
GREENHOUSE GAS REMOVALS
GRANT FUNDING
STANDARD TERMS AND CONDITIONS

DRAFT

[This draft document has been developed alongside the GGR Business Model Summary (December 2023 and August 2025) and reflects the outcome of ongoing policy work and stakeholder engagement.]

The draft provisions do not indicate any willingness or agreement on the part of DESNZ to enter into, or arrange the entry into, the Grant Funding Agreement. These draft provisions do not constitute an offer and are not capable of acceptance. They do not create a basis for any form of expectation or reliance.

These documents are not final and are subject to further development by the government, and approval by Ministers, in consultation with relevant regulators and the devolved administrations, as well as the development and Parliamentary approval of any necessary legislation, and completion of necessary contractual documentation. DESNZ reserves the right to review and amend all provisions within the documents, for any reason and in particular to ensure that proposals provide value for money and are consistent with subsidy control principles.]

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Part 1

Introduction

1. INTRODUCTION

- 1.1 These Terms and Conditions apply to the Grant Recipient receiving the Grant from the Secretary of State for Energy Security and Net Zero up to the Maximum Sum, specified in Paragraph 6 of the Grant Offer Letter.
- 1.2 These Terms and Conditions are to be read in conjunction with the Grant Offer Letter and the schedules to the Grant Offer Letter.
- 1.3 The Grant is made pursuant to an Act of Parliament, that is listed in Paragraph 3 of the Grant Offer Letter.

2. DEFINITIONS AND INTERPRETATION OF THE GRANT FUNDING AGREEMENT

- 2.1 In the Terms and Conditions and the Grant Offer Letter the following definitions apply:

"Affected Person" means any direct or indirect shareholder of the Grant Recipient who is able to evidence to the satisfaction of the Secretary of State that if it (or an agent or security trustee on its behalf) has or had the benefit of a Direct Agreement, it is or would be:

- (A) contractually obliged to exercise rights under the relevant Direct Agreement in accordance with the instructions of one (1) or more Lenders (or an agent or security trustee on its or their behalf); or
- (B) party to an agreement regarding the exercise of rights under such Direct Agreement with a person falling within Paragraph (A) above;

"Agreement Date" has the meaning given to that term in the GGR Contract;

"Approved Signatory" means the Chief Finance Officer of the Grant Recipient or a Director with proper delegated authority, acting on behalf of the Grant Recipient, who should be listed on Companies House records and should not appear on the Disqualified Directors Register;

"Arbitrator" means any person to whom a Dispute is referred in accordance with Paragraph 26.5;

"Arbitral Tribunal" has the meaning given to that term in the LCIA Arbitration Rules;

"Asset" means the Capture Plant or any part thereof acquired, developed, enhanced, or constructed in connection with the Funded Activities through Eligible Expenditure under the Grant Funding Agreement;

"Asset Retention Period" means the period that the Assets must be retained, as set out in Schedule 4 to the Grant Offer Letter;

"Branding Manual" means the HM Government of the United Kingdom of Great Britain and Northern Ireland Branding Manual Funded by UK Government first published by the Cabinet Office in November 2022, and available at: <https://gcs.civilservice.gov.uk/guidance/marketing/branding-guidelines/>, including any subsequent updates from time to time;

"Bribery Act" means the Bribery Act 2010 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning this legislation;

"Capture Plant" has the meaning given to it in the GGR Contract;

"Change of Control" means the sale of all or substantially all the assets of a Party; any merger, consolidation or acquisition of a Party with, by or into another corporation, entity or person, or any change in the ownership of more than fifty percent (50%) of the voting capital stock of a Party in one or more related transaction;

"Code of Conduct" means the most recent version of Code of Conduct for Recipients of Government General Grants published by the Cabinet Office and available on request from the Department;

"Commencement Date" means the date on which the Grant Funding Agreement comes into effect and is specified in Schedule 4 to the Grant Offer Letter;

"Conclusion Date" has the meaning given to that term in Schedule 4 to the Grant Offer Letter;

"Confidential Information" means any information (however conveyed, recorded or preserved) disclosed by a Party or its personnel to another Party (and/or that Party's personnel) whether before or after the Commencement Date of the Grant Offer Letter, including but not limited to:

- (A) any information that ought reasonably to be considered to be confidential (whether or not it is so marked) relating to:
 - (i) the business, affairs, customers, clients, suppliers or plans of the disclosing Party; and
 - (ii) the operations, processes, product information, know-how, designs, trade secrets or software of the disclosing Party; and
- (B) any information developed by the Parties in the course of delivering the Funded Activities;
- (C) Department Personal Data;
- (D) any information derived from any of the above;

Confidential Information shall not include information which:

- (A) was public knowledge at the time of disclosure (otherwise than by breach of Paragraph 10);
- (B) was in the possession of the receiving Party, without restriction as to its disclosure, before receiving it from the disclosing Party;
- (C) is received from a Third Party (who lawfully acquired it) without restriction as to its disclosure; or
- (D) is independently developed without access to the Confidential Information;

"Construction Schedule" has the meaning given to that term in Paragraph 7(c) of the Grant Offer Letter;

"Contracting Authority" has the meaning given in Regulation 2(1) of the Public Contracts Regulations 2015 (as amended);

"Crown Body" means the government of the United Kingdom (including the Northern Ireland Assembly and Executive Committee, the Scottish Government and the National Assembly for Wales), including, but not limited to, government ministers and government departments and particular bodies, persons, commissions or agencies from time to time carrying out functions on its behalf;

"Data Protection Legislation" means (i) the UK GDPR, (ii) the Data Protection Act 2018 to the extent that it relates to the processing of Personal Data and privacy; (iii) (to the extent that it applies) the EU GDPR; and (iv) all applicable Law relating to the processing of Personal Data and privacy. The terms **"Data Subject"**, **"Personal Data"**, **"Personal Data Breach"**, **"Processing"** shall have the same meaning as set out in Data Protection Legislation, and their corresponding terms shall be construed accordingly;

"Deliverables" means collectively the agreed outputs, outcomes and key performance indicators of the Funded Activities described in Schedule 2 to the Grant Offer Letter;

"Department" means the Department for Energy Security and Net Zero and any successor government department;

"Department Personal Data" means any Personal Data supplied for the purposes of, or in connection with, the Grant Funding Agreement by the Secretary of State to the Grant Recipient;

"Direct Agreement" means an agreement in substantially the form set out in Annex 4, or in such other form as may be agreed by the Secretary of State (in its sole discretion);

"Disposal" means the disposal, sale, transfer of an Asset or any interest in any Asset and includes any contract for disposal;

"Dispute" means any dispute or claim in any way relating to or arising out of the Grant Funding Agreement, whether contractual or non-contractual (and including any dispute or claim regarding: (i) the existence, negotiation, validity or enforceability of the Grant Funding Agreement; (ii) the performance or non-performance of a Party's obligations

pursuant to the Grant Funding Agreement; or (iii) breach or termination of any of the Grant Funding Agreement);

"Document Retention Period" has the meaning given to that term in Schedule 4 to the Grant Offer Letter;

"Duplicate Funding" means any "Subsidy", State aid, "Union Funding" and/or "International Funding" provided to the Grant Recipient, which is for the same, or substantially similar, purpose for which the Grant was made, excluding the funding provided pursuant to the GGR Contract. For the purposes of this definition, "Subsidy", "Union Funding" and "International Funding" have the meaning given to such terms in the GGR Contract;

"EIR" means the Environmental Information Regulations 2004;

"Eligibility Criteria" mean the Secretary of State's selection criteria used to determine who should be grant recipients including the Grant Recipient;

"Eligible Expenditure" means the expenditure specified in Table A of Schedule 2 to the Grant Offer Letter which is incurred and defrayed by the Grant Recipient during the Investment Period for the purposes of delivering the Funded Activities. Eligible Expenditure must comply in all respects with the eligibility rules set out in Paragraph 5;

"EU GDPR" means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) as it has effect in EU law;

"Event of Default" means an event or circumstance set out in Paragraph 25.1;

"Financial Year" means from 1 April to 31 March;

"FOIA" means the Freedom of Information Act 2000 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning the legislation;

"Funded Activities" means the activities defined in Schedule 1 to the Grant Offer Letter;

"GGR Construction Reports" means the reports and related supporting information submitted by the Grant Recipient to the GGR Contract Counterparty pursuant to Condition 3.14 of the GGR Contract;

"GGR Contract" means the GGR Contract entered into between the Grant Recipient and the GGR Contract Counterparty on or around the date of the Grant Funding Agreement;

"GGR Contract Counterparty" means the Low Carbon Contracts Company Ltd;

"Grant" means the sum or sums the Secretary of State will pay to the Grant Recipient in accordance with Paragraph 4 and subject to the provisions set out at Paragraph 25;

"Grant Claim" means the payment request submitted by the Grant Recipient to the Secretary of State for payment of the relevant Grant Instalment(s), with the Supporting Information and any other information that may be requested by the Secretary of State from time to time;

"Grant Drawdown Period" means the period set out in Schedule 4 to the Grant Offer Letter within which the Grant can be drawn down, if the requirements specified in the Grant Funding Agreement have been fully met;

"Grant Funding Agreement" means the collective combination of:

- (A) the Grant Offer Letter together with its schedules (including these Terms and Conditions);
- (B) if applicable, any variation to the Grant Offer Letter and/or its schedules agreed by the Secretary of State and the Grant Recipient; and
- (C) if applicable, any variation to these Terms and Conditions agreed by the Secretary of State and the Grant Recipient;

"Grant Instalments" means the instalments in which the Secretary of State shall pay the Grant as set out in Schedule 3 to the Grant Offer Letter;

"Grant Offer Letter" means the letter the Secretary of State issued to the Grant Recipient detailing the nature of the Grant;

"Grant Payment Requirements" means all of the requirements listed in Schedule 3 to the Grant Offer Letter in respect of each Grant Instalment;

"Grant Recipient" means the sole or joint legal entity named in Paragraph 1 of the Grant Offer Letter, who will receive the Grant to deliver the Funded Activities, Deliverables and Investment as specified in the Schedules to the Grant Offer Letter;

"Group" means the Grant Recipient, any subsidiary or any holding company or parent undertaking from time to time of the Grant Recipient, and any subsidiary from time to time of a holding company or parent undertaking of the Grant Recipient. Each company in a Group is a member of the Group;

"HRA" means the Human Rights Act 1998 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning the legislation or any successor legislation;

"Independent Accountant's Report" means the form of report to be prepared by an independent accountant appended at Annex 2;

"Independent Controller" means a Party which solely determines the means and purposes of Processing Personal Data where there is no element of joint control with another Party in relation to such Processing;

"Ineligible Expenditure" means expenditure incurred by the Grant Recipient which is:

- (A) not Eligible Expenditure; and/or
- (B) specified as Ineligible Expenditure in:
 - (i) Table B of Schedule 2 to the Grant Offer Letter; and/or
 - (ii) Paragraph 5.3;

"Information Acts" means the Data Protection Legislation, FOIA and the EIR, as amended from time to time;

"Initial Conditions Precedent" has the meaning given to that term in the GGR Contract;

"Intellectual Property Rights" or **"IPRs"** means copyright, rights related to or affording protection similar to copyright, rights in databases, patents and rights in inventions semiconductor topography rights, trade marks, rights in internet domain names and website addresses and other rights in trade names, designs, know-how, trade secrets and any modifications, amendments, updates and new releases of the same and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world;

"Investment" means the Eligible Expenditure and Ineligible Expenditure detailed in Schedule 2 to the Grant Offer Letter which the Grant Recipient has committed to make;

"Investment Period" has the meaning given to that term in Schedule 4 to the Grant Offer Letter;

"IPR Material" means all material produced by the Grant Recipient or its Representatives in relation to the Funded Activities during the Investment Period (including but not limited to, materials expressed in any form of report, database, design, document, technology, information, know how, system or process);

"Large Enterprise" means any entity engaged in an economic activity, irrespective of its legal form which is neither a Small Enterprise or Medium-sized Enterprise;

"Law" means any applicable law, statute, byelaw, regulation, order, regulatory policy, guidance or industry code, judgment of a relevant court of law, or directives or requirements of any regulatory body, delegated or subordinate legislation;

"LCIA Arbitration Rules" means the arbitration rules published under that name by the LCIA;

"Lender" means any bank or financial institution (excluding any direct or indirect shareholder of the Grant Recipient) which provides debt financing or refinancing in relation to the Funded Activities or the Capture Plant;

"Longstop Date" has the meaning given to that term in the GGR Contract;

"Losses" means all losses, liabilities, damages, costs, expenses (including legal fees), disbursements, costs of investigation, litigation, settlement, judgment, interest and penalties whether arising in contract, tort (including negligence), breach of statutory duty, misrepresentation or otherwise and **"Loss"** will be interpreted accordingly;

"Match Funding" means any contribution to the Funded Activities from any Third Party to the Grant Recipient to meet the balance of the Eligible Expenditure that is not otherwise supported by the Grant;

"Maximum Annual Grant Value" means the total pound limit (£) of Grant set out in Schedule 3 of the Grant Offer Letter that will be paid in each Financial Year;

"Maximum Sum" means the maximum amount of the Grant the Secretary of State will provide to the Grant Recipient for the Funded Activities as set out in Paragraph 6 of the Grant Offer Letter;

"Medium-sized Enterprise" has the meaning given to that term in section 465 of the Companies Act 2006;

"Monitoring Officer" means the individual, within the Department, who has been nominated by the Secretary of State to be the single point of contact for the Grant Recipient in relation to the Grant;

"Monitoring Period" means the period in which the Secretary of State will actively monitor the Funded Activities, Deliverables, Eligible Expenditure and Ineligible Expenditure, as specified in Schedule 4 to the Grant Offer Letter;

"Monitoring Report" has the meaning given to that term in Paragraph 7.3;

"Mutual Appointment Decision" has the meaning given to that term in Paragraph 26.8;

"No Obligation To Pay Dates" or **"NOPDs"** mean those dates described as such in Schedule 4 to the Grant Offer Letter;

"Overall Intervention Rate" means the intervention rate specified in Paragraph 6(b) of the Grant Offer Letter;

"Parent Company" means the ultimate parent company in the Group who provides the Parent Company Guarantee;

"Parent Company Guarantee" means the form of parent company guarantee provided for at Annex 1;

"Party" means the Secretary of State or Grant Recipient and **"Parties"** shall be each Party together;

"Premises" mean the premises identified in Schedule 1 to the Grant Offer Letter, owned or operated by the Grant Recipient where the Funded Activities are undertaken;

"Pre-Acceptance Conditions" means the conditions set out in Paragraph 7 of the Grant Offer Letter;

"Pre-Payment Conditions" means the conditions set out in Paragraph 8 of the Grant Offer Letter that will need to be satisfied before the Grant is paid to the Grant Recipient;

"Procurement Regulations" means the Public Contracts Regulations 2015, Concession Contracts Regulations 2016, Defence Security Public Contracts Regulations 2011, the Utilities and Contracts Regulations 2016, and the Procurement Act 2023 together with their amendments, updates and replacements from time to time;

"Prohibited Act" means:

- (A) directly or indirectly offering, giving or agreeing to give to any servant of the Secretary of State or any Crown Body any gift, consideration or advantage of any kind as an inducement or reward for:
 - (i) doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of the Grant Funding Agreement; or
 - (ii) showing or not showing favour or disfavour to any person in relation to the Grant Funding Agreement;
- (B) committing any offence:
 - (i) under the Bribery Act;
 - (ii) under applicable legislation creating offences in respect of fraudulent acts; or
 - (iii) at common law in respect of fraudulent acts in relation to the Grant Funding Agreement;
- (C) defrauding or attempting to defraud or conspiring to defraud the Secretary of State, the Department or any Crown Body; or
- (D) any activity practice or conduct which would constitute one of the offences listed under (B) or (C) above if such activity practice or conduct had been carried out in the UK;

"Prolonged FM Termination Date" has the meaning given to that term in the GGR Contract;

"Prolonged FM Termination Notice" has the meaning given to that term in the GGR Contract;

"Publication" means any announcement, comment or publication of any publicity material by the Grant Recipient concerning the grant supported Assets, Eligible Expenditure, the Funded Activities, the Secretary of State or the Department;

"QCiL Compensation Termination Date" has the meaning given to that term in the GGR Contract;

"**QCiL Compensation Termination Notice**" has the meaning given to that term in the GGR Contract;

"**QCiL Termination Date**" has the meaning given to that term in the GGR Contract;

"**QCiL Termination Notice**" has the meaning given to that term in the GGR Contract;

"**Remedial Action Plan**" means the plan of action required to be submitted by the Grant Recipient to the Secretary of State:

(A) pursuant to Paragraph 25.1(II)(ii) or 25.9(D) following an Event of Default; or

(B) pursuant to Paragraph 6.2(D) following the Grant review process;

"**Remedial Action Plan (EOD)**" means a Remedial Action Plan described in Paragraph (A) of the definition of Remedial Action Plan;

"**Representatives**" means any of the Parties' duly authorised directors, employees, officers, agents, professional advisors and consultants;

"**Sanctions**" means economic or financial sanctions or trade embargoes or similar measures enacted, imposed, administered or enforced from time to time by any Sanctions Authority;

"**Sanctions Authority**" means any of OFAC, the United Nations, the European Union, HMG of the United Kingdom or any US federal government entity;

"**Sanctions List**" means the Specially Designated Nationals and Blocked Persons List maintained by OFAC, the List of Foreign Financial Institutions Subject to Part 561 maintained by OFAC, or any similar sanctions list of individuals or entities maintained by any Sanctions Authority;

"**Secretary of State**" means Secretary of State for Energy Security and Net Zero or successor departments;

"**Small Enterprise**" has the meaning given to that term in section 382 of the Companies Act 2006;

"**Special Payments**" means ex gratia expenditure by the Grant Recipient to a third party where no legal obligations exist for the payment and/or other extra-contractual expenditure. Special Payments may include, but are not limited to, out-of-court settlements, compensation or additional severance payments to the Grant Recipient's employees;

"**State Aid Law**" means the law embodied in Articles 107-109 of Section 2, Title VII of the Common Rules on Competition, Taxation and Approximation of Laws – Consolidated Versions of the Treaty on European Union and the Treaty for the Functioning of the European Union;

"**Supporting Information**" means the information required by the Secretary of State to assess a Grant Claim, as specified by the Monitoring Officer from time to time;

"Terms and Conditions" means these Terms and Conditions together with any appendices;

"Third Party" means any person or organisation other than the Grant Recipient, the Department, or the Secretary of State;

"Trade and Cooperation Agreement" means the Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part (as that agreement is modified or supplemented from time to time in accordance with any provision of it or of any other future relationship agreement);

"T&S Prolonged Unavailability Termination Date" has the meaning given to that term in the GGR Contract;

"T&S Prolonged Unavailability Termination Notice" has the meaning given to that term in the GGR Contract;

"UK General Data Protection Regulation" and **"UK GDPR"** has the meaning given to that term in Section 3(10) (as supplemented by Section 205(4)) of the Data Protection Act 2018;

"Unspent Monies" means any monies paid to the Grant Recipient in advance of its Eligible Expenditure, which remains unspent and uncommitted at the end of the Financial Year, the Investment Period or because of termination or breach of these Terms and Conditions;

"VAT" means value added tax chargeable in the UK;

"Windsor Framework" means the agreement between the European Union and United Kingdom, which adjusts the operation of the Northern Ireland Protocol; and

"Working Day" means any day from Monday to Friday (inclusive) which is not specified or proclaimed as a bank holiday in England and Wales pursuant to Section 1 of the Banking and Financial Dealings Act 1971 including Christmas Day and Good Friday or alternatively, if the Funded Activities are being delivered in Northern Ireland or Scotland, means any day from Monday to Friday (inclusive) which is not a statutory bank holiday in Northern Ireland or Scotland.

2.2 In these Terms and Conditions, unless the context otherwise requires:

- (A) the singular includes the plural and vice versa;
- (B) reference to a gender includes the other gender and the neuter;
- (C) references to a person include an individual, company, body corporate, corporation, unincorporated association, firm, partnership or other legal entity or Crown Body;
- (D) a reference to any Law includes a reference to that Law as amended, extended, consolidated or re-enacted from time to time;

- (E) the words "including", "other", "in particular", "for example" and similar words will not limit the generality of the preceding words and will be construed as if they were immediately followed by the words "without limitation";
 - (F) references to "writing" include typing, printing, lithography, photography, display on a screen, electronic and facsimile transmission and other modes of representing or reproducing words in a visible form, and expressions referring to writing will be construed accordingly;
 - (G) references to "representations" will be construed as references to present facts, to "warranties" as references to present and future facts and to "undertakings" as references to obligations under the Grant Funding Agreement;
 - (H) references to "Paragraphs" and "Annexes" are, unless otherwise provided, references to the Paragraphs and Annexes of these Terms and Conditions and references in any Annex to parts, paragraphs and tables are, unless otherwise provided, references to the parts, paragraphs and tables of the Annex in which these references appear;
 - (I) these Terms and Conditions shall be binding on and endure to the benefit of the parties to the Grant Funding Agreement and their respective successors and permitted assigns and references to any party shall include that party's successors and assigns; and
 - (J) the headings in these Terms and Conditions are for ease of reference only and will not affect the interpretation or construction of these Terms and Conditions.
- 2.3 Where there is any conflict between the documents that make up the Grant Funding Agreement the conflict shall be resolved in accordance with the following order of precedence:
- (A) these Terms and Conditions; and
 - (B) the terms of the Grant Offer Letter and schedules to the Grant Offer Letter (other than these Terms and Conditions).
- 2.4 Where this Grant Funding Agreement specifies that a right, decision, confirmation or other matter is within the Secretary of State's sole or absolute discretion, the exercise of that discretion in any way by the Secretary of State in relation to such matter shall be final, conclusive and binding and shall not be capable of being reviewed, reopened, overturned or otherwise in any way called into question in or by the dispute resolution provisions set out in Paragraph 26, save only in case of fraud on the part of the Secretary of State.

Conditions

3. DURATION AND PURPOSE OF THE GRANT

- 3.1 The Grant Drawdown Period starts and ends on the relevant dates specified in Schedule 4 to the Grant Offer Letter unless terminated earlier in accordance with this Grant Funding

Agreement. The Grant Recipient shall use reasonable endeavours to ensure that the Funded Activities start as soon as reasonably practicable after the Commencement Date.

- 3.2 If, notwithstanding Paragraph 3.1, the Grant Recipient has not commenced the Funded Activities on the Commencement Date, it shall commence the Funded Activities no later than three (3) months after the Commencement Date or by such later date agreed to by the Secretary of State in writing (acting reasonably). In the event of any delays to the Commencement Date, the Grant Recipient shall notify the Monitoring Officer as soon as it becomes aware of any such delays.
- 3.3 The Grant Recipient shall use the Grant solely for: (i) the delivery of the Funded Activities, (ii) achieving the Deliverables and (iii) contributing to the Eligible Expenditure. The Grant Recipient may not make any significant changes to the scale, nature or delivery of the Funded Activities or Eligible Expenditure after the Commencement Date. A change will be deemed to be a significant change to the delivery of the Funded Activities if it would result in a Deliverable not being achieved by the applicable "Deliverable Date" specified in Schedule 2 to the Grant Offer Letter. For the avoidance of doubt, no permitted change to the Funded Activities or Eligible Expenditure described in this Paragraph 3.3 may result in an increase to either the Maximum Sum or a Maximum Annual Grant Value for a Financial Year.
- 3.4 Without limiting any other right or discretion of the Secretary of State under this Grant Funding Agreement, the Secretary of State shall be permitted to make any changes to the Funded Activities or Eligible Expenditure, including:
 - (A) changing the Funded Activities and/or Eligible Expenditure by way of reducing the Grant or removing certain Funded Activities; or
 - (B) amending the terms of the Grant,

provided that such changes are agreed between the Parties (each acting reasonably).

4. PAYMENT OF GRANT

- 4.1 Subject to the remainder of this Paragraph 4, the Secretary of State shall pay the Grant Recipient an amount not exceeding the Maximum Sum. The Secretary of State shall pay the Grant in pounds sterling (GBP) and into a bank account located in the United Kingdom.
- 4.2 The Grant Recipient must complete and sign the Confirmation of Bank Details Form, provided as Schedule 5 to the Grant Offer Letter, as part of its acceptance of the Grant. No payment can be made in advance of receipt of a correctly completed and signed form.
- 4.3 The Grant Recipient's signatory of the Confirmation of Bank Details Form must be an Approved Signatory. Any change of bank details must be notified immediately by the Grant Recipient to the Secretary of State on the same form and signed by an Approved Signatory. Any change of Approved Signatory by the Grant Recipient must be notified to the Secretary of State for approval, as soon as known.

- 4.4 The Grant represents the Maximum Sum that the Secretary of State will pay to the Grant Recipient under the Grant Funding Agreement. The Maximum Sum shall not, for any reason whatsoever, be increased in the event of any overspend by the Grant Recipient in its delivery of the Funded Activities.
- 4.5 The Grant Recipient acknowledges that the Secretary of State shall not be obliged to make any payment of the Grant until it is satisfied that any Pre-Acceptance Conditions and Pre-Payment Conditions specified in Paragraphs 7 and 8 of the Grant Offer Letter have been satisfied by the Grant Recipient.
- 4.6 If the Grant Recipient considers that the Grant Payment Requirements relating to a Grant Instalment have been satisfied, it shall submit a Grant Claim to the Secretary of State. The Grant Claim shall be in a form specified by the Secretary of State and shall be accompanied by the following:
- (A) a Monitoring Report;
 - (B) a statement of actual Eligible Expenditure and Ineligible Expenditure incurred and/or defrayed;
 - (C) a copy of the Grant Recipient's most up to date financial statements and accounts;
 - (D) a copy of the most recent GGR Construction Reports; and
 - (E) such other information that the Secretary of State may reasonably require including receipts and invoices or any other documentary evidence that demonstrates that Eligible Expenditure has been incurred and defrayed.
- 4.7 The Secretary of State reserves the right not to pay any Grant Claims which are not submitted by the relevant NOPD for the applicable Grant Instalment or Grant Claims, or which are incomplete, incorrect or submitted without full Supporting Information, provided that the failure to submit a Grant Claim by the relevant NOPD will not, without limiting Paragraph 4.8, prejudice Grant Recipient's ability to claim any incurred and defrayed Eligible Expenditure in a subsequent complete, correct and fully evidenced Grant Claim.
- 4.8 The Secretary of State will review the Grant Claim submitted by the Grant Recipient and shall only pay the relevant Grant Instalment to the Grant Recipient once the Secretary of State is satisfied that:
- (A) the Grant Claim contains all the information specified in Paragraph 4.6;
 - (B) all relevant Grant Payment Requirements have been satisfied; and
 - (C) all relevant "Important Conditions Applying To The Payment Of Grant Instalments" (as set out in Schedule 2 and Schedule 3 of the Grant Offer Letter) have been satisfied.
- 4.9 The Grant Recipient shall declare to the Secretary of State any Match Funding or Duplicate Funding from any other source which has been approved or received before the Commencement Date.

- 4.10 If the Grant Recipient intends to apply for, is offered or receives any further Match Funding from any other source during the Investment Period, the Grant Recipient shall notify the Secretary of State before accepting or using any such Match Funding. On notifying the Secretary of State of the Match Funding, the Grant Recipient shall confirm the amount, purpose and source of the Match Funding, and supply the terms and conditions attached to that offer.
- 4.11 Following receipt of a notice from the Grant Recipient pursuant to Paragraph 4.10, the Secretary of State shall confirm whether it agrees to the Grant Recipient accepting or using the Match Funding, acting reasonably.
- 4.12 If the Grant Recipient accepts or uses Match Funding without the agreement of the Secretary of State pursuant to Paragraph 4.11, the Secretary of State shall be entitled to terminate the Grant Funding Agreement in accordance with Paragraph 25 and where applicable, require all or part of the Grant to be repaid, with interest in accordance with Paragraph 25.20.
- 4.13 If the Grant Recipient has given notice pursuant to Paragraph 4.10 and the Secretary of State provides approval for the use of Match Funding pursuant to Paragraph 4.11, the Grant Recipient shall provide the details of any Match Funding it receives in a format agreed with the Secretary of State.
- 4.14 The Grant Recipient agrees that:
- (A) it will not, without the prior written consent of the Secretary of State (such consent to be provided or withheld in the Secretary of State's absolute discretion), apply for, or obtain, Duplicate Funding in respect of any part of the Funded Activities and/or Eligible Expenditure which have been or may be paid for in full using the Grant;
 - (B) the Secretary of State may refer the Grant Recipient to the police should it dishonestly and intentionally obtain Duplicate Funding for the Funded Activities; and
 - (C) the Secretary of State will not make the first payment of the Grant and/or any subsequent payments of the Grant unless or until, the Secretary of State is satisfied that:
 - (i) the Grant will be used for Eligible Expenditure only; and
 - (ii) if applicable, any previous Grant payments have been used for the Funded Activities, or where there are Unspent Monies, have been repaid to the Secretary of State.
- 4.15 Unless otherwise stated in these Terms and Conditions or in the Grant Offer Letter, payment of a Grant Instalment will be made within thirty (30) days of the Secretary of State approving the Grant Recipient's Grant Claim for that Grant Instalment.
- 4.16 The Secretary of State shall have no liability to the Grant Recipient for any Losses caused by a delay in the payment of a Grant Claim howsoever arising.

- 4.17 The Grant Recipient shall promptly notify and repay immediately with interest where applicable to the Secretary of State any money incorrectly paid to it either as a result of an administrative error or otherwise. This includes (without limitation) situations where the Grant Recipient is paid in error before it has complied with its obligations under the Grant Funding Agreement. Any sum, which falls due under this Paragraph 4.17, shall fall due immediately. If the Grant Recipient fails to repay the due sum immediately or within any other timeframe expressly specified in writing by the Secretary of State, the sum will be recoverable summarily as a civil debt.
- 4.18 If the Grant Recipient enters into a contract with a Third Party in connection with the Funded Activities, the Grant Recipient will remain responsible for all payments to that Third Party. The Secretary of State shall have no responsibility for making any payments relating to Third Party invoices or any other Third Party costs whatsoever.
- 4.19 Onward payment of the Grant and the use of subcontractors shall not relieve the Grant Recipient of any of its obligations under the Grant Funding Agreement, including any obligation to repay the Grant with interest.
- 4.20 The Grant Recipient may not retain any Unspent Monies without the Secretary of State's prior written permission.
- 4.21 If by the Conclusion Date there are Unspent Monies, the Grant Recipient shall repay such Unspent Monies to the Secretary of State no later than thirty (30) days of the Secretary of State's request for repayment, with interest in accordance with Paragraph 25.20.

5. ELIGIBLE AND INELIGIBLE EXPENDITURE

- 5.1 The Secretary of State will only pay the Grant in respect of Eligible Expenditure incurred and defrayed by the Grant Recipient to deliver the Funded Activities and the Grant Recipient shall use the Grant solely for delivery of the Funded Activities.
- 5.2 The following costs/payments will be classified as Eligible Expenditure if they are incurred and defrayed by the Grant Recipient for the purposes of the Funded Activities where this has been expressly agreed in writing by the Secretary of State in advance:
- (A) giving evidence to Parliamentary Select Committees;
 - (B) attending meetings with government ministers or officials to discuss the progress of a taxpayer funded grant scheme;
 - (C) responding to public consultations, where the topic is relevant to the objectives of the Funded Activities, save that, the Grant Recipient shall not be permitted to use the Grant to lobby responses to any such consultation (unless otherwise permitted in the Grant Funding Agreement);
 - (D) providing independent, evidence-based policy recommendations to local government, departments or government ministers, where that is the objective of the Grant; and

- (E) providing independent evidence-based advice to local or national government as part of the general policy debate, where that is in line with the objectives of the Grant.

Prohibited use of grant

5.3 Any expenditure which is not Eligible Expenditure will be deemed to be Ineligible Expenditure and shall include:

- (A) paid for lobbying, which means using the Grant to fund lobbying (via an external firm or in-house staff) in order to undertake activities intended to influence or attempt to influence Parliament, government or political activity; or attempting to influence legislative or regulatory action;
- (B) using the Grant to directly enable one part of government to challenge another on topics unrelated to the agreed purpose of the Grant;
- (C) using the Grant to petition for additional funding;
- (D) expenses such as for entertaining, specifically aimed at exerting undue influence to change government policy;
- (E) input VAT reclaimable by the Grant Recipient from HMRC (His Majesty's Revenue and Customs) or any successor body;
- (F) payments for activities of a political or exclusively religious nature;
- (G) contributions in-kind;
- (H) interest payments, service charge payments or arrangement fees for finance leases or other forms of financing or hire purchase agreements;
- (I) gifts;
- (J) statutory fines, criminal fines or penalties civil penalties, damages or any associated legal costs;
- (K) payments for works or activities which the Grant Recipient, or any associated party has a statutory duty to undertake, or that are fully funded by other sources;
- (L) bad debts to related parties;
- (M) payments for unfair dismissal or other compensation;
- (N) depreciation, amortisation or impairment of assets owned by the Grant Recipient;
- (O) the acquisition or improvement of Assets by the Grant Recipient (unless the Grant is explicitly for capital use as may be stipulated in the Grant Offer Letter);
- (P) liabilities incurred before the Commencement Date or beyond the Conclusion Date unless expressly agreed in writing by the Secretary of State; and

- (Q) any expenditure on advertising, communications, marketing or consultancy services of a similar nature.

6. GRANT REVIEW

- 6.1 The Secretary of State shall periodically review the Grant, including undertaking at least one (1) review annually, and shall be permitted to carry out as many reviews as it deems necessary. As part of such review, the Secretary of State will evaluate the Grant Recipient's delivery of the Funded Activities against the Deliverables in accordance with Paragraph 7.2.
- 6.2 Each Grant review may result in the Secretary of State reaching a number of decisions which may include the following:
 - (A) that the Funded Activities and the Grant Funding Agreement should continue in accordance with the provisions of this Grant Funding Agreement;
 - (B) that there should be an increase or decrease in the Grant for the subsequent Financial Year, provided that any such increase or decrease is agreed between the Parties (each acting reasonably);
 - (C) that the Deliverables should be re-defined and agreed;
 - (D) that the Grant Recipient should provide the Secretary of State with a draft Remedial Action Plan setting out the steps the Grant Recipient will take to improve the delivery of the Funded Activities; or
 - (E) that the Secretary of State should recover any Unspent Monies with interest.
- 6.3 If the Grant Recipient is required to submit a draft Remedial Action Plan, the process set out in Paragraphs 25.10 to 25.14 inclusive shall apply.
- 6.4 The Grant Recipient may make representations to the Secretary of State regarding the Secretary of State's decisions made in accordance with Paragraph 6.2. The Secretary of State shall not be obliged to take such representations into account when reaching its decision as any such decision will be final and at the Secretary of State's absolute discretion.

7. MONITORING AND REPORTING

- 7.1 The Grant Recipient shall closely monitor the delivery and success of the Funded Activities throughout the Monitoring Period, to ensure that the aims and objectives of the Funded Activities are achieved.
- 7.2 The Grant Recipient shall provide the Secretary of State with all reasonable assistance and cooperation in relation to any information, explanations and documents as the Secretary of State may require, from time to time, so the Secretary of State may establish if the Grant Recipient has used the Grant in accordance with the Grant Funding Agreement.

- 7.3 The Grant Recipient shall also provide the Secretary of State with reports (each a "**Monitoring Report**") during the Monitoring Period at the intervals specified in Paragraph 7.4 outlining:
- (A) the progress made towards achieving the agreed Deliverables and the Grant Recipient's performance of the Funded Activities, by reference to the Funded Activities' targets;
 - (B) if relevant, the details of any Assets either acquired, purchased, developed, or improved using the Grant; and
 - (C) any other matter described in the Grant Payment Requirements.
- 7.4 The Grant Recipient shall submit a Monitoring Report:
- (A) during the Grant Drawdown Period,
 - (i) with each Grant Claim; and
 - (ii) if no Grant Claim is submitted in a quarter, by no later than the NOPD for the applicable Grant Instalment or Grant Claim in that quarter; and
 - (B) during the remainder of the Monitoring Period, on a quarterly basis.
- 7.5 Each Monitoring Report shall be accompanied by a statement of actual Eligible Expenditure and Ineligible Expenditure incurred and/or defrayed in respect of the Funded Activities (regardless of whether such Eligible Expenditure has yet been claimed by the Grant Recipient in a Grant Claim), supported by receipts and defrayment evidence if requested by the Secretary of State.
- 7.6 The Grant Recipient shall permit any person authorised by the Secretary of State reasonable access, with or without notice, to its employees, agents, premises, facilities and records, for the purpose of discussing, monitoring and evaluating the Grant Recipient's fulfilment of its obligations under the Grant Funding Agreement and will, if so required, provide appropriate oral or written explanations to such authorised persons as required up to the end of the Monitoring Period.
- 7.7 The Grant Recipient shall record in its financial reports to the Secretary of State the amount of Match Funding and Duplicate Funding it receives together with details of what it has used that Match Funding and Duplicate Funding for and any terms and conditions attached to that funding.
- 7.8 The Grant Recipient shall notify the Secretary of State as soon as reasonably practicable of:
- (A) any actual or potential failure to comply with any of its obligations under the Grant Funding Agreement, which includes those caused by any administrative, financial or managerial or trading/market difficulties; and
 - (B) actual or potential variations to the Eligible Expenditure and/or any event which results in information provided by the Grant Recipient to the Secretary of State

pursuant to this Grant Funding Agreement becoming materially inaccurate by reference to the circumstances existing at the date such information was provided.

- 7.9 The Grant Recipient represents (and shall repeat such representations on delivery of its reports):
- (A) that the reports and information it gives pursuant to this Paragraph 7 and Paragraph 8 are accurate;
 - (B) that it has diligently made full and proper enquiry of the matter pertaining to the reports and information given; and
 - (C) that any data it provided pursuant to an application for the Grant may be shared within the powers conferred by legislation with other organisations for the purpose of preventing or detecting crime.

8. AUDITING AND ASSURANCE

- 8.1 The Grant Recipient shall provide the Secretary of State with independent assurance in the form of an Independent Accountant's Report that the Grant has been used for delivery of the Funded Activities and Eligible Expenditure in accordance with the following delivery requirements:

- (A) at the time the first Grant Claim is made;
- (B) during the Monitoring Period, at the time of the last Grant Claim in each 12-month period subsequent to the first Grant Claim (in respect of all Grant Claims made in the preceding 12-month period); and
- (C) at the time the last Grant Claim is made.

The template in Annex 2 of these Terms and Conditions must be used in all instances, unless expressly specified in writing by the Secretary of State. The Grant Recipient shall provide this Independent Accountant's Report certified by an independent and appropriately qualified auditor, which must be accompanied by the Grant Recipient's annual audited accounts and most recent management accounts (including profit and loss, balance sheet and cash flow statement).

- 8.2 The Secretary of State may, at any time during the Document Retention Period, conduct additional audits or ascertain additional information where the Secretary of State considers it necessary. The Grant Recipient agrees to grant the Secretary of State or its Representatives access, as required, to the Premises and all relevant records relating to the Funded Activities. The Grant Recipient shall ensure that necessary information and access rights are explicitly included within all arrangements with subcontractors.
- 8.3 If the Secretary of State requires further information, explanations, documents or evidence, in order for the Secretary of State to establish that the Grant has been used properly in accordance with the Grant Funding Agreement, the Grant Recipient shall,

within five (5) Working Days of a request by the Secretary of State, provide the Secretary of State, free of charge, with the requested information.

- 8.4 The Grant Recipient shall:
- (A) nominate an independent auditor to verify the final statement of Eligible Expenditure submitted to the Secretary of State;
 - (B) identify separately the value and purpose of the Grant funding in its audited accounts and its annual report; and
 - (C) maintain a record of internal financial controls and procedures and provide the Secretary of State with a copy if requested.
- 8.5 The Grant Recipient shall keep adequate records to support the amount, date and nature of the Eligible Expenditure, which is funded from the Grant, demonstrating an audit trail of the transaction lifespan in respect of such Eligible Expenditure. The Grant Recipient shall also maintain a copy of the Grant Offer Letter, its Schedules, and relevant supporting documents to demonstrate that it has complied with all the requirements of the Grant Funding Agreement. This requires retaining all invoices, receipts, accounting records and any other documentation (including but not limited to, correspondence) relating to the Eligible Expenditure and income generated by the Funded Activities during the Grant Drawdown Period for the Document Retention Period.
- 8.6 The Grant Recipient shall ensure that all its sub-contractors retain each record, item of data and document relating to the Funded Activities for the Document Retention Period.
- 8.7 The Grant Recipient shall promptly provide revised forecasts of income and expenditure:
- (A) when these forecasts increase or decrease by more than ten per cent. (10%) of the original expenditure forecasts; and/or
 - (B) at the request of the Secretary of State.
- 8.8 Where the Grant Recipient is a company registered at Companies House, the Grant Recipient shall file its annual return and accounts by the dates specified by Companies House.
- 8.9 Where the Grant Recipient is a registered charity, the Grant Recipient shall file its charity annual return by the date specified by the Charity Commissioner.
- 8.10 Where the Grant Recipient has failed to comply with Paragraph 8.8 or Paragraph 8.9, the Grant Recipient shall, within 5 Working Days of such failure, provide the Secretary of State with a notice confirming that it took all reasonable steps to secure the filing of its annual return, accounts and charity annual return (as applicable) by the relevant date.
- 8.11 The Grant Recipient shall provide the Secretary of State with copies of its annual return, accounts and charity annual return (as applicable) within five (5) days of filing them at Companies House and/or the Charity Commissioner. .

9. FINANCIAL MANAGEMENT AND PREVENTION OF BRIBERY, CORRUPTION, FRAUD AND OTHER IRREGULARITY / CONFLICT OF INTEREST

- 9.1 The Grant Recipient shall at all times comply with all applicable Laws, statutes and regulations relating to anti-bribery and anti-corruption, including but not limited to the Bribery Act.
- 9.2 The Grant Recipient shall have a sound administration and audit process, including internal financial controls, to safeguard against fraud, theft, money laundering, terrorist financing or any other impropriety, or mismanagement in connection with the administration of the Grant. The Grant Recipient shall require that external auditors report on the adequacy or otherwise of such process and the Grant Recipient shall provide reasonable assistance and cooperation to such external auditors.
- 9.3 The Grant Recipient shall notify the Secretary of State and the Monitoring Officer and the counter fraud team (at the following email address: **[insert]**) of all cases of fraud, theft or other financial irregularity (whether proven or suspected) relating to the Funded Activities (unless the Monitoring Officer is implicated in such fraud or theft) as soon as they are identified. In circumstances where the Monitoring Officer is proven or suspected to be complicit in any fraudulent activities, then the Grant Recipient shall only notify the Secretary of State and the counter fraud team. The Grant Recipient shall explain to the Secretary of State and Monitoring Officer what steps are being taken to investigate such irregularity and shall keep the Secretary of State and Monitoring Officer informed about the progress of any such investigation. The Secretary of State and/or the Monitoring Officer may however request that the matter is referred (which the Grant Recipient is obliged to carry out) to external auditors or another Third Party as required.
- 9.4 The Secretary of State will have the right, at its absolute discretion, to require the Grant Recipient to address any actual or suspected fraud, theft or other financial irregularity and/or to suspend future payment of the Grant to the Grant Recipient. Any grounds for suspecting financial irregularity includes what the Grant Recipient, acting with due care, should have suspected as well as what is actually proven.
- 9.5 The Grant Recipient acknowledges and agrees that it may become ineligible for Grant support and may be required to repay all or part of the Grant with interest if it engages in tax evasion or aggressive tax avoidance in the opinion of His Majesty's Revenue and Customs.
- 9.6 For the purposes of Paragraphs 9.3 and 9.4 "financial irregularity" includes (but is not limited to) potential fraud or other impropriety, mismanagement, and the use of the Grant for any purpose other than those stipulated in the Grant Funding Agreement. The Grant Recipient may be required to provide statements and evidence to the Secretary of State and/or the appropriate organisation as part of pursuing sanctions, criminal or civil proceedings in relation to such irregularities.

Conflicts of Interest

- 9.7 Neither the Grant Recipient nor its Representatives shall engage in any personal, business or professional activity which conflicts or could conflict with any of their obligations in relation to the Grant Funding Agreement.

- 9.8 The Grant Recipient shall have and shall keep in place adequate procedures to manage and monitor any actual or perceived bias or conflicts of interest.

Relationship with the Secretary of State

- 9.9 Nothing in the Grant Funding Agreement creates a relationship of employment, agency, partnership or joint venture between the Parties. Accordingly, the Grant Recipient shall not hold itself out as having any such relationship with the Secretary of State.

Further Funding

- 9.10 The Secretary of State shall not be obliged to provide the Grant Recipient with any further funding exceeding the Maximum Sum in respect of the Funded Activities or for any other purpose.

10. CONFIDENTIALITY

- 10.1 Except to the extent set out in this Paragraph 10 or where disclosure is otherwise expressly permitted in the Grant Funding Agreement, each Party shall treat all Confidential Information disclosed by another Party or its personnel as confidential and shall not disclose any such Confidential Information to any other person without the express prior written consent of the relevant Party.

- 10.2 The Grant Recipient gives its consent for the Secretary of State to publish the Grant Funding Agreement in any medium in its entirety (but with any information which is Confidential Information belonging to the Secretary of State or the Grant Recipient redacted), including from time-to-time agreed changes to the Grant Funding Agreement.

- 10.3 Nothing in this Paragraph 10 shall prevent the Grant Recipient disclosing any Confidential Information obtained from the Secretary of State:

(A) to:

- (i) any actual or prospective Lender;
- (ii) any of its Representatives; or
- (iii) such other persons who are directly involved in the provision of the Funded Activities and who need to know such information,

provided that in disclosing such information, the Grant Recipient only discloses the information which is necessary for the purpose concerned and requests that the information is treated in confidence and that a confidentiality undertaking is given where appropriate; and

(B) where disclosure is required by Law, including under the Information Acts.

- 10.4 Nothing in this Paragraph 10 shall prevent the Secretary of State disclosing any Confidential Information obtained from the Grant Recipient:

- (A) for the purpose of the examination and certification of the Secretary of State's accounts;
- (B) pursuant to Section 6(1) of the National Audit Act 1983 for the purposes of assessing the economy, efficiency and effectiveness with which the Secretary of State has used its resources;
- (C) to any government department, contractor or other person engaged by or Representative of the Secretary of State, provided that in disclosing such information, the Secretary of State only discloses the information which is necessary for the purpose concerned and requests that the information is treated in confidence and that a confidentiality undertaking is given where appropriate;
- (D) where disclosure is required by Law, including under the Information Acts;
- (E) for the purposes of complying with the Secretary of State's obligations under the Subsidy Control Act 2022, including the preparation of submissions to the Competition and Markets Authority; or
- (F) for the purposes of complying with the Secretary of State's obligations under State Aid Laws, including the preparation of submissions to the European Commission.

10.5 Nothing in this Paragraph 10 shall prevent either Party from using any techniques, ideas or know-how gained during the performance of its obligations under the Grant Funding Agreement in the course of its normal business, to the extent that this does not result in a disclosure of the other Party's Confidential Information or an infringement of the other Party's Intellectual Property Rights.

11. TRANSPARENCY

11.1 The Secretary of State and the Grant Recipient acknowledge that, except for any information which is exempt from disclosure in accordance with the provisions of the Information Acts and Paragraph 10.1, the content of the Grant Funding Agreement is not confidential.

12. STATUTORY DUTIES

12.1 The Grant Recipient agrees to adhere to its obligations under the Law including but not limited to the Information Acts and the HRA.

12.2 Where requested by the Secretary of State, the Grant Recipient shall provide reasonable assistance and cooperation to enable the Secretary of State to comply with its information disclosure obligations under the Information Acts.

12.3 On request from the Secretary of State, the Grant Recipient shall provide the Secretary of State with all such relevant documents and information relating to the Grant Recipient's data protection policies and procedures as the Secretary of State may reasonably require.

- 12.4 The Grant Recipient acknowledges and agrees that the Secretary of State may be obliged to disclose information relating to the Grant under the Information Acts or any other requirement of Law.
- 12.5 The Grant Recipient acknowledges that the Secretary of State, acting in accordance with the codes of practice issued and revised from time to time under the Information Acts, may disclose information concerning the Grant Recipient and the Grant Funding Agreement without consulting the Grant Recipient.
- 12.6 The Secretary of State will take reasonable steps to notify the Grant Recipient of a request for information to the extent that it is permissible and reasonably practical for it to do so. Notwithstanding any other provision in the Grant Funding Agreement, the Secretary of State will be responsible for determining in its absolute discretion whether any information is exempt from disclosure in accordance with the Information Acts.

13. DATA PROTECTION

- 13.1 To the extent that the Grant Recipient and the Secretary of State share any Personal Data for the purposes specified in Paragraph 13.5, the Parties acknowledge that they are each separate Independent Controllers in respect of such data.
- 13.2 Each Party shall be individually and separately responsible for its own compliance with applicable Data Protection Legislation.
- 13.3 Notwithstanding Paragraph 13.2 the Grant Recipient shall (and shall procure that any of its Representatives shall) adhere to all applicable provisions of the Data Protection Legislation and not put the Secretary of State in breach of the Data Protection Legislation.
- 13.4 On request from the Secretary of State, the Grant Recipient will provide the Secretary of State with all such relevant documents and information relating to the Grant Recipient's compliance with Data Protection Legislation as the Secretary of State may reasonably require.
- 13.5 Subject to Paragraph 13.7, the Grant Recipient agrees that the Secretary of State and its Representatives may use Personal Data which the Grant Recipient provides about its staff, partners and other Data Subjects involved in the Funded Activities to exercise the Secretary of State's rights under this Grant Funding Agreement and/or to administer the Grant or associated activities. Furthermore, the Secretary of State agrees that the Grant Recipient and its Representatives may use Personal Data which the Secretary of State provides about its staff involved in the Funded Activities to manage its relationship with the Secretary of State.
- 13.6 The Grant Recipient agrees that the Secretary of State may share details of the Grant, including the name of the Grant Recipient's organisation, with the UK Government and that these details may appear on the Government Grants Information System database which is available for search by other funders.
- 13.7 The Secretary of State and the Grant Recipient shall only provide Personal Data to each other:

- (A) to the extent required in connection with the Funded Activities;
- (B) in compliance with the Data Protection Legislation (including by ensuring all required fair processing information has been given to affected Data Subjects to meet the requirements of Articles 13 and 14 of the UK GDPR); and
- (C) where the Personal Data is subject to UK GDPR and where the provision of Personal Data from one Party to another involves transfer of such data to outside the UK, if the prior written consent of the non-transferring Party has been obtained and the following conditions are fulfilled:
 - (i) the transfer is in accordance with Article 45 of the UK GDPR or Section 17A of the Data Protection Act 2018; or
 - (ii) the transferring Party has provided appropriate safeguards in relation to the transfer (whether in accordance with Article 46 of the UK GDPR or Data Protection Act 2018 section 17C) as determined by the non-transferring Party which could include the International Data Transfer Agreement or International Data Transfer Agreement Addendum to the European Commission's Standard Contractual Clauses as published by the Information Commissioner's Office as well as any additional measures determined by the non-transferring Party;
 - (iii) the Data Subject has enforceable rights and effective legal remedies;
 - (iv) the transferring Party complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred (or, if it is not so bound, uses its best endeavours to assist the non-transferring Party in meeting its obligations); and
 - (v) the transferring Party complies with any reasonable instructions notified to it in advance by the non-transferring Party with respect to the Processing of the Personal Data;
- (D) where the Personal Data is subject to EU GDPR and where the provision of Personal Data from one Party to another involves transfer of such data to outside the EU, if the prior written consent of the non-transferring Party has been obtained and the following conditions are fulfilled:
 - (i) the transfer is in accordance with Article 45 of the EU GDPR; or
 - (ii) the transferring Party has provided appropriate safeguards in relation to the transfer in accordance with Article 46 of the EU GDPR as determined by the non-transferring Party which could include relevant parties entering into Standard Contractual Clauses in the European Commission's decision 2021/914/EU or such updated version of such Standard Contractual Clauses as are published from time to time as well as any additional measures determined by the non-transferring Party;

- (iii) the Data Subject has enforceable rights and effective legal remedies;
 - (iv) the transferring Party complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred (or, if it is not so bound, uses its best endeavours to assist the non-transferring Party in meeting its obligations); and
 - (v) the transferring Party complies with any reasonable instructions notified to it in advance by the non-transferring Party with respect to the Processing of the Personal Data; and
 - (E) where it has recorded any such transfer in Annex 3.
- 13.8 Taking into account the state of the art, the costs of implementation and the nature, scope, context and purposes of Processing as well as the risk of varying likelihood and severity for the rights and freedoms of natural persons, each Party shall, with respect to its Processing of Personal Data as Independent Controller, implement and maintain appropriate technical and organisational measures to ensure a level of security appropriate to that risk, including, as appropriate, the measures referred to in Article 32(1)(a), (b), (c) and (d) of the UK GDPR, and the measures shall, at a minimum, comply with the requirements of the Data Protection Legislation, including Article 32 of the UK GDPR.
- 13.9 A Party Processing Personal Data for the purposes of this Grant Funding Agreement shall maintain a record of its processing activities in accordance with Article 30 UK GDPR and shall make the record available to the other Party upon reasonable request.
- 13.10 Where a Party (the "**Data Receiving Party**") receives a request by any Data Subject to exercise any of their rights under the Data Protection Legislation in relation to the Personal Data shared pursuant to this Grant Funding Agreement:
- (A) the other Party shall provide any information and/or assistance as reasonably requested by the Data Receiving Party to help it respond to the request or correspondence, at the Data Receiving Party's cost; or
 - (B) where the request or correspondence is directed to the other Party and/or relates to the other Party's Processing of the Personal Data, the Data Receiving Party will:
 - (i) promptly, and in any event within five (5) Working Days of receipt of the request or correspondence, inform the other Party that it has received the same and shall forward such request or correspondence to the other Party; and
 - (ii) provide any information and/or assistance as reasonably requested by the other Party to help it respond to the request or correspondence in the timeframes specified by Data Protection Legislation.

- 13.11 Each Party shall promptly notify the other upon it becoming aware of any Personal Data Breach relating to Personal Data provided by the other Party pursuant to this Grant Funding Agreement and shall:
- (A) do all such things as reasonably necessary to assist the other Party in mitigating the effects of the Personal Data Breach;
 - (B) implement any measures necessary to restore the security of any compromised Personal Data;
 - (C) work with the other Party to make any required notifications to the Information Commissioner's Office and affected Data Subjects in accordance with the Data Protection Legislation (including the timeframes set out therein); and
 - (D) not do anything which may damage the reputation of the other Party or that Party's relationship with the relevant Data Subjects, save as required by Law.
- 13.12 Without limiting any other provision of this Paragraph 13 each of the Parties shall, on request, provide such information and assistance as is reasonably requested by the other Party to assist the other Party in complying with the Data Protection Legislation in respect of the Personal Data.
- 13.13 The Secretary of State and the Grant Recipient shall not retain or Process Personal Data for longer than is necessary to perform the respective obligations under this Grant Funding Agreement unless otherwise permitted under applicable Law.
- 13.14 The Grant Recipient will notify the Secretary of State of any complaint or investigation by any regulatory body or the police into its activities or those of its staff or officers or volunteers relating to the Processing of Personal Data under this Agreement.
- 13.15 Subject to Paragraph 13.16, the Parties shall be responsible for their own compliance with Articles 13 and 14 of the UK GDPR in respect of the Processing of Personal Data for the purposes of this Grant Funding Agreement.
- 13.16 Notwithstanding Paragraph 13.15, the Grant Recipient shall make a copy of the Secretary of State's applicable privacy notice available to the relevant Data Subjects.

14. PROCUREMENT¹

- 14.1 The Grant Recipient shall ensure that any of its Representatives involved in the Funded Activities shall adopt such policies and procedures that are required in order to ensure that value for money has been obtained in the procurement of goods or services funded by the Grant.
- 14.2 Where the Grant Recipient is a Contracting Authority, the Grant Recipient shall comply, as necessary, with the Procurement Regulations when procuring goods and services in connection with the Grant Funding Agreement and the Secretary of State shall not be

¹ DESNZ are considering reporting requirements for UK supply chains.

liable for the Grant Recipient's failure to comply with its obligations under the Procurement Regulations.

15. SUBSIDY CONTROL

- 15.1 The Grant Recipient shall be responsible for ensuring that the delivery of the Funded Activities does not put the Secretary of State in breach of its obligations under the Subsidy Control Act 2022 and the UK's international obligations in relation to subsidies.
- 15.2 The Grant Recipient shall maintain appropriate records until the end of the Document Retention Period and shall take all reasonable steps to assist the Secretary of State to comply with the same, to ensure that it can support the Secretary of State in demonstrating that the Grant remains:
 - (A) consistent with the subsidy control principles in Schedule 1 and Schedule 2 to the Subsidy Control Act 2022; and
 - (B) in compliance with the UK's international obligations in relation to subsidies.
- 15.3 The Grant Recipient shall take all reasonable steps to assist the Secretary of State to respond to:
 - (A) any proceedings or investigation(s) into the Funded Activities by any relevant court or tribunal of relevant jurisdiction or regulatory body; and/or
 - (B) any requests from the European Union for information regarding the Funded Activities or the Grant pursuant to State Aid Law.
- 15.4 The Grant Recipient acknowledges and represents that the Grant is being awarded on the basis that the Funded Activities being undertaken using the Grant do not affect trade in goods or wholesale electricity between Northern Ireland and the European Union, and the Grant Recipient shall ensure that the Grant is not used in any way that affects any such trade.
- 15.5 The Grant Recipient acknowledges and accepts that the Grant is awarded on the basis specified in Paragraph 23 of the Grant Offer Letter.
- 15.6 The Grant Recipient shall inform the Secretary of State of any likely or actual variation or deviation from the Funded Activities, Deliverables, Eligible Expenditure and/or Ineligible Expenditure costs, especially where Investment is reduced. The Grant Recipient shall ensure that any forecasted changes to the spend profile or any forecasted alternative expenditure do not give rise to a breach of the Subsidy Control Act 2022 and/or the UK's international obligations in respect of subsidies. Any breach of the Subsidy Control Act 2022 and/or the UK's international obligations in respect of subsidies that necessitates a repayment of the Grant will be enforced by the Secretary of State and the Grant Recipient shall immediately repay any such amount, with interest, as directed by the Secretary of State.

- 15.7 In the event that the Eligible Expenditure is reduced during the lifetime of the Funded Activities after the Grant has been paid, the Overall Intervention Rate must not be exceeded.
- 15.8 Where the Overall Intervention Rate is exceeded over the Grant Drawdown Period, the Grant Recipient shall immediately repay the excess amount of Grant required to ensure that the Overall Intervention Rate is no longer exceeded, with interest, as directed by the Secretary of State. The Overall Intervention Rate will be reviewed by the Secretary of State at regular intervals throughout the Monitoring Period and after the Investment has been completed.
- 15.9 The Grant Recipient acknowledges and represents that it is not an ailing or insolvent enterprise within the meaning of section 24(1) of the Subsidy Control Act 2022 and shall inform the Secretary of State as soon as reasonably practicable of any change in this status during the Monitoring Period. The Secretary of State reserves the right to terminate the Grant Funding Agreement if there is a status change in this regard.
- 15.10 The Grant Recipient consents to the publication of the following information by the Secretary of State: Company name; Company identifier; size and type of company/business (including whether it is a Small Enterprise, Medium-sized Enterprise or Large Enterprise) on the Commencement Date; region in which the Company is located; sector of activity; amount of Grant; subsidy instrument; date of granting; objective of the subsidy; granting authority; the duration of Grant and any other time limits attached to the Grant and reference of the subsidy measure.
- 15.11 In accepting this Grant, the Grant Recipient specifically accepts that it understands that compliance with the Subsidy Control Act 2022 and the UK's international obligations in relation to subsidies is a mandatory requirement. Should any circumstances arise under the Subsidy Control Act 2022 and/or the UK's international obligations in relation to subsidies which require the Grant Recipient to repay any or all of the Grant, the Grant Recipient shall immediately repay such amount to the Secretary of State, with interest.
- 15.12 The Grant Recipient shall provide the Secretary of State with all information and assistance necessary in order for the Secretary of State to comply with all reporting requirements under the Subsidy Control Act 2022 and the UK's international obligations in relation to subsidies.

16. INTELLECTUAL PROPERTY RIGHTS

- 16.1 Intellectual Property in all IPR Material will be the property of the Grant Recipient. Other than as expressly set out in these Terms and Conditions, neither Party will have any right to use any of the other Party's names, logos or trademarks on any of its products or services without the other Party's prior written consent.
- 16.2 Ownership of Third Party software or other IPR necessary to deliver Funded Activities will remain with the relevant Third Party.
- 16.3 The Grant Recipient shall ensure that it has obtained the relevant agreement from the Third Party proprietor before any additions or variations are made to the standard 'off-the-shelf' versions of any Third Party software and other IPR. The Grant Recipient shall

be responsible for obtaining and maintaining all appropriate licences to use the Third Party software.

17. ENVIRONMENTAL REQUIREMENTS

- 17.1 The Grant Recipient shall perform the Funded Activities in accordance with the Department's environmental policy, which is to conserve energy, water, wood, paper and other resources, reduce waste and phase out the use of ozone depleting substances and minimise the release of greenhouse gases, volatile organic compounds and other substances damaging to health and the environment.
- 17.2 The Grant Recipient shall pay due regard to the use of recycled products, so long as they are not detrimental to the provision of the Funded Activities or the environment, to include the use of all packaging, which should be capable of recovery for re-use or recycling.
- 17.3 The Grant Recipient shall take all possible precautions to ensure that any equipment and materials used in the provision of the Funded Activities do not contain chlorofluorocarbons, halons or any other damaging substances, unless unavoidable, in which case the Grant Recipient shall notify the Secretary of State in advance of their use. The Grant Recipient shall endeavour to reduce fuel emissions wherever possible.

18. COMPLIANCE WITH ANTI-SLAVERY AND HUMAN TRAFFICKING LAWS AND POLICIES

- 18.1 In performing its obligations under this Grant Funding Agreement, the Grant Recipient shall:
 - (A) comply with all applicable anti-slavery and human trafficking Laws, statutes, regulations and codes from time to time in force including but not limited to the Modern Slavery Act 2015;
 - (B) have and maintain throughout the Monitoring Period its own policies and procedures to ensure its compliance with all such Laws, statutes, regulations and codes;
 - (C) not engage in any activity, practice or conduct that would constitute an offence under Sections 1, 2 or 4, of the Modern Slavery Act 2015 if such activity, practice or conduct were carried out in the UK; and
 - (D) include in its contracts with its direct subcontractors and suppliers anti-slavery and human trafficking provisions that are at least as onerous as those set out in this Paragraph 18.

19. ASSETS

Inventory of the Assets

- 19.1 If Schedule 2 of the Grant Offer Letter specifically allows the purchase of Assets as Eligible Expenditure, the Grant Recipient shall keep a register of all such Assets acquired or improved wholly or partly using the Grant provided under the Grant Funding Agreement.

- 19.2 Assets purchased with Grant funding must only be used for the delivery of the Funded Activities.
- 19.3 For each entry in the register the following particulars must be shown where appropriate:
- (A) date of acquisition or improvement;
 - (B) description of the Asset;
 - (C) serial or identification number of the Asset;
 - (D) cost, net of recoverable VAT;
 - (E) location of the Asset;
 - (F) location of the title deeds;
 - (G) date of any Disposal;
 - (H) depreciation/amortisation policy applied;
 - (I) proceeds of any Disposal net of VAT;
 - (J) the identity of any person to whom the Asset has been transferred or sold; and
 - (K) evidence of legal and beneficial ownership of the Assets by the Grant Recipient.
- 19.4 The Secretary of State reserves the right to require the Grant Recipient to maintain the above particulars as set out in Paragraph 19.3 for any additional items which the Secretary of State considers material to the overall Grant.

Transfer of the Assets

- 19.5 Where the Grant Recipient uses any of the Grant to develop, improve or purchase any Assets, the Grant Recipient shall ensure that the Assets are maintained in good condition and retained at the Premises for the Asset Retention Period.
- 19.6 Save as expressly permitted by Paragraph 21.4, the Grant Recipient shall not transfer to a Third Party any Assets that have been totally or partly bought, developed, restored, conserved (maintained or protected from damage) or improved with the Grant during the Asset Retention Period without the prior written consent of the Secretary of State. If the Secretary of State grants consent to such transfer, such consent may be subject to the satisfaction of certain conditions, to be determined by the Secretary of State, which shall be in addition to those conditions set out in Paragraph 21.3 below.

Charging of any Asset

- 19.7 Save as expressly permitted by Paragraph 21.4, the Grant Recipient shall not create any charge, legal mortgage, debenture, lien, pledge or other security interest over any Asset during the Asset Retention Period without the express prior written consent of the Secretary of State.

20. INSURANCE

- 20.1 The Grant Recipient shall ensure that it has and maintains, at all times during the Monitoring Period, adequate insurance with an insurer of good repute to cover claims under the Grant Funding Agreement or any other claims or demands which may be brought or made against it by any person suffering any injury damage or loss in connection with the Funded Activities or the Grant Funding Agreement.
- 20.2 The Grant Recipient shall, in relation to the insurances it is required to maintain pursuant to Paragraph 20.1, upon request produce to the Secretary of State its policy or policies of insurance or where this is not possible, a certificate of insurance issued by the Grant Recipient's insurance brokers confirming the insurances are in full force and effect together with confirmation that the relevant premiums have been paid.
- 20.3 Where the Grant Recipient receives more than fifty (50%) of the Grant Recipient's total income (turn-over) from public funds, the Grant Recipient shall notify the Secretary of State. The Secretary of State shall review the nature of the control of Grant Recipient's organisation to determine any resulting requirement for reclassification which may in turn change the insurance requirements under the Grant Funding Agreement.

21. ASSIGNMENT

Restriction on assignment

- 21.1 Save as expressly permitted by Paragraph 21.4, the Grant Recipient may not transfer, assign, novate or otherwise dispose of the whole or any part of the Grant Funding Agreement or any rights under it, to any Third Party, without the prior written consent of the Secretary of State. If the Secretary of State grants consent to such transfer, assignment, novation or disposal, such consent may be subject to satisfaction of certain conditions, to be determined by the Secretary of State, which shall be in addition to those conditions set out in Paragraph 21.3 below.

Permitted assignment

- 21.2 The Secretary of State may assign or transfer its rights under the Grant Funding Agreement to any successor without the consent of the Grant Recipient.
- 21.3 If the consent of the Secretary of State is required for the Grant Recipient to:
- (A) transfer any Assets to a Third Party under Paragraph 19.6; and/or
 - (B) transfer, assign, novate or otherwise dispose of all or substantially all of the Grant Recipient's rights, benefits and obligations under the Grant Funding Agreement to a Third Party under Paragraph 21.1,

and such consent is given, the Grant Recipient shall transfer ownership of the Assets to the same transferee of the Grant Recipient's rights, benefits and obligations under the Grant Funding Agreement contemporaneously. Any transfer effected, or purported to be effected, in breach of this Paragraph 21.3 shall be ineffective and void.

21.4 Notwithstanding Paragraphs 19.6, 19.7 and 21.1, the Grant Recipient shall be entitled, without the consent of the Secretary of State, to:

- (A) assign all (but not part only) of its rights and benefits under the Grant Funding Agreement and/or in respect of any Asset by way of security; or
- (B) otherwise create any charge, legal mortgage, debenture, lien, pledge or other security interest over any Asset,

to or in favour of:

- (C) a Lender;
- (D) any Affected Person; or
- (E) any agent or security trustee on behalf of any Lender or Affected Person,

("Secured Party").

The Grant Recipient shall give the Secretary of State not less than ten (10) Working Days' written notice prior to effecting an assignment or otherwise creating any security interest pursuant to this Paragraph 21.4 and shall specify in such notice the identity of the Secured Party and provide such details in relation to such Secured Party as the Secretary of State may reasonably request having received such notification.

Direct Agreement

21.5 The Secretary of State shall enter into a Direct Agreement with, and at the request of, any person (or with any agent or security trustee on the relevant person's behalf):

- (A) who:
 - (i) is a Lender with the benefit of first ranking security over all or substantially all of the assets of the Grant Recipient (including its rights under the Grant Funding Agreement and/or in respect of the Assets); or
 - (ii) is an Affected Person (or an agent or security trustee on an Affected Person's behalf) with the benefit of first ranking security over all or substantially all of the assets of the Grant Recipient (including its rights under the Grant Funding Agreement and/or in respect of the Assets); and
- (B) in whose favour the Grant Recipient assigns its rights under the Grant Funding Agreement or otherwise creates security in respect of any Asset in accordance with Paragraph 21.4.

22. MARKETING, PUBLICITY OR COMMUNICATION

22.1 Subject to Paragraph 10, the Grant Recipient gives consent to the Secretary of State to publicise in the press or any other medium the Grant and details of the Funded Activities using any information gathered from the Grant Recipient's initial Grant application,

Monitoring Reports or any supporting information submitted to the Secretary of State in accordance with Paragraph 7.

- 22.2 The Grant Recipient shall comply with all reasonable requests from the Secretary of State to facilitate visits, provide reports, statistics, photographs and case studies that will assist the Secretary of State in its promotional and fundraising activities relating to the Funded Activities.
- 22.3 Subject to Paragraphs 22.4 and 22.5 below, the Grant Recipient shall not make, or permit any person to make, a Publication without the express prior written agreement of the Secretary of State.
- 22.4 If the Grant Recipient wishes to seek the Secretary of State's permission to make a Publication, it shall send a written request for approval of the Publication and a copy of the material(s) or exact wording that it proposes to publish (the "**Request**") to the Secretary of State.
- 22.5 Following receipt of the Grant Recipient's Request, the Secretary of State will confirm to the Grant Recipient in writing whether:
 - (A) the Request has been granted;
 - (B) the Request is granted subject to the Grant Recipient accepting the Secretary of State's reasonable required edits to the Publication; or
 - (C) the Request has not been granted.
- 22.6 In the event of Paragraph 22.5(A) occurring, or if the Grant Recipient includes all of the Secretary of State's required edits to the Publication pursuant to Paragraph 22.5(B) above, the Secretary of State approves the Grant Recipient's Request.
- 22.7 In the event of Paragraph 22.5(C) occurring, the Secretary of State does not approve the Grant Recipient's Request.
- 22.8 Where the Secretary of State does not approve the Grant Recipient's Request the Secretary of State will provide the Grant Recipient with written reasons for its decision.
- 22.9 If the Grant Recipient does not agree with the Secretary of State's reasons for rejecting its Request, it may invoke the dispute resolution provisions set out in Paragraph 26.
- 22.10 Any marketing, publicity or communication material related in any way to the Funded Activities or Grant must refer to the programme under which the Grant was awarded and must feature the Department's logo. If a Third Party wishes to use the Department's logo, the Grant Recipient shall first seek permission from the Secretary of State in writing.
- 22.11 The Grant Recipient shall acknowledge the support of the Secretary of State and HM Government in any materials that refer to the Funded Activities or Grant and in any written or spoken public presentations about the Funded Activities. Such acknowledgements (where appropriate or as requested by the Secretary of State) will include the Department's name and logo (or any future name or logo adopted by the Secretary of State) using the templates provided by the Secretary of State from time to time.

- 22.12 In using the Department's name and logo, the Grant Recipient shall comply with all reasonable branding guidelines issued by the Secretary of State from time to time.
- 22.13 The Secretary of State may publish information relating to the Grant and this Grant Funding Agreement to promote government activity relating to the wider carbon capture, usage and storage programme. Prior to publication for such purpose but without limiting Paragraphs 12.4 or 12.5, the Secretary of State will consider any representations made by the Grant Recipient in relation to information it considers to be commercially sensitive.

23. CHANGES TO THE DEPARTMENT'S REQUIREMENTS

- 23.1 The Secretary of State will notify the Grant Recipient of any changes to the Department's activities which are supported by the Grant.
- 23.2 The Grant Recipient shall accommodate any reasonable changes to the Department's needs and requirements under these Terms and Conditions provided that, without in any way limiting the Secretary of State's rights and the Grant Recipient's obligations under any other provision of this Grant Funding Agreement, such changes do not require the Grant Recipient to incur significant additional costs which are not otherwise fully compensated under this Grant Funding Agreement.

24. LOSSES, GIFTS AND SPECIAL PAYMENTS

- 24.1 The Grant Recipient shall obtain prior written consent from the Secretary of State before:
- (A) writing off any debts or liabilities;
 - (B) offering to make Special Payments; or
 - (C) giving any gifts,
- in connection with this Grant Funding Agreement.
- 24.2 The Grant Recipient shall keep a record of all gifts, both given and received, in connection with the Grant or any Funded Activities.

25. GRANT RECOVERY, EVENTS OF DEFAULT, TERMINATION AND RIGHTS RESERVED FOR BREACH AND TERMINATION (INCLUDING VARIATION, REDUCTION, WITHDRAWAL AND REPAYMENT OF GRANT)

Events of Default

- 25.1 Subject to Paragraphs 25.2, 25.3 and 25.4 the Secretary of State may exercise the rights set out in Paragraph 25.9 including the right to vary or withhold any or all of the Grant payments and/or require repayment of Grant Instalments already paid to the Grant Recipient with interest, if at any time before the Conclusion Date, any of the following events occur:

Pre-Acceptance Conditions

- (A) any Pre-Acceptance Conditions stated in Paragraph 7 of the Grant Offer Letter are not satisfied;

Funded Activities – Progress and Delivery

- (B) the Grant Recipient has entered into an arrangement to defray money or has already defrayed money on the Funded Activities or Eligible Expenditure before the start of the Investment Period unless expressly given permission in writing to do so by the Secretary of State;
- (C) delivery of the Funded Activities does not start within three (3) months of the Commencement Date or by such later date agreed to by the Secretary of State in writing (acting reasonably) and the Grant Recipient fails to provide the Secretary of State with a satisfactory explanation for the delay;
- (D) there is a significant change in the scale, nature or delivery of the Funded Activities and/or Eligible Expenditure from that set out in the Grant Offer Letter schedules which has not been agreed in advance with the Monitoring Officer and which would result in:
 - (i) a material increase in the costs of the project which the Grant Recipient confirms cannot be funded; or
 - (ii) the Capture Plant not being "Commissioned" (as such term is defined in the GGR Contract) by the Longstop Date;
- (E) the Grant Recipient is delivering the Funded Activities in a manner which is gravely inconsistent with the "Reasonable and Prudent Standard" (as such term is defined in the GGR Contract);
- (F) the Grant Recipient fails to submit a draft Remedial Action Plan (EOD) to the Secretary of State within five (5) Working Days (or such longer period agreed to by the Secretary of State, acting reasonably) of a request by the Secretary of State pursuant to Paragraph 25.1(II)(ii) or 25.9(D);
- (G) the Grant Recipient fails to rectify a default to the reasonable satisfaction of the Secretary of State in accordance with any Remedial Action Plan (EOD) in place;

Funding Package

- (H) the arrangements for financing the Funded Activities have changed in a way which is materially adverse to the Grant Recipient's ability to deliver the Funded Activities or otherwise comply with its obligations under this Grant Funding Agreement;
- (I) the Grant Recipient fails to declare any Duplicate Funding in accordance with Paragraph 4.9 or applies for, or obtains, Duplicate Funding in contravention of Paragraph 4.14(A);

- (J) the Grant Recipient fails to declare any Match Funding in accordance with Paragraph 4.9 or accepts or uses Match Funding during the Investment Period without the agreement of the Secretary of State in contravention of Paragraph 4.11;
- (K) the Grant Recipient uses the Grant for Ineligible Expenditure or for a purpose other than the Funded Activities and/or Eligible Expenditure;
- (L) the Grant Recipient receives funding:
 - (i) from a Third Party, other than a Lender, which:
 - (a) has been convicted of a criminal offence relating to the conduct of its business or profession;
 - (b) has committed an act of grave misconduct in the course of its business or profession; or
 - (c) has failed to comply with material obligations relating to the payment of taxes or social security contributions; or
 - (ii) from a Third Party which:
 - (a) is listed on the Sanctions List, or is owned or controlled, directly or indirectly, by a person listed on the Sanctions List;
 - (b) is violating any Sanctions Laws applicable to it;
 - (c) is located, organised or resident in a country which is the subject of Sanctions by any Sanctions Authority; or
 - (d) is a governmental agency, authority or body or state-owned enterprise of any country which is the subject of Sanctions by any Sanctions Authority;

Information Submissions

- (M) the Grant Recipient provides the Secretary of State with any materially misleading or materially inaccurate information and/or any of the information provided in the Grant Recipient's Grant application or in any subsequent supporting information or correspondence is found to be materially incorrect or materially incomplete, in each case as at the date on which the Grant Recipient provided such information to the Secretary of State;
- (N) any information the Grant Recipient has given in relation to the Funded Activities becomes materially misleading due to a change in circumstances and is not corrected by the Grant Recipient as soon as reasonably practicable after becoming aware of the same;
- (O) the Secretary of State makes a reasonable written request for additional information from the Grant Recipient relating to the delivery of the Funded

Activities or otherwise in accordance with this Grant Funding Agreement and the information provided does not materially comply with that request provided that the Grant Recipient has been provided with written notice of such material non-compliance and has been given a reasonable opportunity to rectify the same by providing the relevant information requested;

- (P) the Grant Recipient fails to:
- (i) provide the Secretary of State with a notice pursuant to Paragraph 8.10 following a failure to comply with Paragraphs 8.8 or 8.9; or
 - (ii) file its annual return, accounts and charity annual return (as applicable) within 20 Working Days after the date specified by Companies House or the Charity Commissioner (as applicable);

Prohibited Acts

- (Q) the Grant Recipient commits or has committed a Prohibited Act or fails to report a Prohibited Act to the Secretary of State, whether committed by the Grant Recipient, its Representatives, or a Third Party (provided that, in the case of a Third Party, such Prohibited Act relates to the delivery or financing of the Funded Activities), as soon as the Grant Recipient becomes aware of it;
- (R) save as expressly permitted by Paragraph 21.4, the Grant Recipient or any of its Representatives has:
- (i) acted dishonestly or negligently at any time during the term of the Grant Funding Agreement and to the detriment of the Secretary of State or the Department;
 - (ii) taken any actions which unfairly bring or are likely to unfairly bring the Department's name or reputation and/or the Department into disrepute. Actions include omissions in this context;
 - (iii) transferred, assigned, novated or otherwise disposed of the Grant Funding Agreement and/or the Assets to any Third Party without the Secretary of State's prior written consent in breach of Paragraph 19.6 and/or Paragraph 21.1; or
 - (iv) failed to comply with the requirements set out in Paragraph 21.3;
- (S) the Grant Recipient, the operator of the Capture Plant or either of their respective duly authorised directors, officers or employees has failed to act in accordance with the Law in any material respect in connection with the delivery of the Funded Activities or the operation of the Capture Plant (as applicable);

Eligible Expenditure and Assets

- (T) save as expressly permitted by Paragraph 21.4, the Grant Recipient offers the Assets purchased as Eligible Expenditure as security to a Third Party without

obtaining the Secretary of State's prior written consent in breach of Paragraph 19.7;

- (U) the Grant Recipient uses the Grant to make purchases or other transactions for the benefit of a company within its Group without obtaining the Secretary of State's express prior written consent;
- (V) the Grant Recipient, for a period of more than three (3) months, stops using for the purposes of the Funded Activities any of the Assets purchased as Eligible Expenditure (including where appropriate, Premises);

Insolvency and Change of Control

- (W) the Grant Recipient passes a resolution (or any court of competent jurisdiction makes an order) that it be wound up or dissolved (other than for the purpose of a bona fide and solvent reconstruction or amalgamation);
- (X) the Grant Recipient becomes insolvent as defined by Section 123 of the Insolvency Act 1986, or it is declared bankrupt, or it is placed into receivership, administration or liquidation, or a petition has been presented for its winding up, or it enters into any arrangement or composition for the benefit of its creditors, or it is unable to pay its debts as they fall due, provided that, in the case of a petition presented for the winding up of the Grant Recipient, an Event of Default shall not occur in circumstances where such petition is frivolous or vexatious and is discharged or dismissed within 14 days of presentation;
- (Y) subject to the provisions of any Direct Agreement, the Grant Recipient undergoes a Change of Control which:
 - (i) will be materially detrimental to the Funded Activities;
 - (ii) the new body corporate cannot continue to receive the Grant because they do not meet the Eligibility Criteria used to award the Grant to the Grant Recipient;
 - (iii) would raise national security concerns; and/or
 - (iv) the new body corporate intends to make fundamental change(s) to the purpose for which the Grant was given;

State Aid/Subsidy control

- (Z) the Competition Appeal Tribunal or an appellate court requires any Grant paid to be recovered by reason of a breach of the Subsidy Control Act 2022;
- (AA) the European Commission or the Court of Justice of the European Union requires any Grant paid to be recovered by reason of a breach of State Aid Law through its application under Article 10 of the Windsor Framework;
- (BB) a court, tribunal or independent body or authority of competent jurisdiction requires any Grant paid to be recovered by reason of breach of the UK's

obligations under the Trade and Cooperation Agreement, or a breach of any of the UK's international obligations in relation to subsidies;

Parent Company Guarantee

- (CC) any Parent Company Guarantee referred to in Paragraph 7(a) of the Grant Offer Letter becomes illegal, invalid or unenforceable for any reason whatsoever, provided that no Event of Default shall occur pursuant to this paragraph if a replacement parent company guarantee in form and substance satisfactory to the Secretary of State (in its absolute discretion) is provided within 10 Working Days from the date of the illegality, invalidity or unenforceability;
- (DD) any event or series of events occurs which will have a material adverse effect on the ability of the Parent Company to perform its obligations under the Parent Company Guarantee referred to in Paragraph 7(a) of the Grant Offer Letter, provided that no Event of Default shall occur pursuant to this paragraph if a replacement parent company guarantee in form and substance satisfactory to the Secretary of State (in its absolute discretion) is provided within 10 Working Days from the date of occurrence of the event or series of events;

General

- (EE) the Grant Recipient breaches the Code of Conduct in a manner which is material in the reasonable opinion of the Secretary of State and/or becomes aware of and fails to report an actual or suspected breach of the Code of Conduct by the Grant Recipient or its Representatives;
- (FF) the Grant Recipient fails to comply with Paragraph 18;
- (GG) the Grant Recipient materially breaches an obligation under the Grant Funding Agreement which has a material and adverse impact on the performance of the Funded Activities or the Secretary of State's ability to exercise its rights under this Grant Funding Agreement; and/or
- (HH) subject to Paragraphs 25.2, 25.3 and 25.4, the GGR Contract is terminated for any reason whatsoever,

provided that:

- (II) in relation to Paragraphs 25.1(B), 25.1(C) and 25.1(H), an Event of Default shall only occur in circumstances where:
 - (i) the relevant event or its impact is not, in the reasonable opinion of the Secretary of State, capable of remedy; or
 - (ii) if the relevant event or its impact is, in the reasonable opinion of the Secretary of State, capable of remedy:
 - (a) the Grant Recipient has been given an opportunity to remedy the breach (or the impact of such breach) by submitting and implementing a Remedial Action Plan (EOD) in accordance with

the procedure set out in Paragraphs 25.10 to 25.16 (inclusive) and has failed to do so; and

- (b) the Grant Recipient has not otherwise remedied the breach within thirty (30) days (or such longer period as agreed to by the Secretary of State, acting reasonably) starting on the earlier of:
 - (1) the date on which written notice of such breach is received by the Grant Recipient; and
 - (2) the date on which the Grant Recipient becomes aware of such breach; and

(JJ) in relation to Paragraphs 25.1(E), 25.1(K), 25.1(M), 25.1(N), 25.1(O), 25.1(P), 25.1(S), 25.1(U), 25.1(EE) and 25.1(GG), no Event of Default shall occur if such breach is, in the opinion of the Secretary of State (acting reasonably), remedied within thirty (30) days starting on the earlier of:

- (i) the date on which written notice of such breach is received by the Grant Recipient; and
- (ii) the date on which the Grant Recipient becomes aware of such breach.

T&S Prolonged Unavailability

25.2 If, at any time prior to the Conclusion Date, the GGR Contract Counterparty issues a T&S Prolonged Unavailability Termination Notice to the Grant Recipient under the GGR Contract, the Secretary of State shall not be permitted to require the repayment of any amounts of the Grant that have already paid to the Grant Recipient prior to the T&S Prolonged Unavailability Termination Date (other than where this would result in the Overall Intervention Rate being exceeded, in which case Paragraph 15.8 shall continue to apply). In such circumstances, the Grant Recipient acknowledges and agrees that the Secretary of State shall not be required to make any future payments that may otherwise have been payable under the Grant Funding Agreement from the T&S Prolonged Unavailability Termination Date.

Prolonged FM and QCiL Termination

25.3 If, at any time prior to the Conclusion Date, the GGR Contract Counterparty issues a Prolonged FM Termination Notice to the Grant Recipient under the GGR Contract, the Secretary of State shall not be permitted to require the repayment of any amounts of the Grant that have already paid to the Grant Recipient prior to the Prolonged FM Termination Date (other than where this would result in the Overall Intervention Rate being exceeded, in which case Paragraph 15.8 shall continue to apply). In such circumstances, the Grant Recipient acknowledges and agrees that the Secretary of State shall not be required to make any future payments that may otherwise have been payable under the Grant Funding Agreement from the Prolonged FM Termination Date.

25.4 If, at any time prior to the Conclusion Date, the GGR Contract Counterparty issues a QCiL Termination Notice or a QCiL Compensation Termination Notice to the Grant Recipient

under the GGR Contract, the Secretary of State shall not be permitted to require the repayment of any amounts of the Grant that have already paid to the Grant Recipient prior to the QCiL Termination Date or the QCiL Compensation Termination Date (as applicable) (other than where this would result in the Overall Intervention Rate being exceeded, in which case Paragraph 15.8 shall continue to apply). In such circumstances, the Grant Recipient acknowledges and agrees that the Secretary of State shall not be required to make any future payments that may otherwise have been payable under the Grant Funding Agreement from the QCiL Termination Date or the QCiL Compensation Termination Date (as applicable).

Leasing, Lease Finance or Hire Purchase

- 25.5 The Secretary of State may vary the value of the Grant downwards and the payment sequence or arrangements if:
- (A) there is any change in the lease purchase, hire purchase or extended credit arrangements of the Investment to be provided for the Eligible Expenditure as set out in Schedule 2 of the Grant Offer Letter;
 - (B) the lease purchase, hire purchase or extended credit arrangements are not made with a party independent of the Grant Recipient;
 - (C) (with the exception of land and buildings acquired under leasehold) any lease purchase, hire purchase or extended credit arrangement used to finance Eligible Expenditure does not contain an obligation to purchase at the expiry of the terms of the lease or hire purchase or extended credit agreement; or
 - (D) in the case of the lease of land and buildings, the lease does not continue for at least five (5) years if the Grant Recipient is a Large Enterprise or three (3) years if the Grant Recipient is classed as a Small Enterprise or Medium-sized Enterprise after the Conclusion Date.
- 25.6 If any of the Assets purchased as Eligible Expenditure are to be provided under a lease finance agreement which is made by a leasing company to the Grant Recipient, then the capital cost of that equipment (excluding VAT) shall be treated as having been committed by the Grant Recipient on the date on which the relevant lease finance agreement is signed, provided the relevant Assets have been delivered to the Premises. However, no payment in respect of any instalment of Grant shall be made which would result in the total payments then made under the Grant Offer Letter exceeding the aggregate of:
- (A) the amounts then defrayed by the Grant Recipient on Eligible Expenditure of the Funded Activities which are not the subject of lease purchase or hire purchase agreements; and
 - (B) the actual amounts then defrayed by Grant Recipient in respect of deposits and/or instalments on assets purchased as Eligible Expenditure which are the subject of lease purchase, hire purchase or extended credit agreements.
- 25.7 The Secretary of State will require repayment of any Grant that has been used to support activity intended to influence or attempt to influence Parliament, Government or political

parties, or attempting to influence the awarding or renewal of contracts and grants or attempting to influence legislative or regulatory action.

- 25.8 Each of the above provisions (Paragraphs 25.5 to 25.7 inclusive) is without prejudice to any other provisions in the remainder of this Paragraph 25.

Rights reserved for the Secretary of State in relation to an Event of Default

- 25.9 Where an Event of Default has occurred, the Secretary of State shall notify the Grant Recipient to that effect in writing, setting out any relevant details pertaining to the Event of Default, and details of any action that the Secretary of State intends to take or has taken. Subject to Paragraphs 25.2, 25.3 and 25.4, the Secretary of State may take any one or more of the following actions in relation to such an Event of Default:

- (A) suspend or terminate the payment of Grant for such period as the Secretary of State shall determine; and/or
- (B) reduce the Maximum Sum in which case the payment of Grant shall thereafter be made in accordance with such reduction and notified to the Grant Recipient; and/or
- (C) require the Grant Recipient to repay the Secretary of State the whole or any part of the total amount of Grant previously paid to the Grant Recipient with interest. Such sums shall be recovered as a civil debt; and/or
- (D) give the Grant Recipient an opportunity to remedy the Event of Default (if remediable) by submitting and, where accepted by the Secretary of State, implementing a Remedial Action Plan (EOD) in accordance with the procedure set out in Paragraphs 25.10 to 25.16; and/or
- (E) terminate the Grant Funding Agreement.

Opportunity for the Grant Recipient to remedy an Event of Default

- 25.10 Where the Grant Recipient is provided with an opportunity to submit a draft Remedial Action Plan, the Grant Recipient shall submit the draft Remedial Action Plan to the Secretary of State for approval, within five (5) Working Days (or such longer period agreed to by the Secretary of State, acting reasonably) of the Grant Recipient receiving notice from the Secretary of State of the opportunity to submit a draft Remedial Action Plan.

- 25.11 The draft Remedial Action Plan shall set out:

- (A) if required pursuant to Paragraph 6.2(D):
 - (i) full details of the area identified by the Secretary of State for improved delivery of the Funded Activities; and
 - (ii) the steps which the Grant Recipient proposes to take to improve the delivery of the Funded Activities including timescales;
- (B) if required pursuant to Paragraph 25.1(II)(ii) or 25.9(D):

- (i) full details of the Event of Default; and
 - (ii) the steps which the Grant Recipient proposes to take to rectify the Event of Default including timescales; and
 - (C) an updated risk register in the form prescribed by the Secretary of State from time to time.
- 25.12 On receipt of the draft Remedial Action Plan and as soon as reasonably practicable thereafter, the Secretary of State shall submit its comments on the draft Remedial Action Plan to the Grant Recipient.
- 25.13 The Secretary of State shall have the right to accept or reject the draft Remedial Action Plan (acting reasonably). If the Secretary of State rejects the draft Remedial Action Plan, the Secretary of State shall confirm, in writing, the reasons why it has rejected the draft Remedial Action Plan and will confirm whether the Grant Recipient is required to submit an amended Remedial Action Plan to the Secretary of State.
- 25.14 If the Secretary of State directs the Grant Recipient to submit an amended draft Remedial Action Plan, the Parties shall agree a timescale for the Grant Recipient to amend the draft Remedial Action Plan to take into account the Secretary of State's reasonable comments.
- 25.15 If the Secretary of State does not (acting reasonably) approve a draft Remedial Action Plan (EOD) the Secretary of State may, at its absolute discretion, exercise any of its rights under Paragraph 25.9. Without otherwise limiting the Secretary of State's ability to not approve a Remedial Action Plan (EOD), the Secretary of State shall be deemed to be acting unreasonably in not approving a Remedial Action Plan (EOD) submitted pursuant to Paragraph 25.1(II)(ii) on the basis of the duration of the remedy period proposed for the relevant Event of Default, if such remedy period is 30 days or less.
- 25.16 Where the Grant Recipient is provided with an opportunity to submit a draft Remedial Action Plan (EOD), the Secretary of State shall not by reason of the occurrence of the relevant Event of Default, exercise its other rights under Paragraph 25.9 unless the Grant Recipient has failed to rectify the default to the reasonable satisfaction of the Secretary of State in accordance with an agreed Remedial Action Plan (EOD).
- 25.17 The Grant Recipient shall inform the Secretary of State immediately in writing, if the Grant Recipient considers that any of the events or circumstances set out in Paragraph 25.1 has occurred.
- 25.18 If an Event of Default occurs after the Grant Recipient has received a Grant payment, the Grant Recipient shall not make any use of such payment until the Secretary of State has authorised continued use of the Grant in writing.
- 25.19 A decision by the Secretary of State to require the Grant Recipient to repay the Grant will be communicated in writing to the Grant Recipient, following which the Grant Recipient shall make such repayment (with interest calculated in accordance with Paragraph 25.20 and/or 25.21) within thirty (30) days of the date on which the Grant Recipient receives such notice or within any later reasonable deadline agreed by the Secretary of State in writing.

- 25.20 Interest on any Grant repayments will be calculated and shall apply from the date of the Grant payment until the date it is repaid by the Grant Recipient, in accordance with the retail prices index (that index being taken as zero per cent. (0%) for any period during which the index is negative).
- 25.21 Where the Grant Recipient fails to repay the Grant by the deadline specified at Paragraph 25.19, further interest on the outstanding sum (inclusive of interest already charged) will accrue after that deadline, at the statutory rate of interest under Section 6 of the Late Payment of Commercial Debts (Interest) Act 1998 or any other rate required by Law in the circumstances if it is higher.
- 25.22 Any failure by the Secretary of State to exercise its rights under the Grant Funding Agreement or any delay in doing so, shall not constitute a waiver of those rights unless the Secretary of State confirms that waiver in writing to the Grant Recipient. Furthermore, any such waiver shall not be taken as a waiver in respect of any other rights that the Secretary of State has available to it under the Grant Funding Agreement.

Change of Control

- 25.23 The Grant Recipient shall notify the Secretary of State immediately in writing as soon as the Grant Recipient is aware (or ought reasonably to be aware) that it is anticipating, undergoing, undergoes or has undergone a Change of Control, provided such notification does not contravene any Law.
- 25.24 The Grant Recipient shall ensure that any notification made pursuant to Paragraph 25.23 shall set out full details of the Change of Control including the circumstances suggesting and/or explaining the Change of Control.
- 25.25 Where the Grant has been awarded to a consortium and the Grant Recipient has entered into a collaboration agreement, the notification required under Paragraph 25.23 shall include any changes to the consortium members as well as the lead Grant Recipient.
- 25.26 Following notification of a Change of Control, subject to Paragraph 25.27 the Secretary of State shall be entitled to exercise its rights under Paragraph 25.9 in the circumstances contemplated by Paragraph 25.1(Y).
- 25.27 The Secretary of State shall not be entitled to exercise its rights under Paragraph 25.9 following a Change of Control where the Secretary of State grants prior written approval to such Change of Control.

26. DISPUTE RESOLUTION

- 26.1 The Parties will use all reasonable endeavours to negotiate in good faith, and settle amicably, any Dispute.
- 26.2 The Grant Recipient and the Secretary of State shall continue to comply with all of their obligations under the Grant Funding Agreement, notwithstanding any Dispute.
- 26.3 All Disputes shall be referred in the first instance for resolution between:
- (A) a Representative nominated by the Secretary of State; and

- (B) the Grant Recipient's chief executive (or equivalent),
- (the "**Senior Representatives**") by the party who wishes to refer the Dispute serving a notice (a "**Dispute Notice**") on the other party stating that it is a referral of a Dispute pursuant to this Paragraph.
- 26.4 If the Senior Representatives of the Parties do not resolve the Dispute within 30 Working Days from the date the Dispute Notice was served, then either Party may refer the Dispute for resolution by an Arbitral Tribunal in accordance with the rules, obligations and procedures set out in Paragraphs 26.5 to 26.13.
- 26.5 Any Dispute referred to arbitration shall be resolved in accordance with the LCIA Arbitration Rules, which rules are to be treated as incorporated by reference into this Paragraph 26.5.
- 26.6 The Arbitral Tribunal shall make its award in writing (the "**Arbitral Award**") and the Parties agree that all final Arbitral Awards shall be binding on the Parties.
- 26.7 No Arbitral Award shall have the effect of amending the Grant Funding Agreement unless expressly permitted pursuant to the Grant Funding Agreement.
- 26.8 The Arbitral Tribunal shall consist of three (3) Arbitrators except where the Parties have agreed in writing that the Arbitral Tribunal shall consist of one (1) Arbitrator (the "**Mutual Appointment Decision**").
- 26.9 If the Arbitral Tribunal is to consist of:
- (A) three (3) Arbitrators, each Party shall nominate one (1) Arbitrator to be appointed by the LCIA as contemplated by the LCIA Arbitration Rules and the third Arbitrator shall be nominated by the Arbitrators nominated by the Parties and shall act as chairman; or
 - (B) one (1) Arbitrator, the Parties shall use reasonable endeavours to agree on the identity of the Arbitrator no later than ten (10) Working Days after the Mutual Appointment Decision, failing which the Arbitrator shall be appointed by the LCIA as contemplated by the LCIA Arbitration Rules.
- 26.10 The seat, or legal place, of any arbitration shall be London.
- 26.11 The language to be used in any arbitral proceedings shall be English.
- 26.12 If:
- (A) any Dispute raises issues which are substantially the same as, connected with or related to issues raised in any dispute or claim relating to or arising out of the GGR Contract (each, a "**Connected Dispute**");
 - (B) the dispute resolution procedure under this Grant Funding Agreement has been commenced in relation to the Dispute; and

- (C) a dispute resolution procedure under the GGR Contract document has been commenced in relation to the Connected Dispute under that contract,

then either Party may request consolidation of those Connected Disputes at any time so that the Connected Disputes shall be determined together and in respect of any Connected Dispute, the Parties consent, pursuant to Article 22.7 and/or Article 22.8 of the LCIA Arbitration Rules (or any equivalent provisions in any version of the LCIA Arbitration Rules that may come into force hereafter), to the consolidation of an arbitration commenced pursuant to the GGR Contract with an arbitration commenced under the relevant Grant Funding Agreement.

- 26.13 Where a Party wishes to consolidate Connected Disputes pursuant to Paragraph 26.12, that Party shall give notice in writing to all of the parties to the Connected Disputes (a "**Consolidation Request**"). A Consolidation Request shall be copied to the Arbitrator(s) of each Connected Dispute at the same time that it is given to the parties to each Connected Dispute, or, to the extent that the Arbitrator(s) have not been appointed at that date, forthwith upon appointment of the Arbitrator(s).

27. LIMITATION OF LIABILITY

- 27.1 The Secretary of State shall not be liable to the Grant Recipient, howsoever arising (including for breach of this Grant Funding Agreement, breach of statutory duty, negligence and/or default) for any Losses, whether direct or indirect, arising out of or in connection with the Grant Recipient carrying out the Funded Activities, the use of the Grant or the withdrawal, withholding or suspension of the Grant.
- 27.2 Subject to Paragraphs 27.1 and 27.6, the Secretary of State's liability under this Grant Funding Agreement, including arising out of or in connection with any breach (including breach of statutory duty), negligence and/or default of the Secretary of State, shall be limited to the total amount of Grant less any Grant amounts previously paid to the Grant Recipient.
- 27.3 The Grant Recipient shall, subject to Paragraphs 27.4 and 27.6, indemnify and hold harmless the Secretary of State, the Department and the Secretary of State's Representatives against all Losses arising out of or in connection with:
- (A) death or personal injury;
 - (B) loss of or damage to property; and
 - (C) third party actions, claims and/or demands brought against the Secretary of State, the Department and the Secretary of State's Representatives,

which may arise in each case out of, or in consequence of, the delivery of the Funded Activities or the performance or non-performance by the Grant Recipient or any of its Representatives of the Grant Recipient's obligations under the Grant Funding Agreement.

- 27.4 Subject to Paragraph 27.5, the maximum aggregate liability of the Grant Recipient to the Secretary of State arising out of or in connection with this Grant Funding Agreement, including in relation to any Event of Default (including for repayment of the whole or any part of the Grant), arising out of or in connection with any breach (including breach of

statutory duty), negligence and/or default of the Grant Recipient, shall not exceed an amount equal to the Maximum Sum.

27.5 The limitation on liability of the Grant Recipient under Paragraph 27.4 shall not apply to any liability of the Grant Recipient arising as a result of or in connection with:

- (A) fraud, crime, fraudulent misrepresentation or corruption by any member of the Group or any of the Grant Recipient's Representatives;
- (B) death or personal injury arising from any member of the Group's or any of the Grant Recipient's Representative's negligence;
- (C) any liability for criminal and/or regulatory penalties or fines which for the avoidance of doubt shall include liability related to any breaches of environmental and/or health and safety Law;
- (D) any wilful default, gross negligence or abandonment of or in respect of this Grant Funding Agreement by the Grant Recipient; and/or
- (E) any interest payable by the Grant Recipient under this Grant Funding Agreement.

27.6 Neither Party shall be liable to the other Party, howsoever arising (including for breach of this Grant Funding Agreement, breach of statutory duty, negligence and/or default) for:

- (A) any Losses to the extent that the same does not arise naturally from the breach or behaviour of the other Party and cannot reasonably be supposed to have been in the contemplation of the Parties at the Commencement Date as the probable result of such breach or behaviour; or
- (B) any special, indirect or consequential loss including any such loss which constitutes loss of use, loss of goodwill, loss of profit or loss of revenue,

in each case incurred by the other Party, provided that this Paragraph 27.6 shall not in any way limit the ability of the Secretary of State to require the Grant Recipient to repay the whole or any part of the Grant with interest pursuant to Paragraph 25.9(C).

27.7 Each Party shall take such steps as are reasonable to mitigate their (and, in the case of the Secretary of State, the Department's and its Representatives') Losses (including any Losses referred to in Paragraph 27.3), provided that this Paragraph 27.6 shall not in any way limit the ability of the Secretary of State to require the Grant Recipient to repay the whole or any part of the Grant with interest pursuant to Paragraph 25.9(C).

28. VAT

28.1 If VAT is held to be chargeable in respect of the Grant Funding Agreement, all payments shall be deemed to be inclusive of all VAT and the Secretary of State shall not be obliged to pay any additional amount by way of VAT.

28.2 All sums or other consideration payable to or provided by the Grant Recipient to the Secretary of State at any time shall be deemed to be exclusive of all VAT payable and where any such sums become payable or due or other consideration is provided, the

Grant Recipient shall at the same time or as the case may be on demand by HMRC in addition to such sums, or other consideration, pay to HMRC all the VAT so payable upon the receipt of a valid VAT invoice.

29. CODE OF CONDUCT FOR GRANT RECIPIENTS AND BRANDING MANUAL

- 29.1 The Grant Recipient acknowledges and agrees that, by signing the Grant Funding Agreement, it shall comply with the Code of Conduct, which includes ensuring that its Representatives undertake their duties relating to the delivery of the Funded Activities in a manner consistent with the principles set out in the Code of Conduct.
- 29.2 The Grant Recipient shall immediately notify the Secretary of State if it becomes aware of any actual or suspected breaches of the principles outlined in the Code of Conduct.
- 29.3 The Grant Recipient acknowledges that a failure to notify the Secretary of State of a breach of the Code of Conduct where the Grant Recipient was aware of such breach may result in the Secretary of State immediately suspending the Grant funding, terminating the Grant Funding Agreement, and taking action to recover some or all of the funds paid to the Grant Recipient as a civil debt in accordance with Paragraph 25.1(EF).
- 29.4 The Grant Recipient shall at all times during and following the end of the Grant Drawdown Period:
 - (A) comply with requirements of the Branding Manual in relation to the Funded Activities; and
 - (B) cease use of the "Funded by UK Government" logo on demand if directed to do so by the Secretary of State.

30. NOTICES

- 30.1 All notices and other communications in relation to this Grant Funding Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, e-mailed, or mailed (first class postage prepaid) to the address of the relevant party, as referred to in the Grant Offer Letter or as otherwise notified in writing. All notices and other communications must be marked for the attention of the contact specified in Paragraph 19 of the Grant Offer Letter. If personally delivered or if e-mailed all such communications shall be deemed to have been given when received (except that if received on a non-working day or after 5.00 pm on any Working Day they shall be deemed received on the next Working Day) and if mailed all such communications shall be deemed to have been given and received on the second Working Day following such mailing.
- 30.2 The contact at the Department will be the Monitoring Officer, specified in Paragraph 19 of the Grant Offer Letter, the contact at the Grant Recipient will be the Approved Signatory.

31. GOVERNING LAW

- 31.1 These Terms and Conditions will be governed by and construed in accordance with the laws of England and Wales.

Annex 1

Parent Company Guarantee

A Grant Funding Agreement will require a Parent Company Guarantee from the Grant Recipient's ultimate parent company as part of the Pre-Acceptance Conditions specified in Paragraph 7 of the Grant Offer Letter. This will specify which parent company is required to provide the guarantee.

The undertaking and guarantee should be written on the guaranteeing parent company's headed paper and accompanied by a certified copy of the Resolution of the Board of Directors from the guaranteeing parent (or the equivalent thereof) authorising the signatory to sign the document and a certificate from the Secretary of **the parent company** that the signature on the document is that of the person so authorised to sign. The guarantee should be executed and delivered by the parent company as a Deed.

Where the guaranteeing parent is incorporated outside England or Wales, the Secretary of State will also require a formal legal opinion from a lawyer duly qualified to practice law in the **country the parent is registered in**. This may be the in-house lawyer of that parent however the undertaking and guarantee should impose upon that parent legally valid and binding obligations in accordance with its terms, enforceable against that parent under the laws of the country it is registered in, to the satisfaction of the Secretary of State.

The Parent Guarantee must be in the following form:

The Secretary of State for Energy Security and Net Zero
Department for Energy Security and Net Zero
3-8 Whitehall Place,
London.
SW1A 2EG

[Date]

[Grant Recipient Name] [Grant Scheme Name] Assistance

In consideration of the Secretary of State for Energy Security and Net Zero (the "Secretary of State") being willing, at our request, to make **[Grant Recipient Name]** an offer of up to [£X (amount in pounds)] under the terms of the Grant Funding Agreement dated **[date of Final Grant Funding Agreement]** under reference [ref] *[Note: This should refer to the Final Grant Funding Agreement and the Guarantee should be dated the same date as the Final Grant Funding Agreement]* or under the terms of any letter relating to the same grant which varies or supersedes that letter (together the "Grant Funding Agreement") **[Guaranteeing Parent Company Name]** hereby undertakes to provide sufficient funds to enable **[Grant Recipient Name]** to perform its obligations and discharge its liabilities in accordance with the terms of the Grant Funding Agreement.

In this guarantee:

"Expiry Date" means the earlier of: (a) the date on which the Guaranteed Obligations have been discharged and paid in full; and (b) the date being five years after the "Start Date" (as such term is defined in the GGR Contract).

"GGR Contract" has the meaning given to that term in the Grant Funding Agreement.

"**Guaranteed Obligations**" means all monies, debts, payments and liabilities of any nature (whether actual or contingent) from time to time due, owing or incurred by or from **[Grant Recipient Name]** to the Secretary of State under the Grant Funding Agreement.

[Guaranteeing Parent Company Name] guarantees to the Secretary of State that, whenever **[Grant Recipient Name]** fails to pay any of the Guaranteed Obligations when due, and fails to remedy such failure within any applicable remedial period specified in the Grant Funding Agreement, **[Guaranteeing Parent Company Name]** shall pay such Guaranteed Obligation to the Secretary of State within fifteen (15) days following first demand by the Secretary of State.

[Guaranteeing Parent Company Name] shall make any payments under this guarantee in full, without any deduction or withholdings whatsoever.

Further, **[Guaranteeing Parent Company Name]** agrees that if any payments due from **[Grant Recipient Name]** under the Grant Funding Agreement are not recoverable from **[Guaranteeing Parent Company Name]** as guarantor or surety for **[Grant Recipient Name]** for any reason whatsoever, those payments shall nevertheless be recoverable from **[Guaranteeing Parent Company Name]** as principal debtor and shall be payable by **[Guaranteeing Parent Company Name]** within fifteen (15) days following first demand by the Secretary of State.

[Guaranteeing Parent Company Name] as principal debtor and as a separate and independent obligation and liability agrees to indemnify and keep indemnified the Secretary of State in full and on demand from and against all and any losses, costs, claims, liabilities, damages, demands, charges and expenses suffered or incurred by the Secretary of State arising out of, or in connection with, any failure of **[Grant Recipient Name]** to perform, discharge and/or pay the Guaranteed Obligations.

[Guaranteeing Parent Company Name] agrees to indemnify and hold harmless the Secretary of State from and against any loss incurred by the Secretary of State as a result of any of the Guaranteed Obligations of **[Grant Recipient Name]** under or pursuant to the Grant Funding Agreement being or becoming void, voidable, unenforceable, invalid, or otherwise ineffective as against **[Grant Recipient Name]** for any reason whatsoever (whether or not known to the Secretary of State), the amount of such loss being an amount which the Secretary of State would otherwise have been entitled to recover from **[Grant Recipient Name]** under the terms of the Grant Funding Agreement.

Any amounts due from **[Guaranteeing Parent Company Name]** shall carry interest at 1.5% above the base rate for the time being of the Bank of England from the date which is fifteen (15) days after the demand for payment by the Secretary of State to the date of payment.

Subject to the terms of this guarantee, **[Guaranteeing Parent Company Name]** shall accept, in the absence of manifest error, a certificate or other document signed by the Secretary of State or on its behalf as conclusive evidence of any Guaranteed Obligation(s) that **[Grant Recipient Name]** has failed to discharge and/or pay under the Grant Funding Agreement.

Any notice, demand or communication to be given under this guarantee shall be in writing and may be delivered by hand or sent by registered post or recorded delivery to **[Guaranteeing**

Parent Company Name] address specified below or such other address as such party designates by written notice to the Secretary of State:

Address: [●]

Attention: [●]

With copy to:

[●]

[Guaranteeing Parent Company Name] confirms that it has not received any security (other than security arising by operation of law) from **[Grant Recipient Name]** for giving this guarantee and that it shall not take any security (other than security arising by operation of law) for its liability under this guarantee for so long as any sums may become payable under the Grant Funding Agreement, without first obtaining written consent from the Secretary of State. If, in contravention of that undertaking, **[Guaranteeing Parent Company Name]** takes any security **[Guaranteeing Parent Company Name]** hold the security and all or any amounts realised by **[Guaranteeing Parent Company Name]** from it on trust for the Secretary of State.

[Guaranteeing Parent Company Name] shall not take any steps to enforce any right or claim against **[Grant Recipient Name]** or any co-guarantor in respect of any monies paid by **[Guaranteeing Parent Company Name]** to the Secretary of State pursuant to this guarantee or any other liabilities between **[Grant Recipient Name]** and **[Guaranteeing Parent Company Name]** unless and until all of the Guaranteed Obligations that the Grant Recipient has failed to discharge and/or pay (both actual and contingent) have been discharged and paid in full.

Subject to the remainder of this paragraph, **[Guaranteeing Parent Company Name]** shall have no further liability under this guarantee following the Expiry Date. Notwithstanding the passing of the Expiry Date, **[Guaranteeing Parent Company Name]** shall, after the Expiry Date, remain liable in respect of any demand made by the Secretary of State pursuant to the terms of this guarantee: (a) which relates to a failure prior to the Expiry Date by **[Grant Recipient Name]** to discharge and/or pay any Guaranteed Obligation; and (b) provided that such demand was notified in writing by the Secretary of State to **[Guaranteeing Parent Company Name]** on or before the Expiry Date.

[Guaranteeing Parent Company Name]'s liability under this guarantee will not be affected by: (a) any concession, time, indulgence or release granted by the Secretary of State to **[Grant Recipient Name]** or any other person, (b) the Secretary of State's failure to take, perfect, enforce or hold unimpaired any security, indemnity or guarantee taken for the Guaranteed Obligations (c) any payment or dealing or anything else (whether by or relating to **[Grant Recipient Name]** **[Guaranteeing Parent Company Name]** or any other person) which would, but for this paragraph, operate to discharge or reduce the Guaranteed Obligations or (d) subject to the above paragraph, any termination, amendment, variation, novation, replacement or supplement of or to any of the Guaranteed Obligations (including without limitation any change in the purpose of, any increase in or extension of, the Guaranteed Obligations).

[Guaranteeing Parent Company Name]'s liability under this guarantee will: (a) not exceed and (b) be subject to the same conditions, defences, limitations and exclusions as, the liability which **[Guaranteeing Parent Company Name]** would have had to the Secretary of State arising out of or in connection with the Grant Funding Agreement or the Guaranteed Obligations, if **[Guaranteeing Parent Company Name]** had been named in the Grant Funding Agreement in place of **[Grant Recipient Name]**. This paragraph will not apply in respect of any interest owing from **[Guaranteeing Parent Company Name]** to the Secretary of State by or in respect of any expenses (including legal fees and taxes) reasonably incurred by the Secretary of State in enforcing this guarantee or in respect of any interest payable on any amounts due from **[Guaranteeing Parent Company Name]** to the Secretary of State under this guarantee.

[Guaranteeing Parent Company Name] shall not transfer, assign, novate or otherwise dispose of any of its rights or obligations under this guarantee without the prior written consent of the Secretary of State (such consent not to be unreasonably withheld or delayed).

This guarantee and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England and Wales. **[Guaranteeing Parent Company Name]** agrees that the courts of England and Wales will have exclusive jurisdiction to hear and settle any dispute which arises in connection with this guarantee, although this shall not limit the right of the Secretary of State to bring proceedings relating to this guarantee against **[Guaranteeing Parent Company Name]** in any other court of competent jurisdiction. **[Guaranteeing Parent Company Name]** irrevocably agree only to bring proceedings in the courts of England and Wales. **[Guaranteeing Parent Company Name]** agrees in connection with proceedings in England and Wales that any writ, judgment or other notice of process shall be sufficiently and effectively served on **[Guaranteeing Parent Company Name]** if delivered to [please insert address for service in UK].

This guarantee shall be in addition to any other guarantee in respect of the Guaranteed Obligations under the Grant Funding Agreement by **[Grant Recipient Name]** signed by **[Guaranteeing Parent Company Name]** that the Secretary of State may hold.

This guarantee shall remain in full force and effect even if **[Guaranteeing Parent Company Name]** or **[Grant Recipient Name]** have merged or amalgamated with another company or if **[Guaranteeing Parent Company Name]** or **[Grant Recipient Name]** have changed their respective constitutional documents.

Any demand or other communication concerning this guarantee should be sent to **[Guaranteeing Parent Company Name]** at its registered office for the time being.

IN WITNESS WHEREOF this guarantee has been executed and delivered as a deed on the date first stated above

Guaranteeing Parent Company

EXECUTED and delivered as a **DEED** by

□

.....

acting by its director/duly appointed attorney

Director/Attorney

in the presence of

Signature:

Print Name:

Address:

Occupation:

Annex 2

Independent Accountant's Report

The Accountant's Report will be paid for by the Grant Recipient. It must be provided on the accountant's headed paper in the format shown in this template.

The accountant should be independent of the Grant Recipient or their parent company and be eligible under Part 42 of the Companies Act 2006 for appointment as a company auditor. Our expectation is that the total aggregate liability of the accountant whether in contract, tort (including negligence) or otherwise to DESNZ alone (i.e., not in total relation to the DESNZ and Grant Recipient together) shall be as set out in the table below:

Amount of Grant being reported in this claim	Proportion of amount	Total cap
Up to £1m	100%	Amount of Grant included in claim
Between £1m and £5m	100% of first £1m and 50% of remainder	£1m + 50% of amount in excess of £1m
Between £5m and £15m	100% of first £1m and 50% of amount between £1m and £5m and 20% of remainder	£3m + 20% of amount in excess of £5m
Above £15m	Negotiate	Negotiate

The Independent Accountant's Report should be in the following format:

[Date]

1. [Name of Accountant] has examined the enclosed claims from **[Grant Recipient Company Name]** (the "Company") for the period from [date] to [date] in accordance with the terms and conditions of the engagement letter dated [date] and the **Grant Funding Agreement** dated [date]. These claims have been prepared by and are the sole responsibility of the directors of the Company.

2. [Name of Accountant] has carried out a reasonable level of assurance assignment by performing the following tests:

- a. [Name of Accountant] has selected a random sample of Eligible Expenditure incurred by value as reported on the claims and traced them to invoices or other supporting documentation and evidence of payment to check that they have been properly incurred and defrayed in accordance with the **Terms and Conditions of the Grant Offer Agreement, (the collective Grant Offer Letter, its Schedules and the Terms and Conditions)**

[Include subparagraph (b) where hire purchase or lease finance forms part of the Eligible Expenditure:

- b. [Name of Accountant] has selected a random sample of [Fixed |Assets] which have been financed by hire purchase or lease finance and confirmed these to relevant hire purchase or lease finance agreements;]

- c. [Name of Accountant] has confirmed the arithmetical accuracy of the schedules relating to the claims and agreed them to the appropriate supporting documentation. [Name of Accountant] has also checked whether the Grant claimed by the Company has been calculated in accordance with the Terms and Conditions of the Grant Offer Agreement.
3. Statement of any errors and reservations/exceptions. [These, if any, should be clearly stated under this paragraph.]
4. Based on the examination as above and subject to the possible financial effect of any reservations or qualifications set out in Paragraph 3, [Name of Accountant] report that based on the findings, in [Name of Accountant's firm] opinion the claims for Grant payment meet the conditions of the Terms and Conditions of the Grant Offer Agreement, (the collective Grant Offer Letter dated [xx xx xx], its Schedules and the Terms and Conditions).
5. [Name of Accountant's firm]: confirm that:
- a. during the period from the commencement of the Investment Period **[date]** to **[date]**² the Company defrayed the cumulative expenditure totals as per the table below for the different types of expenditure that are eligible for grant aid for the Funded Activities in accordance with the Terms and Conditions of the Grant Offer Agreement, (the collective Grant Offer Letter dated [xx xx xx], its Schedules and the Terms and Conditions.)

Expenditure Type for which grant aid is being provided.		Cumulative amount achieved from the commencement of the Investment Period [date] to [date] ³ (excluding VAT).		

- b. according to hire purchase or lease finance agreements seen by [Name of Accountant], that during the period from **[date]** to **[date]** the Company entered into unconditional obligations [hire purchase or lease finance] committing it to further expenditure £[amount] (excluding VAT) on [Assets] for the Funded Activities in accordance with the Terms and Conditions of the Grant Offer Agreement, (the collective Grant Offer Letter dated [xx xx xx], its Schedules and the Terms and Conditions);

² This date will be the date of the last claim made in the financial year.

³ Ibid

- c. the Company has maintained adequate records to enable us to report on this claim and has made available all evidence that was attached to claims made in the period [date] to [date].

6. Our report is prepared solely for the confidential use of the Company and the Department for Energy Security and Net Zero (DESNZ) or any other UK central government department and solely for the purpose of verifying the grant claimed. It may not be relied upon by the Company or DESNZ or any other UK central government department for any other purpose whatsoever. Our report must not be recited or referred to in whole or in part in any other published document without our written permission except where disclosure is required as a result of a statutory obligation. Our report must not be made available, copied or recited to any other party without our express written permission in every case except that the Company or DESNZ or any other UK central government department may disclose the report where it has a statutory obligation to do so. Other than to the Company and, DESNZ or any other UK central government department [Name of Accountant] do not have any duty to any other party to whom this report may be disclosed.

7. The engagement to report on the grant claim is separate from, and unrelated to, the audit of the annual financial statements of the Company and the report relates only to the matters specified and that it does not extend to the grant recipient's annual financial statements taken as a whole.

8. Name and signature of the reporting accountant.

9. Date of the report.

Name for enquiries.

Annex 3

Description of Processing Activities (Independent Controllers)⁴

This Annex shall outline the descriptions of the Processing activities where both Parties under this Grant Funding Agreement are acting as Independent Controllers.

The contact details of the Secretary of State's Data Protection Officer are: DESNZ Data Protection Officer, Department for Energy Security and Net Zero, 3-8 Whitehall Place, London SW1A 2EG [***insert email address***].

Description	Details
Identity of the Independent Controllers	The Parties acknowledge that they are Independent Controllers for the purposes of the Data Protection Legislation in respect of processing Personal Data under this Grant Funding Agreement.
Subject matter of the Processing	Assessing, monitoring, administering and complying with the Grant Funding Agreement
Nature and purposes of the Processing	Processing Personal Data: <ul style="list-style-type: none"> • to exercise rights granted under this Grant Funding Agreement; • to administer the Grant or perform any activities contemplated by this Grant Funding Agreement, including the Funded Activities (as applicable); and • to manage the relationship between the Parties
Type of Personal Data being Processed	<ul style="list-style-type: none"> • Names and contact details of lead contacts at applicant organisations. • Names and contact details of key project personnel. • Names and contact details of other parties which are relevant to the project.
Categories of Data Subject	Data Subject whose Personal Data is shared by the Grant Recipient or the Secretary of State (as applicable) in connection with this Grant Funding Agreement

⁴ The activities described in this Annex will be confirmed prior to finalisation of the GFA terms to ensure these are appropriate having regards to the data flows between the parties.

Description	Details
Protective Measures that the Parties and, where applicable, its Sub-contractors have implemented to protect Personal Data Processed under this Grant Funding Agreement against a breach of security (insofar as that breach of security relates to data) or a Personal Data Breach	As outlined in Paragraph 13.8

Annex 4
Form of Direct Agreement

THE SECRETARY OF STATE FOR ENERGY SECURITY AND NET ZERO

[●]
as [Lender(s)]/[Security Trustee]⁵ and

[●]
as Grant Recipient

DIRECT AGREEMENT
in relation to a Grant Funding Agreement for [*insert
details of the project*]

⁵ Note to draft: Parties to conform to underlying funding arrangements.

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THIS DIRECT AGREEMENT (this "**Deed**") is dated [●] and made as a deed

BETWEEN:

- (1) **THE SECRETARY OF STATE FOR ENERGY SECURITY AND NET ZERO** (the "**Secretary of State**");
- (2) *[[insert name of the lender(s)]* a company incorporated under the laws of [●] whose registered office is [●] and whose company number is [●] [the "**Lender(s)**"; /in its capacity as [agent and] security trustee for and on behalf of the Finance Parties (the "**Security Trustee**"); and]
- (3) *[insert name of the grant recipient]*, a company incorporated under the laws of [England and Wales] whose registered office is [●] and whose company number is [●] (the "**Grant Recipient**")⁶.

BACKGROUND

- (A) The Secretary of State has entered into the Contract with the Grant Recipient.
- (B) It is a condition precedent to the availability of funding under the Facilities Agreement that the Parties enter into this Deed.
- (C) The Parties intend this document to take effect as a deed.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions⁷

In this Deed, unless otherwise defined herein or the context requires otherwise:

"Affected Person" means any direct or indirect shareholder of the Grant Recipient who is able to evidence to the satisfaction of the Secretary of State that if it (or an agent or security trustee on its behalf) has or had the benefit of a Direct Agreement, it is or would be:

- (A) contractually obliged to exercise rights under the relevant Direct Agreement in accordance with the instructions of one (1) or more Lenders (or an agent or security trustee on its or their behalf); or
- (B) party to an agreement regarding the exercise of rights under such Direct Agreement with a person falling within paragraph (A) above;

"Affiliate" means, in relation to a Party, any holding company or subsidiary company of the relevant Party from time to time or any company which is a subsidiary company of a holding company of that Party from time to time (and the expressions "**holding company**" and "**subsidiary**" shall have the meanings respectively ascribed to them by section 1159 of the Companies Act 2006);

"Appointed Representative" means the Representative identified in the Step-In Notice;

⁶ Note to draft: Parties to conform to underlying funding arrangements.
⁷ Note to draft: Definitions to conform to underlying funding arrangements

"Assets" has the meaning given to that term in the Contract;

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

"Contract" means the grant funding agreement dated [●] and made between the Secretary of State and the Grant Recipient in relation to the Funded Activities;

"Contract Default" has the meaning given to **"Event of Default"** in the Contract;

"Control" means, in relation to an entity (the **"controlled entity"**), the ability of another entity (the **"controlling entity"**) to:

- (A) exercise the majority of the voting rights in that entity; or
- (B) having become a direct or indirect shareholder, control the majority of the voting rights in that entity, either alone or pursuant to an agreement with other direct or indirect shareholders; or
- (C) having become a direct or indirect shareholder, appoint or remove a majority of the board of directors in that entity, or
- (D) having become a direct or indirect shareholder, exercise dominant influence or control over that entity.

and **"Controlled"** shall be construed accordingly;

"Event of Default" means any event or circumstance the occurrence of which is treated as an event of default under the Facilities Agreement;

"Facilities Agreement" means the facilities agreement dated [[●]/[on or around the date of this Deed]] between, amongst others, [the lenders named therein,] the [Lender(s)]/[Security Trustee], [the Facility Agent] and the Grant Recipient⁸;

"Facility Agent" means the Facility Agent appointed under the Facilities Agreement⁹;

"Finance Documents" means the Facilities Agreement and the other documents defined as Finance Documents in the Facilities Agreement¹⁰;

"Finance Parties" means the parties with the benefit of security under the Security Documents and **"Finance Party"** means any of them¹¹;

"Finance Party Discharge Date" means the date on which all of the Finance Party Obligations have been fully and irrevocably paid or discharged and no further Finance Party Obligations are capable of becoming outstanding;

"Finance Party Obligations" means any obligations owed to the Finance Parties in connection with the Finance Documents;

"Funded Activities" has the meaning given to that term in the Contract;

⁸ Note to draft: Definition to conform to underlying funding arrangements
⁹ Note to draft: Definition to conform to underlying funding arrangements
¹⁰ Note to draft: Definition to conform to underlying funding arrangements
¹¹ Note to draft: Definition to conform to underlying funding arrangements

"**GGR Contract**" has the meaning given to that term in the Contract;

"**Grant Recipient's Proceeds Account**" means the account held by the Grant Recipient at [●] with the account number [●] and sort code [●] or such other account and bank as the Grant Recipient and the [Lender(s)]/[Security Trustee] may notify to the Secretary of State from time to time;

"**Lender**" means any bank or financial institution (excluding any direct or indirect shareholder of the Grant Recipient) which provides debt financing or refinancing in relation to the Funded Activities;

"**Non-Qualification Event**" [means the Security Trustee ceasing, in respect of the rights afforded to it under this Deed, to act only on behalf of any person who is:

- (A) [a] Lender(s) having the benefit of first ranking security over all or substantially all of the assets of the Grant Recipient (including its rights in respect of the Funded Activities and the Assets and under the Contract) and in whose favour the Grant Recipient has assigned its rights under the Contract in accordance with Paragraph 21.4 (*Permitted assignment*) of the Contract; or
- (B) an Affected Person having the benefit of first ranking security over all or substantially all of the assets of the Grant Recipient (including its rights in respect of the Funded Activities and the Assets and under the Contract) and in whose favour the Grant Recipient has assigned its rights under the Contract or has otherwise created security in respect of any Asset in accordance with Paragraph 21.4 (*Permitted assignment*) of the Contract;

PROVIDED that there shall not be a Non-Qualification Event where a person who previously satisfied sub-paragraph (A) above has become a direct or indirect shareholder solely as a result of the creation or enforcement of a security interest held by them (a "**Security Shareholder**") and who otherwise continues to satisfy sub-paragraph (A) above, unless such Security Shareholder (whether directly or indirectly) has exercised Control over the Grant Recipient for a period of twenty (20) Business Days or more prior to the time of any breach, non-compliance or failure which is or may be the subject of a Secretary of State Enforcement Notice or, having the right, ability or power to do so, fails to prevent any breach, non-compliance or failure which is or may be the subject of a Secretary of State Enforcement Notice.]^{12/}

[means the Lender(s) ceasing, in respect of the rights afforded to [it]/[them] under this Deed, to be [a person who is/ persons who are]:

- (C) Lender(s) having the benefit of first ranking security over all or substantially all of the assets of the Grant Recipient (including its rights in respect of the Funded Activities and the Assets and under the Contract) and in whose favour the Grant Recipient has assigned its rights under the Contract or has otherwise created security in respect of any Asset in accordance with Paragraph 21.4 (*Permitted assignment*) of the Contract,

PROVIDED that there shall not be a Non-Qualification Event where [a person/ the persons] who previously satisfied sub-paragraph (A) above [has/have] become [a] direct or indirect shareholder(s) solely as a result of the creation or enforcement of a security interest held by them (a "**Security Shareholder**") but who otherwise continues to satisfy sub-paragraph (A) above, unless such Security Shareholder (whether directly or indirectly) has exercised Control

¹²

Retain wording in square brackets if there is a Security Trustee.

over the Grant Recipient for a period of twenty (20) Business Days or more prior to the time of any breach, non-compliance or failure which is or may be the subject of a Secretary of State Enforcement Notice or, having the right, ability or power to do so, fails to prevent any breach, non-compliance or failure which is or may be the subject of a Secretary of State Enforcement Notice.]¹³

"Novation Agreement" means a novation agreement entered into pursuant to Clause 9.3 (*Substitution Procedure*) between the Secretary of State, the Grant Recipient and the Substitute substantially in the form set out in Appendix 2 (*Form of Novation Agreement*);

"Novation Date" has the meaning given to that term in Clause 9.3(B) (*Substitution Procedure*);

"Novation Notice" means a notice given by the [Lender]/[Security Trustee] to the Secretary of State pursuant to Clause 9.1 (*Proposed Substitution*) specifying:

- (A) the identity of the proposed Substitute; and
- (B) the Proposed Novation Date;

"NQE Termination Trigger Date" means (as applicable) the date specified in the notice issued to the [Lender(s)]/[Security Trustee] pursuant to Clause 3.4(D)(i) (unless the [Lender(s)]/[Security Trustee] has remedied the failure or non-compliance prior to such date) or the date of a notice delivered to the Secretary of State pursuant to Clause 10.3;

"Parent Company" has the meaning given to that term in the Contract;

"Parent Company Guarantee" has the meaning given to that term in the Contract;

"Party" means a party to this Deed;

"Proposed Novation Date" means the date proposed by the [Lender(s)]/[Security Trustee] in a Novation Notice for the novation to a Substitute of the Grant Recipient's rights and obligations under the Contract;

"Proposed Step-In Date" means the date proposed by the [Lender(s)]/[Security Trustee] in a Step-In Notice upon which the Appointed Representative shall give a Step-In Undertaking as contemplated by Clause 6.2 (*Step-In Undertaking*);

"Representative" means:

- (A) the [Facility Agent], [the Security Trustee] and any Finance Party and/or any of their Affiliates;
- (B) an administrator, administrative receiver, receiver, receiver and manager or any other insolvency official of the Grant Recipient and/or any or all of its assets appointed in connection with the Finance Documents;
- (C) a person directly or indirectly owned or Controlled by [the Facility Agent], [the Security Trustee] and/or the Finance Parties or any of them; or
- (D) any other person approved by the Secretary of State;

¹³

Retain wording in square brackets if there is a Lender but no Security Trustee

"Secretary of State Enforcement Action" means:

- (A) the taking of any action by the Secretary of State pursuant to Paragraphs 25.9(A), 25.9(B), 25.9(C) or 25.9(E) of the Contract, excluding any action arising from the circumstances contemplated by Paragraph 25.1(HH) of the Contract;
- (B) the suspension or withholding (as applicable) by the Secretary of State of payments under or pursuant to the Contract; or
- (C) the commencement by the Secretary of State of any proceedings for, or the petitioning by the Secretary of State for, the winding-up, administration, dissolution or liquidation of the Grant Recipient (or the equivalent procedure under the law of the jurisdiction in which the Grant Recipient is incorporated, domiciled or resident or carries on business or has assets);

"Secretary of State Enforcement Notice" means a notice given by the Secretary of State to the [Lender(s)]/[Security Trustee] specifying the Secretary of State Enforcement Action which the Secretary of State intends to take and, in reasonable detail, the grounds for such intended action;

"Security Documents" means any documents creating or evidencing any existing or future security interest granted by the Grant Recipient to the [Lender(s)]/[Security Trustee] to secure the payment and discharge of any or all Finance Party Obligations;

"Security Shareholder" has the meaning given to that term in the definition **"Non-Qualification Event"**;

"Step-In Date" means the date on which the Appointed Representative gives a Step-In Undertaking to the Secretary of State as contemplated by Clause 6.2 (*Step-In Undertaking*);

"Step-In Decision Period" means a period commencing on the date of receipt by the [Lender(s)]/[Security Trustee] from the Secretary of State of any Secretary of State Enforcement Notice and ending on the first to occur of the Step-In Date, the Novation Date and the date falling one hundred and twenty (120) days after the commencement of the Step-In Decision Period;

"Step-In Notice" has the meaning given to that term in Clause 6.1 (*Step-In Notice*);

"Step-In Period" means the period from the Step-In Date to and including the first to occur of:

- (A) the expiry of the notice period in any notice given under Clause 8 (*Step-Out*);
- (B) the Novation Date;
- (C) the Finance Party Discharge Date; and
- (D) the date of any termination or revocation of the Contract by the Secretary of State in accordance with this Deed and the Contract;

"Step-In Undertaking" means an undertaking substantially in the form set out in Appendix 1 (*Form of Step-In Undertaking*) given by the Appointed Representative;

"Step-Out Date" means the date upon which a Step-In Period ends;

"Step-Out Notice" has the meaning given to that term in Clause 8(A) (*Step-Out*);

"Substitute" means a person nominated by the [Lender(s)]/[Security Trustee] pursuant to Clause 9.1 (*Proposed Substitution*) or Clause 9.2 (*Objection to Substitute*), as the case may be, as the transferee of the Grant Recipient's rights and obligations under the Contract;

"Working Hours" means 09:00 to 17:00 on a Business Day.

1.2 Interpretation

- (A) Unless a contrary indication appears, any reference in this Deed to:
- (i) the **"Secretary of State"**, [the **"Facility Agent"**], [the **"Security Trustee"**], the **"Grant Recipient"**, [any **"Lender"**], [any **"Finance Party"**] or any **"Appointed Representative"** shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
 - (ii) an agreement includes a deed and instrument;
 - (iii) an agreement is a reference to it as amended, supplemented, restated, novated or replaced from time to time;
 - (iv) a provision of law is a reference to that provision as amended, extended or re-enacted and includes all laws and official requirements made under or deriving validity from it;
 - (v) any **"obligation"** of any person under this Deed or any other agreement or document shall be construed as a reference to an obligation expressed to be assumed by or imposed on it under this Deed or, as the case may be, that other agreement or document (and **"due"**, **"owing"** and **"payable"** shall be similarly construed);
 - (vi) a **"Clause"**, **"paragraph"** or **"Annex"** is a reference to a clause or paragraph of, or an Annex to, this Deed;
 - (vii) a **"person"** includes any individual, firm, company, corporation, unincorporated organisation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or any other entity;
 - (viii) time is a reference to time in London, England; and
 - (ix) words in the singular shall be interpreted as including the plural, and *vice versa*.
- (B) The words **"include"** and **"including"** shall be construed without limitation to the generality of the preceding words.
- (C) Headings are for ease of reference only.

2. CONSENT TO SECURITY AND PAYMENT INSTRUCTIONS

2.1 Consent to Security

- (A) The Grant Recipient hereby gives notice to the Secretary of State that, under or pursuant to the Security Documents, the Grant Recipient has assigned or charged by way of security to the [Lender(s)]/[Security Trustee] its rights, title and interest in and to the Contract and/or in respect of the Assets.

- (B) The Secretary of State acknowledges receipt of notice of, and consents to, the grant of the security interests referred to in paragraph (A) above.
- (C) The Secretary of State acknowledges that neither the [Lender(s)]/[Security Trustee] nor any Finance Party shall have any obligations or liabilities to the Secretary of State (whether in place of the Grant Recipient or otherwise) in respect of the Contract as a result of any security interest created under the Security Documents except to the extent that the [Lender(s)]/[Security Trustee] or such Finance Party incur[(s)] such obligations or liabilities pursuant to Clause 6 (*Step-In*), Clause 7 (*Step-In Period*), Clause 8 (*Step-Out*) or Clause 9 (*Novation*).

2.2 No other Security Interests

The Secretary of State confirms that, as at the date of this Deed, it has not received notice of any other security interest granted over the Grant Recipient's rights, title and interest in and to the Contract and/or in respect of the Assets. The Secretary of State agrees to notify the [Lender(s)]/[Security Trustee] as soon as reasonably practicable if it receives any such notice.

2.3 Payment of Monies

- (A) Each of the Grant Recipient and the [Lender(s)]/[Security Trustee] irrevocably authorises and instructs the Secretary of State, and the Secretary of State agrees, to pay the full amount of each sum which it is obliged at any time to pay to the Grant Recipient under or in respect of the Contract (whether before or after termination of the Contract) to the Grant Recipient's Proceeds Account or [, following the occurrence of an Event of Default and at any time thereafter,] to such other account in the United Kingdom that the [Lender(s)]/[Security Trustee] may direct in writing to the Secretary of State on not less than ten (10) Business Days' notice.
- (B) Each payment made in accordance with paragraph (A) above shall constitute a good discharge *pro tanto* of the obligation of the Secretary of State to make the relevant payment to the Grant Recipient.
- (C) The authority and instructions set out in paragraph (A) above shall not be revoked or varied by the Grant Recipient without the prior written consent of the [Lender(s)]/[Security Trustee], copied to the Secretary of State.

2.4 Contract

The Parties acknowledge and agree that the exercise of the rights of the [Lender(s)]/[Security Trustee] or the Appointed Representative, as the case may be (a) under the Contract during the Step-in Period; and (b) in connection with the security interests granted by the Grant Recipient shall not amend, waive or suspend the provisions of the Contract and the rights of the Secretary of State under the Contract, except as expressly set out under this Deed and any Step-In Undertaking.

2.5 Statement as to Event of Default conclusive

The Secretary of State may treat any statement or notice from the [Lender(s)]/[Security Trustee] or the lenders under the Facility Agreement] that an Event of Default has occurred as conclusive evidence of the occurrence of the Event of Default.

3. NOTIFICATION BY SECRETARY OF STATE

3.1 Notification of Default

- (A) The Secretary of State shall, as soon as reasonably practicable, send to the [Lender(s)]/[Security Trustee] a copy of any notice of default under the Contract served by the Secretary of State on the Grant Recipient.
- (B) The Secretary of State shall have no obligation to notify the [Lender(s)]/[Security Trustee] of a default under the Contract where the Secretary of State has not served a notice of default on the Grant Recipient.

3.2 Cure Right

The [Lender(s)]/[Security Trustee] may, at any time outside a Step-In Period, take or procure the taking of any action on behalf of the Grant Recipient in circumstances where:

- (A) the Grant Recipient's failure to take such action would be a breach of the Contract or would be or could reasonably be expected to contribute towards the occurrence of a Contract Default; or
- (B) the Grant Recipient has breached the Contract or a Contract Default has arisen,

and any such action will be deemed to have been taken by the Grant Recipient for the purposes of the Contract and any breach or Contract Default will be cured, remedied or will not arise (as appropriate) if such breach or Contract Default would have been cured or remedied or would not have arisen (as appropriate) if the Grant Recipient had taken such action itself.

3.3 Secretary of State Enforcement Action

Subject to Clause 7.2 (*Secretary of State Enforcement Action during a Step-In Period*), the Secretary of State shall not take any Secretary of State Enforcement Action without first giving a Secretary of State Enforcement Notice to the [Lender(s)]/[Security Trustee].

3.4 Non-Qualification Event

- (A) The [Lender(s)]/[Security Trustee] shall by the fifteenth (15th) Business Day after delivery to the [Lender(s)]/[Security Trustee] of:
 - (i) any Secretary of State Enforcement Notice; or
 - (ii) any notice from the Secretary of State requesting that the [Lender(s)]/[Security Trustee] evidence that a Non-Qualification Event has not taken place,
 (a **"Qualification Demonstration Deadline"**), evidence to the satisfaction of the Secretary of State (acting reasonably) that a Non-Qualification Event has not taken place.
- (B) For the purposes of Clause 3.4(A) unless otherwise agreed by the Secretary of State, the evidence provided shall be:
 - (i) a clear letter to the Secretary of State from the external legal advisors to the [Lender(s)]/[Security Trustee] (the **"NQE Confirmation"**):

- (a) setting out the corporate details of the [Lender(s)]/[Security Trustee] [and all persons for whom the Security Trustee acts in respect of the rights afforded to it under this Deed]¹⁴;
 - (b) [confirming that the Security Trustee acts only, in respect of the rights afforded to it under this Deed, on behalf of the person(s) referred to in paragraphs (A) or (B) of the definition of Non-Qualification Event;]¹⁵
 - (c) [if the Security Trustee acts on behalf of any person who is a direct or indirect shareholder of the Grant Recipient, explaining the basis upon which such person falls within (as applicable) paragraph (B) of the definition of Non-Qualification Event and]¹⁶ confirming whether [such person]¹⁷/[the Lender]¹⁸ is a Security Shareholder and, if so, when they became a Security Shareholder;
 - (d) confirming that the external legal advisors are not aware of a Non-Qualification Event having occurred; and
 - (e) explaining any changes to the Finance Parties, the Finance Documents, the Security Documents[,]/[and/or] the underlying financial arrangements relating or relevant to this Deed [and/or the persons on behalf of whom the Security Trustee is exercising the rights afforded by this Deed]¹⁹ since the last letter provided under this Clause 3.4(B) (or, if no letter has been provided, the date of this Deed) and confirming that: (i) insofar as it is aware having made due and careful enquiry of the [Lender(s)]/[Security Trustee], the Finance Documents and Security Documents are up to date, true, complete and accurate; and (ii) the contents of the NQE Confirmation are a true and accurate reflection of the relevant contents of the Finance Documents and the Security Documents; and
- (ii) a clear letter to the Secretary of State from the [Lender(s)]/[Security Trustee] ("**Further NQE Confirmation**") (signed by a duly authorised senior representative and/or in-house legal advisor) certifying that [insofar as it is aware having made all due and careful enquiry]²⁰:
- (a) a Non-Qualification Event has not occurred;
 - (b) [if the Security Trustee acts on behalf of any person who is a direct or indirect shareholder of the Grant Recipient, whether such person falls within (as applicable) paragraph (B) of the definition of Non-Qualification Event and]²¹ whether [such person]²²/[the Lender]²³ is a Security Shareholder;
 - (c) if a breach, non-compliance or failure has occurred which is or may be the subject of a Secretary of State Enforcement Notice, such breach, non-compliance or failure did not occur more than twenty (20) Business

¹⁴ Words in square brackets to be retained if there is a Security Trustee.
¹⁵ Words in square brackets to be retained if there is a Security Trustee.
¹⁶ Words in square brackets to be retained if there is a Security Trustee.
¹⁷ Words in square brackets to be retained if there is a Security Trustee.
¹⁸ Words in square brackets to be retained in the case of a Lender and no Security Trustee.
¹⁹ Words in square brackets to be retained if there is a Security Trustee.
²⁰ Words in square brackets to be retained only if there is a Security Trustee.
²¹ Words in square brackets to be retained if there is a Security Trustee.
²² Words in square brackets to be retained if there is a Security Trustee.
²³ Words in square brackets to be retained if there is a Lender and no Security Trustee.

Days after the [Lender(s)]/[Security Trustee] became a Security Shareholder who has enforced its Security Documents and Controls the Grant Recipient. In this case, the [Lender(s)]/[Security Trustee] shall also provide an explanation of the situation and information or evidence to support its certification and explanation;

- (d) the Finance Documents and Security Documents are up-to-date, true and complete; and constitute a true, complete, comprehensive and accurate record of the financial arrangements between the parties to them and are not misleading; and
 - (e) the [Lender(s)]/[Security Trustee] has provided all the Finance Documents and Security Documents to its external legal advisor for the purpose of such external legal advisor providing the NQE Confirmation; and
- (iii) if requested by the Secretary of State, up-to-date, complete and accurate copies of the relevant Finance Documents and Security Documents.
- (C) Without limitation of Clause 3.4(B), the Secretary of State may, within ten (10) Business Days of receipt of the NQE Confirmation, Further NQE Confirmation and/or the documentation referred to in Clause 3.4(B)(iii), request clarification of the contents of the NQE Confirmation, Further NQE Confirmation and/or documentation referred to in Clause 3.4(B)(iii). If the [Lender(s)]/[Security Trustee] receives such a request, it shall provide the requested clarification to the Secretary of State within ten (10) Business Days of receipt of the request.
- (D) Where the [Lender(s)]/[Security Trustee]:
 - (i) fails to comply with Clauses 3.4(A), 3.4(B) and/or 3.4(C) and/or if the Finance Documents and/or Security Documents provided under Clause 3.4(C) do not support and/or are inconsistent with or contradict the NQE Confirmation or Further NQE Confirmation,

the Secretary of State may give a notice to the [Lender(s)]/[Security Trustee] that this Deed shall terminate on the date specified in such notice (such date being no earlier than the date falling ten (10) Business Days after the date of such notice), and this Deed shall so terminate pursuant to Clause 10.1, unless, in the case of Clause 3.4(D)(i), in the intervening period the [Lender(s)]/[Security Trustee] has remedied (as applicable) its failure or non-compliance with Clause 3.4(A), 3.4(B) and/or Clause 3.4(C) and/or the failure of the Finance Documents and/or the Security Documents to support or be consistent with the NQE Confirmation, Further NQE Confirmation and/or any contradiction between the Finance Documents and/or Security Documents and the NQE Confirmation and/or Further NQE Confirmation.
- (E) Where the [Lender(s)]/[Security Trustee] complies with Clause 3.4(A) by the Qualification Demonstration Deadline, the Secretary of State shall provide confirmation of such compliance to the [Lender(s)]/[Security Trustee] as soon as reasonably practicable thereafter.

3.5 No Waiver

The provisions of this Clause 3 shall not constitute any waiver as against the Grant Recipient of the grounds for the intended exercise of the Secretary of State's rights to take any Secretary of State Enforcement Action or any of its other rights regarding such Secretary of State

Enforcement Action and the giving of a Secretary of State Enforcement Notice shall not release the Grant Recipient from its obligations or liabilities under the Contract.

4. **NOTIFICATION BY THE [LENDER(S)]/[SECURITY TRUSTEE]**

4.1 **Notice of Event of Default**

The [Lender(s)]/[Security Trustee] shall, as soon as reasonably practicable, send to the Secretary of State a copy of any notice of an Event of Default served by or on behalf of the [Lender(s)]/[Security Trustee] or the lenders under the Facility Agreement] on the Grant Recipient.

4.2 **Notices from the [Lender(s)]/[Security Trustee]**

After receiving notification of an Event of Default from the [Lender(s)]/[Security Trustee], the Secretary of State shall accept as validly given by the Grant Recipient any notices or demands pursuant to and in accordance with the Contract given or made by the [Lender(s)]/[Security Trustee] or Appointed Representative, as the case may be, provided, in each case, such notice or demand would have been validly given had it been given by the Grant Recipient itself. The Grant Recipient consents to the giving of such notices or demands and acknowledges and agrees that the service of such notices or demands by the [Lender(s)]/[Security Trustee] or Appointed Representative, as the case may be, shall not affect the rights and remedies of the Secretary of State under the Contract.

5. **STEP-IN DECISION PERIOD**

5.1 **Suspension of Rights and Remedial Action**

During a Step-In Decision Period the Secretary of State shall not take any Secretary of State Enforcement Action (other than any Secretary of State Enforcement Action taken pursuant to Clause 5.3 (*Revival of Remedies*) in relation to any prior Step-In Decision Period).

5.2 **Statement of Amounts Due**

- (A) As soon as reasonably practicable, and in any event within thirty (30) days, after the commencement of a Step-In Decision Period, the Secretary of State shall give the [Lender(s)]/[Security Trustee] a statement of any amounts owed by the Grant Recipient to the Secretary of State and any outstanding performance obligations of the Grant Recipient under the Contract of which the Secretary of State is aware as at the date of the Secretary of State Enforcement Notice.
- (B) For the avoidance of doubt, a failure by the Secretary of State to include in any such statement an amount owed or a performance obligation outstanding under the Contract shall not limit in any way the obligations or liabilities of the Grant Recipient under the Contract or the obligations or liabilities of the [Lender(s)]/[Security Trustee] or any Appointed Representative or Substitute under or pursuant to this Deed.

5.3 **Revival of Remedies**

If a Secretary of State Enforcement Notice has been given and:

- (A) neither the Step-In Date nor the Novation Date has occurred before expiry of the Step-In Decision Period; or
- (B) the Step-In Date has occurred before expiry of the Step-In Decision Period but a Step-Out Date has subsequently occurred without there being a Novation Date,

the Secretary of State shall be entitled to take Secretary of State Enforcement Action without serving a further Secretary of State Enforcement Notice if the default, event or circumstance in respect of which the Secretary of State gave the Secretary of State Enforcement Notice is subsisting or has not been remedied or cured (whether by the Grant Recipient, [Lender(s)]/[Security Trustee] or any other person).

6. **STEP-IN**

6.1 **Step-In Notice**

- (A) At any time during a Step-In Decision Period, the [Lender(s)]/[Security Trustee] may give notice to the Secretary of State (a "**Step-In Notice**") specifying:
 - (i) the Appointed Representative who will give a Step-In Undertaking to the Secretary of State; and
 - (ii) the Proposed Step-In Date (which shall be a date no earlier than five (5) Business Days after the date of the Step-In Notice).
- (B) The Proposed Step-In Date must fall on or prior to the expiry of the Step-In Decision Period.
- (C) The [Lender(s)]/[Security Trustee] may revoke a Step-In Notice at any time prior to the Step-In Date by notice to the Secretary of State, provided that the relevant Step-In Decision Period shall be deemed to have expired on delivery of such notice to the Secretary of State.

6.2 **Step-In Undertaking**

Unless otherwise agreed by the Secretary of State in its sole and absolute discretion, the [Lender(s)]/[Security Trustee] shall procure that the Appointed Representative gives a Step-In Undertaking to the Secretary of State on the Proposed Step-In Date.

7. **STEP-IN PERIOD**

7.1 **Step-In Period**

During the Step-In Period:

- (A) the Secretary of State shall deal only with the Appointed Representative and not the Grant Recipient and the Secretary of State shall have no liability to the Grant Recipient for compliance with the instructions of the Appointed Representative or the [Lender(s)]/[Security Trustee] in priority to those of the Grant Recipient;
- (B) the Secretary of State agrees that payment by the Appointed Representative to the Secretary of State of any sums due under the Contract, or performance by the Appointed Representative of any other of the Grant Recipient's obligations under the Contract, shall comprise good discharge *pro tanto* of the Grant Recipient's payment and other obligations under the Contract; and
- (C) the Secretary of State shall owe its obligations under the Contract to the Grant Recipient and the Appointed Representative jointly but performance by the Secretary of State in favour of the Appointed Representative alone shall be a good discharge *pro tanto* of its obligations under the Contract.

7.2 **Secretary of State Enforcement Action during a Step-In Period**

- (A) During the Step-In Period, the Secretary of State shall be entitled to take Secretary of State Enforcement Action if:
 - (i) the Appointed Representative breaches the terms of the Step-In Undertaking; and
 - (ii) such breach would, save for the terms of Clause 5.1 (*Suspension of Rights and Remedial Action*), entitle the Secretary of State to take the relevant Secretary of State Enforcement Action under or in connection with the Contract.
- (B) The provisions of Clause 3.3 (*Secretary of State Enforcement Action*) shall not apply to any Secretary of State Enforcement Action taken pursuant to this Clause 7.2.

8. STEP-OUT

- (A) The Appointed Representative or the [Lender(s)]/[Security Trustee] shall give the Secretary of State at least ten (10) Business Days' prior written notice of the date on which the Appointed Representative will step out (a "**Step-Out Notice**").
- (B) Upon the Step-Out Date (howsoever occurring):
 - (i) all of the Appointed Representative's obligations and liabilities to the Secretary of State under the Step-In Undertaking will be cancelled, other than those for which the Appointed Representative is liable under the Step-In Undertaking and which arose or accrued prior to the Step-Out Date;
 - (ii) all of the Appointed Representative's rights against the Secretary of State under the Step-In Undertaking will be cancelled, other than those which arose or accrued prior to the Step-Out Date; and
 - (iii) without prejudice to sub-paragraph (i) above, the Appointed Representative will be released from all obligations and liabilities to the Secretary of State under the Contract and this Deed.
- (C) The Grant Recipient shall continue to be bound by the terms of the Contract notwithstanding the occurrence of the Step-Out Date and the Secretary of State shall continue to be entitled to exercise and enforce all of its rights and remedies under the Contract as against the Grant Recipient.

9. NOVATION

9.1 Proposed Substitution

- (A) Subject to paragraph (B) below, at any time:
 - (i) during a Step-In Decision Period or a Step-In Period; or
 - (ii) during which an Event of Default is subsisting (and the Secretary of State may treat as conclusive evidence that an Event of Default is subsisting any notice served by the [Lender(s)]/[Security Trustee] pursuant to this paragraph (A)),
 the [Lender(s)]/[Security Trustee] may give a Novation Notice to the Secretary of State.
- (B) The [Lender(s)]/[Security Trustee] shall give the Secretary of State not less than fifteen (15) Business Days' prior notice of the Proposed Novation Date.

9.2 Objection to Substitute

The Secretary of State may object to a proposed Substitute if:

- (A) the proposed Substitute is not the same person as the "Emitter" under the GGR Contract or will not be the same person following any novation of the GGR Contract which is currently contemplated; or
- (B) the entry into a Novation Agreement or the Contract with the proposed Substitute would be unenforceable or illegal,

and the Secretary of State gives notice of its objection to the [Lender(s)]/[Security Trustee] within ten (10) Business Days of receipt by the Secretary of State of the Novation Notice, in which case the [Lender(s)]/[Security Trustee] may propose an alternative Substitute.

9.3 Substitution Procedure

- (A) On the Proposed Novation Date or such later date (if any) as the identity of the Substitute is determined pursuant to Clause 9.2 (*Objection to Substitute*) the Secretary of State and the Grant Recipient shall each enter into a Novation Agreement with the Substitute.
- (B) The novation of the Grant Recipient's rights and obligations under the Contract pursuant to a Novation Agreement shall be effective from the date (the "**Novation Date**") which is the latest of the Proposed Novation Date, such later date (if any) as the identity of the Substitute is determined pursuant to Clause 9.2 (*Objection to Substitute*) and the date upon which each of the following conditions is satisfied, namely:
 - (i) the Secretary of State having received, in form and content satisfactory to the Secretary of State (acting reasonably):
 - (a) a certified copy of the constitutional documents and certificate of incorporation and any certificate of incorporation on change of name of the Substitute; and
 - (b) evidence of compliance by the Substitute with "know your customer" or similar identification procedures or checks under all applicable laws and regulations pursuant to the transactions contemplated by the Novation Agreement and the Contract;
 - (ii) the Secretary of State having received a legal opinion addressed to the Secretary of State, in form and content reasonably satisfactory to the Secretary of State, from the legal advisers to the Substitute confirming that the Substitute:
 - (a) is duly formed and validly existing under the laws of the jurisdiction of its formation; and
 - (b) has the power to enter into and perform, and has taken all necessary action to authorise its entry into and performance of the Contract;
 - (iii) the Substitute being or having become the legal and beneficial owner of any Assets, subject only to any third party rights arising by reason of any security interest created or subsisting over or in respect of any Assets;
 - (iv) the Secretary of State having received, in form and content satisfactory to the Secretary of State (acting reasonably):

- (a) written confirmation from the Parent Company that the Parent Company Guarantee shall remain in full force and effect and that the Parent Company will perform all its duties and discharge all its obligations under the Parent Company Guarantee and be bound by all the terms and conditions of the Parent Company Guarantee in every way as if the Substitute were named in the Parent Company Guarantee in place of the Grant Recipient from the date of the Parent Company Guarantee; or
 - (b) a replacement parent company guarantee or such other form of security as may be specified by the Secretary of State.
- (C) The Secretary of State shall notify the [Lender(s)]/[Security Trustee] and the Substitute of the Novation Date as soon as reasonably practicable after it has occurred.
- (D) At the [Lender(s)]/[Security Trustee]'s cost, the Secretary of State shall, subject to and in accordance with Paragraph 21.4 (*Permitted assignment*) of the Contract, enter into a direct agreement with the [Lender(s)]/[Security Trustee] (or such other representative of the lenders lending to such Substitute) and the Substitute on substantially the same terms as this Deed and effective from the Novation Date.
- (E) The Secretary of State shall be entitled to undertake, at the [Lender(s)]/[Security Trustee]'s cost, any due diligence it considers reasonable and appropriate (including engaging an independent and appropriately qualified accountant) when considering whether a replacement parent company guarantee proposed to be provided pursuant to clause 9.3(B)(iv)(b) is satisfactory, with such costs to be paid by the [Lender(s)]/[Security Trustee] within 10 Business Days of a written request from the Secretary of State.

10. DURATION

- 10.1 This Deed shall commence on the date hereof and shall continue in full force and effect until the first to occur of:
 - (A) the Finance Party Discharge Date;
 - (B) expiry of the term of the Contract;
 - (C) the termination or revocation of the Contract (in accordance with the Contract and this Deed); and
 - (D) the NQE Termination Trigger Date,

in each case without prejudice to any accrued rights and obligations arising pursuant to this Deed existing at the date of termination.
- 10.2 The [Lender(s)]/[Security Trustee] shall promptly notify the Secretary of State of the occurrence of the Finance Party Discharge Date.
- 10.3 The [Lender(s)]/[Security Trustee] shall promptly notify the Secretary of State upon becoming aware of the occurrence of a Non-Qualification Event.
- 10.4 The [Lender(s)]/[Security Trustee] shall not exercise any rights under this Deed after becoming aware that a Non-Qualification Event is in operation as at the date when the right to exercise such rights would otherwise have arisen.

11. CHANGES TO PARTIES

11.1 Benefit of Deed

This Deed shall benefit and be binding on the Parties, their respective successors and any permitted assignee or transferee of all or some of a Party's rights and obligations under this Deed.

11.2 Assignment

Save as provided in Clause 9 (*Novation*) or Clause 11.3 (*Assignment by the [Lender(s)]/[Security Trustee]*), neither the [Lender(s)]/[Security Trustee] nor the Grant Recipient may assign, transfer, novate or otherwise dispose of all or any of their respective rights, benefits or obligations under this Deed without the prior consent of the other Parties.

11.3 Assignment by the [Lender(s)]/[Security Trustee]

The [Lender(s)]/[Security Trustee] may assign or transfer [its]/[their respective] rights under this Deed to any successor [Lender(s)]/[Security Trustee] without the consent of the Secretary of State.

11.4 Grant Recipient's Acknowledgement

The Grant Recipient joins in this Deed to acknowledge and consent to the arrangements set out in it and agrees not knowingly to do or omit to do anything that may prevent either of the other Parties from enforcing its rights under this Deed.

12. NOTICES

12.1 Communications in Writing

Any communications to be made pursuant to or in connection with this Deed shall be made in writing and shall be effective only if they are in writing and in English. Faxes are not permitted but email is permitted.

12.2 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 under or in connection with this Deed is as follows:

(A) Secretary of State

Address: [●]

Attention: [●]

(B) [Lender(s)]/[Security Trustee]

Address: [●]

Attention: [●]

(C) Grant Recipient

Address: [●]

Attention: [●]

12.3 **Changes to Notice Details**

A Party may change its notice details on giving notice to the other Party in accordance with this Clause 12 (*Notices*). Such notice shall be effective only from:

- (A) the date specified in such notice (being not less than three (3) Business Days after the date of delivery or deemed delivery of such notice); or
- (B) (if no date is specified in such notice or the date specified is fewer than three (3) Business Days after the date of delivery or deemed delivery of such notice) the date falling three (3) Business Days after the notification has been received.

12.4 **Deemed Delivery**

Any notice given pursuant to or in connection with this Deed shall, in the absence of evidence of earlier receipt, be deemed to have been received:

- (A) if delivered by hand, on the Business Day of delivery or, if delivered on a day other than a Business Day, on the next Business Day after the date of delivery;
- (B) if sent by first class post within the United Kingdom, on the third (3rd) Business Day after the day of posting;
- (C) if sent from one country to another, on the fifth (5th) Business Day after the day of posting; or
- (D) if sent by email, when sent except that an email shall be deemed not to have been sent if the sender receives a delivery failure notification,

provided that any notice given outside Working Hours in the place to which it is addressed (or, in the case of a notice sent by email, the location of the person to whom it is addressed) shall be deemed not to have been given until the start of the next period of Working Hours in such place.

13. **MISCELLANEOUS**

13.1 **Limited Recourse**

Notwithstanding any other provision of this Deed, the liability of the Secretary of State pursuant to this Deed shall be limited to the amount of the "Grant" (as defined in the Contract and as due and payable in accordance with the provisions thereof) outstanding.

13.2 **Amendments**

This Deed may not be amended, waived, supplemented or otherwise varied unless in writing and signed by or on behalf of all of the Parties.

13.3 **Remedies and Waivers**

No failure to exercise, nor any delay in exercising, any power, right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

13.4 **Partial Invalidity**

If, at any time, any provision of this Deed 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.

13.5 **No Partnership**

Neither this Deed nor any other agreement or arrangement of which it forms part, nor the performance by the Parties of their respective obligations under any such agreement or arrangement, shall constitute a partnership between the Parties.

13.6 **Counterparts**

This Deed may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

13.7 **Third Party Beneficiaries**

(A) Save as provided in paragraph (B) below, this Deed is intended for the sole and exclusive benefit of the Parties.

(B) The Contracts (Rights of Third Parties) Act 1999 is expressly excluded save for:

- (i) any rights of any Appointed Representative on and after the issue of a Step-In Undertaking by that Appointed Representative; or
- (ii) any rights of any Substitute on and after any Novation Date under or in connection with Clause 9 (*Novation*),

in each case, as if they were a party to this Deed.

(C) This Deed may be varied in any way and at any time by the Parties without the consent of any third party.

13.8 **Entire Agreement**

This Deed and the Contract constitute the entire agreement between the Parties with respect to the subject matter of this Deed.

13.9 **Effect of this Deed**

(A) The Parties acknowledge and agree that the express or implied terms and conditions of this Deed shall, in the event of any inconsistency or conflict with the express or implied terms and conditions of the Contract, prevail over the relevant terms and conditions of the Contract.

(B) Nothing in this Deed or the arrangements contemplated hereby shall prejudice the rights of any of the Finance Parties under the Finance Documents or any Security Documents or shall be construed as obliging the [Lender(s)]/[Security Trustee] to exercise any of [its]/[their respective] rights under the Security Documents or under this Deed.

14. **GOVERNING LAW AND JURISDICTION**

- (A) This Deed and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with the laws of England.
- (B) The Parties irrevocably agree that the courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligations arising out of or in connection with this Deed).

IN WITNESS WHEREOF this Deed has been duly executed and delivered as a deed on the date stated at the beginning of this Deed.

Secretary of State²⁴

EXECUTED and delivered as a DEED by)
 [THE SECRETARY OF STATE FOR ENERGY)
 SECURITY AND NET ZERO]) [insert]

in the presence of

Signature:

Print Name:

Address:

Occupation:

[Lender]/[Security Trustee]

EXECUTED and delivered as a DEED by)
 [●])
 acting by its director/duly appointed attorney) Director/Attorney

in the presence of

Signature:

Print Name:

Address:

Occupation:

²⁴ Note to draft: execution blocks to be amended as appropriate.

Grant Recipient

EXECUTED and delivered as a **DEED** by)
[●])
 acting by its director/duly appointed attorney) Director/Attorney

in the presence of

Signature:

Print Name:

Address:

Occupation:

Appendix 1
Form of Step-In Undertaking

[From the Appointed Representative]

From: [Appointed Representative]

To: The Secretary of State for Energy Security and Net Zero

[insert address]

For the attention of: [insert contact]

Date: [insert date]

Dear Sir/Madam,

DIRECT AGREEMENT (the "Agreement")

1. In accordance with clause 6 (*Step-In*) of the Agreement, we undertake to you that we will:
 - (a) pay, or procure payment, to you within three (3) Business Days of the date hereof any sum that is due and payable to you by the Grant Recipient but unpaid as of the date hereof;
 - (b) pay, or procure payment, to you any sum which becomes due and payable by the Grant Recipient to you pursuant to the terms of the Contract during the Step-In Period which is not paid by the Grant Recipient on the due date;
 - (c) perform or discharge, or procure the performance or discharge of, all outstanding performance obligations of the Grant Recipient which have arisen or fallen due prior to the date hereof:
 - (i) within ten (10) Business Days of the date hereof; or
 - (ii) if the performance or discharge of any obligation is being disputed pursuant to the provisions of the Contract, within ten (10) Business Days of the same being agreed or finally determined; and
 - (d) perform or discharge, or procure the performance or discharge of, any performance obligations of the Grant Recipient under the Contract which arise during the Step-In Period,

in each case in accordance with and subject to the terms of the Contract as if we were a party to the Contract in place of the Grant Recipient.
2. This Step-In Undertaking may be terminated by the giving of a Step-Out Notice to you in accordance with clause 8 (*Step-Out*) of the Agreement and shall automatically terminate upon the Step-Out Date, save that we shall continue to be liable to you for outstanding obligations and liabilities arising prior to termination in accordance with clause 8(B) (*Step-Out*) of the Agreement.
3. All capitalised terms used in this letter shall have the meanings given them in the Agreement.
4. This Step-In Undertaking and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with the laws of England and the

courts of England shall have exclusive jurisdiction to settle any dispute arising out of or in connection with it.

Yours faithfully,

.....

For and on behalf of

[Appointed Representative]

Appendix 2 Form of Novation Agreement

THIS NOVATION AGREEMENT is dated [●] and made as a deed BETWEEN:

- (1) **THE SECRETARY OF STATE FOR ENERGY SECURITY AND NET ZERO** (the "**Secretary of State**");
- (2) **[insert name and details of the grant recipient]**, a company incorporated under the laws of [England and Wales] whose registered office is [●] and whose company number is [●] (the "**Grant Recipient**"); and
- (3) **[insert name and details of the substitute]**, a company incorporated under the laws of [England and Wales] whose registered office is [●] and whose company number is [●] (the "**Substitute**")

(together referred to as the "**Parties**").

BACKGROUND

- (A) The Grant Recipient, the Secretary of State and the [Lender(s)]/[Security Trustee] have entered into an agreement (the "**Direct Agreement**") dated [●] pursuant to which the [Lender(s)]/[Security Trustee] [has]/[have] the right to require the rights and obligations of the Grant Recipient under the Contract to be novated to a Substitute.
- (B) The Substitute has been identified as the Substitute for the purposes of clause 9 (*Novation*) of the Direct Agreement.
- (C) This is the Novation Agreement referred to in clause 9.3 (*Substitution Procedure*) of the Direct Agreement.

IT IS AGREED as follows:

1. Definitions and Interpretation

Unless a contrary indication appears, words and expressions defined, or defined by reference, in the Direct Agreement have the same meanings in this Agreement.

2. Secretary of State Release and Discharge

With effect from the Novation Date, the Secretary of State releases and discharges the Grant Recipient from all liabilities, duties and obligations of every description, whether deriving from contract, common law, statute or otherwise, whether present or future, actual or contingent, ascertained or disputed, owing to the Secretary of State and arising out of or in respect of the Contract, save for the Grant Recipient's obligations under Paragraph 10 (*Confidentiality*) of the Contract.

3. Grant Recipient Release and Discharge

With effect from the Novation Date, the Grant Recipient releases and discharges the Secretary of State from all liabilities, duties and obligations of every description, whether deriving from contract, common law, statute or otherwise, whether present or future, actual or contingent, ascertained or disputed, owing to the Grant Recipient and arising out of or in respect of the Contract.

4. **Substitute Assumption of Liabilities**

The Substitute undertakes to assume all the liabilities, duties and obligations of the Grant Recipient of every description contained in the Contract, whether deriving from contract, common law, statute or otherwise, whether present or future, actual or contingent, ascertained or unascertained or disputed, and agrees to perform all the duties and to discharge all the liabilities and obligations of the Grant Recipient under the Contract and to be bound by their terms and conditions in every way as if the Substitute were named in the Contract as a party in place of the Grant Recipient from the date of the Contract.

5. **Secretary of State Agreement to Perform**

The Secretary of State agrees to perform all its duties and to discharge all its obligations under the Contract and to be bound by all the terms and conditions of the Contract in every way as if the Substitute were named in the Contract as a party in place of the Grant Recipient from the date of the Contract.

6. **Replacement of Grant Recipient by Substitute**

As from the Novation Date, reference to the Grant Recipient (by whatsoever name known) in the Contract shall be deleted and replaced by reference to the Substitute.

7. **Outstanding Secretary of State Claims**

The Secretary of State shall not take any Secretary of State Enforcement Action by reason of any event notified in a Secretary of State Enforcement Notice or any act or omission by the [Lender(s)]/[Security Trustee], any Appointed Representative and/or the Grant Recipient occurring prior to the Novation Date provided that the foregoing shall be without prejudice to the Secretary of State's remedies (including without limitation the right to take Secretary of State Enforcement Action) in respect of:

- (a) outstanding amounts properly due and payable to the Secretary of State on the Novation Date and which remain unpaid on the expiry of three (3) Business Days' notice from the Secretary of State to the Substitute that such amounts are due and payable; and
- (b) to the extent not covered by paragraph (a) above, any breach of a Step-In Undertaking or the Contract by an Appointed Representative, the Grant Recipient or the [Lender(s)]/[Security Trustee] occurring prior to the Novation Date which has not been remedied upon the expiry of ten (10) Business Days' notice from the Secretary of State to the Substitute that such breach has not been remedied.

8. **Continuance of the Contract**

It is hereby agreed and declared that the Contract shall continue in full force and effect and that, as from the Novation Date, the terms and conditions of the Contract have only changed to the extent set out in this Agreement.

9. **Further Assurance**

The Parties shall perform such further acts and execute and deliver such further documents as may be required by law or reasonably requested by each other to implement the purposes of and to perfect this Agreement.

10. **Contract (Rights of Third Parties) Act 1999**

This Agreement does not create any rights under the Contract (Rights of Third Parties) Act 1999 enforceable by any person who is not a party to it.

11. **Variations**

No variation of this Agreement shall be effective unless it is in writing and is signed by or on behalf of each of the parties to this Agreement.

12. **Notices**

Any notices to be served on the Substitute pursuant to the Contract shall be served in accordance with Paragraph 29 (*Notices*) of the Contract and to:

[insert Substitute contact details]

13. **Counterparts**

This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original but all the counterparts together shall constitute one and the same instrument.

14. **Governing Law and Jurisdiction**

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with the laws of England and the Parties hereby submit to the exclusive jurisdiction of the courts of England.

IN WITNESS WHEREOF this Agreement has been executed and delivered as a deed on the date first stated above²⁵.

²⁵

Note to draft: execution blocks to be amended as appropriate.

Secretary of State

EXECUTED and delivered as a **DEED** by)
[THE SECRETARY OF STATE FOR)
ENERGY SECURITY AND NET ZERO]) [insert]

in the presence of

Signature:

Print Name:

Address:

Occupation:

Grant Recipient

EXECUTED and delivered as a **DEED** by)
 [●])
 acting by its director/duly appointed attorney) Director/Attorney

in the presence of

Signature:

Print Name:

Address:

Occupation:

Substitute

EXECUTED and delivered as a **DEED** by)
[●])
acting by its director/duly appointed attorney) Director/Attorney

in the presence of

Signature:

Print Name:

Address:

Occupation: