things and execute such documents as shall be necessary or as the GSP Provider may reasonably request to give effect to the sale of the GenCo Shares with full title guarantee and free from any Security Interest.
- 6.5 If the obligations of GenCo under Clause 6.4 are not complied with on the scheduled GSP Call Option Completion Date, the GSP Provider may without prejudice to its or any Party's other rights or remedies under this Agreement:
 - 6.5.1 defer GSP Call Option Completion so that the provisions of Clauses 6.3 to 6.6 shall apply to GSP Call Option Completion as so deferred; or
 - 6.5.2 proceed to GSP Call Option Completion so far as practicable.
- 6.6 The GSP Provider shall not be obliged or entitled to complete the sale and purchase of the GenCo Shares, and the Group Companies shall not be obliged to procure the sale of the GenCo shares, unless the sale and purchase of all of the GenCo Shares is completed simultaneously.
- 6.7 Each of the Group Companies further warrants to the GSP Provider on the GSP Call Option Completion Date that the warranties given by each of them pursuant to Clause 3.2 are repeated at and are true and accurate on the GSP Call Option Completion Date.

7 Payment of the Required Make Safe Reserve Amount Balance

If, pursuant to clauses 5.2.4 and 6.6.1 of the Discontinuation and Compensation Agreement, the DCA Provider has withheld the Required Make Safe Reserve Amount Balance (if any) from any Gross Equity Compensation to be paid in accordance with the terms of the Discontinuation and Compensation Agreement, the GSP Provider shall procure that the DCA Provider shall release the portion of the Required Make Safe Reserve Amount Balance paid into the Make Safe Reserve Account in accordance with clauses 5.13.3 and 6.6.2 of the Discontinuation and Compensation Agreement.

8 Other Provisions

8.1 Nuclear Site Licence obligations

Notwithstanding any provision to the contrary, no covenant, obligation or other provision of this Agreement shall be construed so as to require any Party or any third party to take or omit to take any action which is inconsistent with any obligation of or relating to GenCo arising from or relating to a Nuclear Site Licence or any conditions, requirements, approved arrangements (including without limitation any safety case), directions and pre-conditions to grant of such licence made, authorised or issued by the Office for Nuclear Regulation from time to time.

8.2 Further assurance

Each Party shall, and shall use reasonable endeavours to procure that any necessary third party shall, from time to time, execute such documents and do such acts and things as may be required for the purpose of giving full effect to this Agreement.

8.3 Whole agreement

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

8.3.2 Subject to Clause 8.3.3, 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.

8.3.3 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.

8.4 Third party rights

A person who is not a Party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of, or enjoy any benefit under, this Agreement.

8.5 Costs

Each Party shall bear all costs incurred by it in connection with the preparation, negotiation and entry into this Agreement.

8.6 Incorporation of provisions

The provisions of clauses 16 (*Notices*), 17 (*Partial Invalidity*), 18 (*Remedies and Waivers*), 20 (*Amendments*), 21 (*Counterparts*), 23 (*Restrictions on Assignment*), 26 (*Governing Law*), 29.2 and 29.3 (*Jurisdiction of English Courts*) of the Discontinuation and Compensation Agreement shall apply to this Agreement except that references in those clauses to “this Agreement” shall be read as references to this Agreement, references to the “DCA Provider” shall be to the GSP Provider and the references to “Party” or “Parties” shall be read as references to the Parties to this Agreement.

8.7 Transaction Documents

The Parties acknowledge the rights and obligations of the Group Companies and the Security Trustee under the Transaction Documents and confirm that nothing in this Agreement is intended to conflict with those rights and obligations or to induce the Group Companies or the Security Trustee to breach any term of the Transaction Documents.

SIGNATURE PAGES

[Signature blocks to be inserted before signing.]

Schedule 1
Particulars of the GenCo Shares

Class	Number	Holder	% of issued held
Ordinary shares of £1.00 each	16,300,002	Sizewell C (Holding) Limited 90 Whitfield Street, London, England, W1T 4EZ	100